



# EAST COAST CALLS FOR RFS REFORM

Elected officials, organized labor leaders, small businesses, and industry groups throughout Delaware, Pennsylvania and New Jersey are urging the Biden administration to fix the Renewable Fuel Standard (RFS).

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## ELECTED OFFICIALS

**Governor Phil Murphy (D-N.J.):** "I write to respectfully urge you to extend flexibilities to merchant refiners through the renewable volume obligation under the Renewable Fuel Standard (RFS)." *Letter to EPA, June 2021.*

**Pennsylvania Gov. Tom Wolf (D-Pa.):** "I have been attempting to draw attention to this issue since 2017, when I first filed a petition for waiver 'based upon the high cost of compliance with the [RFS] and the impacts these costs have on the continued viability of the oil refining sector in the Northeast, as well as on the local and regional economies.'" ... Since my previous petitions were filed, conditions have continued to deteriorate." *Letter to EPA, February 2021.*

**Senator Pat Toomey (R-Pa.):** "Since 2009, eight refineries have shuttered on the East Coast alone, including the region's largest refinery, Philadelphia Energy Solutions, which closed its doors in 2019. This rash of closures has taken a financial toll on state and local budgets, however, the most devastating consequences has been the thousands of blue collar jobs that have been lost in the process." *Letter to EPA with 12 U.S. senators, March 2021.*

**Senator Bob Casey (D-Pa.):** "Of particular concern is the implementation of the RFS compliance trading system used by EPA, the Renewable Identification Number (RIN) market, which has fluctuated wildly as a result of various market forces....Allowing RIN prices to spike to these levels makes it extraordinarily challenging for refiners to engage in midterm economic planning and budgeting—let alone to attract capital to undertake long-term major investments that create new, high-quality jobs." *Letter to EPA, May 2021.*

**Pennsylvania Congressional Members:** "As evidenced by the recent bankruptcy and closure of the PES refinery in Pennsylvania, current RFS volume obligations and associated RIN costs pose a serious threat to the economic vitality and viability of merchant refiners in our region and across the nation. There are workers, families, and communities that are counting on the economic success of these refineries." *Letter to EPA, February 2021.*

**Delaware Congressional Delegation:** "Uncertainty in the RFS program, coupled with lower biofuel production, lower fuel demand, and higher commodity prices due to the COVID-19 pandemic has led to an extremely volatile RIN market. Today, the market prices for a biodiesel RIN or a corn ethanol RIN are surpassing all-time highs. At the beginning of 2020, the corn ethanol RIN was 15.8 cents, and now it is \$1.30 and climbing. This price volatility creates great difficulties for independent merchant refiners, like the one located in Delaware City, Delaware, to plan and comply with the RFS, especially while grappling with the market effects of COVID-19." *Letter to EPA, March 2021.*

**New Jersey State Senate and General Assembly:** "Over the past year, United States refiners have been devastated by spiking, volatile Renewable Identification Number (RIN) prices under the federal Renewable Fuel Standard (RFS) program and a dramatic reduction in the use of fuel that was triggered by the COVID-19 pandemic. These factors have resulted in a shortage of RINs, and eight refinery closures, throughout the nation." *New Jersey General Assembly resolution, passed unanimously on June 24, 2021 then unanimously by the State Senate on June 30.*



**Pennsylvania State Senate:** “[T]he Senate urge(s) the Biden Administration and the Environmental Protection Agency to set 2021 and 2022 volumes and reform and restructure the RFS program going forward so as to maintain low and stable RINs prices while allowing for blending of renewable fuels consistent with the original intention of the program.” *Senate Resolution 139, adopted by a 47-3 vote on June 25, 2021.*

## ORGANIZED LABOR

**International Brotherhood of Electrical Workers Local 654:** “Many of our members depend on facilities like Monroe Energy for their livelihoods, and for decades, jobs at our local refineries have provided life-changing opportunities for thousands of Local 654 members.” *Letter to EPA, August 2021.*

**Laborers' International Union of North America Local 413:** “The domestic refining industry provides our members with hundreds of high-paying jobs, which in turn allows our union to invest in training, and reinvest in our communities through our charitable and volunteer efforts. When refineries invest in new capital or major maintenance projects, they typically employ an additional 1,000 or more skilled craft workers. But the pandemic has created tremendous challenges for our members, as projects across our region were either put on hold or cancelled altogether. Couple this with wildly volatile and often excessive RIN prices, and many of these facility investments are uncertain.” *Letter to EPA, August 2021.*

**International Union of Painters and Allied Trades District Council 21:** “Local refineries are key partners for our union and regularly provide high-quality work opportunities for our members. Unless significant steps are taken soon, independent refineries in our region and more throughout the country could close their doors forever, creating an economic crisis that will devastate working families and compromise our national fuel security for years to come.” *Letter to EPA, August 2021.*

**United Brotherhood of Carpenters and Joiners of America:** “I write today urging immediate action to prevent RIN prices from becoming the straw that breaks the back of independent American refiners in crisis.” *Letter to President Biden, July 2021.*

