



October 17, 2022

Mr. Michael S. Regan
Administrator
United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Re: Petition to Delay Elimination of the 1 psi RVP Waiver for E10 Due to Insufficient Supply of Gasoline

Dear Administrator Regan:

Please accept this letter as a petition from HF Sinclair Corporation ("HF Sinclair"), under Section 211 (h) (5)(C)(ii)(1) of the Clean Air Act, to delay elimination of the 1 psi Reid Vapor Pressure (RVP) waiver for E10 until Summer 2025. Elimination of the 1 psi RVP waiver for E10 by the 2023 summer season would result in an insufficient supply of gasoline in the states whose governors are seeking to opt-out of the RVP waiver for E10 (e.g., Minnesota, Wisconsin, South Dakota, Iowa, Illinois, Nebraska, and Ohio or "the Midwestern States"), because it would require production of lower RVP blendstocks that our refineries are currently incapable of producing in large quantities and construction of storage tanks and other infrastructure at refineries and downstream terminals which would require permitting approvals and capital expenditure commitments.

HF Sinclair is a diversified, innovative energy company that manufactures and sells products such as gasoline, diesel fuel, jet fuel, renewable diesel, specialty lubricant products, specialty chemicals, and specialty and modified asphalt, among others. HF Sinclair also owns and operates refineries located in Kansas, Oklahoma, New Mexico, Utah, Washington and Wyoming and markets its refined products principally in the Southwest U.S. and Rocky Mountains, extending into the Pacific Northwest and in other neighboring Plains states.

As you are aware, on April 28, 2022, eight Governors (the "Governors") sent a notice to EPA seeking the elimination of the 1 psi RVP waiver for E10. Based on communication with several Governors and their respective staff, the intent of this request is to allow for a new gasoline blendstock which would allow for blending of 15% ethanol during the summer months. However, we believe elimination of the 1 psi RVP waiver will create gasoline supply shortages, logistical challenges and increased cost of gasoline for consumers in the Midwestern States that will be highlighted below.

HF Sinclair operates two refineries located in Tulsa, Oklahoma and El Dorado, Kansas, with a combined throughput of 260,000 barrels per day of crude oil, primarily supplying fuel into the Midwestern States. We primarily transport our finished products via the Nustar and Magellan pipeline systems.

HF Sinclair has been notified by Nustar and Magellan that if the 1 psi RVP waiver for E10 is eliminated they would require an origin specification of 7.8 psi RVP. In fact, for the transition period to the 2023 summer season, Magellan has notified us of its intent to require an origin specification of 7.3 psi RVP to transition the downstream gasoline to summer gasoline. If the 1 psi RVP waiver is eliminated for the 2023 summer season, it will be extremely difficult, if not impossible, for HF Sinclair refineries to accommodate the same volumes of gasoline in the Midwestern States with the existing infrastructure.



Additionally, moving to a more stringent RVP fuel would require refiners to back out butane and store it until the winter months, requiring additional tankage at our refineries. As EPA is aware, lower RVP requirements diminishes the amount of gasoline that can be produced, because it is much more difficult and costly to manufacture.

Additionally, EPA recently classified the Denver Metro/North Front Range ("DMNFR") Area as a Severe Nonattainment Area under the 2015 8-hour ozone National Ambient Air Quality Standards. Pursuant to the Clean Air Act, HF Sinclair will be required to provide reformulated gasoline with a maximum RVP of 7.4 psi to the DMNFR Area. Supplying lower RVP gasoline into the DMNFR Area will further constrain gasoline availability in the Midwestern States whose Governors are seeking to opt-out of the RVP waiver for E10.

HF Sinclair's refineries are limited in the quantity of low RVP gasoline they can produce. Logistically, production of lower RVP gasoline requires additional infrastructure to allow for fuel segregation that HF Sinclair has not had adequate time to design. Capital projects such as construction of storage tanks to provide additional infrastructure for boutique fuel blends require significant engineering and planning, permit approvals and capital expenditure commitments. With the 2023 summer season less than six months away, it would be difficult, if not nearly impossible, to complete such projects by the summer season of 2023. Additionally, EPA has not provided any formal guidance on what it will require of gasoline producers that supply the Midwestern States. As a publicly traded company, we cannot begin evaluating projects without a formal guidance from EPA.

While we believe the Clean Air Act does not compel the EPA to grant the Governors' requests, we believe an implementation delay would provide policymakers an opportunity to fully understand the negative consequences of eliminating the 1 psi RVP waiver and allow the industry to appropriately prepare for the implementation of the regulation.

In sum, HF Sinclair respectfully petitions the EPA to delay elimination of the 1 psi RVP waiver sought by the Governors of Midwestern States until Summer 2025, analyze the impact of elimination of the RVP waiver on gasoline supply in the Midwestern States, and provide a formal guidance on Agency's requirements for gasoline producers that supply the Midwestern States.

Respectfully,

Jerry Miller
Senior Vice President
HollyFrontier Refining and Marketing