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NEW FEDERAL E15 POLICY BENEFITS ETHANOL PRODUCERS AT THE EXPENSE OF RETAIL MARKETERS

The Trump administration is set to announce a new renewable fuels policy designed to make E15 the dominant gasoline blend nationwide. Specifically, the administration proposes to reallocate lost blend volumes exempted under small refinery waivers to large refiners. Since 2017, small refinery waivers have removed billions of gallons from annual biofuels blending mandates under the RFS program. The waivers play a large role in preventing a de facto E15 mandate by keeping volumetric blending requirements more closely aligned with actual consumer demand.

The administration is proposing to retroactively reallocate waived gallons from 2017 forward. Forcing waived volume back into the market is likely to drive up the value of RINs needed to offset unmet blending obligations. In turn, this is likely to provide an incentive for a select group of retailers to blend ethanol and call it "unleaded88" at the pump.

More importantly for petroleum marketers, the new proposal is likely to allow E15 to be sold from UST systems potentially containing components that are not compatible with the higher ethanol blends. Unfortunately, such blanket approval does nothing to eliminate marketer liability for releases due to E15 sold from noncompatible UST systems. Nor will it eliminate UST compatibility demonstration requirements mandated by federal and state underground storage tank programs and state and local fire marshal laws. Further such an approval threatens marketers' eligibility for corrective action cost recovery from state tank funds and private UST insurance policies. In addition, state tank funds, which are crucial to meet marketer financial assurance requirements, are likely to be pushed into insolvency as claims mount for E15 releases from noncompatible UST systems.

The new policy would only place marketers at a competitive disadvantage due to the potentially significant costs to upgrade or modify the configuration of equipment to sell E15, in addition to increasing liability risk for marketers and expose motorists to confusion and possibly misfuelling at the pump with E15 labeled as "unleaded88." The new RFS policy comes on the heels of a recent rule allowing the year-round sale of E15 nationwide. Both are designed to placate upset corn farmers and ethanol producers for short term political benefit rather than advancing a coherent, long term, market driven energy policy.

PMAA will report additional details as they become available.

MISTAKE ON EV CREDITS COULD COST AMERICANS MILLIONS OF DOLLARS

Long Standing Maryland Gas Station Becomes First Electric Vehicle Only Charging Station

According to an IRS watchdog report released yesterday, over 18,000 taxpayers received around \$82 million in bogus electric vehicle (EV) tax credits that they didn't qualify for. Currently, Rep. Dan Kildee (D-MI) and other lawmakers are pushing to attach H.R. 2256, known as the "Driving America Forward Act," to a tax extenders package that would expand the EV and hydrogen fuel cell tax credits. Specifically, the legislation would reduce the \$7,500 credit to \$7,000 and would lift the tax credit cap from 200,000 to 600,000. According to a recent study, the bill would cost taxpayers as much as \$15.7 billion.

In other news, a Maryland "gas" station, RS Automotive, was the first to fully transition from traditional pumps to electric vehicle charging stations. A petrol station in Maryland is the first of its kind to completely transition.

OIL HEAT INSTITUTE OF RHODE ISLAND (OHIRI) JOINS PMAA

On Tuesday, the PMAA Board of Directors voted unanimously to accept the Oil Heat Institute of Rhode Island (OHIRI) as a regular state association member. The OHIRI is a member driven nonprofit trade association established in 1960. The mission and vision of OHI is to provide advocacy, education and innovative strategies to the liquid fuels industry in Rhode Island and the energy consumers they serve.

Roberta Fagan, OHIRI's state association executive, said, "PMAA's mission aligns with the goals of OHIRI - to preserve, protect and expand the liquid fuels industry. Additionally, PMAA was a strategic partner in the reauthorization of the National Oilheat Research Alliance (NORA) which allows OHIRI to continue offering programs including consumer/technical education, energy efficiency and equipment safety funding, as well as research and development for advancing space and water heating technologies."

"PMAA will be stronger with OHIRI's support and we look forward to working together to ensure the survival of the fuel marketing industry, said PMAA Chairwoman Sharon Peterson.

“The OHIRI board decision will now enable PMAA and OHIRI staff to strengthen our joint government relations efforts to work together more effectively. We are excited with their decision to join PMAA,” said PMAA President Rob Underwood.

PLAN TO ATTEND THE 2020 WPMAEXPO



Mark your calendars for February 18-20, 2020. Make plans now to attend the 2020 WPMAEXPO. It will be held once again at the Mirage in Las Vegas, Nevada.

MARK YOUR CALENDARS FOR UPCOMING EVENTS

October 14, 2019 - Hawaii (HPMA) - Golf Tournament - Oahu Country Club, Honolulu, HI

February 18-20, 2020 – WPMA Convention & Expo – Mirage Hotel– Las Vegas, NV

May 7-8, 2020 – Nevada NPM&CSA – Big Dogs - Las Vegas, NV

June 22-25, 2020 – Washington (WOMA) – Convention – Suncadia Resort – Cle Elum, Washington

August 5-7, 2020 – Idaho (IPMA&CSA) Convention – Coeur d’ Alene Resort – Coeur d’ Alene, Idaho

August 17-19, 2020 – New Mexico (NMPMA) Convention – Sandia Resort & Casino – Albuquerque, NM

September 9-10, 2020 – Utah (UPMRA) – Convention – Park City Marriott – Park City, Utah

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Petro Pete: *“For the most part I’m a happy person. I just don’t tell too many people because it seems they take it as a challenge.”*

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FOR SALE

2001 Kenworth T800 fuel truck and trailer with 2001 Onnen tanks. 12,800 gallons total capacity. \$79,000. Please call Guy or Justin at 208-765-2266 if interested.

