WPMA
News and Information for the Petroleum Marketers Industry
weekly update

February 18, 2022 Visit us online at **www.wpma.com** WP-02-18-22

MGM RESORTS INTERNATIONAL LIFTS MASK MANDATE

Effective immediately, guests and employees staying at The Mirage are no longer required to wear masks indoors or outdoors.

GOVERNOR SISOLAK LIFTS NEVADA MASK MANDATE EFFECTIVE IMMEDIATELY

Nevada Gov. Steve Sisolak says the state's mask requirement for indoor public areas is lifted, effective immediately. The change applies to all people in Nevada, regardless of vaccination status. The Nevada Gaming Control Board also updated its policy, saying people are no longer required to wear masks in casinos.

THE WPMA OFFICES WILL BE CLOSED FEBRUARY 21 – 25 FOR THE WPMAEXPO
The WPMA offices will be closed from Monday, February 21 through Friday, February 25 for the WPMAEXPO.
There will be no WPMA Weekly Update sent out on Friday, February 25. We hope to see you at the convention.

SCHOLARSHIP APPLICATION MAILING DEADLINE IS MONDAY, MARCH 1ST!!

The time is fast approaching when the WPMA scholarship recipients for 2022 will be selected. **MARCH 1, 2022 IS THE CUT-OFF DATE** for applications to be **E-MAILED IN OR POSTMARKED AND MAILED** to the WPMA office. Usually, there are less than 10 applicants for each WPMA state scholarship and the associate member scholarship, which makes the chances of receiving a scholarship very good. Applicants must be graduating high school seniors, and the son or daughter of a full-time employee of a WPMA member or associate member company. **High School seniors who are currently working part-time for a WPMA member company, and have been employed for at least 90 days, may also apply for the scholarship.**

Applicant qualification information and submission options are listed on the updated scholarship application, available at https://www.wpma.com/pdf/scholarship/Scholarship-Application-eForm06-2020.pdf . Scholarship applications are also available from the WPMA office by e-mailing kathym@wpma.com and requesting an application.

The WPMA scholarships pay $500 per semester for up to eight semesters, for a maximum award of $4,000. **Employers, please remind all of your full-time employees or part-time senior student employees to request or download an application right away, and give our students a chance for some extra financial help with college or vocational training!**

NEVADA IS ABOUT TO LOSE THEIR $4,000 SCHOLARSHIP AGAIN

That's right Nevada marketers and their employees left Four Thousand Dollars on the table for the last 3 years because **no one applied for the WPMA/NPM&CSA scholarship.**

Please don't let it happen again! A high school senior who has a parent employed by a member company may apply. The application is due not later than March 1, 2022 and can be download now at www.wpma.com/scholarship

Please don't wait get the word out to your employees now by using your company's email system. WPMA can provide electronic and paper scholarship flyers for you to send to your employees not one or twice but three or four times.

CAPITOL HILL UPDATE

Yesterday, Congress passed a Continuing Resolution extending government funding until March 11, 2022, giving Congress only a few weeks to resolve negotiations. As a reminder, a Continuing Resolution continues existing government funding at Fiscal Year (FY) 2021 levels. It is critical that Congress pass an FY 2022 package to fully fund portions of the Bipartisan Infrastructure Law.

According to Senator Joe Manchin (D-WV), there was no discussion of the stalled Build Back Better Act (BBB) during Thursday's meeting between Senate Democrats and senior Biden Administration officials. Moreover, many frontline Democrats in tough races, such as Sen. Catherine Cortez Masto (D-NV), are looking beyond BBB towards enacting smaller policy changes. Additional Senate Democrats, including Sens. Warnock (D-GA), Hassan (D-NH), and Kelly (D-AZ), are attempting to reach across the aisle and chart new legislative paths that are not tied to BBB. The White House, apparently, has not lost hope on advancing portions of the BBB. To respond to continued inflation, Biden Administration officials, along with some Congressional Democrats, floated a temporary federal gas tax holiday. Senators from both parties criticized the proposal, however, making it unlikely.

