

RFS EDUCATIONAL SERIES BRIEFING NO. 3: WHERE DO RINS COME FROM?

by Clayton McMartin

RINs are generated as a result of the production or importation of renewable fuel into the United States. The RINs serve as identification numbers for each gallon of renewable fuel placed into commerce, allowing EPA to monitor the movement and use of renewable fuel in the marketplace.

The assignment of RINs, contrary to what some believe, is not conducted by EPA (1). Instead RINs are assigned by the producer or importer in accordance with the rules found in the Renewable Fuel Standard program. Section 80.1126 provides all of the details necessary for a producer or importer to assign RINs to their product.

With the exception of producers who produce less than 10,000 gallons per year, and importers who import less than 10,000 gallons per year of renewable fuel, it is mandatory that RINs be generated as the renewable fuel is placed into commerce.

The process of generating the RIN is really one of the easiest steps in the program. A producer simply needs to gather the required data pertaining to their entity, facility, and product type. Then as fuel is produced or imported a unique batch number for the applicable year and the total volume of RINs are added to the 38-digit series resulting in what EPA defines as the parent batch RIN. Producers can generate RINs on the renewable fuel registry by providing only two pieces of data, the volume of fuel and denaturant content in the case of ethanol.

(1) FUTURE VIEW: The impending implementation of the RFS2 program will bring fundamental changes to the way RINs are assigned to produced and imported product. EPA has proposed modifications to the rule due to numerous errors that have occurred through the present RIN generation approach. EPA will eventually issue RIN numbers as producers and importers submit operational data directly to EPA in a more real-time manner.

More details about RFS2 and the resulting changes will be covered in future briefings. Past briefings providing more background information are available now at www.CFCH.com

Clayton McMartin is the President of the Clean Fuels Clearinghouse and the founder of the RINSTAR® renewable fuel registry. Hundreds of companies process renewable fuel and RINs on RINSTAR® each day. More information about the company is available at www.CFCH.com or by calling (575) 377-3369.