

“First Purchaser Informational Meeting”

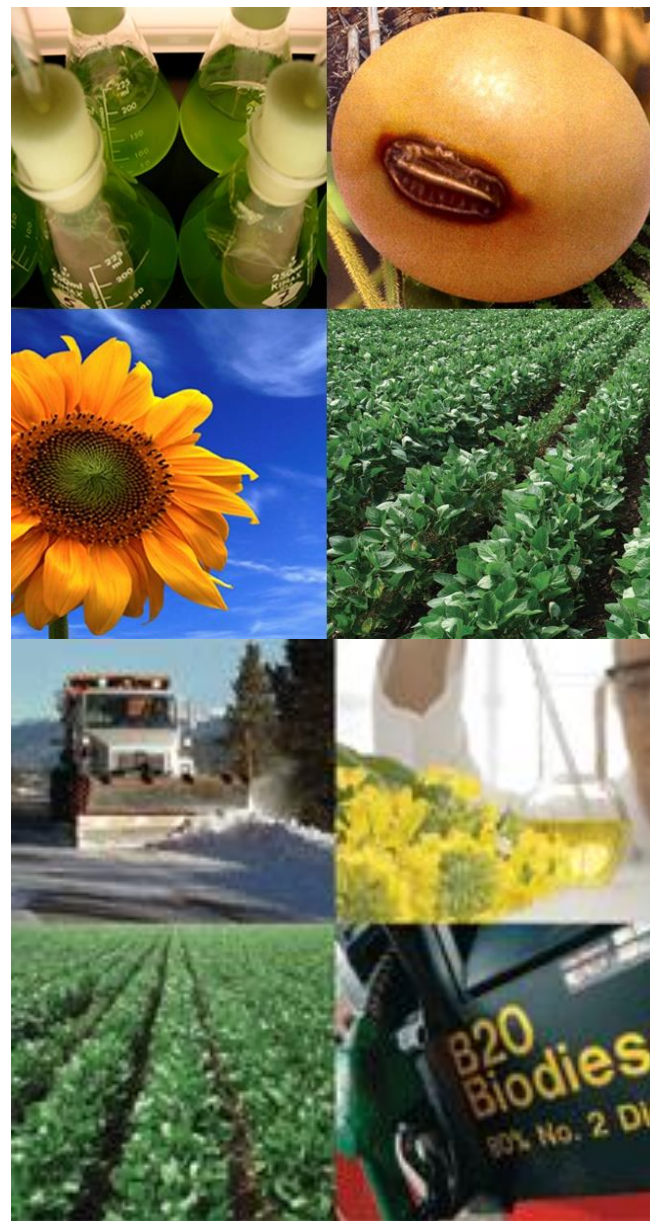
March 19th, 2019

Tom Verry

National Biodiesel Board



DIESEL
BOARD
DIESEL

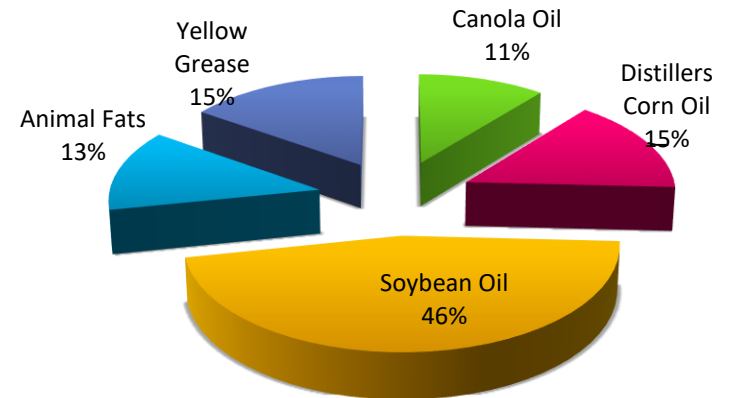
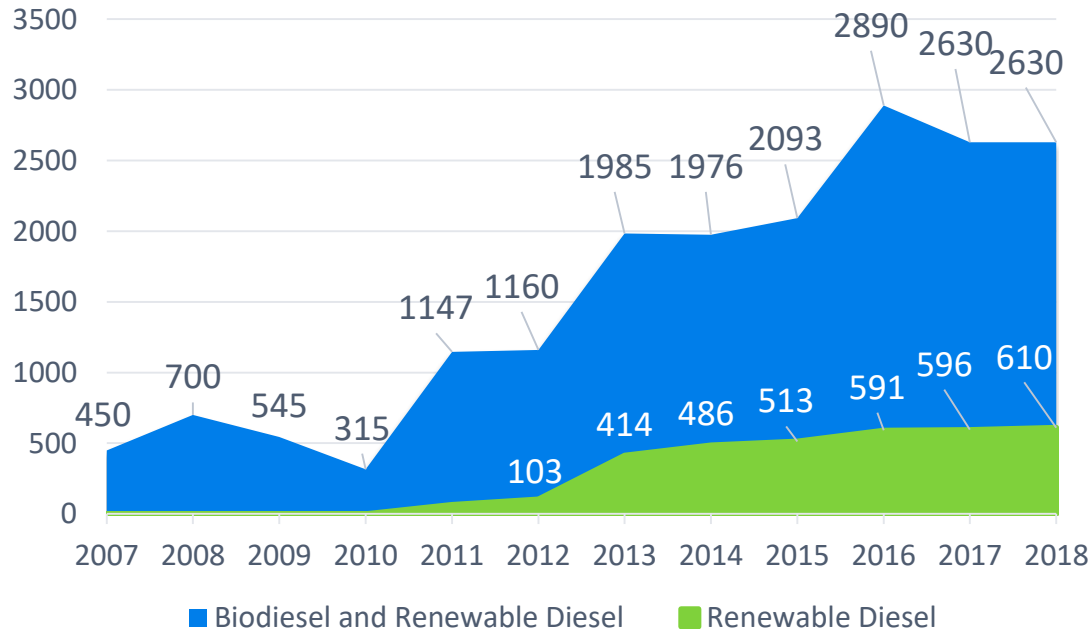