Earlier this week, the Department of Energy issued two notices of intent to provide $2.9 billion to boost production of advanced batteries that will support EVs. This comes after last week, when the Joint Office of Energy and Transportation – a coordinated body of Department of Energy and Department of Transportation officials designated to coordinate EV charging -- announced plans to implement the $5 billion for National Electric Vehicle Infrastructure (NEVI) Formula Program included in the Bipartisan Infrastructure Law that signed into law in 2021. The funding will be distributed to states on a formulaic basis and can be used to create EV charging station networks along Alternative Fuel Corridors. States will have until August 1 to submit plans for how they will use the funding, with the Federal Highway Administration and Joint Office of Energy and Transportation planning to approve state plans by September 30. It is important to note that if a state does not submit a plan by August 1, the Joint Office will award funds directly to local governments or to other states.

SENATORS VOICE LONG-STANDING FRUSTRATIONS OVER RFS PROGRAM

On Wednesday, the Senate Environment and Public Works (EPW) Committee held a hearing focused on the Renewable Fuel Standard (RFS). This was the first EPW hearing on the RFS since 2016 and comes as the EPA proposes to increase biofuel blending requirements. During the hearing, Senators expressed frustration over the Biden Administration's handling of the RFS program and questioned what the future holds. Committee Chair Tom Carper (D-DE) said, "like many of our colleagues on this committee, I still support the goals of the [RFS]… Having said that, there have been a number of challenges when it comes to the implementation of the program."

Sen. Kevin Cramer (R-ND) questioned the future of the RFS program while committee Ranking Member Shelley Moore Capito (R-WV) expressed concern that the president does not have a permanent nominee for EPA's air office. "If EPA is deciding important actions related to the future of the RFS program, the administration needs to send up an Office of Air and Radiation nominee who can be accountable to Congress," said Capito.

Senators also debated the impacts the RFS has on gasoline prices. Lucian Pugliaresi, president of the Energy Policy Research Foundation, testified it had raised gasoline prices by approximately 30 cents a gallon. Emily Skor, CEO of the Growth Energy, questioned a recent National Academy of Sciences report that found that the carbon intensity of corn ethanol produced under the RFS is likely at least 24 percent higher than gasoline. Skor called the study a "manipulation of the science and data" and "untethered from reality."

Separately, several labor unions and organizations, including United Steelworkers and the AFL-CIO, called on the Biden Administration to reduce the proposed 2022 RFS volumes. The comments, which can be viewed here, were submitted to Environmental Protection Agency Administrator Michael Regan.

Prior to the hearing, EMA shared concerns with committee members. Specifically, EMA called out the challenges higher blend requirements will have on existing underground storage tank systems. In comments filed on February 2 to the EPA, EMA joined leading national organizations in calling for a reduction to the proposed 2022 RFS volume mandate. EMA said, "If ethanol volumes continue to rise as proposed in 2022, obligated parties will be forced to manufacture E15 blends

to meet their annual RVOs. E15 blends made from corn ethanol are not compatible with most existing underground storage tank systems in operation today. Look no further than EPA's document from January 2020 entitled E15's Compatibility with UST Systems which states, *Most older and even some newer existing UST systems (which includes but is not limited to tanks, pumps, ancillary equipment, lines, gaskets, and sealants) are not fully compatible with E15 and require modification before storing E15. For example, the actual tank is often compatible with E15, but some of the connectors and pump components may not be. That can lead to leaks. Dispensers are not part of the UST system, by definition, but face the same compatibility concerns and are a critical part of the fueling system for our constituents."* Click here to read the full EPA statement.

EMA has for many years called for lower annual corn ethanol blending volumes that would allow marketers to determine for themselves whether to sell E15 rather than be required to do so through a de facto mandate. EMA sent multiple letters to the EPA and the National Economic Council last year requesting urgent action to reduce the corn ethanol mandate to address the current E15 crisis. Click here and here to read EMA's letters.

