

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 120 Session of 2021

INTRODUCED BY KIRKLAND, JUNE 24, 2021

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
JUNE 24, 2021

A RESOLUTION

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

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

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

21 WHEREAS, Many refineries already struggle with slim margins,

1 and the RFS program's RIN requirements and the manner in which  
2 the RIN market operates are currently inflicting serious  
3 economic harm on those businesses; and

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

8 WHEREAS, RINs have dramatically increased from about 14 cents  
9 at the beginning of 2020 to nearly \$2.00 today, resulting in  
10 roughly 30 additional cents per gallon to the cost of making  
11 gasoline; and

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

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

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

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

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

1 Pennsylvania, 22 jobs across this Commonwealth and 61 jobs  
2 nationwide, many of which are in the skilled trades; and

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

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

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

12 RESOLVED, That the House of Representatives urge the United  
13 States Environmental Protection Agency to exercise its waiver  
14 authority in Clean Air Act Section 211(o)(7)(A)(i) to reduce  
15 nationwide Renewable Fuel Standard volume mandates to provide  
16 relief to refiners in Pennsylvania, the East Coast and elsewhere  
17 and to implement additional reforms going forward which will  
18 allow for the blending of renewable fuels consistent with the  
19 original intention of the Renewable Fuel Standard program, while  
20 containing costs for independent refiners; and be it further

21 RESOLVED, That the House of Representatives urge the Biden  
22 Administration and the Environmental Protection Agency to set  
23 2021 and 2022 volumes, and reform and restructure the RFS  
24 program going forward, so as to maintain low and stable RIN  
25 prices while allowing for the blending of renewable fuels  
26 consistent with the original intention of the program.