**North America's Building Trades Unions:** “If RIN costs do not subside substantially soon, there is the very real possibility that another million barrels per day of refining capacity will be permanently closed. This is concerning at any time, but it's even more so now as we continue to claw our way back from the depths of the pandemic.” *Letter to President Biden, June 2021.*


**United Steelworkers:** “The USW supports complete RFS reform and RIN market regulation. This 15-year-old policy needs reform that relies on available data, considers environmental impact, and puts working people first. Oil will continue to be a fuel important to our economy in the future. Our union wants to prevent bad policy, like the unregulated RIN market, from being a major contributor to the loss of union jobs and the import of product.” *Comments to EPA, February 2021.*

**The International Brotherhood of Boilermakers:** “The domestic refining industry provides our members with thousands of high-paying jobs....However, wildly volatile often excessive RIN prices have curtailed some of these substantial investments, and they have even contributed to at least one refinery bankruptcy in the recent past.” *Letter to EPA, April 2021.*

**Philadelphia, Delaware, and New Jersey Building Trades:** “There is a pressing need for [EPA] to act swiftly in granting petitions that several governors submitted to partially waive the federal Renewable Fuel Standard (RFS) volume mandate in order to prevent severe economic harm throughout the nation, and in the Northeast and Mid-Atlantic regions in particular.” *Letter to EPA, May 2021.*

**Mechanical & Service Contractors Association:** “As refiners struggle to stay afloat among slumping demand and massive financial losses because of the pandemic, RIN prices skyrocketed, climbing from under ten cents at one point last year to over one dollar and thirty recently, a greater than 1500% increase.” *Letter to EPA, April 2021.*

**Delaware County AFL-CIO Council:** “[W]e must take proactive steps to protect these facilities, and the family supporting union jobs they provide, as they are major economic drivers in the northeast...unless something is done soon, this unsustainable trajectory will lead to even more refinery closures.” *Letter to EPA, February 2021.*



**Philadelphia Building and Construction Trades Council:** "If action is not taken soon on Governor Tom Wolf's petition and meaningful reforms to the RFS are not achieved, we fear that the remaining refineries in our region will be gone forever. The economic impact of such an outcome is unthinkable." *Letter to EPA, February 2021.*

**Steamfitters Local Union 420:** "Without a change, our jobs are at risk, our national security is threatened, and the goals of the [RFS] will not be met." *Letter to EPA, February 2021.*

**USW Local 10-234:** "Our members' jobs, their families and our region rely on the economic vitality of the refinery. The severe economic harm that was the basis for the Governor's petition is even more severe today." *Letter to EPA, February 2021.*

**Delaware AFL-CIO and Building & Construction Trades:** "Rather than actually increasing consumption of domestic biofuel and creating union jobs in alternative energy, the RFS has become a tool for doing the exact opposite. This scheme is forcing American refiners that support union labor to subsidize the world's largest oil companies that are currently working against worker's interests. It also subsidizes existing ethanol plans that shun union labor and fight efforts to increase their represented workforce" *Op-ed in the Delaware News Journal, July 2021.*

## SMALL BUSINESSES AND INDUSTRY GROUPS

**Pennsylvania Manufacturers' Association:** "Pennsylvania's manufacturers are concerned, and the EPA should be, too...Manufacturers depend on affordable and reliable energy supply to meet the needs of our vast and complex supply chains and networks. No matter what is being made, manufacturers need energy and energy-based liquids to meet customer demands. At a time when we have realized how fragile our supply chains and distribution networks are because of the COVID-19 pandemic, cyber-terrorism pipeline disruptions, or natural disasters, it should be the priority of the EPA to ensure that our manufacturers, here at home, can ensure full operation." *Letter to EPA, August 2021.*

**The Chemical Industry Council of Delaware:** "The expansion and construction of export refineries in China, India, and the Middle East continues today and these countries will happily displace U.S. refineries and our jobs, certainly a national security concern. We should make it a priority to have those products refined, cleanly and safely in this country – not abroad. The Delaware City, Delaware refinery is one of the last three large refineries that remain in fuel production on the East Coast. It employs over one thousand hardworking Delawareans. Given these realities, it is imperative to act now to ensure domestic fuel supplies and union jobs are not put at continued risk." *Letter to EPA, September 2021.*

**Pittsburgh Airport Area Chamber of Commerce:** "If government fails to do something about the skyrocketing cost of tradable credits that independent refiners need to buy to show RFS compliance, called Renewable Identification Numbers or RINs, refiners supplying needed transportation fuels – including the majority of the fuel to the Pittsburgh Airport – could close. Such a situation could make airlines' recent fuel supply warnings a permanent reality, threatening the economic viability of the entire region." *Letter to EPA, August 2021.*