- Represents the biodiesel industry as the coordinating body for research and development in the United States.
- Founded in 1992 by state soybean commodity groups.
- Today, NBB is a feedstock neutral trade association whose membership is comprised of biodiesel manufacturers, feedstock producers, feedstock processor organizations, fuel marketers and distributors, and technology providers.
- Offices in Jefferson City, MO. and



U.S. Biodiesel & Renewable Diesel Market



Soybean Oil Used in Biomass Diesel

- 2008 350,000,000-gallon market
- 2018 3,000,000,000-gallon market

Soybean Oil Use

- 2008 – 2.0 billion pounds
- 2016 – 5.7 billion pounds
- 2017 – 6.2 billion pounds
- 2018 – 7.1 billion pounds
- 350% increase

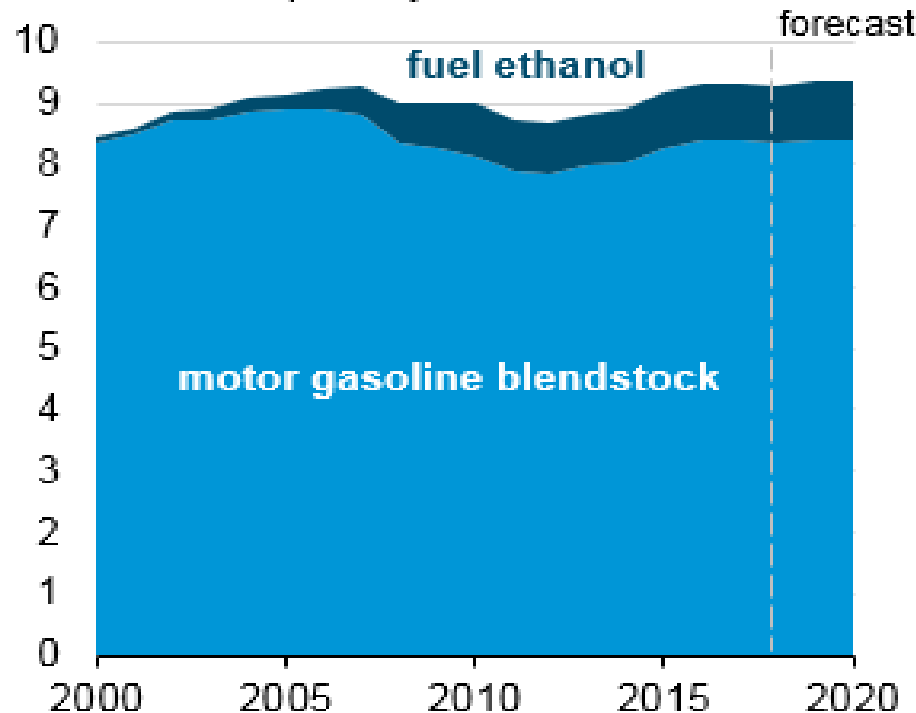
Projected Soybean Oil Use (USDA)

