

AMERICAN FATS & OILS ASSOCIATION - ANNUAL MEETING

BIODIESEL & RENEWABLE DIESEL STATE POLICY UPDATE

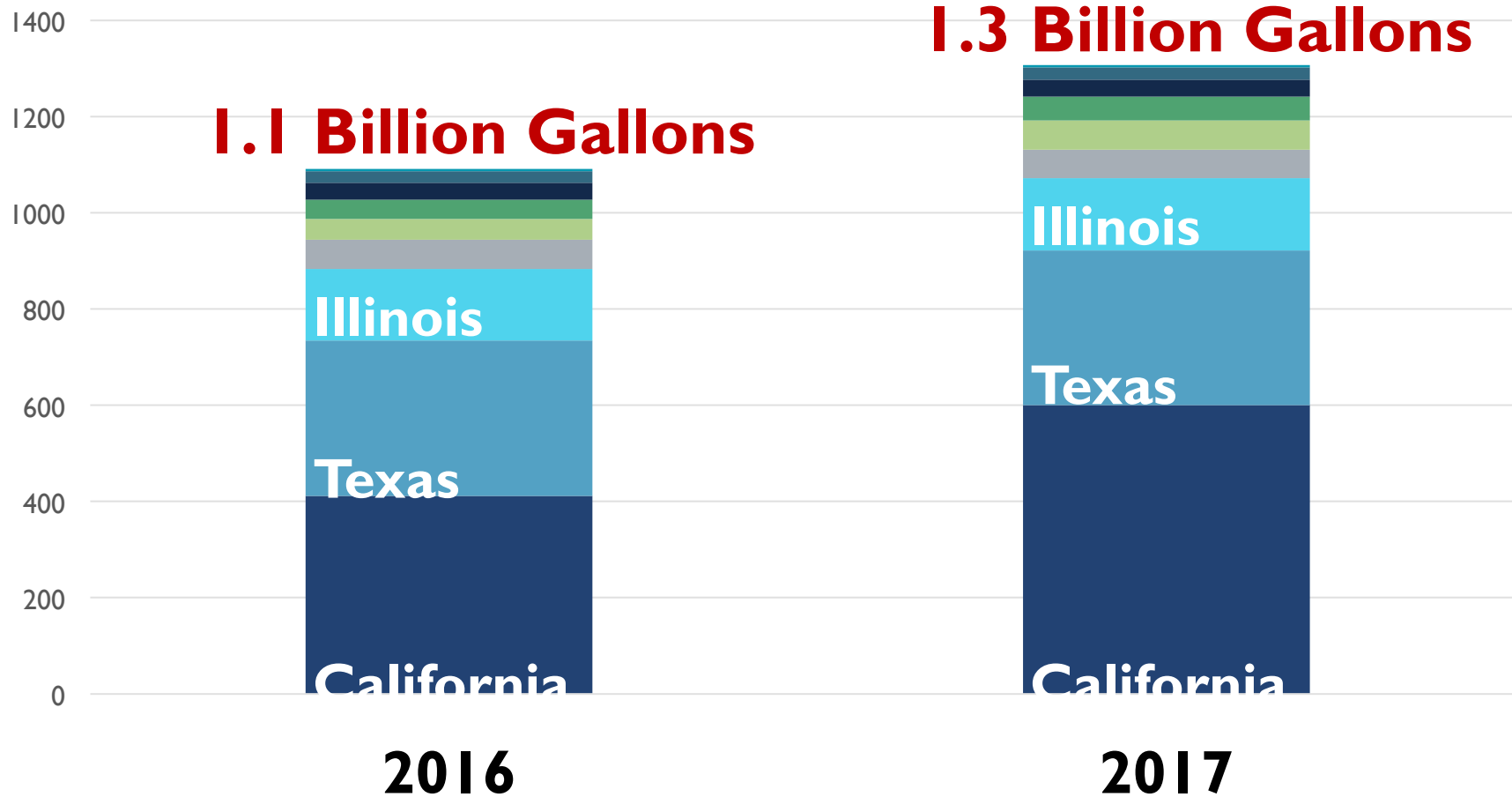
Shelby Neal

Director of State Governmental Affairs

National Biodiesel Board



