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The Honorable Michael Regan
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

June 3, 2021

Dear Administrator Regan,

On behalf of the more than 9,000 members of the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth, I'm writing to again express our desire to see the Biden Administration take swift and meaningful action to reform the Renewable Fuel Standard (RFS). Such action includes granting the severe economic harm petitions pending before EPA, including from the states of Pennsylvania, Louisiana, Texas, Wyoming, Oklahoma and Utah; issuing Renewable Volume Obligations for 2021 and 2022 that reflect current market conditions that were severely disrupted by the pandemic and associated mitigation measures; and enacting regulatory policy that permits EPA to establish ceilings on unreasonably burdensome RIN credit prices.

As it stands today, the RFS is not operating in a manner that is consistent with Congress's intent, and this is resulting in severe economic harm being borne by independent refiners across the county including the last remaining refineries in the Northeast. Without action soon, these refineries face an uncertain future, the impacts of which will reverberate far and wide, threatening tens of thousands of jobs. As the recent disruptions to the Colonial Pipeline showed, there still is strong demand for oil and gas in the transportation sector and the further loss of refining infrastructure in the Northeast will result in a significant part of the United States population being in a precarious position with respect to fuel security.

The Renewable Fuel Standard, established in 2005 as part of the Energy Policy Act, was well intentioned – to reduce the country's dependence on foreign oil by increasing our usage of a domestically-produced resource. However, the RFS has become tainted by parties that are not involved in fuel production or farming, and on the whole, the RFS is now resulting in more harm than good for both refiners and farmers alike.

The costs to refiners to comply with the RFS have swung wildly, reaching record highs recently and it currently threatens the existence of these vital facilities. The pandemic has only exacerbated the significant financial pressures that independent refiners are facing. Therefore, a bipartisan group of six governors, including Pennsylvania Governor Wolf have submitted petitions to the EPA requesting waivers from RFS volume mandates in an effort to address the severe economic harm the RFS has created.

In Pennsylvania, Monroe Energy's refinery has created and supports thousands of good paying, family sustaining jobs in the tristate region. We know this because a 2012 study by the Pennsylvania Department of Labor and Industry was commissioned following the closure of three refineries the year before. This study found the following:

> *The employment multiplier for these layoffs in southeastern Pennsylvania is substantial. An estimated 18.3 jobs will be lost for each layoff. The employment multipliers in this industry for the state and the nation are 22 jobs and 61 jobs, respectively. In comparison, Iron and Steel Foundries, which has a significant economic tie to several industries, only has a multiplier of 6.5 jobs for Pennsylvania and 12 jobs for the nation.*

Monroe Energy provides significant economic benefits, which reverberate throughout the region, including to blue-collar workers in the skilled trades. High cost RIN credits, which must be procured not in response to market demand but from the dictates of federal energy policy, divert capital from being invested into the economies of the Northeast and as such have created an existential threat to the economic vitality and viability of these refiners. Additionally, it is worth noting that these expenditures have done very little to create actual benefits for the environment as noted by The National Wildlife Federation and others, or to help expand renewable fuel production.

Since Monroe's inception in 2012, the company has reported their costs to comply with the RFS have ballooned uncontrollably. Since that time, Monroe has spent in excess of $800 million dollars on RFS compliance costs. To put this into perspective, the compliance costs over the past two years alone is more than four times the purchase price of the entire company. This financial pressure is not isolated to Monroe Energy; other refiners in the region such as PBF Energy are also experiencing similar pressures.

This is a critical issue, and we are dangerously close to a tipping point. Without a change to the program's current structure, the goals of the program are will not be met and our national and energy security along with tens of thousands of good paying jobs will be at risk. I respectfully urge you to take swift action to reform the RFS before it is too late. The economic livelihoods of thousands of people employed by businesses in our region are depending on it. Thank you for your time and consideration of our request.

Sincerely,

Gene Barr
President and CEO
Pennsylvania Chamber of Business and Industry

CC: Ron Klain, White House Chief of Staff
Brian Deese, Director, National Economic Council
Marty Walsh, Secretary of Labor
Gina McCarthy, National Climate Advisor
Dan Utech, Chief of Staff, EPA
Seth Harris, Senior Advisor Labor Policy
Cedric Richmond, Senior Advisor and Director of Public Engagement
Governor Tom Wolf, Pennsylvania
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