

Statement of the Honorable Greg Walden
Subcommittee on the Environment
“Background on Renewable Identification Numbers under the Renewable
Fuel Standard”
July 25, 2018

(As prepared for delivery)

Thank you for yielding to me, Mr. Chairman. I will be brief.

Today, the Environment Subcommittee is holding its fifth hearing on the future of transportation fuels. This morning’s topic is Renewable Identification Numbers, also known as RINs.

RIN credits are used for compliance with the Renewable Fuel Standard, but also can be traded, making RINs both a compliance tool and a commodity.

Each gallon of qualifying, produced biofuel is assigned a RIN, a group of 38 digits that identify the fuel producer, the year the fuel was produced, and the type of fuel. RINs are “attached” to the fuel and, once the biofuel has been blended or sold, the RINs are detached. At the end of each year, either the biofuel producer – based on a predetermined compliance obligation formula – submits its required RINs to EPA, purchases RINs from other RIN holders to meet their regulatory obligations, or the biofuel producer sells excess RINs like other commodities.

There is, however, much greater detail and nuance to RINs. Most of these nuances and other issues are foreign to most of us as well as most Americans. That’s where this hearing comes into play.

This hearing is intended to be educational in nature. For those of you of a certain vintage, you will remember encyclopedia collections – such as World Book or Britannica. This hearing will help the Environment Subcommittee better fill out its set of books on transportation and renewable fuels more generally.

Why? Well, as I have said before, it is my desire to move legislation that will pave the future of transportation fuels in the United States, and in order for this to happen it is important that we understand what RINs are and how they fit into the Renewable Fuel Standard – a program that in 2017, spurred the production of 15.8 billion gallons of ethanol and 1.6 billion gallons of biodiesel in the United States.

That said, this hearing is not meant to drive a pre-ordained policy or to settle scores. It is intended to help members understand the program so that they can make informed decisions when the time to legislate comes.

I want to thank our witnesses for agreeing to be with us today. You have been asked to join us not just for your extensive knowledge base on this complicated matter, but also for your demonstrated ability to be both informative and objective when it comes to communicating the fundamental elements of the RINs program. I look forward to hearing your testimony and learning from your experience.

Thank you again Mr. Chairman for this time. I yield back the remaining amount of time that I have.