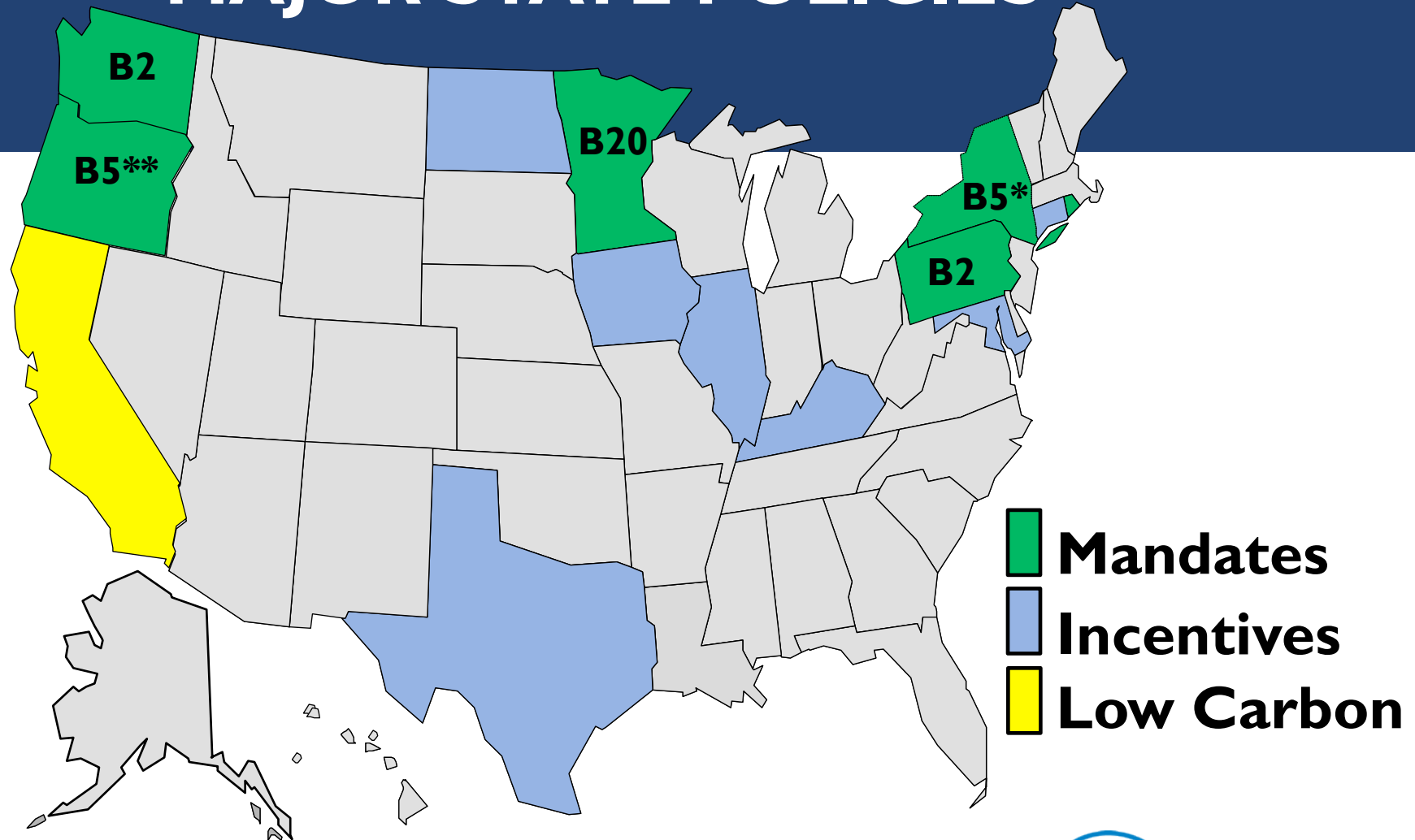
Minimum State Volumes



■ CA ■ TX ■ IL ■ MN ■ OR ■ NY ■ IA ■ PA ■ RI



MAJOR STATE POLICIES



*New York City plus Westchester, Suffolk, and Nassau Counties.