EMA fully believes in renewable fuels and their importance in the liquid fuels market and has urged the Biden Administration to ensure federal grant funds be available for small business energy marketers to upgrade their underground storage tank system equipment to safely and legally sell E10 plus blends.

IRS PAID $3.2 BILLION IN INTEREST TO TAXPAYERS FOR DELAYED REFUNDS; EXPECT MORE DELAYS IN 2022

The director of the Government Accountability Office (GAO) told the Senate Finance Committee at a hearing on IRS customer complaints this week that in fiscal year 2021, the IRS paid $3.27 billion dollars in interest payments to taxpayers due to delayed processing of refund claims. The amount of interest paid by the IRS is up near 50 percent from the $2.06 billion the IRS paid out in 2019. EMA has been working closely with both the IRS and Congress since the pandemic began to speed up processing of refund claims made by marketers for the sale of clear, tax included diesel fuel to state and local governments at a tax excluded price. Marketers are experiencing refund delays of up to a year for such claims, forcing them to float millions of dollars in federal motor fuel excise tax refunds that would ordinarily be paid within 45 days. The IRS must pay 3 percent interest on late processed claims. However, those payments will not be added to pending refunds. Instead, the IRS will cut separate interest payment checks that will be processed in the future once the backlog of refund claims is cleared.

The IRS also said this week that it is adding a second so-called "surge team" to process a backlog of unprocessed tax forms filed in the past two years and is outsourcing some basic functions to help the agency finalize refunds more quickly. The new surge team is in addition to the 1,200 employees that the agency is temporarily re-assigning to tackle the backlog.

According to the GAO, the IRS started the current tax filing season this year with a backup of 6.7 million tax returns lingering from last year. Most of those returns were returns filed on paper that must be reviewed manually; a process slowed significantly by workforce shortages due to budget cuts, low pay for claim processers and employee absence due to the pandemic. The IRS is warning taxpayers that 2022 will be another messy processing year and to expect further refund delays for claims filed on paper. To avoid refund delays, marketers should file electronically for a small fee through an IRS approved e-File vendor. Approved IRS e-File vendors who handle 8849 motor fuel excise tax claim filing can be found online.

BIDEN TO RETURN CALIFORNIA'S AUTHORITY TO SET AUTO EMISSION STANDARDS MORE STRINGENT THAN THE EPA

The Biden administration is preparing to reinstate California's authority to set auto emissions rules that are more stringent than federal standards. California's regulatory authority over mobile emissions was rescinded by the Trump Administration in 2019. Restoration of regulatory authority over automobile emissions represent a return of California's influence on the nation's climate and clean air policies. Fourteen states and the District of Columbia follow California's tougher emission standards, representing over a third of all cars sold annually in the U.S. The outsize automobile market these states collectively represent leaves automakers with little choice but to manufacture all their vehicles to meet the stricter California tailpipe standards.

Meanwhile, federal regulators are looking to California for inspiration as they draft new national standards designed to meet the Biden Administration's pledge that half of all new cars sold in the United States by 2030 will be electric vehicles. Towards that goal, the U.S. EPA is preparing strict new CO2 limits from buses, delivery vans, tractor-trailers and other heavy-duty trucks. The new rules mark the first time since 2001 that tailpipe standards have been tightened for heavy-duty vehicles. The new federal regulations are drawn from emission standards recently enacted by California. The California truck rule, enacted late last year, requires manufacturers to produce progressively cleaner trucks between 2024 and 2031. While the new truck rule will focus on reducing nitrogen dioxide, it is not expected to significantly limit emissions of carbon dioxide. However, both California and the federal government are also expected in the coming years to begin work on an even more aggressive truck standard designed to compel an eventual shift to all-electric trucks.

Unfortunately, California fails to report that there is no such thing as a "zero emission" vehicle. While EVs do not have tailpipe emissions, they are charged using electricity generated at local power plants, which do produce emissions.

