EPA RIN MARKET INTERVENTION
MORE HARM THAN GOOD

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America's Ethanol Supporters

WHAT IS A RIN?

A **Renewable Identification Number (RIN)** is a credit that represents a unit of biofuel volume that may be used to meet renewable fuel requirements by so-called "obligated parties" under the Renewable Fuel Standard (RFS). Refiners and fuel importers use these credits to track and demonstrate their compliance with these standards.

To increase flexibility in the RIN market, businesses (including oil refiners and fuel retailers) may blend biofuels and sell surplus credits to obligated parties that have not yet met RFS targets. In this way, the value of a RIN reflects an incentive to invest in the delivery of higher biofuel blends.

WHAT DOES THE EPA PROPOSAL SAY?

At the request of a small subset of oil refineries, the EPA has proposed to:

- Restrict who can buy, sell, or trade RINs
- Require disclosure of larger RIN inventories
- Require stakeholders to sell or submit RINs quarterly, rather than annually

Unfortunately, the EPA's proposal is drafted in a way that tilts the market heavily in favor of merchant oil refiners and away from ethanol producers and fuel retailers that seek to deliver a cleaner, more affordable biofuel blends to consumers.

This would unfairly penalize biofuels producers, retailers, and farmers. It also would undermine the goals of the RFS by discouraging investments in higher ethanol blends.

The current proposal imposes burdensome requirements on many stakeholders while lending an unfair advantage to refiners.

Non Obligated Parties	Non Obligated Parties
Non-Obligated parties like retailers and blenders are required to unload **all** their RINs each quarter.	Worse, obligated parties like refiners may turn in only 80 percent of their RIN obligations during the same period — and they can push off compliance for an entire year.
Fuel retailers and other businesses may separate and sell RINs.	However, **ONLY** refiners and their corporate affiliates may purchase RINs.

BOTTOM LINE

EPA's RIN proposal creates burdensome requirements and an unlevel playing field.

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