**Oregon has all three types of policies.

NEW YORK STATE

- Bill passed on June 21st, signed into law September 13th.
 - **Creates a 5% Bioheat® standard for “downstate” counties—Nassau, Suffolk, & Westchester—by July 1, 2018.**
- Supported by NBB, oil heat associations, League of Conservation Voters, New York Public Interest Research Group (NYPIRG).
- 70% of New York State soon to be at B5 (40-45 million gallons of annual biodiesel consumption).

RENEWABLE PORTFOLIO STANDARDS (RPS)

- Connecticut, Massachusetts, and New Hampshire finalizing regulations.
- Biodiesel earns credits of approximately 50 cents per gallon.
- RIN generation on blends up to B5 and above B80.



ILLINOIS

- 6.25% sales tax exemption on diesel fuel with B11 or higher blends of biodiesel extended through 2023.
- Partial exemption for blends below B11 not reauthorized.
- 150 million gallons of annual consumption.

MINNESOTA

- June 9th, state agencies* voted to move forward with final phase of statewide requirement/standard.
- Requirement increases to B20 on May 1, 2018.
- 120 million gallons of annual consumption.

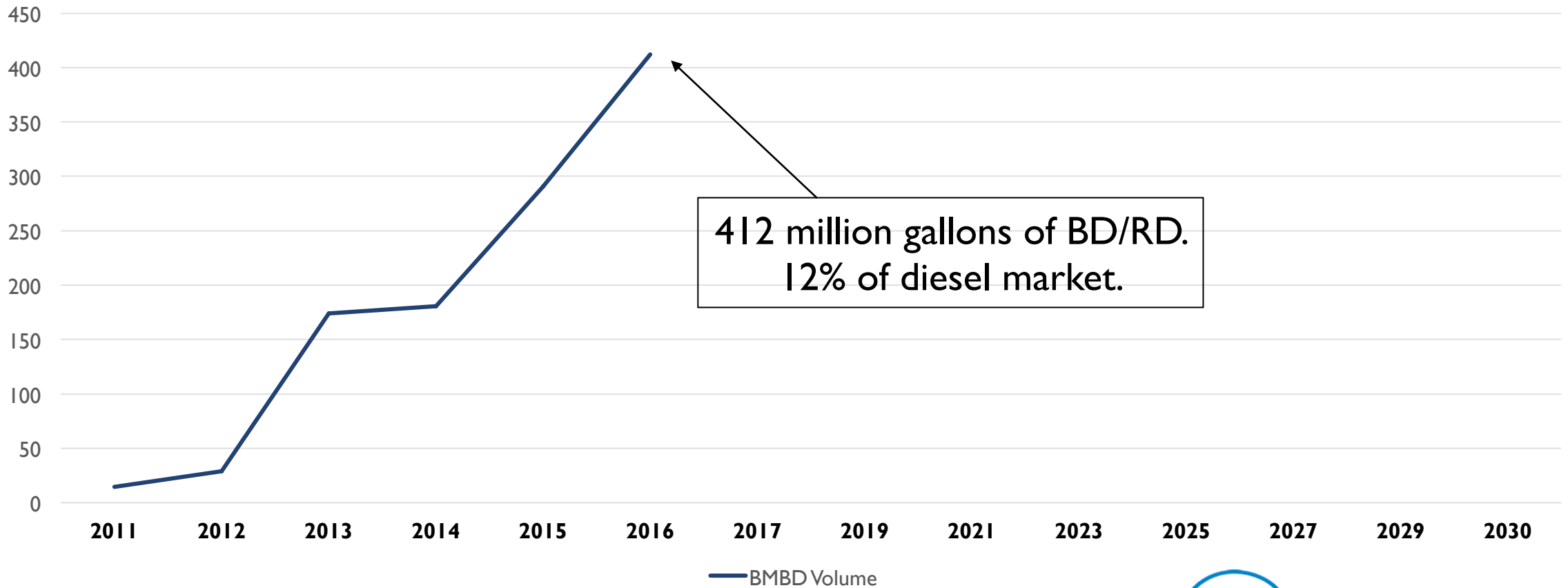
*Agriculture, Commerce, Pollution Control.



