The American Fuel & Petrochemical Manufacturers (AFPM) and American Petroleum Institute (API) sent a new letter to President Trump urging him not to listen to “misinformation and misguided policies” from the ethanol lobby that will result in lost jobs in refining communities and higher gasoline prices for consumers. Increasing Renewable Fuel Standard (RFS) biofuel blending requirements in future years, or removing the small refinery exemptions (SREs) many facilities rely on for protection from economic harm due to biofuel mandates, will not be a solution that is “Great for All.”

“Frankly, these folks are attempting to leverage your legitimate concern for family farmers to convince you to adopt unlawful policies that may, at most, provide a short term benefit to large biofuel producers, but not help small farmers or boost biofuel demand and will substantially hurt small refinery workers as well as the communities and consumers they serve,” AFPM and API leaders wrote President Trump.

Official data from the U.S. Energy Information Administration (EIA) debunks the notion that granting waivers to small refiners diminishes ethanol demand. Any move to reallocate ethanol volumes waived by small refinery exemptions — which media reports indicate is being considered by the President — is unlawful and will require millions of gallons of biofuels to be imported from abroad. As the letter states, this is “hardly an America first energy policy.”

AFPM and API urge the President to remember refinery workers in Pennsylvania, Ohio, Texas, Michigan and elsewhere who are counting on him to protect their jobs.

This letter comes on the heels of another from the CEOs of three top ethanol-producing companies — Marathon Petroleum Corporation, Valero Energy Corporation and Flint Hills Resources — who wrote to President Trump urging him not to increase RFS volumes. The three refiners produce 20 percent of all ethanol in the United States and purchase more than one billion bushels of corn each year.

AFPM President and CEO Chet Thompson stressed to reporters in an August 29th press call that there are solutions that can benefit refiners, farmers and consumers alike. That could entail replacing the RFS with a 95-RON octane specification.

“I don’t think they need to pick a side,” he said of the administration. “They could endorse that [95-RON] policy and, when fully understood, would see this as the honest win-win that the President has been looking for.”

Print as PDF:

Topics

Fuel Policy

Biofuel & Ethanol

Markets & Supply

Tags

Ethanol

Renewable Fuel Standard (RFS)

Small Refinery Exemption (SRE)