



City of Philadelphia

City Council
Chief Clerk's Office
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Philadelphia, PA 19107

Legislation Text

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Supporting the Settlement Agreement reached between the United States Department of Justice on behalf of the Environmental Protection Agency and Philadelphia Energy Solutions.

WHEREAS, City Council supports the settlement reached between the United States Department of Justice on behalf of the Environmental Protection Agency and Philadelphia Energy Solutions on a compliance waiver for its Renewable Identification Number obligations; and

WHEREAS, Philadelphia Energy Solutions is a valuable part of Philadelphia's community providing 1,100 high-paying and high-skilled jobs to local workers and, as a result, supporting local families and our community; and

WHEREAS, Unlike more traditional direct limits on emissions or requirements for installing pollution control equipment under the Clean Air Act, RINs are essentially a speculative financial instrument that trades on political news. The RINs value is not directly correlated to biofuel blending levels; and

WHEREAS, Based on established precedent, it is clear that the Department of Justice, on behalf of the Environmental Protection Agency, has the authority to enter into this type of settlement agreement in a bankruptcy and on the basis of inability or limited ability to pay or comply; and

WHEREAS, The settlement appropriately balances the interests of bankruptcy law, allowing companies to successfully reorganize, and the interests of environmental law, ensuring compliance with environmental laws; and

WHEREAS, The settlement imposes new restrictions on Philadelphia Energy Solutions. The company must surrender credits twice a year for compliance and pay stipulated penalties at statutory maximum levels if it fails to comply with the more stringent settlement terms; and

WHEREAS, The settlement ensures that there are no continuing violations of the Clean Air Act. The compliance periods covered by the settlement will be over by the time the company emerges from bankruptcy and no more biofuels can be blended in those periods; and

WHEREAS, City Council urges the Department of Justice on behalf of the Environmental Protection Agency to seek final court approval of the settlement quickly. It is the right way forward for PES, its employees and community, while being fully in line with legal precedent; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That we do hereby support the settlement agreement reached between the United States Department of Justice on behalf of the Environmental Protection Agency and Philadelphia Energy Solutions on a compliance waiver for its RINs obligations.