CALIFORNIA

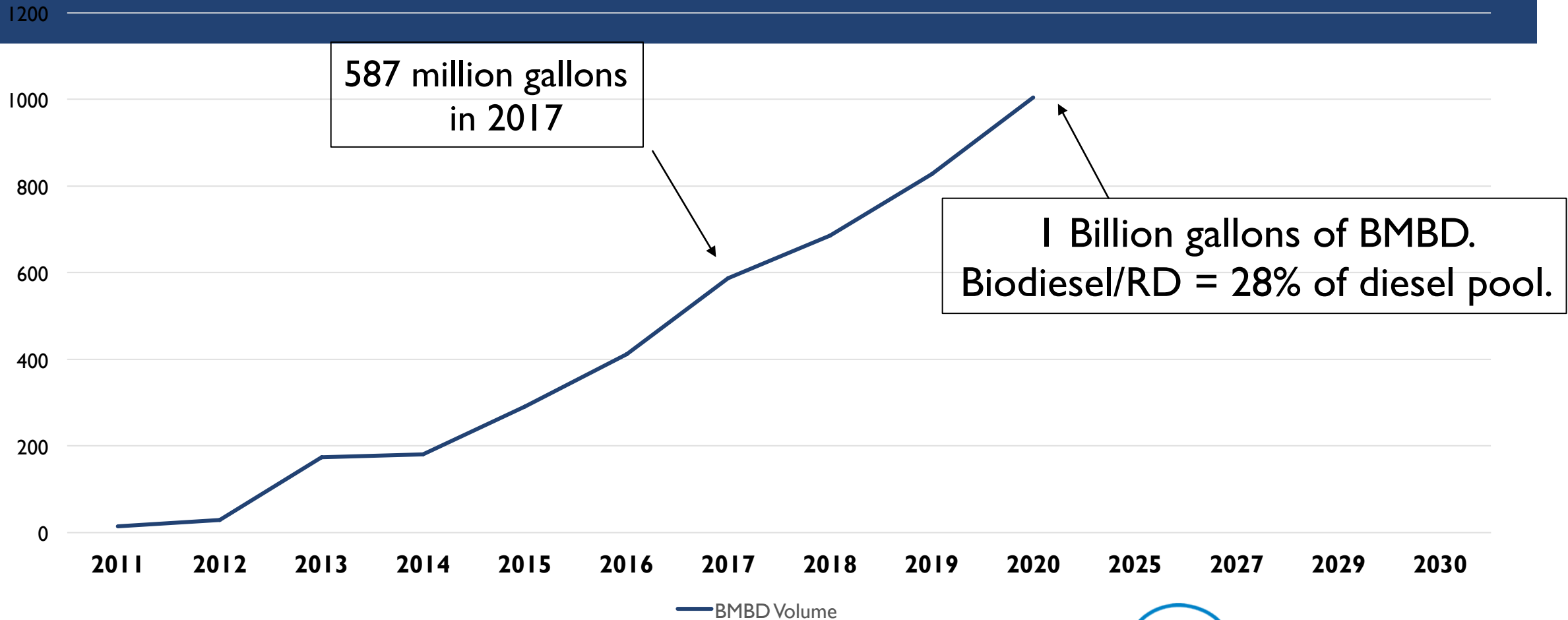
LCFS VOLUME PROJECTIONS

BMBD Volume



Source. 2011-1016, CARB quarterly reports.

