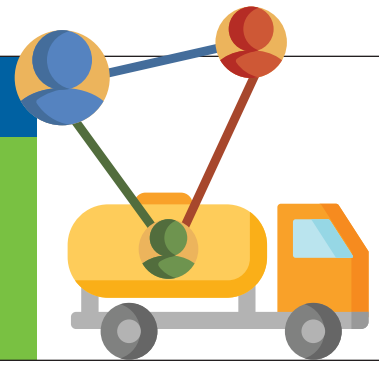


Changing the Point of Obligation



QUICK READ

Changing the point of obligation would **remove the financial incentive for blending biofuel** and yield windfalls for those who have failed to comply with the intent of the RFS, **while punishing those who invested in the infrastructure to comply with the law.**

The Renewable Fuel Standard (RFS) is lowering our dependence on foreign oil, keeping our air clean, and providing consumers with more affordable fuel options that are also good for engine performance.

WHAT IS THE POINT OF OBLIGATION?

The point of obligation is a mechanism under the RFS that ensures higher blends of renewable fuels reach the transportation fuel supply and marketplace. It is working as intended.

WHO ARE THE OBLIGATED PARTIES?

Under the current RFS structure, oil refiners and fuel importers are obligated to blend more renewable fuel into the nation's transportation fuel supply. Retailers and fuel marketers are not obligated and are least equipped to manage such a responsibility.

WHAT ARE RINS?

Renewable Identification Numbers (RINs) allow refiners to track each gallon of biofuel and demonstrate compliance with the law. Some refiners have opted to purchase RINs, enriching their competitors, rather than invest in renewable fuels or the infrastructure to utilize them. Some companies that made a deliberate decision to restrict higher blends are now complaining about the self-imposed costs and requesting a change to the rules, long after they have been set.

WHY WOULD CHANGING THE POINT OBLIGATION BE BAD?

From farmers to refiners, obligated parties have had over 11 years to implement prudent investments under the RFS. Changing the point of obligation would remove the financial incentive for blending biofuel and yield windfalls for those who have failed to comply with the intent of the RFS, while punishing those who invested in the infrastructure to comply with the law. In addition, moving the point of obligation will raise prices on consumers.

If the Environmental Protection Agency (EPA) were to shift the obligation downstream from refiners to blenders at the wholesale or retail level, it would:

1. Undermine an energy policy that has cut oil imports and reduced transportation-related carbon emissions
2. Reward those who have sought to circumvent the law, preventing higher blends from reaching the marketplace
3. Limit fueling options and increase costs for consumers, stifling competition among market participants