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December 1, 2016

Editor

The Wall Street Journal
1211 Avenue of the Americas
New York, New York 10036

Regarding: Carl Icahn's Op-Ed "If oil refiners crash, so will the economy"

Dear Editor:

Carl Icahn's "If Oil Refiners Crash, So Will the Economy" correctly highlights the drastic impact of biofuel regulations on merchant refiners. Monroe Energy is a merchant refiner in the unique position of having to purchase renewable identification numbers (RINs) in a non-transparent, closed market in order to comply with the Renewable Fuel Standard (RFS.) Monroe's product is sold to others who blend the refined fuel with ethanol and retain the RINs. But to comply with the RFS, Monroe itself is required to submit RINs to EPA for the volume that it sells. The blender has no responsibility to make Monroe whole, forcing Monroe to purchase RINs in a market that is opaque, thin and unregulated. Speculators playing in the RINs market are able to manipulate the market and create extreme prices for RINS. The exorbitant cost of RINS threatens the economic viability of merchant refining and strong middle class jobs created by the industry. Indeed Philadelphia Energy Solutions (PES) recently announced layoffs due to the high cost of RFS compliance.

It is time for EPA to revisit its decision to place RINs compliance obligations on refiners and importers rather than blenders. EPA has acknowledged that, despite the significant increase in RINs prices and the massive expenditures required of merchant refiners, no substantial expansion in distribution infrastructure for higher ethanol blends has followed. Moving the point of obligation closer to the point of compliance will marry the ability to blend with the incentive to blend, thereby advancing the goals of the RFS by driving increased renewable fuel use.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey K. Warmann", written over a horizontal line.

Jeffrey K. Warmann
CEO and President