

Situation Analysis

In January, the 10th Circuit Court vacated small refinery exemptions (SREs) issued to three refineries under the Renewable Fuel Standard (RFS)—including Wynnewood. The 10th Circuit improperly held that small refineries must have “continuously” received SREs in every year since 2006 to be eligible. The 10th Circuit further held that Congress intended small refineries to either “figure out” how to achieve annual compliance with the RFS or decide whether it “made sense to...remain in the market.” In other words, comply or close your doors. The 10th Circuit’s decision is wrong and the EPA must seek rehearing of this ruling.

What is the RFS?

The RFS is a federal law requiring that a certain amount of renewable fuel be blended into the U.S. transportation fuel supply annually. Congress enacted the RFS in 2005 to increase America’s energy security by reducing our dependence on foreign crude oil in favor of domestic, environmentally friendly, renewable fuel. The EPA administers the policy and decides how much biofuel must be blended each year by setting an annual target, or Renewable Volume Obligation (RVO), for each refinery. Refineries can satisfy their RVO by blending renewable fuels, or by purchasing Renewable Identification Numbers (RINs) from other parties.

What are Small Refinery Exemptions and Why are they Used?

The RFS states that a small refiner may petition the EPA Administrator for an SRE if it would suffer disproportionate economic hardship to comply with the RFS.

What is the 10th Circuit Court?

The U.S. Court of Appeals for the 10th Circuit has jurisdiction over the Wynnewood, Oklahoma, refinery, among other locations, including Kansas.

Why did the Court Review the Exemptions?

The challenge to the exemptions were brought against the EPA in May 2018 by the Renewable Fuels Association, the National Corn Growers Association, the American Coalition for Ethanol and National Farmers Union.

How Does the Court’s Decision Potentially Impact the Wynnewood Refinery?

Given, among other factors, Wynnewood’s location, high diesel production and shipment of most of its transportation fuels by pipelines that prohibit blended fuels, Wynnewood can never self-satisfy its RVO. As a result, without an SRE, Wynnewood must purchase RINs to comply. The 10th Circuit’s ruling already has caused RIN prices to increase, particularly ethanol RINs. Without the waivers and if RIN prices continue to rise, the future viability of small refineries like Wynnewood are in jeopardy.

What is CVR Energy/Wynnewood Refining Company Doing in Response to the Decision?

As a result of the order, the Company is asking both the White House and the EPA to appeal the 10th Circuit’s ruling. We intend to fight this ruling with all necessary resources.

What Can I Do to Help?

Call the White House and ask President Trump to order the EPA to seek a re-hearing of the 10th Circuit decision. You also can reach out to the EPA and your elected officials. The Wynnewood

refinery cannot operate without an RFS exemption and shutting down the refinery could put approximately 630 full-time employees and contract workers, who earn strong wages and are a vital part of the Oklahoma economy, out of work. Please ask your family, friends and neighbors to join you in reaching out as often as possible before the March 24 deadline to appeal.

Are Employees Required to Take Action?

No! This has nothing to do with who you vote for, and we do not dictate the political affiliations of any of employees. We simply want to provide information to employees, should they agree that the 10th Circuit decision should be appealed and wish to take action to help convince President Trump and the EPA to appeal.

Take Action

- Contact President Trump at (202) 456-1414 or www.whitehouse.gov/contact/
- Contact EPA Administrator Andrew Wheeler at (202) 564-4700 or Wheeler.Andrew@Epa.gov
- Contact your local, state and federal officials:
 - Oklahoma Governor Kevin Stitt: (405) 521-2342/www.governor.ok.gov/contact/leave-comment
 - Sen. Jim Inhofe (R-OK): (202) 224-4721/www.ihofe.senate.gov/contact/email-jim
 - Sen. James Lankford (R-OK): (405) 231-4941/www.lankford.senate.gov/contact/email
 - Rep. Tom Cole (R-OK-04): (405) 329-6500/cole.house.gov/contact/email
 - Sen. Greg McCortney (R-OK-13): (405) 521-5541/mccortney@oksenate.gov
 - Rep. Charles McCall (R-OK-22): (405) 557-7412/charles.mccall@okhouse.gov
 - Wynnewood Mayor Harold Gregory: (405) 665-2307
 - Sen. Ted Cruz (R-TX): (202) 224-5922/www.cruz.senate.gov/?p=form&id=5
 - Sen. John Cornyn (R-TX): (202) 224-2934/www.cornyn.senate.gov/contact
 - Sen. Jerry Moran (R-KS): (202) 224-6521/www.moran.senate.gov/public/index.cfm/e-mail-jerry
 - Sen. Pat Roberts (R-KS): (202) 224-4774/www.roberts.senate.gov/public/index.cfm?p=EmailPat
 - Rep. Pete Olson (R-TX-22): (202) 225-5951/olson.house.gov/contact-us

Key Talking Points

- The 10th Circuit Court got it all wrong by granting standing to four trade associations and misreading the most important part of the Renewable Fuel Standard regulation protecting small refineries from disproportionate economic harm.
- President Trump must act now and order the EPA to seek a re-hearing of the 10th Circuit Court decision.
- The Wynnewood refinery may not be viable without an RFS exemption in a high RIN environment. Shutting it down would put approximately 630 full-time employees and contract workers, who earn strong wages and are a vital part of the Oklahoma economy, out of work.
- The Wynnewood community and those who live in and near it could suffer immeasurable harm without its biggest employer and economic driver.

Visit <http://fixtherfs.org/take-action/> for additional resources.