



AFPM RFS 2023-2025 Public Hearing Testimony

January 10, 2023

Good morning, I am Patrick Kelly, Senior Director, Fuel & Vehicle Policy at the American Fuel and Petrochemical Manufacturers. AFPM is the leading trade association representing refiners of gasoline and diesel that are the RFS obligated parties.

EPA should grant AFPM's request to extend the comment deadline. This multi-year RFS Set proposal, layered with an eRINs proposal, is the most complex since RFS2. Expecting a timely and adequate response from stakeholders is unrealistic. EPA should separate its eRINs proposal and focus instead on finalizing the overdue 2023 & '24 annual standards.

EPA is missing a significant opportunity to align the RFS program with market reality and set a trajectory that provides market certainty. The implied conventional biofuel mandate should be based on a realistic projection of market consumption, and below 15 billion gallons. EPA's continued reliance on advanced biofuels to meet the total renewable fuel category raises the cost of every D6 RIN, imposing unnecessary costs without a corresponding GHG reduction benefit. And EPA has already more than adequately addressed the 2016 remand.

Similarly, the total advanced biofuel volume should be based on a reasonable projection of annual consumption. Many refiners have invested in renewable diesel projects that EPA dismisses due to a potential lack of feedstocks. USDA projects a steady increase in soybean growth and crush capacity through 2031, and in non-soybean feedstock availability.

AFPM has serious concerns with EPA's eRINs proposal. The focus of the program should remain on liquid biofuels and eRINs will discourage investment in the biofuel sector. eRINs inappropriately imposes the cost of reducing carbon emissions in the power sector on the refining industry and American drivers. And proposing to make automakers RIN generators is a clear attempt to siphon capital away from liquid biofuels and to electric vehicles.

Overall, EPA fails to provide the regulatory certainty and program stability that are sorely needed for the RFS. EPA needs to reassess the program and seek to implement program elements that incentivize investment in reducing carbon from liquid transportation fuels in 2026 and beyond.

In summary, AFPM supports reducing the carbon impact of transportation fuels, and the refining sector has made significant investments to reduce carbon emissions. Congress directed EPA to focus on second generation, lower carbon biofuels after 2022. This proposal will stifle advanced biofuels, promote first generation biofuels beyond the market's ability to absorb them, and shift overall program growth away from liquid biofuels and into the power sector. This is completely contrary to how congress envisioned EPA's handling of the program.

Thank you for the opportunity to discuss these issues and I am happy to answer any questions.