AFPM's Thompson: What is happening in the RIN market isn't normal or sustainable.

A new ad campaign from the American Fuel & Petrochemical Manufacturers (AFPM) spotlights the surging costs and unprecedented impact of biofuel mandates on America's refineries and the need for President Biden to take immediate action to get these costs under control.

Renewable Fuel Standard (RFS) compliance costs are higher in 2021 than they have ever been. If a course correction isn't made by President Biden and EPA Administrator Regan, costs across the refining sector are likely to near $30 billion. Two years ago, costs were $3.6 billion.

AFPM president and CEO Chet Thompson stressed why Renewable Fuel Standard (RFS) costs need to be treated with much more urgency:

> *"What is happening in the RIN market is not normal or sustainable. Washington has gotten so desensitized to soaring RFS prices that policymakers are not paying attention to the very real impacts on U.S. refineries of all sizes and the thousands of men and women—many of whom are unionized workers—employed at these facilities. RFS costs are putting critical U.S. petroleum refining capacity at risk when we can't afford to lose any more.*
>
> *"President Biden and Administrator Regan have tools to provide relief and keep RFS compliance from becoming an even bigger crisis. Through this campaign, we hope to show why their action and leadership are needed."*



2021 has been filled with RFS price volatility.

- **RIN prices set new highs 46 times this year**, eclipsing by 27% the previous all-time D6 RIN record from 2013.

- Ethanol gallons have outpriced wholesale gasoline in **21 out of 27 weeks** this year.
- Amid these prices, some individual refineries faced quarter one (2021) RFS obligations exceeding their entire annual RFS bills from prior years. One Pennsylvania facility had a 2019 RFS bill of $58 million. In just the first three months of 2021, reports say they amassed a $350 million RFS liability.

Even with RIN prices recently dipping from the new highs, the **RFS program remains on a trajectory to amass the single-largest annual cost burden in the program's history**, roughly double the five-year program high set in 2016. Undergirding all of this is the fact that **we could soon run out of RINs**, and RIN bankruptcy is uncharted territory for the RFS.

if(window.strchfSettings === undefined) window.strchfSettings = {};window.strchfSettings.stats = {url: "https://afpm.storychief.io/en/new-campaign-urges-president-biden-to-get-rfs-costs-under-control?id=182502064&type=3",title: "New Campaign Urges President Biden to Get RFS Costs Under Control",id: "bbe3c31b-b2fb-45e9-9758-9d71c459ffb0"};(function(d, s, id) {var js, sjs = d.getElementsByTagName(s)[0];if (d.getElementById(id)) {window.strchf.update(); return;}js = d.createElement(s); js.id = id;js.src = "https://d37oebn0w9ir6a.cloudfront.net/scripts/v0/strchf.js";js.async = true;sjs.parentNode.insertBefore(js, sjs);}(document, 'script', 'storychief-jssdk'))

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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.

Topics

Fuel Policy

Biofuel & Ethanol

Tags

Renewable Fuel Standard (RFS)

Small Refinery Exemption (SRE)

Environmental Protection Agency (EPA)

Renewable Identification Number (RIN)

Ethanol

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Renewable Volume Obligations (RVO)