- 2019 – 8.2 billion pounds

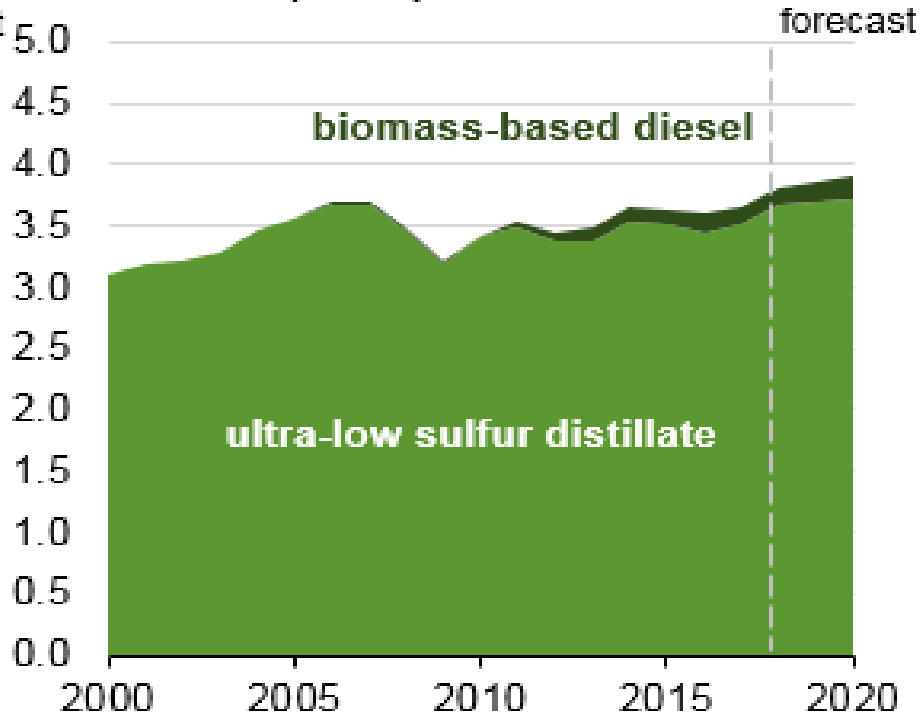


U.S. motor gasoline and diesel consumption (2000-2020)

