United States Senate
WASHINGTON, DC 20510

June 11, 2019

The Honorable Andrew Wheeler
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator Wheeler:

We are extremely concerned about the Environmental Protection Agency's (EPA) recent actions to continue to improperly grant small refinery hardship waivers under the Renewable Fuel Standard (RFS). EPA's continued manipulation and misuse of the small refiner waiver authority is undermining the integrity of the RFS and disadvantaging farmers.

Biofuels are a key pathway toward decarbonizing the transportation sector while lowering gas prices, driving economic growth, and creating jobs. Every gallon of biofuels we use displaces a gallon of oil and cuts carbon emissions. The U.S. Department of Agriculture (USDA) found that first generation biofuels cut greenhouse gas emissions by 43 percent, and Argonne National Lab reports that cellulosic biofuels cut GHG emissions between 70 percent and 126 percent.

Competition also helps to reduce prices, and the gasoline market is no exception. As of June 11, 2019, the price of gas with 10 percent ethanol is 30 cents cheaper than gas without ethanol.

Yet, rather than follow congressional intent in the Renewable Fuel Standard (RFS) and follow through on the promises made to rural America, the EPA and the Administration are providing waivers, in secret, to help some of the largest oil companies and refiners evade their compliance obligations under the Clean Air Act.

Ethanol prices have fallen to their lowest levels in over a decade. Renewable Identification Numbers (RIN) prices are down more than 80 percent as compared to last year, providing massive relief to refiners choosing to buy credits to comply with the RFS rather than produce renewable fuels. In fact, one oil refiner re-allocated its savings from lower RIN prices and purchased three ethanol plants, calling into question why refineries really needed these savings if they were not being used to lower expenses or pay employees.

Since 2017, refinery waivers have increased to the clear benefit of the oil industry. Over the last two years, more than 50 small refinery waivers have been issued, eliminating demand for more than 2.6 billion gallons of biofuels. There are 39 waiver applications currently awaiting action at EPA. If these are granted, it will only exacerbate this problem.

Every waiver granted negatively impacts the rural economy. At a time when farm family incomes are at their lowest levels since 2006, the improper issuance of small refinery waivers is hurting biofuel producers and farmers across the United States. In fact, Secretary of Agriculture Perdue described these waivers as "demand destruction."

Finally, recent news reports indicate that the EPA's proposal to make the names of refineries receiving the exemptions public may be in question due to White House interference in the regulatory process on behalf of refiners.

The small refiner waiver provision was not intended to undermine the RFS to the benefit of the most profitable oil companies in the world. We request that you cease issuing any further small refinery exemptions, immediately reallocate the remaining gallons, and make public the information regarding any recipients of these exemptions. Thank you for your attention to this critical issue.

Sincerely,

Amy Klobuchar
United States Senate

Tammy Duckworth
United States Senate

Mazie K. Hirono
United States Senate

Richard J. Durbin
United States Senate

Tina Smith
United States Senate

Ron Wyden
United States Senate

Michael Bennet
United States Senate

Tammy Baldwin
United States Senate

Jeffrey A. Merkley
United States Senate

Debbie Stabenow
United States Senate

Sherrod Brown
United States Senate

Kirsten Gillibrand
United States Senate