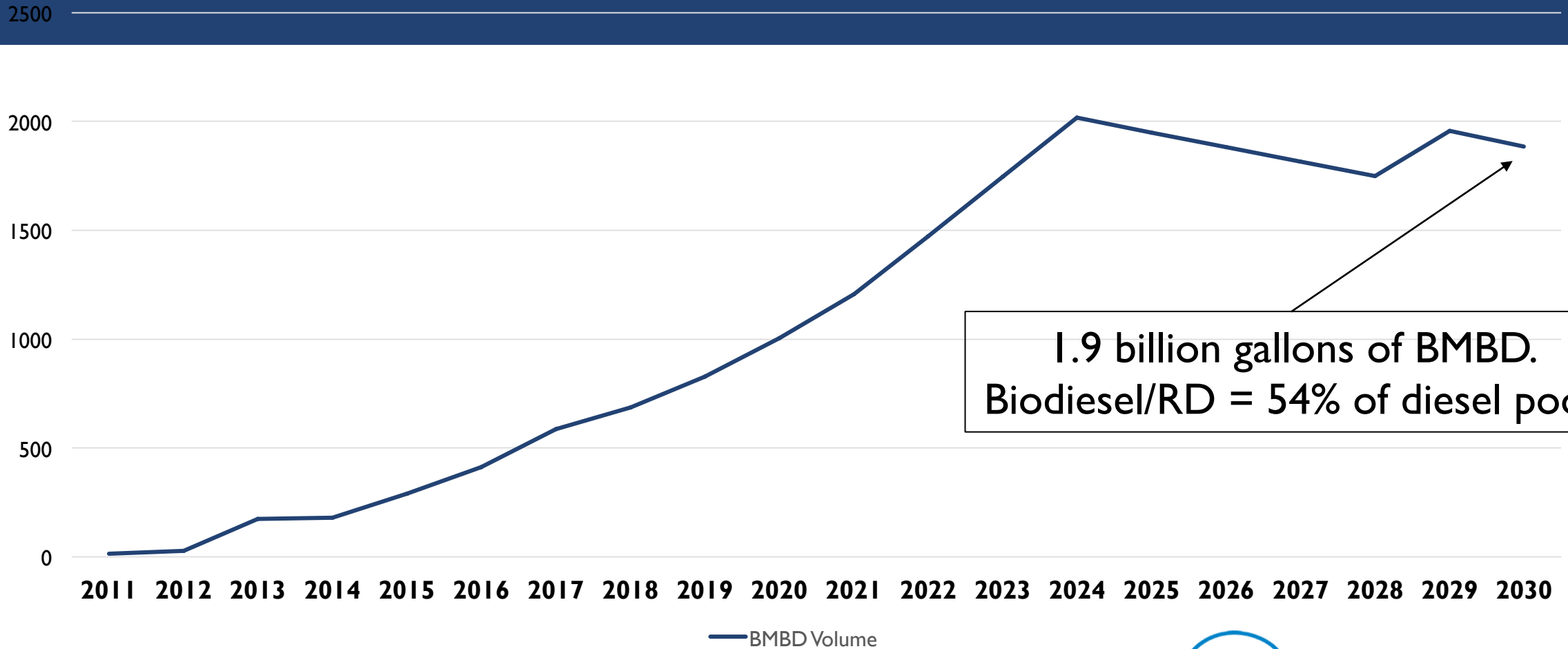
LCFS VOLUME PROJECTIONS



Sources. 2011-1016, CARB quarterly reports. CARB Biofuels Supply Module w/default input values.