million barrels per day



million barrels per day

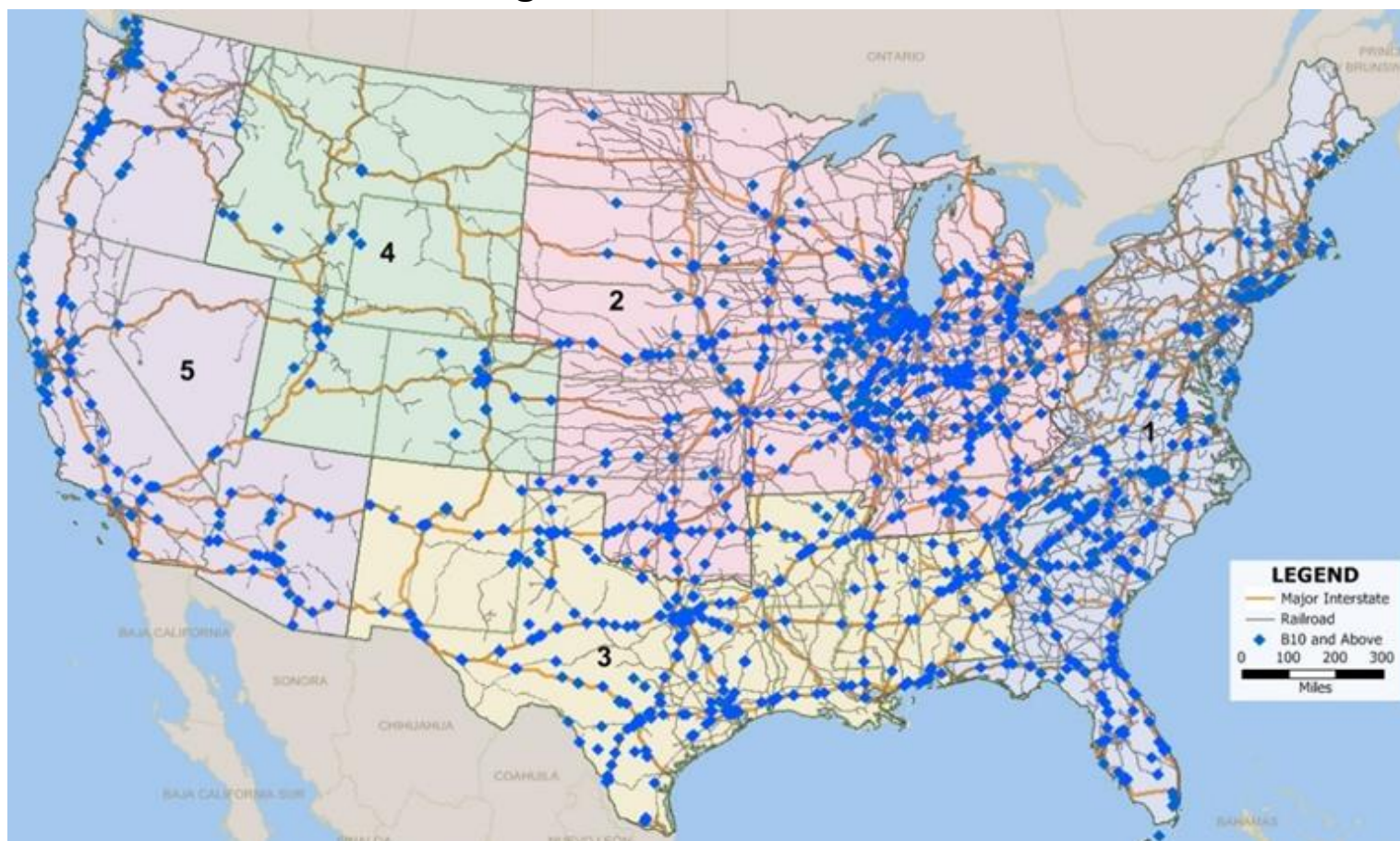


The share of biomass-based diesel in diesel fuel increases from 3.6% in 2018 to 4.5% in 2020

Higher Blends Available Nationwide, Often Blended by Major Retailers

- Retailers nationwide sell B10 - B20 blends, esp. on main truck routes
- Large retailers often have store-level blending, by-passing terminals

U.S. Retailers Selling Biodiesel Blends of B10 to B20



Source: NBB;
Company websites

Today – Adds 11% to cash soybean price.
Long Term – Adds 63 cents per bushel.

Good for Pennsylvania Soybean Farmers:

- Added \$30 per acre in 2017.
- Added \$17 million in 2017.



Good for Livestock, too:

- Decreases soy protein meal prices by \$20-40 per ton.
- Increases value of animal fat:

Beef Tallow

- Biodiesel adds \$10-\$12 per head

Swine Fat

- Biodiesel adds \$1.00 to \$1.25 per animal
- Saved livestock producers \$5 billion in reduced soymeal cost from 2006 – 2014.



PA Biodiesel Plants





Farmer Leadership and Vision (27 year commitment) +

Checkoff Funding has been and is critical.

USB and 23 QSSB's Funding (\$150,000,000) +

ASA and state soybean assoc's. political clout +

Private Investment (\$8 billion) = US Biodiesel Industry

THANK YOU



Biodiesel V Renewable Diesel

- Same feedstocks.
- Biodiesel – chemical reaction.
- Renewable Diesel – hydrotreating
- BD - cheaper, better lubricity, capped at B20.
- RD - no cap, treated same as diesel, need to be located close to petro refiner, cap cost high.
- BD/RD blends in market now.
- NBB represents both.

1.5 billion gals. of new capacity = 11 billion pounds of new feedstock demand.



North Dakota – 100 mil. gals.



Washington – 300 mil. gals.



Wyoming – 100 mil. gals.



Los Angeles – 350 mil. gals.



Louisiana – 700 mil. gals.

2018 We Survived!

#1 policy goal of Big Oil in 2018 was to work with EPA Administrator Pruitt to kill the RFS and biodiesel.

