



South Shores Clean Cities

Biodiesel Update

10/23/2018

Biodiesel Consumer Behavior

- Biodiesel acceptance is growing in private and public sectors
- Blends of B5-B20 are offered on a nation-wide scale
- Consumers are asking for choices and non-petroleum options
- Buyers are less concerned about what biodiesel is made from and more concerned about its quality properties



Retail locations selling any biodiesel blends reported to NBB

<http://biodiesel.org/using-biodiesel/finding-biodiesel/retail-locations/retail-map>



Biodiesel Policy

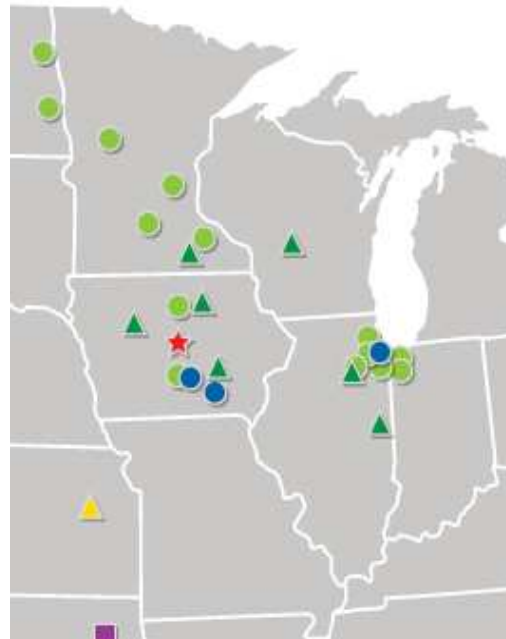
- Federal Biodiesel Policy
 - Biodiesel Tax Credit first enacted in 2005 = \$1.00/gal incentive to blend
 - Most recent tax credit expired at the end of 2017 — industry is working to extend the tax credit in 2018 & beyond
- State Policies Are Growing Usage
 - Iowa: B5 captures \$.035/gal retail incentive, B11 captures \$.055/gal retail incentive + \$.03/gal state fuel tax savings (\$.295 vs \$.325). 2018-2024
 - Illinois: Biodiesel blends of B11 and above are exempt from the state sales tax of 6.25%. 2018-2023
 - MN: B20 summer mandate began this year. B5 during the winter
 - California: LCFS creating tremendous biodiesel blending economics for blenders
 - Texas: \$.04/gallon retail tax savings for every gallon of B20 sold

Biodiesel User Experience

- Biodiesel is saving users money compared to diesel fuel
- Biodiesel blends can result in slight increase in fuel efficiency and significant increase in lubricity and fuel cetane levels
 - Engines run smoother and longer
 - Verified by G & D Integrated and Mahoney Environmental fleets in partnership with REG
- B100 provides a 74% reduction in lifecycle greenhouse gas emissions
- Integrating biodiesel requires no change to petroleum infrastructure
- Using biodiesel is helping increase U.S. energy security and sustainability efforts

Today's Biodiesel & OEMs

- REG produces biodiesel at state of the art facilities
- REG product is offered throughout the Midwest at our biorefineries and petroleum terminals
 - REG Danville, IL
 - REG Seneca, IL
 - Buckeye Bedford Park, IL
 - Buckeye East Chicago, IN
- OEM acceptance of biodiesel is growing and more passenger vehicles are offered with diesel engines
 - Chevrolet Cruze & Equinox (REG's fleet vehicles)



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