

Congress of the United States

Washington, DC 20515

July 31, 2024

The Honorable Thomas R. Carper
Chairman, U.S. Senate Committee on
Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Shelley Moore Capito
Ranking Member, U.S. Senate Committee
on Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Glenn Thompson
Chairman, House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable David Scott
Ranking Member, House Committee on
Agriculture
1010 Longworth House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Chair, House Committee on Energy and
Commerce
2188 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, House Committee on
Energy and Commerce
2107 Rayburn House Office Building
Washington, DC 20515

The Honorable Bruce Westerman
Chairman, House Committee on Natural
Resources
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Raúl Grijalva
Ranking Member, House Committee on
Natural Resources
1324 Longworth House Office Building
Washington, DC 20515

Dear Chair and Ranking Member:

We write to highlight the unintended consequences of portions of the Renewable Fuel Standard (RFS) on independent refiners and to underscore the urgent need for action to protect the livelihoods of workers at such refiners in Pennsylvania, Delaware, and New Jersey. In particular, we urge you to take up the *Safeguarding Domestic Energy Production and Independence Act*, bipartisan, bicameral legislation that will provide relief from the runaway cost of RFS compliance for independent refiners as a result of distorted Renewable Identification Number (RIN) credit prices.

The RFS was created to support U.S. production of homegrown fuels as a means to diversify our national fuel supply and reduce U.S. reliance on imported fuels from foreign nations. While the program has largely succeeded in some areas, such as driving investment in conventional biofuels, the RFS is not serving its original goals in other regards. The cost of RFS compliance

for mid-sized and independent refiners has become unsustainable and is jeopardizing good-paying union jobs.

To comply with the RFS, domestic refiners must purchase and submit credits known as Renewable Identification Numbers to demonstrate the amount of renewable fuel blended into the transportation fuel supply. However, mid-size refiners have limited-to-no blending capabilities and cannot generate nearly enough RINs to meet their annual RFS obligations. On the other hand, since the RFS became law, multi-national oil companies that operate in every part of the supply chain have acquired or built blending distribution terminals and retail chains, giving them outsized control in the RIN market alongside major ethanol producers and even Wall Street. As a result, the RFS unintentionally forces mid-size independent refiners to purchase RIN credits from the Nation's largest oil companies, agribusinesses, and banks at unsustainable prices.

The price of RIN credits has sharply risen in recent years. Some refiners are even spending more on purchasing RIN credits than all other operating costs combined. Because of these uncontrolled price increases, refineries on the East Coast have been closing steadily for the past 20 years, with total refinery capacity in the region decreasing by a third since 2017. High prices and volatility in the RFS program make it nearly impossible for mid-size refiners to engage in economic planning, let alone undertake long-term, major investments in the development of cleaner and more affordable fuels.

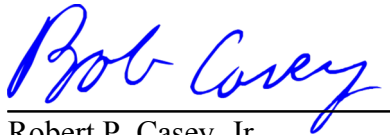
Refineries in the Philadelphia region—including the Monroe refinery in Trainer, Pennsylvania, and PBF refineries in Delaware City, Delaware, and Paulsboro, New Jersey—are struggling under the heavy burden of RFS compliance and costs. These refineries are critical to supporting transportation and commerce through the Philadelphia International Airport, the Ports of Philadelphia and Wilmington, and the entire Northeast corridor. Collectively, these refiners directly employ thousands of hardworking men and women in our energy industry and support the employment of tens of thousands more through the supply chain.

The *Safeguarding Domestic Energy Production and Independence Act* is a targeted solution that will address the specific market failures of the current RFS structure. This bill would help contain some of the extreme volatility and high prices that refiners pay for RIN credits without impacting ethanol consumption. The bill allows the Environmental Protection Agency to sell RIN credits at a stable and reasonable price to refiners only if they cannot obtain RIN credits cost effectively in the marketplace. Furthermore, the revenue generated from the sale of these credits will go to refiners to help them make investments in advanced biofuels, to farmers to support investments in biofuel crops, and to the Habitat and Wildlife Restoration Fund to restore ecosystems where land has been depleted by biofuel crops.

The *Safeguarding Domestic Energy Production and Independence Act* is a commonsense compromise that would support the transition to renewable fuels while restoring long-term certainty for domestic refiners and protecting our energy security, which is why it is supported by dozens of unions, business groups, and the National Wildlife Federation. Therefore, we respectfully request that you raise this bill for consideration by the Committee. Furthermore, should related policies such as changes to E15 fuel sales be considered by the Committee, we request that this measure be considered in tandem.

Thank you for your attention to this matter. I look forward to working with you and your staff on advancing this important priority on behalf of our Nation's energy workers and energy security.

Sincerely,



Robert P. Casey, Jr.
United States Senator



Brian Fitzpatrick
Member of Congress



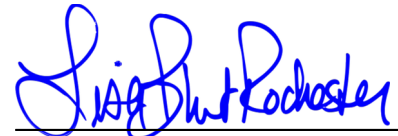
Christopher A. Coons
United States Senator



John Fetterman
United States Senator



Cory A. Booker
United States Senator



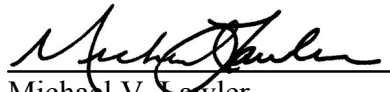
Lisa Blunt Rochester
Member of Congress



Jim Costa
Member of Congress



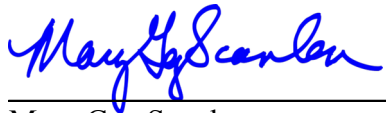
Chrissy Houlahan
Member of Congress



Michael V. Lawler
Member of Congress



Donald Norcross
Member of Congress



Mary Gay Scanlon
Member of Congress