- April 2018 EPA began to the rulemaking process to repeal the RFS**





BIO DIESEL
America's Advanced Biofuel



**THATS WHAT WINNING LOOKS
LIKE**

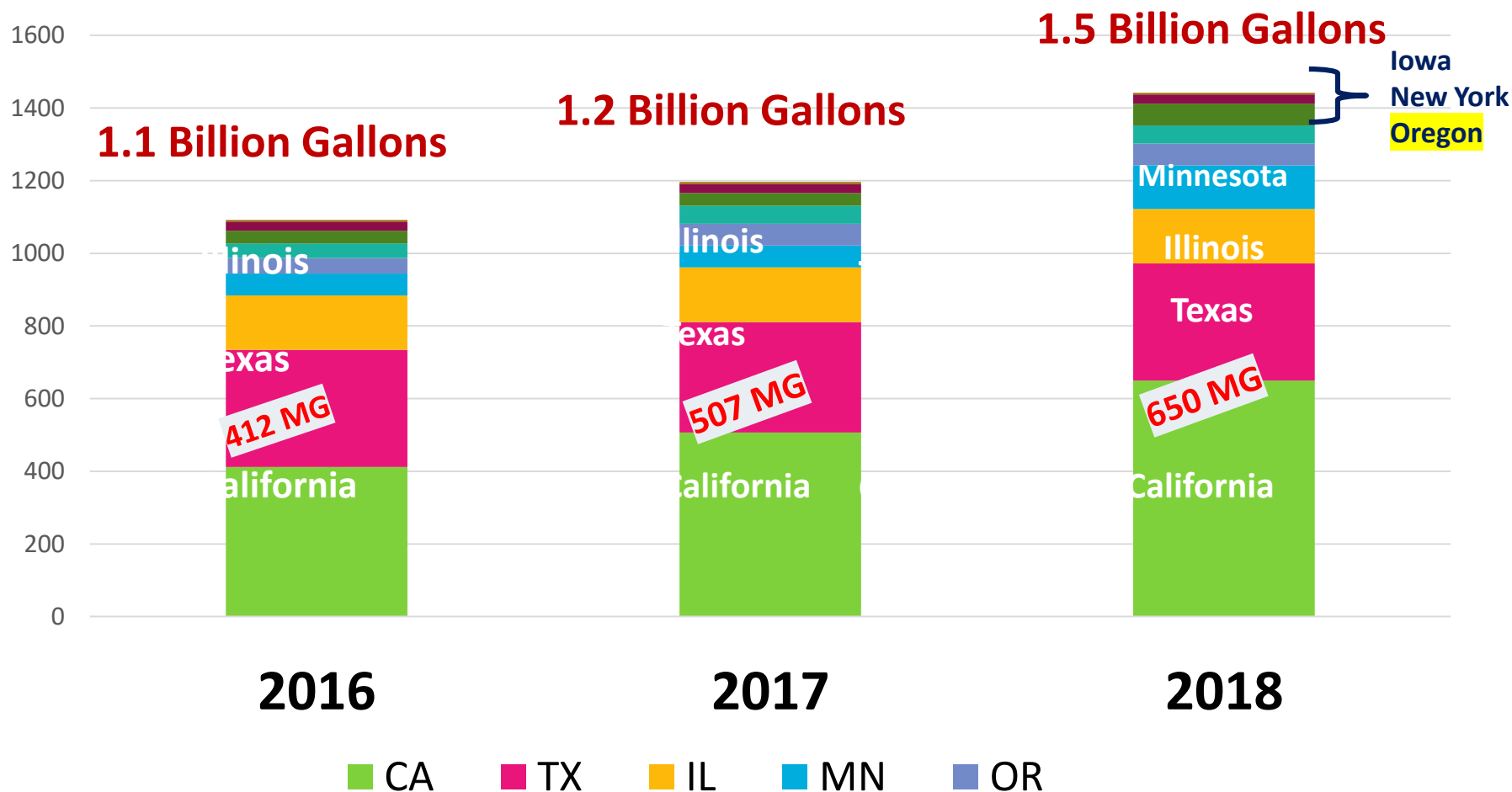


2018 We Thrived!

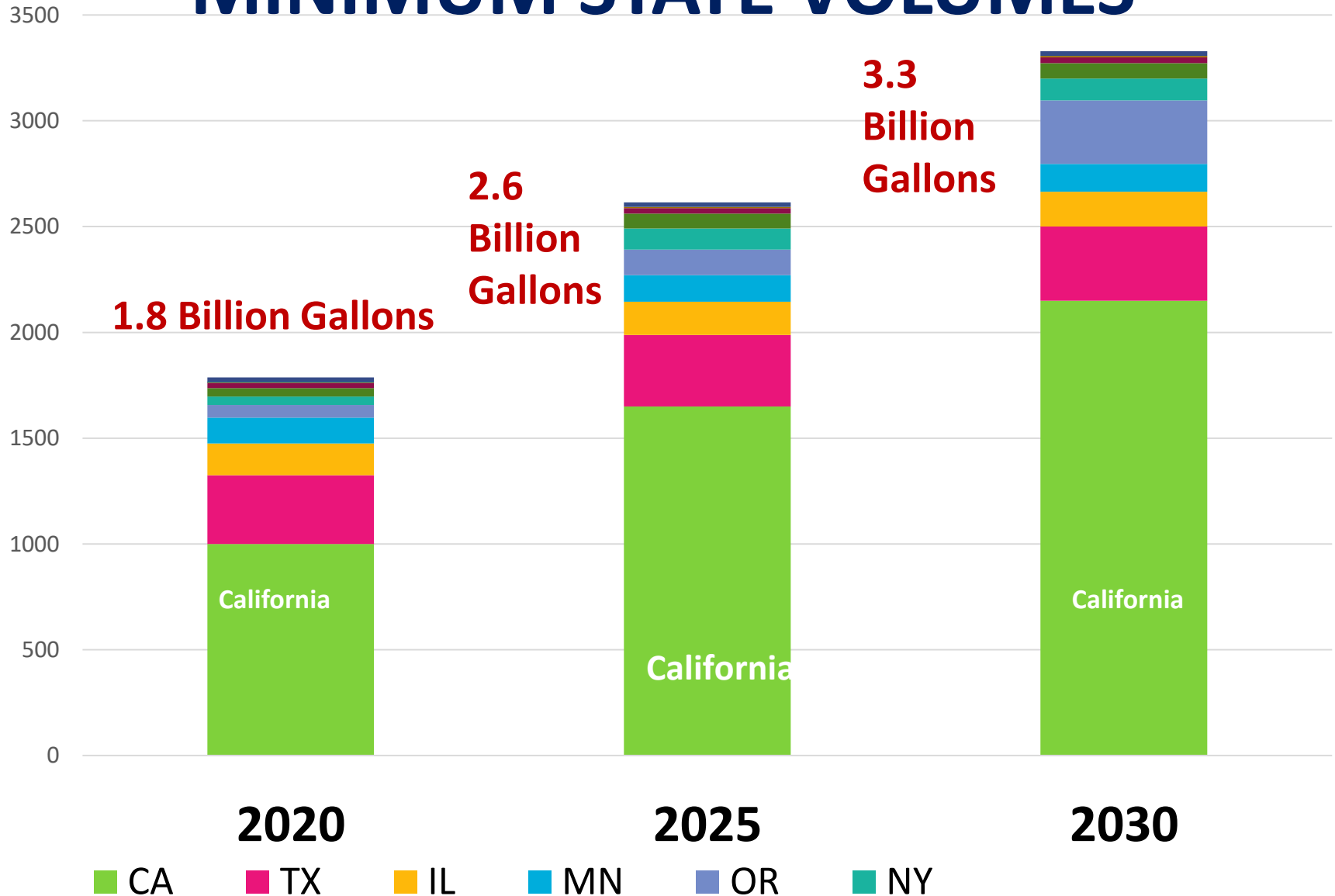
- We won the Argentinian Trade Case.
 - 20% increase in domestic production.
- EPA has proposed to increase 2020 BMD in the RFS to of 330 million gals. - 16% increase.
- Long term biodiesel blenders tax credit?
- State markets – 15% increase.
- Carbon markets - 30% increase.
- Bioheat markets - 10% increase.