Furthermore, manufacturing the battery for an EV requires tremendous amounts of energy, and EV battery recycling is tedious and difficult. Without the ability to be recycled, EV batteries risk offsetting any environmental benefits by contributing more waste. The bottom line is that a vehicle's total emissions should account for its entire life cycle: production and resourcing, lifetime usage, and end-of-life disposal after use. The EV market remains small as the majority of consumers still opt for gasoline powered vehicles when given a choice.

REMINDER: BIDEN ADMINISTRATION RELEASES NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE (NEVI) FORMULA PROGRAM

Last week, the Joint Office of Energy and Transportation – a coordinated body of Department of Energy and Department of Transportation officials designated to coordinate EV charging -- announced plans to implement the $5 billion for National Electric Vehicle Infrastructure (NEVI) Formula Program included in the Bipartisan Infrastructure Law that was signed into law in 2021. The funding will be distributed to states on a formulaic basis and can be used to create EV charging station networks along Alternative Fuel Corridors. States will have until August 1 to submit plans for how they will use the funding, with the Federal Highway Administration and Joint Office of Energy and Transportation planning to approve state plans by September 30.

This $5 billion is part of $7.5 authorized for EV charging infrastructure. The additional $2.5 billion will be in the form of two competitive grants for which entities can apply:

- The $1.25 billion Corridor Charging Grant Program will deploy EV charging infrastructure, hydrogen, propane, and natural gas fueling infrastructure along Alternative Fuel Corridors.
- The $1.25 billion Community Charging Grant Program will deploy EV charging infrastructure, hydrogen, propane, and natural gas fueling infrastructure to communities.

States must install an EV charger every 50 miles and must be located no more than one mile off of high-use corridors, mostly interstates; the chargers must have at least 600 kilowatts of total capacity, with ports for at least four cars that can simultaneously deliver at least 150 kilowatts each; and the chargers also need to be accessible to the general public or to fleet operators from more than one company.

The Joint Office of Energy and Transportation will announce further details on this funding later this year. The Joint Office's announcement comes after a public comment period where stakeholders agreed that chargers should be high-powered and located in safe areas, such as highway exists and stores with restrooms. Guidance issued by the Joint Office recommends that chargers be "ideally within a mile of the highway" in order to create a network that is "convenient, reliable, affordable and equitable." Of concern to EMA is that states risk missing out on this funding if they do not submit detailed plans to the Joint Office. The guidance says that if a state does not submit a plan by August 1, the Joint Office will award funds directly to local governments or to other states.

CLICK HERE to read DOT's press release.

CLICK HERE to read DOT's published Program Guidance.

CLICK HERE to read DOT's Request for Nominations for states to expand their existing Alternative Fuel Corridors.

CLICK HERE for a breakdown of funding each state is eligible for in FY22 and throughout the five-year life of the program.

EMA recently submitted comments to the Biden Administration after seeking input from EMA's Motor Fuels Committee and Alternative Energy Task Force regarding its NEVI infrastructure related questions, specifically on how the programs should be administered, including criteria for locating EV infrastructure projects.

EMA urged the Biden Administration to establish safeguards to ensure small business marketers can access vital federal funds to advance alternative energy goals. Specifically, EMA urged FHWA to ensure that 50 percent of the grant program funding be dedicated to small, independent fuel marketing businesses with less than 500 employees who can diversify and ensure consumers pay a competitive price for EV charging. EMA stressed to FHWA that it makes more sense to locate new EV charging equipment at existing off-highway fuel retailer sites. These sites are ubiquitous, familiar to consumers and conveniently located at highway entrances and exits nationwide. New EV charging sites are likely to be located further from highway exits and entrance ramps than consumers are ordinarily willing to travel. The convenience of an EV charging station, already situated at highway entrance and exit ramps, along with the availability of restrooms, food, and drink, will prove far more desirable to travelers than EV charging stations located further down the road from the exit, without facilities or refreshments.

