NO CORRELATION BETWEEN RINs AND GAS PRICES

growth energy
America's Ethanol Supporters

"We do not believe that the price paid for RINs is a valid indicator of the economic impact of the RFS program on these entities [refiners], since a narrow focus on RIN price ignores the ability for these parties to recover the cost of RINs from the sale of their petroleum products."

— **U.S. Environmental Protection Agency,** November 30, 2017

WHAT IS A RIN? HOW DOES IT WORK?

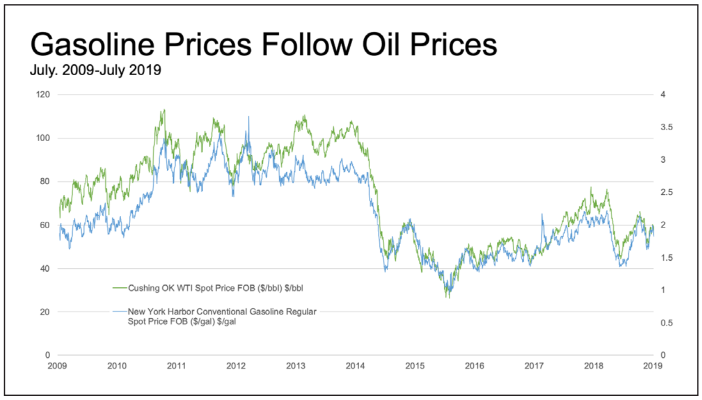
Renewable Identification Numbers, also known as RINs, were created in the mid-2000s at the request of the oil industry as a way for them to reliably comply with the Renewable Fuel Standard (RFS). In other words, RINs are proof of compliance for regulated oil companies to be able to meet the blending requirements set forth under the RFS.

Gallons of ethanol are blended into the US fuel supply and RINs "tickets" attached to those gallons become detached and can be turned in to the Environmental Protection Agency (EPA) to demonstrate that they've met their blending requirements.

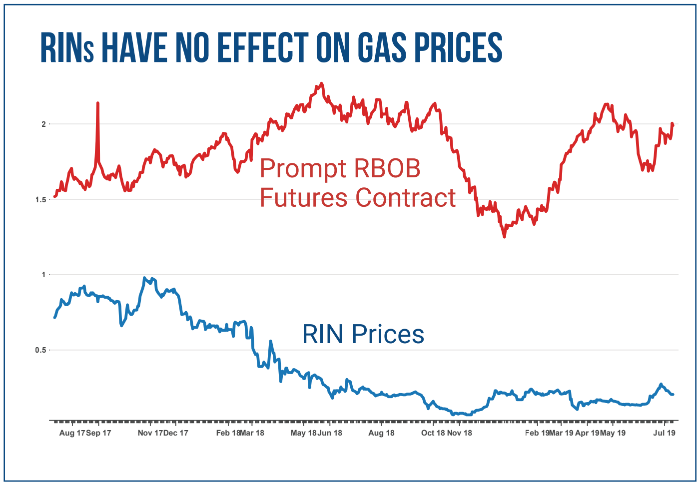
However, some in the vehicle fuel supply chain blend more ethanol than they are required to and can keep a portion of their excess RINs for up to two years, which they can then sell on the market to other refiners who may be unable, or choose not, to meet their blending requirements.

RISE IN RINs DOES NOT EQUAL A RISE IN GAS PRICES

As more RINs are introduced into the market to meet blending obligations, gas prices are not affected. In fact, in 2018 when RIN prices declined throughout the year, gas prices actually surged in the summer months as RINs fell. Real world market data clearly shows that oil prices drive the cost of gasoline, not RINs.



Source: EIA



Source: Bloomberg

Learn more at **GrowthEnergy.org/RINs101**

For more information, visit **GrowthEnergy.org**