

## **REGULATORY ALERT: FEDERAL APPEALS COURT STRIKES DOWN RULE ALLOWING SUMMERTIME E15 SALES**

The U.S. Court of Appeals for the District of Columbia Circuit last week scrapped EPA's Trump-era rule authorizing the use of E15 during the summer driving season. In a unanimous opinion issued July 2, the three-judge panel struck down EPA's interpretation of Clean Air Act language relating to waivers from summertime RVP limits. EPA's original interpretation of the one-pound per square inch RVP waiver applied to E10 fuel only. The Trump administration reinterpreted the language in a 2019 rulemaking so that the one-pound waiver extended to E15 blends as well. However, the court found that the EPA misinterpreted the statutory language and ruled that the one-pound waiver cannot be extended to blends higher than E10.

The opinion effectively blocks the summertime sale of E15 fuel in non-RFG areas. The ruling deals a blow to biofuel producers who hoped the 2019 rule would boost E15 market share and reopen shuttered ethanol processing facilities. This is the second substantial legal loss for the biofuels industry in as many weeks. Last week, the U.S. Supreme Court upheld EPA's authority to issue extensions of small refiner waivers from blending mandates under the Renewable Fuels Standard (RFS). The two rulings will significantly slow the penetration of higher content ethanol blends into the retail market. In addition, the rulings mean fewer obligated parties will be participating in the RINs market. Fewer parties chasing fewer blending credits will result in significantly lower RIN prices. This in turn, this will calm current volatility in the RINs market where prices have soared since the summertime E15 rule was issued. The court, however, did not go beyond its analysis of the Clean Air Act waiver language and address small gasoline retailer arguments that the E15 rule would force them to sell E15 and be saddled with undue and onerous compliance burdens.

It is not clear how the court ruling will affect E15 sales this year now that the summer driving season has arrived. There is typically a short period of legal limbo after such decisions by federal appeals courts to allow the losing parties time to file for a rehearing of a three-judge ruling before all active judges in the circuit. In this case, there are currently 11 active judges in the District Columbia Circuit. However, a rehearing is unlikely because such proceedings are generally disfavored by the court and require a majority of active judges within the circuit to approve.

## **PRESIDENT BIDEN TO PROPOSE STRINGENT MPG STANDARDS DESIGNED TO SPEED-UP TRANSITION TO EVS**

The Biden administration is set to propose an ambitious two prong plan to reduce automobile greenhouse gas emissions designed to make electric cars the dominant vehicle sold in the United States. The plan is a key part of the administration's goal of reducing greenhouse gas emissions by 50 percent of 2005 levels by 2030. That goal would require a radical transformation of the nation's economy away from fossil fuels, including a rapid shift to electric vehicles. Currently only two percent of the vehicles sold in the United States are electric.

The first prong of the plan would require automobile manufacturers to achieve a corporate average fuel economy (CAFE) of 51 mpg by 2026 in order to meet strict new tailpipe emission reductions. The proposed standard is more stringent than the 44-mpg target for 2026 set by the Trump administration. A follow-up MPG standard is being drafted to achieve even tougher tailpipe emission reductions through 2032. The plan is designed to force automobile makers to build more EVs to meet rapidly escalating CAFE requirements. If the plan is to succeed, it must win over both automakers and consumers. This will require, a massive investment for EV fueling infrastructure together with generous tax incentives for both EV manufacturers and EV purchasers.

However, the latest version of the \$579 billion bipartisan infrastructure bill, now endorsed by the 58-member Problem Solvers Caucus, provides just seven billion dollars of the total \$174 billion needed to fund the 500,000 charging stations required to make the transition to EVs possible. The bipartisan bill is paid for through a combination of increased tax enforcement, user fees, re-purposed Covid19 relief funds and incentives for private investment. It does not include a gas tax increase or EV registration fees. The 58-member Problem Solvers Caucus also bucked Speaker Pelosi and progressive democrats and called for a stand-alone vote in the House instead of linking any House approval of the bipartisan deal to Senate passage of a later, larger corporate and individual tax and social spending budget bill. Meanwhile, the EPA and U.S. DOT expect to issue a proposed rule for the first round of new tailpipe emission standards this summer.

## **SMALL REFINERY EXEMPTION CLARIFICATION ACT INTRODUCED**

Last week, Representatives Angie Craig (D-MN) and Randy Feenstra (R-IA) introduced the “Small Refinery Exemption Clarification Act of 2021.” The bipartisan legislation would clarify that only oil refineries that have been continuously receiving small refinery exemptions (SREs) since 2011 would be eligible to petition for extensions of renewable fuel blending requirement exemptions.