Finally, EMA reiterated its concerns that the National Electric Vehicle Formula Program and the Charging and Fueling Infrastructure Grant Program could permit electric utilities to double dip – meaning they could charge their rate paying consumers to pay to expand EV infrastructure, while also taking grant money to subsidize the same projects. An electric utility monopoly using ratepayers to install EV infrastructure hurts consumers by effectively blocking out competition.

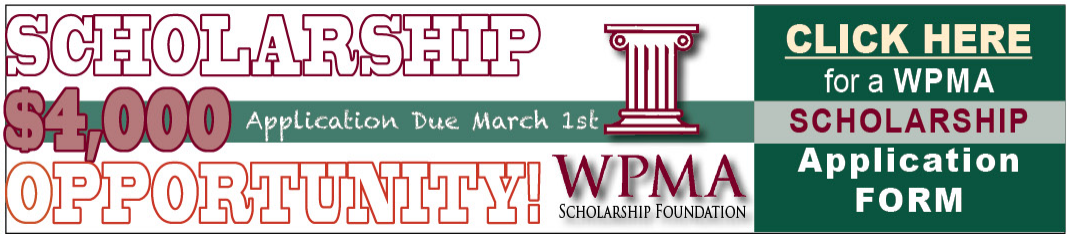
Competition will ensure consumers pay a competitive price for EV charging and are ultimately serviced by the companies that provide the best customer experience. In other words, utilities and non-utilities, including private businesses, should be on a level playing field when it comes to building out EV charging infrastructure. **CLICK HERE** to read EMA's EV Charging comments.

DRIVING LESS DRUNK

NHTSA published a new study last Friday showing that Utah's fatal crash rate dropped by 19.8 percent in 2019 after it became the first state to lower its impaired driving legal limit to .05 percent blood alcohol content. Utah's crash and fatality rates fell much more during that period than in the rest of the United States, where the crash rate went down just 5.6 percent in 2019. "Changing the law to .05 percent in Utah saved lives and motivated more drivers to take steps to avoid driving impaired," said NHTSA Deputy Administrator Steven Cliff. "This study will be a useful tool for other states considering a move to .05 percent." The legal intoxication limit for driving is up to states to decide, not NHTSA.

Sober ride home: NHTSA found that more than 22 percent of those who drink alcohol indicated they changed their behaviors once Utah's law went into effect, with the most common change being that they ensured a sober ride was available when drinking away from home. The agency also "found none of the economic impacts that had been predicted with the change from .08 percent to .05 percent." Alcohol-impaired driving arrests did not go up dramatically.

NTSB cheered NHTSA's findings, noting that lowering the blood alcohol concentration (BAC) is a priority listed on NTSB's current Most Wanted List of Transportation Safety Improvements. The board cited a previous study that estimated that lowering the BAC in every state could save about 1,800 lives a year.



MARK YOUR CALENDARS FOR UPCOMING EVENTS

February 22-24, 2022 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV
April 25, 2022 – Hawaii (HEMA) Golf Tournament – Ko Olina Golf Club – Kapolei, HI
May 5-6, 2022 – Nevada (NPM&CSA) Big Dogs – Las Vegas, NV
June 7-8, 2022 – Montana (MPMCSA) Convention – Fairmont Hot Springs Resort – Fairmont, MT
June 20-22, 2022 – Washington (WIED) Convention – Suncadia Resort – Cle Elum, WA
June 23, 2022 - Utah (UPMRA) Summer Golf Classic - Stonebridge GC - West Valley City, UT
July 17-19, 2022 – Oregon (OFA) Annual Convention – Sunriver Resort – Sunriver, OR
August 3-5, 2022 – Idaho (IPM&CSA) Convention – Coeur d'Alene Resort – Coeur d'Alene, ID
August 22-24, 2022 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM
September 14-16, 2022 – Utah (UPMRA) Convention – Sheraton Park City Hotel – Park City, UT

Be sure to subscribe to all of our social channels for great tips, industry trends, and insider information about association activities and upcoming events!

Petro Pete: "A picture is worth a thousand words, but it takes longer to load."