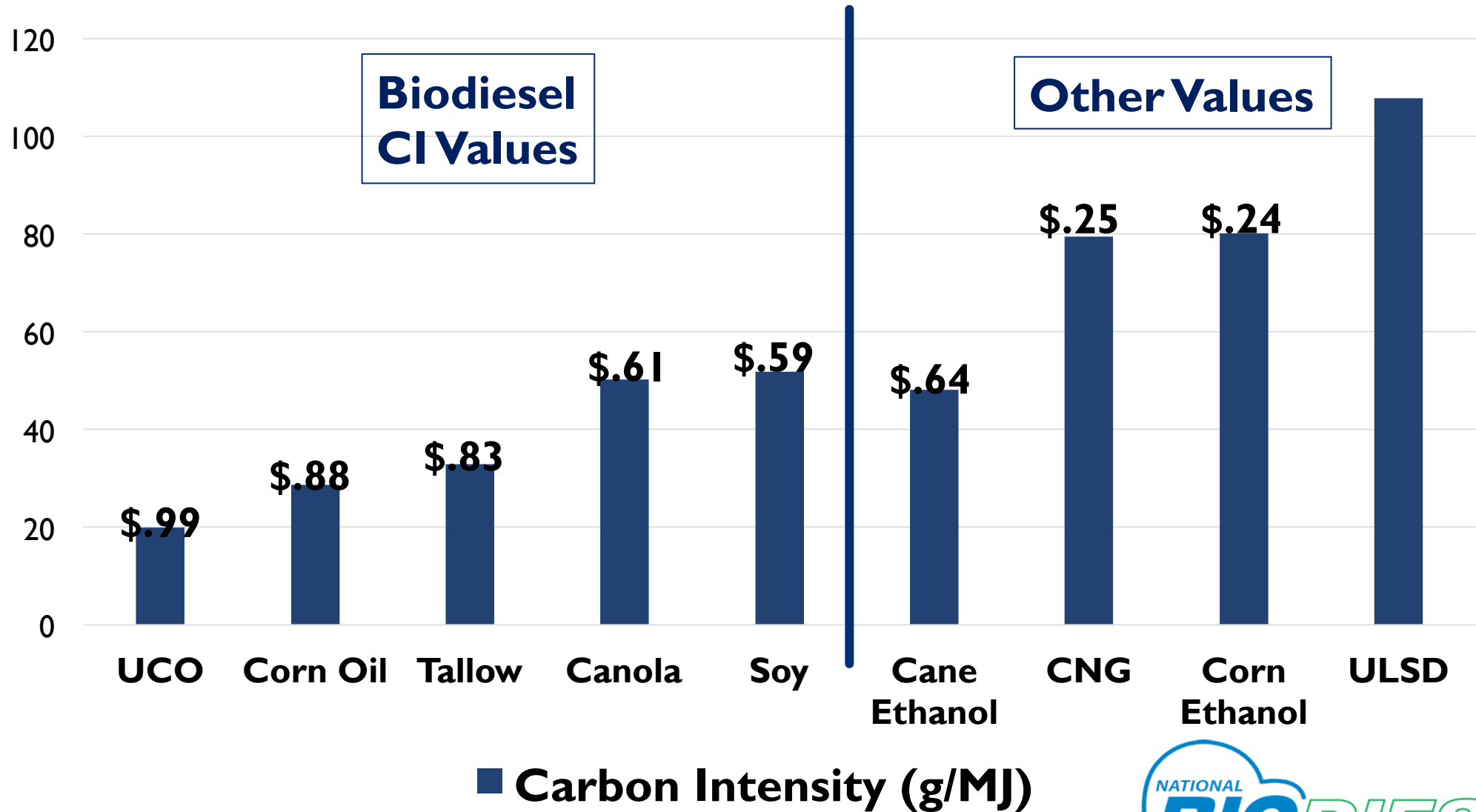
LCFS VOLUME PROJECTIONS



Sources. 2011-1016, CARB quarterly reports. CARB Biofuels Supply Module w/default input values.



