PBF HB 201 Testimony

- I'm Scott Hayes, Midwest GR Director for PBF Energy, which owns 6 oil refineries in the country, including the Toledo Refining Company. We are proud of our 130 year history of bringing high quality and affordable products to the market place.
- I'm here to support HB 201, which would prevent Ohio from adopting attempts to literally ban gasoline and diesel powered vehicles, as is sadly occurring in other states.
- While the federal government is the predominant entity that can set vehicle efficiency standards, there is a carve out in the Clean Air Act that allows California to set its own standards and then allows states to opt into California's requirements.
- Unfortunately, California is now looking to grossly abuse this provision of the law to literally ban the sale of all gasoline and diesel powered vehicles in 2035; just over 10 years from now. If successful, electric vehicles will be the only cars auto dealers can sell come that date.
- Several states are already trying to "opt in" to California's car ban, despite auto manufacturers all indicating such mandates are unachievable. These mandates are often being advanced with the stroke of a Governor's pen or pursuant to prior laws that automatically adopt any new standard California advances.
- Simple consideration of these mandates can have unintended consequences for consumers and the economy; specifically as it pertains to tradition fuel supplies and refining jobs.
- Refineries plan out a timeline for major maintenance and capital projects, which entail hundreds of millions of dollars of investment, over the span of up to five years.
- Major turnarounds occur every 1 to 2 years and cost between $50–250 million, but these projects are planned for three to five years in advance.
- Banning traditional vehicles sends a message that refineries are not wanted, which can lead investors to advocate forgoing capital projects and, in some cases, premature asset closures rather than waiting to see if aspirational mandates, coupled with adverse market cycles, prevent a return on massive expenditures.
    - Such circumstances could similarly threaten biofuel production, since electric vehicles obviously cannot run on ethanol or renewable diesel.
- California's announced EV mandate, coupled with other costly regulations in the state, have been frequently cited for the net loss of over 218,000 barrels per day of fuel supply and more than 1,000 direct job losses, leaving the state short fuel relative to demand, without sufficient electric vehicle penetration to compensate for lost fuel supplies.
- Diminished fuel supplies, coupled with extensive regulatory costs, are why California persistently has the nation's highest fuel prices and is now becoming dependent on foreign gasoline and diesel fuel imports.
- Ohio's fuel supply and consumers cannot run the risk of these policies proliferating.

- HB 201 is important to send the opposite policy signal from what is being advanced in California and other states. It prevents any state agency or Administration from trying to limit consumer choice and threaten the state's energy security by advancing gasoline and diesel powered vehicle bans.
- In doing so, it will protect consumer choice, jobs and Ohio's energy security.
- Finally, I'd also like to note that the current supply chain for electric vehicles is almost completely reliant on foreign minerals, often mined with child and slave labor, and Chinese manufacturing.
- Current federal incentives can hopefully start to re-shore some elements of these supply chains, but that will not happen in a decade. We have seen the adverse impacts of ceding our energy security to foreign powers and should not look to advance new policies that will erode American energy security even more extensively.