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Congress of the United States
House of Representatives
Washington, DC 20515

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President Joseph R. Biden, Jr.
1600 Pennsylvania Avenue NW
Washington, DC 20500
c/o Office of Legislative Affairs

September 16, 2021

Dear Mr. President:

We write today as members of the Pennsylvania congressional delegation to express our concern for independent refiners. We urge your administration to consider reforms to the Renewable Identification Number credits (RINs) markets to protect the good-paying union jobs provided by Monroe and similar independent refineries.

As you're aware, the Renewable Fuel Standard (RFS) mandates that highway transportation fuels sold domestically contain a minimum volume of renewable fuels, including ethanol. Independent refiners like Monroe Energy Refinery, who have very little control over the amount of renewables blended into gasoline and diesel, must purchase RINs to meet their RFS obligations. While the RFS program is vital to curbing climate change, and the program has been successful at reducing emissions, swings in RINs prices may have had unintended negative impacts on independent refineries.

When the program first began, individual RIN credits were only a few cents. However, RINs are subject to volatile swings in pricing, and the cost of RINs in the past few years has reached as high as \$2.00 a credit. For independent refineries that are required to purchase RINs, RFS compliance costs now run into hundreds of millions of dollars a year, exceeding all other operational costs.

To put this into further context, at current RIN prices, this year the Monroe Energy facility will spend twice as much to comply with the RFS program as it spent to purchase the entire company only ten years ago. This volatility within the current system is why proposals to reform the RFS have received bipartisan support in Congress, as well as from numerous Governors—including Pennsylvania Governor Tom Wolf—and other elected officials from around the country.

We are proponents of the RFS program generally and believe the program has been important to renewable fuel production and farmers in Pennsylvania. However, the contemporary structure tips the scales in favor of some and against the independent refineries that should be a part of the climate change solution.

We urge you to act quickly and address the disproportionately negative financial impact that Pennsylvania's independent refiners are experiencing as a result of the RFS. Specifically, we ask that you consider taking the following actions:

1. Assess the financial challenges faced by independent refiners associated with RFS compliance and consider potential solutions-including: providing the EPA with a stronger hand in stabilizing RINs pricing, studying the drivers of this market volatility and long-term implications for the market and RFS program, improving coordination with other relevant federal agencies that protect against market manipulation, and considering reconfiguring the RFS compliance system to more fairly distribute this obligation across the manufacturing chain, and weighing any other solutions that would provide independent refiners with greater RIN cost containment and price certainty;
2. Recognize the unprecedented economic crisis presented by the COVID-19 pandemic and consider allowing for greater flexibility in repayment of RINs obligations by independent refiners; and,
3. Convene a stakeholder meeting, including representation from organized labor representing workers at refineries, to discuss items 1 and 2 above, as well as other related matters.

This issue has reached a critical junction, and we fear that without action, thousands of good, family-sustaining union jobs could be at risk. We hope we can work with your administration to identify and implement solutions to the problems facing independent refiners across our country.

Sincerely,



Mary Gay Scanlon
Member of Congress, PA-05



Robert P. Casey, Jr.
U.S. Senator, Pennsylvania



Brendan F. Boyle
Member of Congress, PA-02



Dwight Evans
Member of Congress, PA-03



Conor Lamb
Member of Congress, PA-17



Susan Wild
Member of Congress, PA-07



Madeleine Dean
Member of Congress, PA-04

CC: Administrator Michael Regan, Environmental Protection Agency