

FIXING EPA'S BROKEN PROPOSAL ON SMALL REFINERY EXEMPTIONS

On October 4, President Trump, congressional biofuels champions, USDA Secretary Perdue, and EPA Administrator Wheeler agreed on a plan to address the economic crisis created by the abuse of small refinery exemptions (SREs), which have destroyed demand for more than four billion gallons of biofuel. However, on October 15, EPA released a supplement proposal that betrays the President's promise to ensure that farm families and biofuel producers have the certainty they need to rebuild after three years of demand destruction.

PREVIOUS AGREEMENT BETWEEN CONGRESSIONAL CHAMPIONS AND THE PRESIDENT

On October 4, the White House agreed to account for all exemptions based on a three-year rolling average for all actual gallons exempted, starting with the 2020 renewable volume obligations (RVOs). We were told that the 15 billion gallons required under the Renewable Fuel Standard (RFS) would actually be blended.

EPA'S MISGUIDED ALTERNATIVE: NOT THE SOLUTION RURAL AMERICA NEEDS

Unfortunately, EPA's draft proposal:

- Relies on outdated Department of Energy (DOE) recommendations certain to minimize the volume of biofuels restored to the market.
- Makes it very possible for EPA to annually waive more gallons than they restore – thereby hollowing out the commitment made to rural and farm leaders.

This proposal is a blatant attempt to undercut the President's promise and deviate from any guarantee of 15 billion gallons.

EPA has granted **78%** more exemptions than DOE recommended in the last 3 years

4 billion+ gallons

of biofuel lost due to exemptions granted by EPA

SOURCE: [Docket ID No. EPA-HQ-OAR2019-0136](#)



SOURCE: [Docket ID No. EPA-HQ-OAR2019-0136](#)

THE SOLUTION

EPA must uphold the President's agreement with rural champions, which accounts for all exempted gallons based on the actual volume exempted over the past three years. Additionally, this fix should explicitly apply to future years, not just 2020.