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From: Williams, Brendan
Sent: Fri 5/26/2017 6:45:50 PM
Subject: DE Governor Letter on RFS POOB
OGO Letter to EPA - Point of Obligation - 5.25.2017.pdf

I hope you are all doing well. I wanted to make sure you received a copy of the attached letter that Governor Carney sent Administrator Pruitt in support of moving the RFS Point of Obligation. I hope you have a great holiday weekend!

Regards,

Brendan Williams

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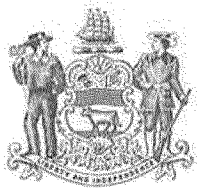
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May 25, 2017

The Honorable Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Mr. Pruitt,

On behalf of the State of Delaware, we appreciate your diligent and thoughtful consideration of the point of obligation of the Renewable Fuel Standards (RFS) Program as it relates to the Renewable Identification Numbers (RINs). It is evident that RINs are a clear and present impediment to the refining industry in Delaware and the Environmental Protection Agency should more fairly transition the point of obligation away from the refineries and, more appropriately, to where the RIN is generated.

Due to Delaware's central location in the Mid-Atlantic, between major cities like New York, Philadelphia, Baltimore and Washington, D.C., and its proximity to major shipping lines in the waters off the eastern seaboard, our refining industry has been a steady and reliable source of jobs in Delaware. We have seen the refinery make major investments in creating a safer, cleaner and more community friendly industry. Without their presence here, hundreds of Delawareans would be without a job.

These jobs may be in jeopardy, in part, because of compliance costs associated with RINs, but also because of the competitive nature of oil exports and other market forces. Without your help, refineries across America may be forced to make some difficult decisions. Here in Delaware, job losses would be real, which would have a detrimental effect on our entire economy. I believe that it would be in our national interest to continue to support refinery jobs, especially those in the northeast.

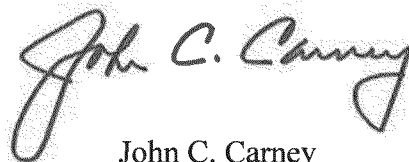
Specific to Delaware, our refineries simply do not have the large terminals and distribution infrastructure to blend ethanol into gasoline, so they are required to buy credits from integrated oil

companies that do have such capabilities and, thus, have excess credits. Because of this, our only refinery incurred over \$90 million in RIN costs last year due to this flawed system.

While there is debate around whether the RFS is truly working for both our economy and our environment, I hope we can work together to craft policies that appropriately balance these two interests. We must find ways to stabilize the RIN market and ensure that independent merchant refineries here in Delaware and the northeast continue to run, helping to reduce our dependence on foreign oil.

With all of this in mind, I respectfully request that you consider granting the petitions to move the point of obligation for the RFS and quickly proceed with a rulemaking. This decision will help ensure Delawareans keep their jobs, provide for their families and make our economy stronger than ever.

Sincerely,

A handwritten signature in black ink that reads "John C. Carney". The signature is written in a cursive style with a large, looped initial "J".

John C. Carney

Governor

Cc: Mr. Gary Cohn, Director, National Economic Council