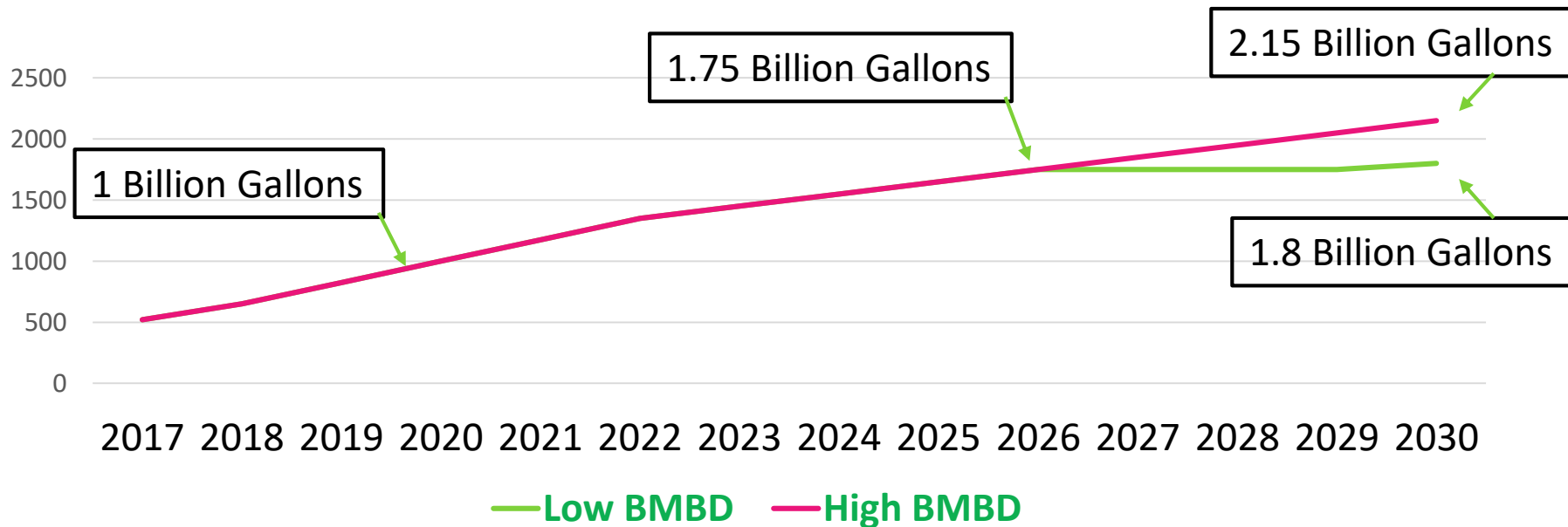
MINIMUM STATE VOLUMES



MINIMUM STATE VOLUMES



California Projected BMBD Volumes under Icfs



Source: CARB Illustrative Supply Scenario Calculator (<https://www.arb.ca.gov/fuels/lcfs/rulemakingdocs.htm>)

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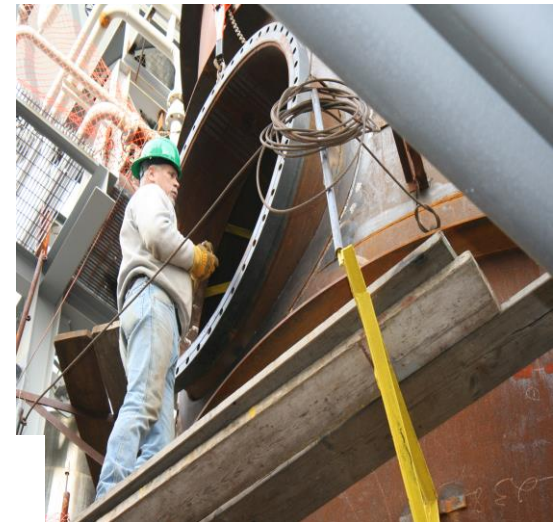


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Biodiesel Tax Credit

- Policy has changed from producers to blenders.
- Petroleum industry support; SIGMA, PMMA, NACS
- Reinstated the expired biodiesel tax incentive back to through 2018.
- No tax credit for 2018.
- 2019 ?



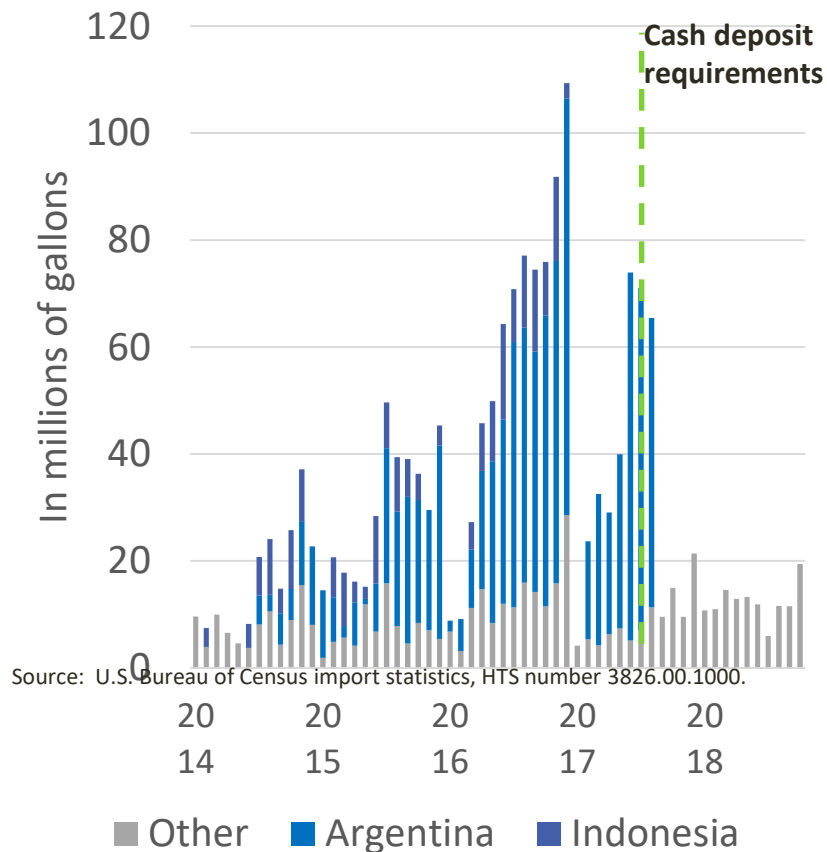
EPA's RFS RESET

- With final 2019 rule, EPA triggered reset for all categories with remaining statutory volumes (cellulosic, advanced, and overall).
- EPA will need to set each of those volumes through 2022 based on a “review of the implementation of the program” and an analysis of six statutory factors.
- The proposed reset rule could include the annual rule for 2020 and the BBD volumes for 2021.
 - Will not change the BBD volume for 2020.
- EPA began work on a proposed rule and meeting with stakeholder groups in summer.

