



Testimony of Geoff Moody  
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Pennsylvania State Senate Environmental Resources and Energy Committee  
Hearing on Waste to Fuels  
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Good afternoon, my name is Geoff Moody. I serve as the Senior Vice President for Government Relations and Policy at the American Fuel and Petrochemical Manufacturers, headquartered in Washington DC.

AFPM represents nearly 90 percent of U.S. refining capacity and nearly all petrochemical production in the U.S. Here in Pennsylvania, we are proud to represent Monroe Energy and American Refining Group. The refining industry supports more than 93 thousand jobs in Pennsylvania and contributes nearly \$20 billion to the state's GDP. In fact, according to a recent report by Oxford Economics, the refining industry has one of the highest ratios of jobs supported in local economies for every refinery worker directly employed, at 45 to 1. That's in addition to more than \$2 billion in state and local taxes generated by refining activity in Pennsylvania.

I want to leave you with 5 points today.

First, the U.S. refining industry will be vital to meet the energy demands of a growing and increasingly wealthy population. By mid-century, the UN anticipates the global population will expand to nearly 10 billion people. And every day, more people enter the global middle class and seek access to mobility and other modern amenities that our industry makes possible. That means we need more energy production and more of the many other products that come from a barrel of oil, including the chemistries and plastics that keep food safe, improve medical care, and serve as critical components for technologies such as electronics and light-weighting vehicles.

Second, the U.S. refining industry is well-positioned to meet these energy demands. The U.S. is home to nearly 20 percent of global refining capacity and has the most complex and efficient refining industry in the world. That means we can do more to transform a barrel of crude oil into the building blocks for thousands of products.

Third, it is important to meet this demand in an increasingly sustainable fashion while keeping consumers front of mind. The refining industry is increasingly diverse and produces a variety of liquid fuels. For example, AFPM's members are responsible for more than 85 percent of the renewable diesel and sustainable aviation fuel produced in the U.S., which is the largest producing country in the world, having spent billions of dollars to upgrade facilities to transform a wide array of feedstocks into renewable fuels. Refiners are also investing in areas such as hydrogen and carbon capture to help reduce the carbon intensity of the fuels. In fact, one of our members is one of the anchor shippers for the mid-Atlantic hydrogen hub.



Fourth, there are multiple federal and state programs that mandate or incentivize the use of biofuels, including the federal Renewable Fuel Standard, state low carbon fuel standards, tax policy, and state biofuel mandates such as Pennsylvania's 2% biodiesel mandate. And while we support the use of biofuels, these programs do not come without a cost. In California, the California Energy Commission estimates that the state LCFS alone adds \$0.10/gal currently and added as much as \$0.25 in the past. AFPM has studied other proposed low carbon fuel programs, including in New Jersey, New Mexico, and Michigan and has estimated that such programs could add between \$0.20 and more than \$1 per gallon depending how the mandate is structured. As the stringency of these programs increases, and if other states establish mandates, we expect even higher and unavoidable costs due to feedstock and capacity constraints. For instance, the California Air Resources Board estimated their proposed changes to the CA LCFS would increase the pass-through cost on diesel to reach \$2.40/gallon in 2041.

Finally, the best way to facilitate emissions reductions in transportation is to allow different technologies to compete. That is why AFPM is concerned about federal and state efforts to mandate the use of a single technology, electric vehicles, and in some instances fully banning new internal combustion engine vehicles. We urge all policymakers to keep consumers front of mind and embrace competition among technologies rather than forcing a one-size-fits-all mandate that doesn't work for everyone.

AFPM is pleased to lend its expertise in fuels policy to today's hearing. I look forward to any questions you may have.