ADVOCACY

WE ADVOCATE ON BEHALF OF OUR INDUSTRY AND THOSE WHO RELY ON OUR PRODUCTS

MPC operates in a heavily regulated industry. That's why we work with lawmakers and regulators at the federal, state and local levels – to keep them apprised of the impact of existing or proposed laws and regulations on our industry. Some of these laws and regulations can have profound effects on our ability to effectively meet the needs of the millions of people who rely on our products every day. For this reason, we sometimes take positions on existing or proposed laws or regulations. This section highlights a few examples.

The Renewable Fuel Standard (RFS): The 2007 Energy Independence and Security Act requires refiners and others to blend specific volumes of biofuels – like ethanol and biodiesel – into the nation's fuel supply. One problem with the law is that we are required to blend increasing amounts of biofuels into petroleum fuels, even if fuel demand overall goes down. This is problematic because most vehicles on the road today cannot safely accommodate fuel with higher blends of ethanol.

A second major problem with the RFS is that it injects a huge amount of uncertainty into our industry, because we don't know how much biofuel we'll be required to blend. For example, the EPA was supposed to inform refiners and others of our 2014 requirement by November 2013. That would have given us time to prepare. As of this publication's printing in mid-2015, the EPA still has not finalized the 2014 or 2015 RFS volume obligation.

MPC continues to advocate repeal of the RFS. Its provisions are simply unworkable, even if it were properly administered.

EPA's "Clean Power Plan Proposed Rule": In order to reduce greenhouse gas emissions, the EPA has proposed a rule for power-generation plants, which, by its own estimates, will increase electricity costs to U.S. consumers by 6 to 7 percent, and up to 12 percent in some locations. In order to accomplish the energy-intensive process of converting crude oil to useful products, MPC spent $450 million on electricity in 2014. A 6 to 12 percent cost increase would be significant.

The EPA has proposed this rule to achieve a 30 percent reduction in greenhouse gas emissions from U.S. power plants by 2030. But according to figures from the U.S. Energy Information Administration and the EPA, the amount of carbon dioxide emissions that will be reduced in the year 2030 by this rule will equal only about three weeks of emissions from China.

Lifting the crude oil export ban: Since the early 1970s, exporting U.S. crude oil has effectively been banned. Despite the increased domestic crude oil volumes, throughout 2014 and into 2015, U.S. refiners have kept pace with supplies, and there has been no oversupply of light sweet crude oil in the U.S. This is important to keep in mind, because some oil producers, and even some policymakers, suggest that there is a glut of light sweet crude in the U.S., and therefore the time has come to lift the crude oil export ban.

Any discussion about changing regulations that have been in place for so long must be based on facts rather than misinformation. U.S. refiners are – and will continue – handling domestic crude production. What would benefit U.S. energy consumers most is a comprehensive energy policy that removes our biggest barriers to a free market, such as the RFS. Selecting only one aspect of our energy policy that benefits only one sector of the energy industry simply picks winners and losers.

For more information on MPC's advocacy activities, including contributions to political candidates, please see our website: http://www.marathonpetroleum.com/corporate_citizenship/Political_Engagement_and_Disclosure