



COMMITTEE ON  
**ENERGY & COMMERCE**  
DEMOCRATS  
RANKING MEMBER FRANK PALLONE, JR.

**FOR IMMEDIATE RELEASE**

July 25, 2018

**CONTACT**

[CJ Young](#) (202) 225-5735

## **Pallone Remarks at Environment Hearing on Renewable Identification Numbers Under the Renewable Fuel Standard**

**Washington, D.C.** – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on the Environment Hearing on “Examining Renewable Identification Numbers Under the Renewable Fuel Standard.”*

Today we are here to talk about the Renewable Identification Number, or RIN. The RIN market provides a mechanism to bridge the gap between biofuel supply and demand created by the Renewable Fuel Standard (RFS) mandate. The market allows parties blending more than their required gallons of biofuel to sell their excess RINs to parties that blend less than their required gallons. When the market functions properly, it lowers the cost of compliance for all participants in the RFS program. It must be fair, transparent, and well-regulated. It should also primarily serve the interests of RFS participants, not the interests of speculators.

Well, that is how things are supposed to work. But, today they are not working, and I believe much of the recent volatility in the RIN market can be attributed to the way the Trump Administration has operated the RFS program.

Press reports of the on-again, off-again RFS negotiations conducted by the White House over the past year or so, have driven RIN prices up and down depending upon the headline of the day. No new RINs were created or removed from the market in these meetings, and no changes to the program were made. Yet, the price fluctuated enough to create losses or gains for everyone involved in the program over the course of the last year.

Former EPA Administrator Pruitt also nearly doubled the number of small refinery waivers that were granted last year, which lowered the price of RINs. It appears that some of these waivers were granted to refineries not experiencing financial hardship, which is a requirement under the law. If that is the case, former Administrator Pruitt intentionally misused this waiver authority to manipulate the RIN market and undermine the RFS. The lack of transparency and accountability in the waiver program raises serious questions about how this program is being managed.

---

Market mechanisms can work well. They can lower compliance costs, as long as they are not manipulated, which I fear is happening under this Administration.

I hope that some of our witnesses can shed light on these factors and offer some options to improve this program.

Thank you, I yield back.

###

---

[democrats-energycommerce.house.gov](https://democrats-energycommerce.house.gov) | [Twitter](#) | [Facebook](#) | [Instagram](#) | [YouTube](#) | [Flickr](#)