

# SUPPORT H.R. 3006 AND S. 1840 THE RFS INTEGRITY ACT OF 2019



The Renewable Fuel Standard (RFS) expands the use of renewable fuels, improves the rural economy, and lowers the price at the pump. However, the U.S. Environmental Protection Agency (EPA) has threatened this program through the radical escalation of small refinery exemptions (SREs), punishing rural America by eliminating markets at a time when growers and producers need them the most.

## BACKGROUND

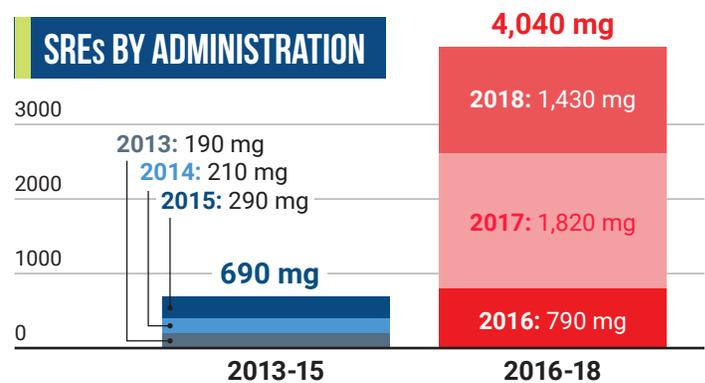
Under the RFS, refiners that process less than 75,000 barrels of petroleum a day are permitted to apply for an SRE that waives their biofuel blending requirements. The law also specifically requires that the refiner prove that their blending obligation is causing them to experience “disproportionate economic hardship.” Unfortunately, in recent years, EPA has failed to follow the law and uphold the integrity of this program.

## PROBLEM

Over the last two years, EPA has granted a record number of SREs,<sup>1</sup> more than quadrupling the number granted in prior years. And due to the secretive, non-public process in which the SREs are being issued, many of the refiners that have reportedly been granted exemptions – such as Chevron and ExxonMobil – are neither “small” nor experiencing disproportionate economic hardship, as the law requires. In fact, the Department of Energy (DoE) admitted that EPA has not followed their recommendation on which refiners qualify for exemptions or partial exemptions, even though multiple EPA officials have said in public Congressional hearings that they follow the DoE’s advice.

Refiners also do not have a deadline for submitting an SRE request, and as a result, EPA is not accounting for exempted gallons to ensure that annual renewable volume obligations (RVOs) are met. EPA’s actions have cut biofuel demand by more than 4 billion gallons and reduced demand for corn<sup>2</sup> by more than 1.4 billion bushels, hitting farmers and rural communities hard.

## SREs BY ADMINISTRATION



## SOLUTION

Co-sponsor the bipartisan RFS Integrity Act of 2019 (H.R. 3006/S. 1840) to bring much-needed transparency to the SRE process and require exempted gallons to be accounted for in the proposed RVOs so annual renewable blending requirements are met in earnest.

## RFS INTEGRITY ACT ...

- ✓ Sets a deadline for refineries to apply for an SRE by June 1 in the year before the RVO is in effect (i.e., June 1, 2020, for the 2021 RVOs), allowing EPA time to ensure exemptions are accounted for in the annual RVO process.
- ✓ Prevents refineries from claiming certain information submitted to obtain an SRE as confidential business information.
- ✓ Increases transparency and gives the public greater insight into the refiners that receive a waiver and why.

<sup>1</sup> EPA  
<sup>2</sup> EPA