



National Energy & Fuels Institute (NEFI)
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The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington DC 20006

Subject: Recommendations to Enhance U.S. Energy Security and Help Struggling Families

Dear Mr. President:

On behalf of America's delivered heating fuel providers, I urge decisive steps be taken to address record high energy prices and extraordinary hardship facing small businesses and consumers.

NEFI represents wholesale and retail distributors of liquid heating fuels including home heating oil. Many of our members are blending high levels of biodiesel, which has 74% lower greenhouse gas emissions on average than conventional petroleum.¹ These are often diverse businesses that market other heating fuels such as propane and sell, service, and install heating and cooling systems and equipment. The industry serves millions of homes across the country.²

On Sunday, Secretary of State Antony Blinken announced the administration is in "very active discussions with our European partners" about banning imports of Russian oil. Our industry stands with the Ukrainian people in this time of crisis, and we applaud the imposition of strong sanctions given the scale of recent Russian aggression. While such a ban is justified, we urge you to take immediate actions and explore all possible avenues to minimize the impact it will have on struggling families and small businesses.

Considering this, our nation must increase production of crude oil and refined petroleum products and take immediate steps to boost development and deployment of advanced biofuels. Advanced biofuels can immediately blend into the petroleum fuel stream, increasing supply and lowering prices without affecting food prices. Taken together, these actions will increase the resiliency of our economy and enhance national security while allowing your administration to fulfill its commitments to address global climate change. Indeed, these actions may prove vital if hostilities increase and global markets are further destabilized.

Our members are Main Street businesses, not "big oil" companies. NEFI members are mostly small, multi-generational family businesses that struggle in high price environments such as this. Soaring energy prices strain lines of credit with banks and suppliers, increase cash demands upon loading at the wholesale terminal, and may cause some customers to mistakenly lay blame on their local retailers for the situation. Unlike larger energy companies, our members deliver fuel directly to American homes and businesses and often have close relationships - often lasting for decades - with customers and their families. They see firsthand the impact of high energy prices on Americans, particularly those in vulnerable communities.

With no end to the crisis in sight, struggling American families wonder how they will make ends meet and what Washington is doing to help them. The below policy actions will not only enhance national security in the face of unprecedented Russian aggression, but also reduce carbon emissions and provide Americans with some needed relief from energy price inflation.

Recommended actions to provide immediate relief include:

- **Use the Defense Production Act to boost conventional and advanced biofuel production** in the near-term and to deploy cellulosic fuels. One example is ethyl levulinate (EL), a negative-carbon liquid fuel being developed for space and water heating applications.³
- **Waive the Jones Act** to address dramatic and costly shifts in world energy distribution since the conflict began by allowing allied vessels to move oil, refined products, biofuels, and propane between U.S. ports.
- **Fully utilize the Renewable Fuels Standard (RFS)** to ramp-up production of biodiesel, renewable diesel, and other advanced biofuels in 2022 and beyond.
- **Waive summer gasoline RVP requirements** to lower costs and increase supply of refined petroleum products by minimizing the impact of seasonal refinery turnovers.

Further, we urge Congress to swiftly enact bipartisan legislation to:

- **Strengthen home energy efficiency tax incentives** to cut residential energy use and lower consumer heating and cooling costs. These incentives must include the installation of modern and efficient biofuel-compatible heating systems by oilheat consumers.
- **Provide long-term extensions for soon-to-expire renewable and alternative fuel tax incentives** for biodiesel and renewable diesel blending, cellulosic biofuel production, and use of propane as a transportation fuel (also known as propane autogas).
- **Increase funding for USDA cost-sharing grants for biofuel infrastructure** under the Higher-blend Infrastructure Investment Program (HBIIP), which encourages build-out of blending, storage, and distribution infrastructure needed to deploy larger volumes of renewable fuels throughout the liquid fuels market.

We also recommend you convene stakeholder meetings to discuss additional steps to increase domestic energy production, provide long-term energy security and reliability, and lower energy costs for struggling Americans while preserving consumer choice. It is vital that any actions taken by the administration and Congress do not worsen already historic price inflation.

We welcome the opportunity to discuss these matters further. Thank you for your consideration.

Sincerely,



Sean Cota, President & CEO

¹ Argonne National Laboratory; U.S. Department of Energy, Alternative Fuels Data Center.

² Of the 123 million homes in the United States, 13.5 million rely on delivered heating fuels each winter including 5.9 million homes using propane (5% of all homes), 5.4 million using oilheat or bioheat (4% of all homes), and 2 million using pellet fuels and other wood products (2% of all homes).

³ Biofine Developments NE and EarthShift Labs 2019 GREET analysis shows EL reduces emissions by over 100% in heating applications.