

Message

From: Davis, Patrick [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=7FCA02D1EC544FBBD6FB2E7674E06B2-DAVIS, PATR]
Sent: 6/28/2018 9:17:30 PM
To: Goehring, Doug C. [goehring@nd.gov]
Subject: RE: RINs concept

Hi Doug,

Thank you for copying me on this email. I have shared it with Regional Administrator Benevento.

Patrick Davis
U.S. Environmental Protection Agency
Senior Advisor to the Regional Administrator for Public Engagement
1595 Wynkoop Street
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303-312-6855 (direct)
Ex. 6 (cell)

From: Goehring, Doug C. [mailto:goehring@nd.gov]
Sent: Tuesday, June 26, 2018 2:07 PM
To: Burgum, Doug <doug@nd.gov>
Cc: Sanford, Brent <bsanford@nd.gov>; Davis, Patrick <davis.patrick@epa.gov>; Bodine, Thomas H. <tbodine@nd.gov>; Reinke, Jody L. <jodyreinke@nd.gov>
Subject: RINs concept

Governor Burgum,

After a conversation with Patrick Davis (Senior Advisor to EPA Region 8 Administrator) about a concept that may help resolve the RINs issue, he suggested that I engage you who will probably be meeting with Administrator Pruitt much sooner than I would and have a chance to float this concept.

Renewable Identification Numbers (RINs) are credits used for compliance and purchased by refineries who are not in a position or choose not to purchase ethanol to blend with the gasoline to meet the E10/E15 requirements. The problem is RINs are traded in the open market and the value can be manipulated which in turn creates volatility for refineries trying to price product into the retail market. This has created hardships for Companies. EPA responded by granting waivers to refineries so did not have to purchase RINs.

This is an odd compliance scheme. In other regulatory systems, if a company, municipality, individual or any regulated entity is out of compliance with the clean air or clean water act the fines/penalties/or mitigation is paid to state and/or federal government. RINs should no longer be allowed to be purchased on the open market, but a value should be established by EPA and paid to the Federal Government for compliance. This would remove manipulative practices and prevent speculators/traders from benefiting from a regulatory requirement. It would also remove the hardship as stated by industry and provide stability and predictability.

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