A headline in the latest edition of *Convenience Store News* asks, “Can You Make Money on Renewable Fuels?” Based on public comments filed with the Environmental Protection Agency by the National Association of Convenience Stores (NACS), the answer is apparently “not really.”

According to the article, which quotes a number of renewable fuel advocates (and therefore reads like an advertisement for biofuels), “there are literally hundreds of millions of dollars in federal and state grants, credits and tax breaks available to help retailers fund their expansion into these next-generation fuels.”

The problem, according to the public comments filed last year by NACS, is that there is not enough demand for these biofuels, and no amount of government grant money can change that.

According to NACS, their “members’ sole objective is to sell what their customers want to buy … [But] to date, very few retailers that sell mid-high ethanol-gasoline blends such as E15 or E85 have seen substantial sales of these products. Unless there is a substantial increase in consumer demand for higher fuel blends, retailers will naturally be reluctant to make the investments that are necessary in order to sell them.”

NACS went on to describe how significant these investments can be, due to Occupational Safety and Health Administration (OSHA) requirements.

“OSHA regulations require retailers to use equipment that has been listed by a nationally recognized testing laboratory as compatible with the fuel the equipment is storing and dispensing,” NACS wrote. “Dispensers can cost upwards of $20,000 and many retailers are understandably disinclined to dispose of functional and modern dispensers in order to sell a new fuel for which demand is at best uncertain.”

According to the article, Robert White, vice president of industry relations for the Renewable Fuels Association, dismissed concerns about these costs, saying, “Retailers looking to upgrade their current equipment, such as replacing old dispensers with EMV-capable ones, can do so at almost no cost by taking advantage of tax credits and grants available for those adding renewable fuels.”

Considering the concerns raised by NACS in their public comments, it would seem that the operative phrase here is “almost no cost.”

Perhaps the most disconcerting aspect of the piece was the assertion by Jeff Hove, vice president of the Petroleum Marketers and Convenience Stores of Iowa/RINAlliance, that all retailers – “big and small” – can take advantage of the benefits of “playing the RIN” game.

According to a recently released report by EPA’s former Chief of Criminal Investigations Doug Parker, the RIN program is riddled with fraud.

“RINs have essentially become commodities like any other that are traded on a daily basis for millions of dollars,” Parker said in his report. “But unlike traditional commodity markets with market oversight and

participant limits, the RINs market is opaque and was enacted without appropriate safeguards… This level of transparency and market regulation is not present in the RINs market, and the opaqueness of the market is a critical factor that allows criminal conduct to continue."

So to suggest that retailers can make money by "playing the RIN" game is – at best – in poor taste.

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