**African American Chamber of Commerce of Pennsylvania, New Jersey and Delaware:** "The Renewable Fuel Standard is severely broken, and without reform, the ripple effects threaten the livelihoods of countless Americans, but especially those in our region. The local pump supplier, consulting engineers, members of numerous local trade unions will all suffer greatly. The refineries in our region are in crisis, and the time for action is running out. You have the ability to take steps to protect the employers and business owners that are a part of the constituency of the AACC, and the communities where they domicile." *Letter to EPA, August 2021.*

**Pennsylvania Chemistry Industry Council:** "Pennsylvania's chemical industry represents \$24 billion in economic activity and more than 80,000 jobs. Our member companies manufacture chemicals and products that rely on numerous raw material providers and our region's refineries serve as some of their most indispensable partners in this respect...We ask that you work with stakeholders to develop solutions, such as allowing refiners to purchase fixed waiver credits for the ethanol requirement, so these companies may continue to fuel the business of chemistry." *Letter to EPA, August 2021.*

**African American Chamber of Commerce of New Jersey:** "Within the past decade, the Northeast has lost 1.5 million barrels per day – or roughly 70% – of its refining capacity, making our region already more dependent than it should be on imported fuel from foreign countries. The ability to have reliable fuel production capabilities in different regions of the United States is a matter of national and energy security." *Letter to EPA, July 2021.*



**New Castle County Chamber of Commerce:** “Unfortunately, the intended consequences of how the federal Renewable Fuel Standard (RFS) is administered is putting this critical business at risk. While complicated, in short, the program requires merchant refiners like Delaware City to buy tradeable credits called Renewable Identification Numbers, or, ‘RINs,’ from their ‘Big Oil’ competitors and large retailers that control the only point in the supply chain where RINs are generated.” *Letter to EPA, July 2021.*

**Chemistry Council of New Jersey:** “A reasonable solution can be achieved that both promotes the continued use of biofuels in this country while also ensuring that America’s independent refiners can continue to stay in business without the heavy and unnecessary burden forced upon them by the broken RFS program. The refineries in our region are in a crisis, and the time for action is running out.” *Letter to EPA, July 2021.*

**Pennsylvania Chamber of Business and Industry:** “[T]he administration should use the tools at its disposal to provide relief. I urge you to grant the petition or, at a minimum, put in place cost containment measures to control and significantly reduce the cost of RINs.” *Letter to EPA, February 2021.*

**New Jersey Business and Industry:** “We urge [EPA] to grant the waiver requests and set reasonable RFS standards moving forward to protect the businesses and employees who rely on a stable energy system.” *Letter to EPA, June 2021.*

**The Chamber of Commerce Of Greater Philadelphia:** “With the volatility of RIN prices, refineries must spend billions to comply with the mandate, undermining the economic viability of many smaller refineries. For many years, the Monroe Energy Trainer Refinery’s annual RFS compliance costs exceeded what the company paid for its entire facility. Now, climbing RIN prices and depressed fuel demand have made conditions more desperate for small independent refiners like Monroe.” *Letter to EPA, June 2021.*

**The Port of Philadelphia:** “For some time, refiners in our region have been under tremendous financial pressure from the RFS. The current structure of the RFS places the obligation to blend renewable fuels like ethanol on merchant refiners who have little or no control over the amount of renewable fuel that gets blended into the transportation fuels that they produce. These refiners are therefore left with only one option to comply with the RFS: purchase expensive compliance credits known as Renewable Identification Numbers (RINs) regardless of the price.” *Letter to EPA, June 2021.*

**Delaware County Chamber of Commerce:** “The refinery collectively provides millions of dollars of direct tax benefits to local communities, school districts, the County and the Commonwealth ... The current state of the RFS threatens all of these crucial benefits that Monroe and other independent refineries provide to their respective communities.” *Letter to EPA, June 2021.*

**Chamber of Commerce of Southern New Jersey:** “Without action soon to fix the RFS, the last remaining refineries in the Northeast could close their doors forever, taking with them thousands of direct jobs and tens of thousands of indirect jobs at a time when the South Jersey regional economy and CCSNJ members are beginning to recover from the pandemic.” *Letter to EPA, May 2021.*

**Gloucester County Chamber of Commerce:** “The RFS is severely broken, and without reform from the Biden administration, the ripple effects threaten the livelihoods of countless Americans, but especially those in the South Jersey region.” *Op-ed with the Chamber of Commerce of Southern New Jersey in the Courier Post, July 2021.*

**Maritime Exchange for the Delaware River and Bay:** “Due to a number of complex structural problems with the RFS, the price of [RINs] has soared to untenable levels...we hope that the Administration will work to achieve meaningful resolution to this issue before it is too late.” *Letter to EPA, May 2021.*

**The Pilots’ Association for the Bay and River Delaware:** “The RFS is not currently operating as Congress intended; without reform, the livelihoods of thousands of people are at risk, and the economic vitality of the tristate region will suffer significant negative consequences.” *Letter to EPA, May 2021.*

**Vane Brothers Company:** “Monroe Energy and PBF have spent billions on RFS compliance costs in the past decade alone. This is an unsustainable cost that represents an existential threat to the continued existence of these facilities.” *Letter to EPA, May 2021.*