

# ADVOCACY



The Washington Monument in Washington, D.C.

## ADVOCACY

# WHEN WE ADVOCATE FOR OUR INDUSTRY, WE ADVOCATE FOR THOSE WHO RELY ON OUR PRODUCTS

Since we produce fuels and other products that make modern life possible, the stakes are high in our business. Therefore, we work with lawmakers and regulators at the federal, state and local levels to keep them apprised of the impact laws and regulations have on our industry. Some of these laws and regulations – whether current or proposed – can have profound effects on our ability to effectively meet the needs of the millions of people who rely on our products every day. For this reason, we sometimes take positions on existing or proposed laws or regulations.

**The Renewable Fuel Standard (RFS):** The 2007 Energy Independence and Security Act requires refiners and others to blend specific volumes of biofuels – like ethanol and biodiesel – into the nation's fuel supply. The major problem with the law is that we are required, regardless of fuel demand, to blend increasing amounts of biofuels into petroleum fuels. As a consequence of decreasing fuel demand over the past 10 years, our industry has been required to force an increased percentage of ethanol into the gasoline supply in order to meet the requirements of the RFS. In 2016, the ethanol requirement imposed by the statute now exceeds 10 percent of projected gasoline demand for the first time ever. This makes compliance difficult and increasingly problematic, as most vehicles on the road today cannot safely accommodate fuel with higher than a 10 percent blend of ethanol.

The Environmental Protection Agency (EPA) is required by law to set the annual biofuel volume mandate by Nov. 30 of the preceding year; however, since 2009, the EPA has only met this deadline once. These delays inject a significant amount of uncertainty into our business decisions, because we don't know how much biofuel we will be required to blend during the course of the year. For example, the EPA didn't finalize the 2014 and 2015 biofuel requirements until November 2015.

MPC continues to advocate for repeal of the RFS. Its provisions are unworkable, given the ratio between ethanol blending required by the law and gasoline demand. This is compounded by lack of timely administration of the program.

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Patricia Richards, center, leads MPC's Federal Government Affairs in Washington, D.C. With Richards are, left to right: Jake Menefee, Guy Beeman, Michael Birsic and Dwight Williams. Not pictured: Stephen Higley



The U.S. Capitol Building in Washington, D.C.

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**Methane Rules:** The shale revolution has changed the American energy landscape. The United States stands to realize tremendous benefits from the development of new domestic natural gas and oil resources in many parts of the country. Not only do these resources represent abundant, reliable and affordable homegrown energy supplies for American families and consumers, they hold the promise of a strong foundation for a rebirth in American manufacturing.

Unfortunately, the EPA is putting that resource development at risk with a series of new mandates that will impose significant additional burdens on American oil and natural gas producers, and the midstream companies that process and move these resources. Recently finalized regulations that include more stringent requirements for new and modified oil and gas development infrastructure will cost hundreds of millions of dollars by EPA's own estimate, and may end up costing more – while providing dubious environmental benefits, at best. But of even greater concern are the regulations that EPA is now in the process of developing for already-existing oil and natural gas operations – regulations that threaten to discourage the development of resources and are expected to increasingly negatively affect the midstream sector.

Through improvements in equipment and infrastructure and other voluntary actions, the domestic natural gas industry has already significantly reduced emissions from its operations, and it will continue to do so. MPC supports the continued responsible development of our domestic energy resources, but we oppose heavy-handed and unwarranted EPA regulations that will only serve to stifle development and hinder economic growth.

**Ozone NAAQS Implementation Harmonization:** The EPA delayed work on the 2008 National Ambient Air Quality Standard (NAAQS) for ozone for two years while it pursued, and then abandoned, a reconsideration of that standard. These administrative activities pushed the EPA so far behind schedule that it was not able to provide states with the guidance necessary to implement the 2008 ozone standard until partway through 2015.

Then, rather than let states finish work on the delayed 2008 ozone standard, the EPA imposed a new, tighter ozone standard in 2015. States will now face conflicting implementation requirements on competing timelines. States and businesses are now facing significant new costs and burdens to achieve a new, tighter standard that the EPA admits will be achieved by 2025 even without this new tighter standard. This would happen as a consequence of full implementation of the 2008 standard and numerous other regulations that will be coming into effect over the next 10 years.

MPC is advocating for "implementation harmonization" of the recent tighter ozone NAAQS standard with both the 2008 ozone standard and a variety of other regulations. This will in large part bring the country into compliance with the emissions goals of the 2015 tighter standard, but without all the costs and unnecessary duplication involved in imposing a new set of requirements.