



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

July 12, 2018

OFFICE OF
AIR AND RADIATION

The Honorable Charles E. Grassley
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

Thank you for your letter of April 12, 2018, to the U.S. Environmental Protection Agency, regarding small refinery exemptions (SREs) granted to certain obligated parties under the Renewable Fuel Standard (RFS) program.

Congress established the small refinery exemption program recognizing that small refineries may, in some cases, require hardship exemptions under the RFS program. Section 211(o)(9) of the Clean Air Act (CAA) authorizes the Administrator to temporarily exempt small refineries from their renewable fuel volume obligations under the RFS program on the basis of a finding of "disproportionate economic hardship" (DEH). The statute directs EPA, in consultation with the Department of Energy (DOE), to consider the DOE Small Refinery Study and "other economic factors" in evaluating small refinery exemption petitions. Over the past several years, working in close consultation with DOE, EPA has implemented the SRE provisions of the CAA. We appreciate that the SREs granted over the past several months have been the focus of many stakeholders' attention, but we are required by statute to implement these provisions and we will continue to manage the program consistent with the law.

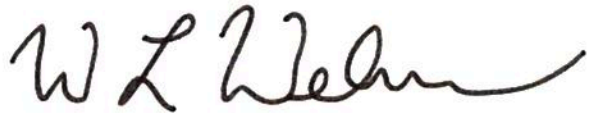
Your letter requests information related to those small refineries granted exemptions in 2016, 2017, and 2018. EPA is unable to provide information that is fully responsive to your request, as we treat both the names of individual petitioners and EPA's decision on those petitions as Confidential Business Information (CBI), pending a final CBI determination by EPA's Office of General Counsel. However, we can share the following aggregated information regarding SREs granted in recent years:

- For the 2016 compliance year, we received 20 petitions from small refineries. We granted exemptions for 19 of those, with a total exempted renewable fuel volume obligation of 790 million RINs. We denied 1 petition.
- For the 2017 compliance year, we have received 33 petitions from small refineries. To date, we have granted exemptions for 29 of those, with a total exempted renewable fuel volume obligation of 1.46 billion RINs. We are still processing the remaining 4 petitions for hardship exemptions for the 2017 compliance year.
- We have not yet received any petitions for the 2018 compliance year.

EPA appreciates the importance of the RFS program to stakeholders across the country, including farmers, producers, and obligated parties like refiners and importers. As such, we are interested in ensuring the program is implemented in a fair and effective manner. EPA also appreciates the important role Congress has and will continue to play in the success of the program. As such, we look forward to working with you and your colleagues as we continue to look for opportunities to improve the operation of the program.

Again, thank you for your letter. If you have further questions, please contact me or your staff may contact Karen Thundiyil in the EPA's Office of Congressional and Intergovernmental Relations at thundiyil.karen@epa.gov or 202-564-1142.

Sincerely,

A handwritten signature in dark ink, appearing to read 'W L Wehrum', with a long, sweeping horizontal stroke at the end.

William L. Wehrum
Assistant Administrator