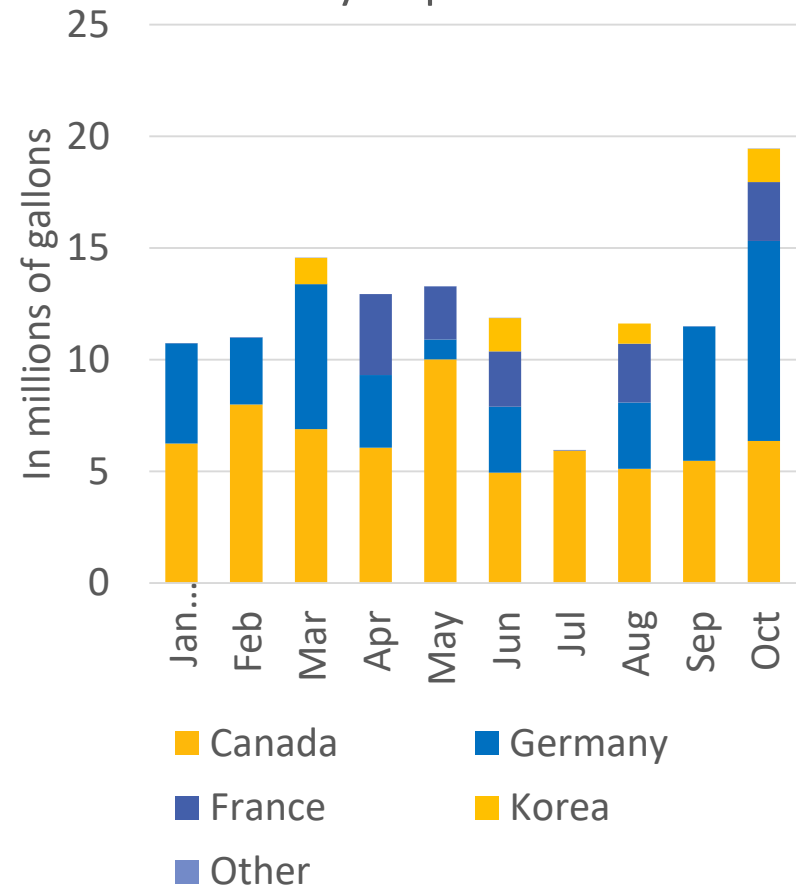
	2016	2017	2018	2019	2020
Cellulosic	0.230	0.311	0.288	0.418	
Biomass-based Diesel	1.9	2.0	2.1	2.1	2.43
Overall Advanced	3.61	4.28	4.29	4.92	
Overall Renewable Fuel	18.11	19.28	19.29	19.92	

Trade Case Impacts Biodiesel Imports

Monthly Biodiesel Imports 2014-2018



Monthly Imports 2018





- 5-7 billion gallon market.
 - 300,000,000 gal. market 2018
- NORA's official policy is to convert to:
 - B50 by 2030
 - B100 by 2050
 - Top technical priority
- NYC has 5% mandate in place. Moving to B20. (160 million B100 market by 2034)
- NY just extended BioHeat state income tax credit.
- Connecticut, Massachusetts, Vermont, Rhode Island have BioHeat mandates in place.
- **New York state passed BioHeat B5 mandate.**
- **New York Bioheat market in 2018 – 50 million gallons.**





Gov. Gavin Newsom - 100% petroleum free by 2030!!

NYC to Use 99% Petroleum-Free Diesel in Over 1,000 City Vehicles

May 3, 2018



100% RENEWABLE ENERGY BY 2030
GREEN NEW DEAL
www.GPDRG.org

400+ U.S. mayors and 17 U.S. states that represent more than 40% of U.S. population have opted into the Paris Accord and most of these share climate goals to an equivalent of 80% reductions by 2050. Biodiesel will play a role. . . eventually!



FOSSIL FUEL-FREE BY 2050

FOSSIL FUEL-NEUTRAL BY 2026



Thank You!
Questions...?

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