

June 20, 2025

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WP-06-20-25

Registration is Now Open



NMPMA (New Mexico) Convention

Join us for this can't-miss event! This year's dinner features a silent auction and side-splitting entertainment by nationally acclaimed comedian Carlos Oscar—bringing his clean, clever,

and wildly relatable comedy to the NMPMA stage.

CLICK HERE to see the Schedule of Events, Registration, and Sponsorship information.

UPMRA (Utah) Convention

Escape to scenic Park City and connect with the best in the industry. Don't miss Tuesday night's Reception at the Olympic Park—mingle over appetizers while Olympic ski jumpers soar overhead. It's networking on a whole new level—literally.

CLICK HERE for Schedule of Events, Registration, and Sponsorship information.



The following information provided by: **EMA-Energy Marketers of America**



Supreme Court Sides with EMA on Legal Challenge Targeting the California Car Mandate (ACC I)

In a significant victory for the energy industry, the U.S. Supreme Court (SCOTUS) ruled 7-2 today in favor of the Energy Marketers of America (EMA), American Fuel & Petrochemical Manufacturers, and other stakeholders challenging the Biden Administration's EPA waiver that authorized California's Advanced Clean Cars I (ACC I) rule. The decision, authored by Justice Brett Kavanaugh, grants energy marketers legal standing to contest California's stringent vehicle emissions standards, remanding the case to the D.C. Circuit Court of Appeals for further review on its merits.

Background: The Battle Over California's Emissions Standards

California's ACC I rule, enabled by an EPA waiver under the Clean Air Act, accelerates the state's transition to electric vehicles (EVs) through model year 2025. The regulation is part of California's broader push to mandate electric vehicles. However, EMA and other fuel industry groups argued that these standards unfairly constrain the liquid fuels market, raise costs for consumers, and harm small business energy marketers.

The D.C. Circuit initially dismissed the challenge, ruling that fuel producers and marketers lacked standing because automakers plan compliance years in advance, and overturning the waiver would not provide meaningful relief. The Supreme Court, however, focused solely on the standing issue, leaving the substantive merits of the EPA's waiver for lower courts to address.

SCOTUS Ruling: A Win for Standing

In the majority opinion, Justice Kavanaugh emphasized that EMA's claims are redressable, rejecting the D.C. Circuit's reasoning. The lower court had incorrectly assumed the waiver's effects were limited to model year 2025, when, in fact, its impact could extend indefinitely. "This case concerns only standing, not the merits," Kavanaugh wrote. "If invalidating the regulations would change nothing in the market, why are EPA and California enforcing and defending the regulations?"

Kavanaugh further noted that California's regulations aim to "increase the number of electric vehicles in the new automobile market beyond what consumers would otherwise demand and what automakers would otherwise manufacture and sell." By recognizing the potential harm to energy marketers, the Supreme Court revived the challenge, sending it back to the D.C. Circuit for a full review of the EPA waiver's legality.

EMA President Rob Underwood celebrated the SCOTUS decision, stating, "EMA applauds SCOTUS for recognizing the aggressive constraints on the liquid fuels market imposed by EPA and California and that energy marketers have standing to challenge tailpipe emissions standards being used to mandate EVs." Underwood highlighted waning consumer enthusiasm for EVs, arguing that California's regulations represent an "unlawful regulatory action to force electrification."

"We simply asked the Court to step in to preserve consumer choice and ensure that all forms of energy are treated equally," Underwood added. "This will guarantee that small business energy marketers can continue to sell American-made fuels in the future."

Broader Context: Congressional Action and Industry Impact

The SCOTUS ruling comes on the heels of significant legislative action. President Donald J. Trump recently signed Congressional Review Act (CRA) resolutions to overturn three Biden-era EPA waivers supporting California's mandates: the Advanced Clean Cars II (ACC II) rule, which sought to ban internal combustion engine vehicle sales by 2035; the Advanced Clean Trucks rule; and California's heavy-duty NOx emissions standards. EMA Chairman Jim Lipscomb and President Rob Underwood attended the White House signing ceremony last week, which represents a major victory for the auto and fuel industries, as well as for small businesses and working families.

