WASHINGTON, D.C. – AFPM president & CEO Chet Thompson, on behalf of United States refineries, today sent an appeal to new EPA Administrator Michael Regan urging him to take swift action on the Renewable Fuel Standard (RFS) by extending compliance deadlines and setting achievable targets for the current and coming years. The letter from Thompson to Administrator Regan spotlighted the following points:

- COVID-19 brought unprecedented demand destruction for refined petroleum products, causing utilization rates to sink to historic lows and multiple refineries to close.

- Regulatory uncertainty has helped push Renewable Identification Numbers (RIN) prices to near all-time highs, threatening the viability of many refineries.
- The 2020 RFS rule was inflated by an extra 770 million gallons in expectation of small refinery exemptions that have not been awarded. RIN generation from new biofuel blending in 2020 was approximately 800 million gallons short of the requirement.
- If RFS volumetric mandates are not adjusted to account for EIA's projection that 2021 gasoline consumption will be approximately 132 billion gallons, 7.5% lower than pre-pandemic levels, there will not be near enough fuel into which biofuels can be physically blended.

- At a 10% ethanol blend, the market faces a 1.8-billion-gallon shortfall of the implied 15-billion-gallon conventional biofuel target for 2021.
- To bridge the 1.8-billion-gallon gap would require 36 billion gallons of E15 sales this year, meaning E15 would need to account for 27% of gasoline sales this year— an infeasible and exponential increase over current sales complicated by the fact that fewer than 2% of retail stations offer E15.

- There is unlikely to be enough domestic biomass-based diesel to fill the gap.

If EPA does not exercise its statutory authority to intervene and reduce RFS requirements for 2021 and 2022, the RIN bank could be exhausted, placing many refineries in significant difficulty. EPA has long recognized the importance of a sufficient RIN bank to maintain liquidity and control RFS costs. AFPM's letter simply asks EPA to take steps consistent with this position.

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Media Contact:

Ericka Perryman

media@afpm.org

202.457.0480

About AFPM:

The American Fuel & Petrochemical Manufacturers (AFPM) is the leading trade association representing the makers of the fuels that keep us moving, the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer and more sustainable — we make progress.

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