

JAMES M. INHOFE, OKLAHOMA
SHELLEY MOORE CAPITO, WEST VIRGINIA
JOHN BOOZMAN, ARKANSAS
ROGER WICKER, MISSISSIPPI
DEB FISCHER, NEBRASKA
JERRY MORAN, KANSAS
MIKE ROUNDS, SOUTH DAKOTA
JONI ERNST, IOWA
DAN SULLIVAN, ALASKA
RICHARD SHELBY, ALABAMA

THOMAS R. CARPER, DELAWARE
BENJAMIN L. CARDIN, MARYLAND
BERNARD SANDERS, VERMONT
SHELDON WHITEHOUSE, RHODE ISLAND
JEFF MERKLEY, OREGON
KIRSTEN GILLIBRAND, NEW YORK
CORY A. BOOKER, NEW JERSEY
EDWARD J. MARKEY, MASSACHUSETTS
TAMMY DUCKWORTH, ILLINOIS
KAMALA HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

RICHARD M. RUSSELL, MAJORITY STAFF DIRECTOR
GABRIELLE BATKIN, MINORITY STAFF DIRECTOR

April 4, 2017

The Honorable Scott Pruitt
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Pruitt:

We are writing to you about hardship exemptions for small refineries under the Renewable Fuel Standard (RFS). We are troubled with your predecessor's rejection of the Secretary of Energy's recommendations in favor of hardship exemption petitions. Congress directed the Administrator of the Environmental Protection Agency (EPA) to consult with the Secretary on these petitions. As you review petitions for hardship exemptions from the 2016 Renewable Fuel Volume Obligations (RVOs), we ask that you give meaningful consideration to the Secretary's views.

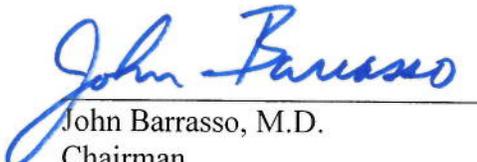
Under the Clean Air Act, a small refinery may petition the Administrator for an exemption from its annual RVOs under the RFS on the basis of "disproportionate economic hardship." When evaluating a petition, Congress directed the Administrator to consult with the Secretary of Energy. Historically, the Secretary used a two-part test to determine whether a small refinery experiences disproportionate economic hardship. Specifically, a small refinery had to experience: "a high cost of compliance relative to the industry average disproportionate impacts and an effect sufficient to cause a significant impairment of the refinery operations viability."

In 2015, Congress included report language to accompany the "Consolidated Appropriations Act, 2016." This language instructed the Secretary to recommend to the Administrator that EPA grant a 50 percent exemption to small refineries experiencing *either* a high cost of compliance relative to the industry average disproportionate impacts *or* an effect sufficient to cause a significant impairment of the refinery operations viability. Since its adoption, the Secretary has recommended that the Administrator grant petitions for a 50 percent exemption for a number of small refineries. However, we understand that Administrator McCarthy rejected these petitions.

During your confirmation hearing, you stated that "[i]t is not the job of the Administrator...to do anything other than administer the [RFS] program according to the intent of Congress." You rightly emphasized the importance of process, the rule of law, and listening to others. We request that you – in contrast to your predecessor – acknowledge the direction that Congress gave the Secretary with respect to petitions for hardship exemptions and give meaningful consideration to the Secretary's recommendations. This should apply to the 2016 RVOs as well as future RVOs.

Thank you for your consideration and we look forward to your response.

Sincerely,


John Barrasso, M.D.
Chairman
U.S. Senate Committee on
Environment and Public Works


Shelley Moore Capito
Chair
U.S. Senate Subcommittee on
Clean Air and Nuclear Safety

Enclosure