The ACC II rule, in particular, would have mandated an increasing amount of EVs starting in 2026, culminating in a complete ban on internal combustion engine vehicles by 2035. Seventeen states had adopted portions of these regulations, threatening to disrupt national transportation markets, reduce liquid fuel availability, and increase costs for goods and transportation.

What's Next?

The case now returns to the D.C. Circuit, where the merits of the EPA's waiver will be scrutinized. While the Supreme Court did not rule on the legality of California's emissions standards, the decision ensures that energy marketers have a voice in the ongoing debate over EV mandates and their impact on the fuel industry. The outcome of the D.C. Circuit's review could have far-reaching implications for California's auto policies. It will be interesting to see what will be EPA's legal position on the merits under the new administration. For now, the SCOTUS ruling marks a critical step in challenging what many in the industry view as overreaching regulatory efforts to reshape America's transportation landscape.

Inside the Beltway Update

All eyes are on the Senate this week as Senate Majority Leader John Thune (R-SD) attempts to bring Republicans' tax, spending, and debt limit package to the Senate floor before the Fourth of July.

Following weekend negotiations, the Senate Finance Committee released Republicans' tax proposals on Monday. The Senate legislation includes significant changes from the House-passed One Big Beautiful Bill Act (H.R. 1), including slower phaseouts of Inflation Reduction Act (IRA) clean energy tax credits and permanent business tax reforms. On Wednesday, Senate Finance Committee Chairman Mike Crapo (R-ID) confirmed that the Finance Committee will not hold a markup to consider the proposals. Instead, Senate Republicans are expected to resolve lingering disagreements on tax provisions over the coming days, before initiating floor consideration as early as next week. It remains to be seen if Republicans can hold to their ambitious timeline or if policy disagreements will delay Senate consideration until after the holiday.

In addition to several business friendly provisions, including permanent extension of 100 percent bonus depreciation and the Section 199A pass-through deduction, the Senate bill proposes to extend the Section 45Z Clean Fuel Production Credit for four years through 2031. However, the bill would impose new prohibited foreign entity restrictions on the credit and would also penalize fuel derived from foreign feedstocks. The House bill would also extend the 45Z credit but would limit the credit to fuel derived from feedstocks sourced from the US, Canada, and Mexico.

While the Senate bill proposes to rescind remaining funding from several IRA grant programs, the bill does not reach most of the climate law's funds, including a vast majority of funding from the Greenhouse Gas Reduction Fund, because most IRA funding has already been obligated by federal agencies and is insulated from additional congressional action. Also notably absent from the Senate bill is House Republicans' proposed \$250 annual registration fee for electric vehicles. Senate Republicans reportedly dropped the EV fee due to implementation concerns.

Click here for additional information from Squire Patton Boggs on key tax provisions in the Senate bill.

Upcoming Nationwide Roadside Inspection and Enforcement Blitz

The Commercial Vehicle Safety Alliance (CVSA) selected August 24-30, 2025 as the dates for this year's **Brake Safety**Week. Brake Safety Week is an annual commercial motor vehicle roadside inspection and enforcement blitz conducted by law enforcement across the United States, Mexico, and Canada. In addition to the scheduled Brake Safety Week, there will be an unannounced one-day brake safety enforcement initiative that could take place any time in 2025.

For this year's Brake Safety Week, inspectors will focus on brake systems and components, with particular emphasis on drums and rotors. This event is important to energy marketers because brake-related violations comprise the largest percentage of all out-of-service (OOS) vehicle violations cited during roadside inspections. During last year's Brake Safety Week, brake-related violations accounted for 12.8% of all vehicle OOS violations. Out of that 12.8% of violations, 63.1% were stand-alone brake violations, 10.1% were steering axle brake violations, and 56.6% were due to defective brakes criterion.