Reps. Craig and Feenstra introduced the bipartisan bill following the recent Supreme Court decision the Supreme Court ruled in *HollyFrontier Cheyenne Refining, LLC, et al., v. RFA, et al.* to uphold the right of small refineries to request extension of economic hardship waivers after they lapse. Biofuel proponents argued that the EPA did not have the authority to issue waiver extensions once the original underlying waiver expired. They hoped the Supreme Court would strictly limit the granting of small refinery waivers that mushroomed under the Trump administration, by narrowing the timeframe within which an extension request is valid. The large number of small refinery waivers granted under the Trump administration effectively kept annual biofuel blending volumes stagnant, thus preventing E15 gasoline from making significant new inroads into retail markets outside the Midwest.

Now that the Supreme Court took the extension issue off the table, biofuel supporters are changing tactics and looking to a legislative solution. The bipartisan bill is supported by Growth Energy, the National Corn Growers Association, the Renewable Fuels Association and the National Farmers Union.

## **FEDERATED INSURANCE RISK MANAGEMENT ACADEMY: "EVREYHTIHING IS ENCRYPED — NOW WAHT!? FIVE THINGS TO HELP PREVENT RANSOMWARE IMPACTING YOUR BUSINESS"**

Tuesday, July 20, 2021 1:00 pm

Ransomware is impacting over 51 percent of organizations all around the globe. While it appeared ransomware cases might be decreasing for a brief time, these incidents rose dramatically in 2019 and show no signs of slowing down. This increase in malicious activity has serious business ramifications, from increasing downtime to causing revenue loss to damage your brand and reputation. Being held hostage by ransomware is a scary event to deal with in your organization. It's essential to understand the emerging trends in ransomware, and the recent highly targeted attack vectors, what actions you can take to help prepare before an attack.

The new ways offenders are using ransomware to take control of your network. Five best practices for helping to defend against and recover from ransomware attacks. Actionable steps to take if your organization does become a victim and

to how to engage your employees to help them make the right cybersecurity decisions aka, be a "human firewall".

Register [here](#).

## **EMLI (PMLI) REGISTRATION IS OPEN NOW**

We are excited to announce that registration is open for the Energy Marketers Leadership Institute (EMLI)!

EMLI is new and improved and is designed to make it easier and more affordable for WPMA members to attend. The EMLI programs will be delivered online via Zoom video conference and will include breakout rooms so that the leaders who are attending can interact and learn together.

Special thanks to Lea McCullough for her leadership in working with Meridian to design and deliver the EMLI programs. For more information on how to register go to: <https://emamasters.com/energy-marketers-leadership-institute/>

## **MEMBERS AND ASSOCIATES - YOU CAN CONTRIBUTE!**

WPMA welcomes industry-related articles for publication in the WPMA News magazine. All members and associate members of WPMA are eligible to submit items for publication. Articles will be included as space allows, and no self-promoting articles or editorials will be accepted. WPMA reserves the right to edit and make adaption of such contributions to accommodate the magazine's space and style. Please submit articles or content to Jan Roothoff, WPMA Administration/IT Director at [janr@wpma.com](mailto:janr@wpma.com), or mail to Jan Roothoff, Western Petroleum Marketers Association, PO Box 571500, Murray, UT 84157-1500. Submissions for the Winter edition of WPMA News magazine are due before November 1<sup>st</sup>. Later submissions will be considered for the Spring issue.

## MARK YOUR CALENDARS FOR UPCOMING EVENTS

**July 25-27, 2021** - Oregon (OFA) Annual Conference - Sunriver Resort - Sunriver, OR

**August 4-6, 2021** - Idaho (IPM&CSA) Convention - Sun Valley Resort - Sun Valley, ID

**August 23-25, 2021** - New Mexico (NMPMA) Convention - Sandia Resort & Casino - Albuquerque, NM

**September 2, 2021** - Idaho (IPM&CSA) Teton Valley PAC Fund Golf - Teton Reserve GC - Victor, ID

**September 15-17, 2021** - Utah (UPMRA) Convention - Sheraton Park City Hotel - Park City, UT

**February 22-24, 2022** – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

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: "You never realize how anti-social you are until there's a pandemic and your life doesn't really change that much."**

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## Classified Ads

### **EMPLOYMENT OPPORTUNITIES**

#### **Manufactures Rep Sales Agents Wanted**

**Southwest (California, Arizona, Nevada) and Rocky Mountain (Wyoming, Colorado, Utah, New Mexico) territories**

Wilson/Rogers & Associates ([www.WilsonRogers.com](http://www.WilsonRogers.com)) is seeking **two** entrepreneurial-minded **Independent Agent / Manufacturers Representatives** to join our team! Agents will be responsible for promoting and supporting contractual manufacturers within the Petroleum Equipment Industry in the Southwestern US and Rocky Mountain regions. Agents will be responsible for maintaining existing clients while developing new relationships with key Distributors, Contractors, Engineers and End Users of equipment used for the safe storage, transfer, monitoring and dispensing of petroleum products and related fluids, as well as lighting solutions for such applications.

Ability to work independently out of a home-based office is required, as is the ability to travel approximately 50% of the time.

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