



CITY OF LAKE CRYSTAL

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DAILY READING FILE

May 4, 2020

The Honorable Andrew Wheeler Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 204600

Dear Administrator Wheeler:

As mayors of towns and cities across America, we urge the U.S. Environmental Protection Agency (EPA) to uphold the Renewable Fuel Standard (RFS) and reject any proposed waiver under Section 211(o)(7) of the Clean Air Act. Some of us have already seen our local ethanol plant shutter its doors while others have witnessed their local ethanol plant reduce operations. This is having devastating ripple effects throughout our economy. Such waivers would further damage our communities and the farmers, workers, and families who depend on a vibrant biofuels industry.

The unprecedented, nationwide COVID-19 pandemic is keeping drivers off the road and crashing demand for gasoline and ethanol alike. Grim market conditions for motor fuel is hurting us all as virtually every gallon of gasoline contains at least ten-percent ethanol. More than 70 plants have completely halted production, including recent closures at two of the nation's largest plants in Nebraska and Iowa, another 70 have significantly cut production, and we expect this to worsen. In just two months, more than half of U.S. ethanol production is offline, putting more 350,000 jobs throughout rural America at risk. The biofuels industry is reeling.

The request for waivers is unjustified under the law. Severe economic harm waivers from RFS requirements may only be granted if there is a demonstration of severe economic harm to the economy as a whole is directly caused by the RFS. In reality, refiner market conditions are a result of plummeting demand for gasoline across the country, not compliance with the RFS. Further, the RFS already considers demand reduction by adjusting annual blending volumes to reflect actual motor fuel demand.

Lastly, the claim that higher Renewable Identification Numbers (RIN) prices hurt refiners is wrong. According to EPA's own RIN market analysis study¹ released in 2015, the agency found that merchant refiners are not disadvantaged by higher RIN prices as costs are recovered in the sale of their product.

Our communities depend on the RFS to support commodity prices for our farmers, high-skilled job opportunities for our workers, and reduce harmful pollutants in our air. We ask that the EPA reject unjustifiable RFS waiver requests and protect rural communities.

Sincerely,

Brad Ahrenstorff
Mayor, City of Lake Crystal, Minnesota

¹ U.S. Environmental Protection Agency. (June 10, 2015). *A Preliminary Assessment of RIN Market Dynamics, RIN Prices, and Their Effects*. Author: Dallas Burkholder. Docket Number: EPA-HQ-OAR-2015-0111.

Lake Crystal, Minnesota 56055-0086

UNABLE TO FORWARD FOR REVIEW

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