Inspectors will primarily conduct North American Standard Level IV inspections on large trucks and buses to identify brake-system violations. Level IV inspections typically include a one-time examination of a particular item. Some states will implement performance-based brake testers (PBBT) during inspections. Drivers and/or vehicles failing inspection will immediately be removed from service until violations are cured.

Energy marketers should make certain that cargo tank vehicle equipment is operating as required and that drivers are informed of the inspection and enforcement blitz so that they will have their required credentials and documents available and in order.

Click here for the full report which includes what inspectors may check for within the brakes, drivers, and equipment.

More than 100 Energy Trade Groups Urge Interior to Fully Leverage Offshore Energy Resources

On Monday, EMA joined 100 other energy organizations in urging the Department of the Interior to establish American energy dominance by allowing for more leasing, exploration, and development of U.S. offshore oil resources in all Outer Continental Shelf (OCS) planning areas.

"The administration must reject restrictive policies and revise the offshore leasing program by allowing expanded access in the Gulf of America (GOA), Alaska, and in the Pacific and the Atlantic. Doing so will further secure America's dominance in energy development," said EMA President Rob Underwood.

In April, Interior Secretary Doug Burgum directed the Interior's Bureau of Ocean Energy Management (BOEM). to begin the process of developing a new schedule for offshore oil and gas lease sales. The development of a new program follows the previous administration's disregard for the offshore development process, including the release of the weakest offshore program in history.

According to the Energy Information Administration (EIA), U.S. offshore production accounts for 14% of total U.S. crude oil production, or nearly 2 million barrels of oil per day. Robust offshore oil and natural gas development could generate over \$8 billion in additional government revenue by 2040.

View a copy of the letter here.

Supreme Court Holds that D.C. Circuit is Proper Venue for Small Refinery Waiver Cases

On June 18, 2025, the U.S. Supreme Court ruled that all legal challenges to the EPA's decisions on Small Refinery Exemptions (SREs) under the federal Renewable Fuel Standard (RFS) must be brought in the D.C. Circuit Court of Appeals, rather than in regional circuit courts.

SREs allow small refiners to petition the EPA for temporary relief from Renewable Volume Obligations (RVOs) if they can show disproportionate economic hardship. The Biden administration denied more than 100 SRE requests, finding that no such hardship existed and prompting lawsuits in multiple circuit courts.

While the Court of Appeals for the Fifth Circuit ruled that the denials were regionally applicable, the Supreme Court disagreed. The Court held that the EPA's reliance on nationwide standards made its decisions national in scope, thus falling under the exclusive jurisdiction of the D.C. Circuit.

This ruling centralizes all SRE litigation in the D.C. Circuit, promoting uniformity in legal outcomes and eliminating the risk of conflicting regional decisions. Given the significance of SREs in the broader RFS framework—including their impact on Renewable Identification Number (RIN) prices and overall fuel costs—the decision introduces a degree of consistency and procedural predictability.

Substantively, while EMA maintains an official policy of neutrality relating to SREs, EMA opposes any reallocation of displaced gasoline or diesel volumes resulting from approved exemptions. Reallocating these volumes increases blending obligations on non-exempt refiners, potentially raising demand for Renewable Identification Numbers (RINs). This can drive up RIN prices and contribute to higher retail fuel prices. It may also push ethanol volumes beyond what the market can absorb through E10 blends, pressuring obligated parties to promote E15 or E85 despite infrastructure and compatibility constraints.

"EMA will continue to monitor developments and engage with regulators to ensure that a below-the-rack perspective is duly considered in shaping the renewable liquid fuels market," said President Rob Underwood.

New EMA Member Service Benefit: You Need Drivers. EMA Can Help

The Energy Marketers of America has partnered with the National Propane Gas Association (NPGA) to provide a new member benefit to help your company get drivers on the road. The ACE (Administrative Compliance Experts) Services Program guides individuals through the Entry Level Driver Training (ELDT) requirements set by the Federal Motor Carrier Safety Administration (FMCSA).

