

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 139 Session of 2021

INTRODUCED BY MENSCH AND KANE, JUNE 15, 2021

SENATOR YAW, ENVIRONMENTAL RESOURCES AND ENERGY, AS AMENDED, JUNE 23, 2021

A RESOLUTION

1 Urging the United States Environmental Protection Agency (EPA)
2 to exercise the waiver authority in Clean Air Act Section ITS <--
3 AUTHORITY UNDER SECTION 211(o)(7)(A)(i) OF THE CLEAN AIR ACT <--
4 to reduce REVISE THE nationwide Renewable Fuel Standard <--
5 ("RFS") UPDATING volume mandates to provide relief to <--
6 refiners in Pennsylvania, the East Coast and elsewhere, and
7 to implement additional reforms going forward which will
8 allow for the blending of renewable fuels consistent with the
9 original intention of the RFS program, while containing costs
10 for independent refiners.

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

16 WHEREAS, The EPA has authority to waive the RFS program's
17 renewable fuel requirements "in whole or in part" if the EPA
18 Administrator determines that "implementation of the requirement
19 would severely harm the economy" of a State, a region or the
20 United States; and

21 WHEREAS, Many refineries already struggle with slim margins,
22 and the RFS program's RIN requirements, as well as the manner in

1 which the RIN market operates, are currently inflicting serious  
2 economic harm on those businesses; and

3 WHEREAS, Current RFS compliance expenses exceed refineries'  
4 annual costs for labor, utilities and maintenance expenses  
5 combined, making compliance costs the largest expense for a  
6 refinery other than crude oil; and

7 WHEREAS, RINs have dramatically increased from about 14¢ at  
8 the beginning of calendar year 2020 to nearly \$2 today,  
9 resulting in roughly 30 additional cents per gallon to the cost  
10 of making gasoline; and

11 WHEREAS, Harmful effects of the RFS program are especially  
12 severe in current market conditions, with the demand for refined  
13 products suppressed by the COVID-19 pandemic and not expected to  
14 fully recover in the near future; and

15 WHEREAS, The pandemic caused an unprecedented year-over-year  
16 decline in the demand for petroleum and other liquid fuels,  
17 leading to temporary and permanent refinery closures and other  
18 capacity reductions throughout the United States; and

19 WHEREAS, The United States Department of Energy (DOE), Energy  
20 Information Administration (EIA) has shown for several years  
21 that there is no relationship between RIN price and the amount  
22 of ethanol actually blended into the gasoline supply; and

23 WHEREAS, The EIA recently noted that in 2020, 800 million  
24 fewer RINs were actually generated than what was required to  
25 meet the 2020 RFS standard; and

26 WHEREAS, According to a study performed by the Commonwealth,  
27 each refining job in southeastern Pennsylvania has a large  
28 multiplier effect on the regional and national economy,  
29 supporting an estimated 18.3 jobs in southeastern Pennsylvania,  
30 22 jobs across the Commonwealth, and 61 jobs nationwide, many of

1 which are in the skilled-trades; and

2 WHEREAS, Refining and petrochemical industries contribute  
3 approximately \$600 billion annually to the national economy and  
4 employ over 3 million industrial workers in some 33 states; and

5 WHEREAS, The recent Colonial Pipeline hacking incident has  
6 shown the vulnerability of the nation's energy supply and  
7 highlights the need to keep our refineries open; and

8 WHEREAS, Governor Tom Wolf has already petitioned the EPA to  
9 issue a waiver from RFS volume mandates to address the severe  
10 economic harm caused by such mandates; therefore be it

11 RESOLVED, That the Senate OF THE COMMONWEALTH OF PENNSYLVANIA <--  
12 urge the ~~EPA~~ UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA) <--  
13 to exercise ~~the waiver~~ ITS authority under section 211(o)(7)(A) <--  
14 (i) of the Clean Air Act to ~~reduce~~ REVISE THE nationwide <--  
15 Renewable Fuel Standard ("RFS") UPDATING volume mandates to <--  
16 provide relief to refiners in Pennsylvania, THE EAST COAST and <--  
17 elsewhere; and be it further

18 RESOLVED, That the Senate OF THE COMMONWEALTH OF PENNSYLVANIA <--  
19 urge the Biden Administration and the Environmental Protection  
20 Agency to set 2021 and 2022 volumes and reform and restructure  
21 the RFS program going forward so as to maintain low and stable  
22 RINs prices while allowing for blending of renewable fuels  
23 consistent with the original intention of the program.