



NJ Gasoline, C-Store, Automotive Association
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February 8, 2023

To: Environmental Protection Agency
From: Eric Blomgren, Chief Administrator & Director of Government Affairs
New Jersey Gasoline, Convenience Store, Automotive, Association

Re: FRN 2022-26499

On behalf of the nearly one thousand New Jersey small business owners who serve the motoring public, I am writing today to call for the urgent and immediate action to fix the federal biofuel mandate, the Renewable Fuel Standard (RFS).

The New Jersey Gasoline, C-Store, and Automotive Association (NJGCA) has been proudly representing New Jersey's gas stations, convenience stores and automotive repair shops since 1937. Our members are small businesses that rely on a reliable supply of refined gasoline and other petroleum products, which are supplied by the hardworking men and women of our nation's refineries. As such, our members share concerns that the RFS threatens the longer-term viability of the last few remaining independent refineries on the East Coast.

In order to demonstrate compliance with the RFS, independent refiners must either blend renewables into the fuels that they produce or purchase compliance credits known as Renewable Identification Numbers (RINs). Because most independent refiners - especially those in New Jersey and across the East Coast - lack the necessary infrastructure to partake in large-scale blending, they are forced to purchase these credits, whose costs have skyrocketed in recent years to unsustainable levels. In fact, at today's prices of roughly \$1.71 per credit, RFS obligations would be almost double the purchase price of the Trainer, Pennsylvania, refinery, which supplies fuel to New Jersey.

Without immediate reform, this dire situation puts countless good-paying jobs at risk, causes gas prices to rise even further, and reduces the nation's ability to self-supply with domestic fuels—the exact opposite outcome intended by Congress when the RFS was first signed into law in 2005.

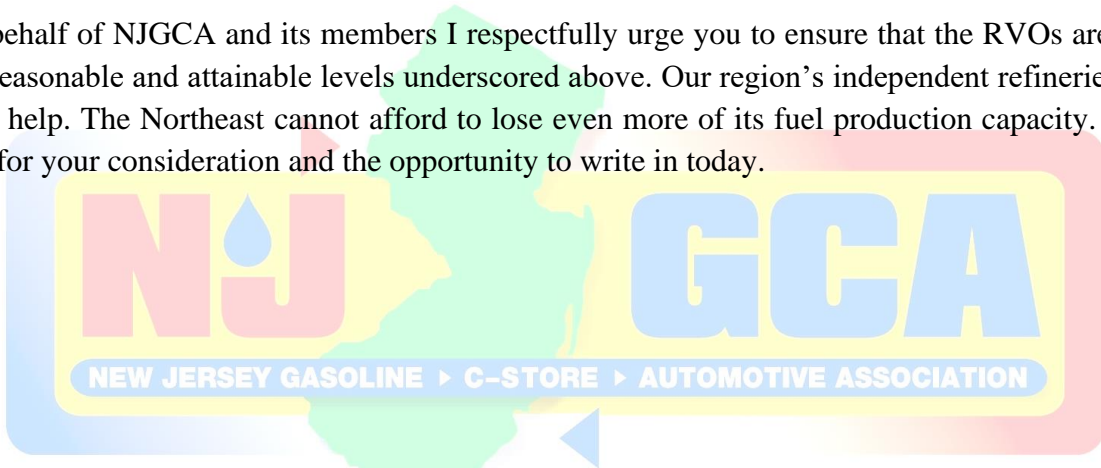
The Northeast has lost 1.5 million barrels per day, or roughly 70 percent, of its refining capacity in the past decade alone. The U.S. should never have to rely on foreign imports to meet its domestic energy demands. Independent refiners have always been critical suppliers of our energy and have long protected our nation's energy security. Additional further closures caused by the flawed RFS would be a devastating blow to our region and national security.

The entire U.S. Congressional delegation from New Jersey along with Governor Phil Murphy, have all agreed in bipartisan fashion that fixing the RFS is a critical issue that requires immediate attention. Today, the Environmental Protection Agency's (EPA's) recently proposed blending volumes under the RFS for 2023-2025 are set significantly higher than what is actually capable of being blended. If finalized, this proposal would cause RIN prices to remain high or even soar further.

Thankfully, there are measures that the EPA can take to protect our nation's independent refining sector and energy security.

Lowering its proposed blend rates to 13.9 billion gallons per year for 2023, 2024, and 2025, to reflect the government's actual projected ethanol demand will signal the market that RINs will not be scarce, bringing their cost down and providing refiners with the relief they require.

On behalf of NJGCA and its members I respectfully urge you to ensure that the RVOs are set at the reasonable and attainable levels underscored above. Our region's independent refineries need your help. The Northeast cannot afford to lose even more of its fuel production capacity. Thank you for your consideration and the opportunity to write in today.



Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Blomgren', is written over the signature line.

Eric Blomgren
NJ Gasoline, C-Store, Automotive Association