What does ACE do?

Serving as the FMCSA Registered Training Provider, ACE handles:

- FMCSA paperwork and filings
- FMCSA audits
- Training materials and training equipment guidance to meet FMCSA requirements

ACE will save you thousands of dollars – up to \$3,000 per driver – AND help you cut through all the red tape.

To begin enrollment, please click <u>HERE</u> and when prompted, enter the Energy Marketers of America as your ACE Network Partner.

Learn more about how ACE works, how much it costs, and how you can enroll your company by viewing EMA's webinar from October 24, 2024.

Special EMA Members Code for NACS Show 2025 Registration

The NACS Show is returning to Chicago this October and this year's Energy Marketers of America's Registration Code is: **2025EMANS**

Click Here to Register for the NACS Show

Using the 2025EMANS code provides EMA with \$100 for every retailer or marketer paid registration at any rate. EMA encourages EMA state execs to promote and share with your state association's member companies. Click here for the flyer and the early bird pricing ends June 13, 2025.

Please note that EMA State Execs are comped for NACS Show registration. Additionally, the NACS Show registration is separate from EMA's Fall Meeting registration. **CLICK HERE for full instructions to register.

Questions registering for NACS Show? Contact NACS Show registration customer service at nacs@maritz.com or 469-513-9489, Monday-Friday, 9:00 a.m. - 5:00 p.m. EST, for assistance

Weekend Reads

Amid regional conflict, the Strait of Hormuz remains critical oil chokepoint | US Energy Information Administration "EIA"

Canada's Trans Mountain Oil Pipeline Has a New Major Buyer—China | Institute for Energy Research (IER)

Trump rollbacks, vanishing tax credits to hammer U.S. EV sales | msn

US critical infrastructure could become casualty of Iran-Israel conflict | Cybersecurity Dive

Federated Insurance® Launches 2½-Day Risk Management Academy Offering for Petroleum Business Owners in August

Artificial Intelligence [AI] At Work
Thursday, July 17, 2025 (1:00 PM Central)
30 minutes | Complimentary | Advance registration required

Al has grown rapidly in the last several years, and many companies may not realize that their software and online services already incorporate it. For employers, Al offers many opportunities, but can also pose significant risks. Business owners need to understand how Al can work for them, how their employees might use it, and the legal requirements for using it fairly and ethically. This webinar will help shed light on common Al questions and issues, along with the importance of responsibly using Al in their workplaces.

WHAT YOU WILL LEARN

- ➤ What are the types of AI and why does that matter?
- ➤ Which laws govern the use of AI by employers and what are the limitations?
- ➤ What are the main benefits and risks of using AI in your workplace?
 - ➤ What elements are essential for workplace AI policies?



It's Our Business to Protect Yours



The **WPMA NEWS** currently serves EIGHT independent petroleum and convenience store associations.

WPMA NEWS MAGAZINE CURRENT ISSUE



<u>EMA JOURNAL</u> - The Official Publication of the Energy Marketers of America

Check out the EMA Journal anytime online by clicking **here**.

The EMA Journal **SPRING** issue is now available.

REGISTRATION OPEN

Click on the desired event below to register









PLEASE NOTE UPCOMING DATES FOR WPMA EVENTS

July 20-22, 2025 - Oregon (OFA) Conference - Sunriver Resort - Sunriver, OR
July 30-August 1, 2025 - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID
August 19-21, 2025 - New Mexico (NMPMA) Convention - Sandia Resort - Albuquerque, NM
September 9-11, 2025 Utah (UPMRA) Convention - Park City Sheraton, Park City, UT
February 17-19, 2026 WPMAEXPO - MGM Grand - Las Vegas, NV

Member Services













Petro Pete: How do you make holy water? You boil the hell out of it.

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