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April 20, 2024

Ohio Senate
Transportation Committee
1 Capitol Square
Columbus, Ohio 43215

RE: Support for Senate Resolution 155

Dear Chairman Kunze, Vice Chair Reineke, Ranking Member Antonio, and honorable members of the Senate Transportation Committee:

PBF Energy Inc., on behalf of our nearly 4,000 direct employees, over 500 of whom work directly at our Toledo, Ohio refining facility, strongly urges this committee to report favorably on the adoption of Senate Resolution 155 (SR 155). Our Toledo facility also employs a daily average of 400 contractors onsite, primarily associated with Building Trade Unions, and contributes about \$5.4 billion in annual economic output to the region. IMPLAN estimates that for every single job at our facility, there are at least 16 induced or indirect jobs associated with our refining complex, an impressive 1:16 ratio.

All direct and indirect jobs associated with our assets in the region are threatened by unachievable mandates and deadlines supporting electric vehicles (EVs), which is why we urge you to support HR 198, which compels the Biden administration to rethink the proposed automobile tailpipe emissions standards for production years 2027 to 2032 that ultimately require that EVs make up two-thirds of light-duty vehicle sales by 2032.

This target is simply unachievable and will have disastrous collateral effects on the lives of Ohioans and every American. These are just some examples of the challenges and potential impact of the EV mandate:

Lack of electrical grid power generation capacity

To supply the increase in electricity usage needed to power only the light duty vehicle mandate in the proposal, the country would need to build the equivalent of 122 new nuclear power plants, or nearly 284,000 MW of unreliable, intermittent onshore wind capacity within a decade. This is simply unachievable.

Trying to force such massive increases in electricity use without sufficient supply, transmission, or distribution networks could create reliability issues for all of Ohio's residents and manufacturers. This is further complicated by the fact there has never been a feasibility study analyzing the scope and scale of such a massive increase in electric demand.

In addition, electrification poses challenges to urban populations and anyone living in multi-unit housing, which will limit charging opportunities. We see this as an unaddressed equity issue primarily because charging inequities impact those who are either unable to afford a charger in their home, modify their home electric supply, and/or lack access to proprietary charging facilities because they live in apartment complexes.

Supply chain concerns

An accelerated and unachievable push to mandate electric vehicles raises significant national and energy security issues. According to the International Energy Agency (IEA), China owns the supply and production of the vast majority of the minerals needed to make EV batteries, including lithium, cobalt, graphite other rare earths metals. Most of the cobalt needed for EVs is mined in the Democratic Republic of Congo. Human Rights Watch has raised serious concerns over human rights and child labor standards in relation to the Congo's artisanal cobalt mining.

The Wilson Center, chartered by Congress, provides nonpartisan counsel and insights on global affairs to policymakers through deep research, impartial analysis, and independent scholarship. The Center estimates that of the 255,000 Congolese mining for cobalt, **40,000 are children**, some as young as six years old, which would never be permitted in the United States due to our labor laws.

Disproportionately harmful to the vulnerable

According to the CEA, the Midwest would be disproportionately affected by job losses directly attributed to a premature mandate to EVs, and Ohio's loss would be significant.

The initial purchase of an EV is cost-prohibitive for those on a fixed or precarious income. The price differential between an EV and a comparable internal combustion engine (ICE) vehicle averages \$15,000 or more according to the Consumer Energy Alliance and the cost of EVs have been steadily increasing since 2015. Today, the average EV costs well over \$60,000, a price that is affordable only by higher income earners.

Effects to the refining sector

The national supply/demand ratio for refined products is thinly balanced currently. The country has lost 1.5 million barrels of refining capacity within the past decade, to higher prices and potential shortages for consumers and manufacturers, as well as policies that are unhealthy to the refining industry could cause added refinery closures. This could result in a scenario in which the U.S. would be importing refined products from other nations that may or may not support our national interests. The Midwest, due to its inherent infrastructure limitations, would be uniquely impacted by this imbalance and the region would certainly be subjected as the military.

Just the threat of unachievable EV mandates threaten investment in major maintenance and capital projects at refineries. Because facilities are complex, involve large mechanical equipment and operate around the clock, large-scale maintenance and capital projects with intense construction windows are planned five years in advance of the event and occur every couple of years. These projects often require an investment of \$50 to \$250 million and can employ as many as 1,800 union-affiliated contractors. Policies that signal a phase out of transportation fuels could affect business decisions leading to the retirement of assets or premature refinery closures. Again, detrimental to the national interest, energy security, and Ohioans.

There is certainly a place for electric vehicles in today's automotive marketplace. However, the marketplace - consumers - should be determining whether they want to drive an EV, rather than the having the government picking winners and losers through regulations or an executive order. Mandating EVs before we have the supply chains, power generation and infrastructure in place to accommodate them will have detrimental effects on the nation and on Ohioans. We strongly urge this committee to support HR 198, which sends the appropriate message to federal policy makers that Ohioans stand for choice in purchasing and fueling their personal and business vehicles.

Respectfully submitted,

A handwritten signature in black ink that reads "Scott Hayes". The signature is fluid and cursive, with a long horizontal stroke at the end.

Scott Hayes

Director, Midwest Government Relations

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