A RESOLUTION

Urging the United States Environmental Protection Agency to exercise its waiver authority in Clean Air Act Section 211(o)(7)(A)(i) to reduce nationwide Renewable Fuel Standard volume mandates to provide relief to refiners in Pennsylvania, the East Coast and elsewhere and to implement additional reforms going forward which will allow for the blending of renewable fuels consistent with the original intention of the Renewable Fuel Standard program, while containing costs for independent refiners.

WHEREAS, In the last year, spiking Renewable Identification Number (RIN) prices and the dramatic reduction in the use of fuel precipitated by the COVID-19 pandemic have devastated United States refiners, leading to refinery closures across the country; and

WHEREAS, The United States Environmental Protection Agency (EPA) has authority to waive the Renewable Fuel Standard (RFS) program's renewable fuel requirements "in whole or in part" if the EPA Administrator determines that "implementation of the requirement would severely harm the economy" of a "State, a region, or the United States"; and

WHEREAS, Many refineries already struggle with slim margins,
and the RFS program's RIN requirements and the manner in which
the RIN market operates are currently inflicting serious
economic harm on those businesses; and
WHEREAS, Current RFS compliance expenses exceed refineries'
annual labor, utilities and maintenance expenses combined,
making the compliance costs refineries' largest expense other
than crude oil; and
WHEREAS, RINs have dramatically increased from about 14 cents
at the beginning of 2020 to nearly $2.00 today, resulting in
roughly 30 additional cents per gallon to the cost of making
gasoline; and
WHEREAS, The harmful effects of the RFS program are
especially severe in the current market conditions, with the
demand for refined products suppressed by the COVID-19 pandemic
and not expected to fully recover in the near future; and
WHEREAS, The pandemic caused an unprecedented year-over-year
decline in the demand for petroleum and other liquid fuels,
leading to temporary and permanent refinery closures and other
capacity reductions throughout the United States; and
WHEREAS, The United States Department of Energy, Energy
Information Administration (EIA), has shown for several years
that there is no relationship between RIN price and the amount
of ethanol actually blended into the gasoline supply; and
WHEREAS, The EIA recently noted that in 2020, 800 million
fewer RINs were actually generated than what was required to
meet the 2020 RFS standard; and
WHEREAS, According to a study performed by the Commonwealth
of Pennsylvania, each refining job in southeastern Pennsylvania
has a large multiplier effect on the regional and national
economy, supporting an estimated 18.3 jobs in southeastern
Pennsylvania, 22 jobs across this Commonwealth and 61 jobs nationwide, many of which are in the skilled trades; and
WHEREAS, Refining and petrochemical industries contribute approximately $600 billion annually to the national economy and employ over three million industrial workers in 33 states; and
WHEREAS, The recent Colonial Pipeline hacking incident has shown the vulnerability of the nation's energy supply and highlights the need to keep our refineries open; and
WHEREAS, Governor Tom Wolf has already petitioned the EPA to issue a waiver from RFS volume mandates to address the severe economic harm caused by the mandates; therefore be it
RESOLVED, That the House of Representatives urge the United States Environmental Protection Agency to exercise its waiver authority in Clean Air Act Section 211(o)(7)(A)(i) to reduce nationwide Renewable Fuel Standard volume mandates to provide relief to refiners in Pennsylvania, the East Coast and elsewhere and to implement additional reforms going forward which will allow for the blending of renewable fuels consistent with the original intention of the Renewable Fuel Standard program, while containing costs for independent refiners; and be it further
RESOLVED, That the House of Representatives urge 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 RIN prices while allowing for the blending of renewable fuels consistent with the original intention of the program.