LCFS Carbon Intensity Values = In \$/gallon

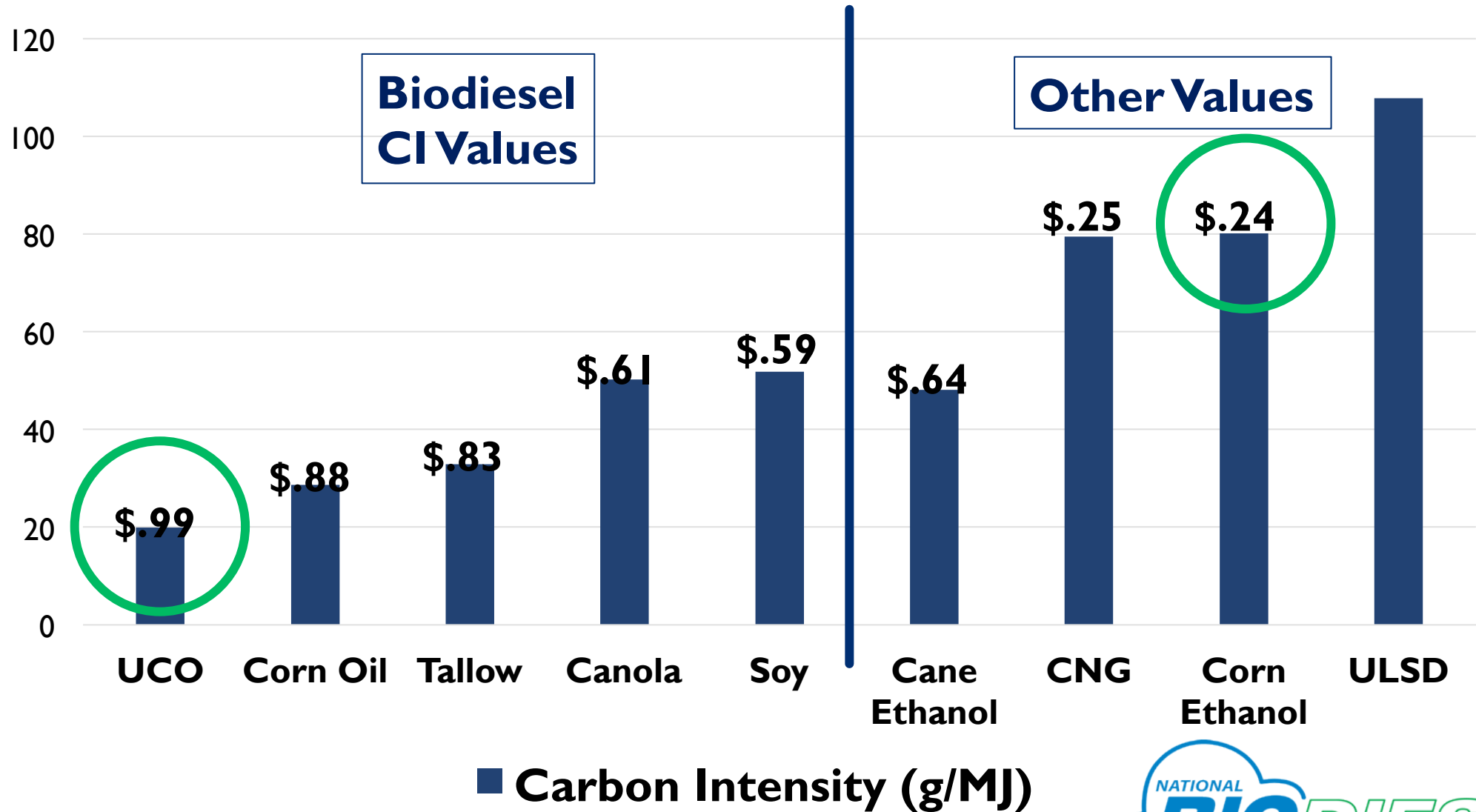


■ Carbon Intensity (g/MJ)



Calculated using \$100 m/t credit value.

LCFS Carbon Intensity Values – In \$/gallon



■ Carbon Intensity (g/MJ)



Calculated using \$100 m/t credit value.

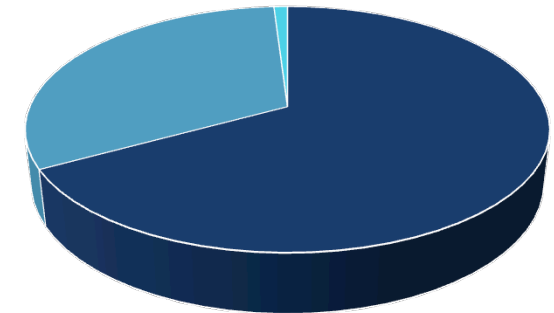
CALIFORNIA LOW CARBON FUEL STANDARD

- **Public hearings through year-end to determine:**
 - Carbon intensity reduction schedule for 2021-2030.
 - Verification process (similar to EPA's QAP program).
 - New predictive model for fuel volumes.
- **Litigation:**
 - CARB appealed Poet I case to Supreme Court.
 - Poet II oral arguments delayed until December 21st.
- **B6-B20 NOx additive approved:**
 - 21% PM decrease w/B20; 1.7% NOx decrease w/B20.
 - For info, contact Paul Nazzaro at Paul@pacificfuelresources.com.

OREGON CLEAN FUELS PROGRAM

- 2015 volume was 25 million gallons.
- 2016 volume was 43 million gallons.

2016 Credit Generation



■ Ethanol ■ Biodiesel ■ Other

- Biodiesel: 33% of 2016 credit generation (no imports).

WHAT'S NEXT?

- Continued expansion of California and Oregon markets.
- Minnesota increase to B20 statewide.
- Iowa market growth.
- Northeast power market development.
- Washington State climate policy.

QUESTIONS?

Thanks!

Shelby Neal

Director of State Gov. Affairs

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