

NATIONAL BIODIESEL FOUNDATION

New York City Tour

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Director, Public Affairs and Federal Communications



WHO IS NBB?

- Membership:**
- Diverse membership of more than 100 companies and state soybean boards.
- Mission:**
- NBB serves as the U.S. biodiesel industry's voice.
 - Advance the interests of our members by creating sustainable biodiesel industry growth.
- Success:**
- Government affairs;
 - Communications;
 - Market development;
 - Technical and quality assurance programs.



WHAT ARE BIODIESEL AND RENEWABLE DIESEL?

ASTM
D6751

Biodiesel – A fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats.

ASTM
D7467

Biodiesel blends B6 – B20.

ASTM
D975

Renewable diesel – A fuel that is chemically similar to diesel – produced through hydrotreating and other processes – derived from biomass. Same ASTM standard for petroleum diesel.

ASTM
D396

BioHeat – Heating fuel containing a blend of biodiesel and ultra low sulfur heating oil.



Diesel Power Dominates Goods Movement

(Percentage Powered by Diesel Engines)

100%  Freight Rail Locomotives

+90%  Heavy-Duty Trucks

+90%  Cargo Handling Equipment

100%  Boat and Barge



THE BIODIESEL & RENEWABLE DIESEL MARKET

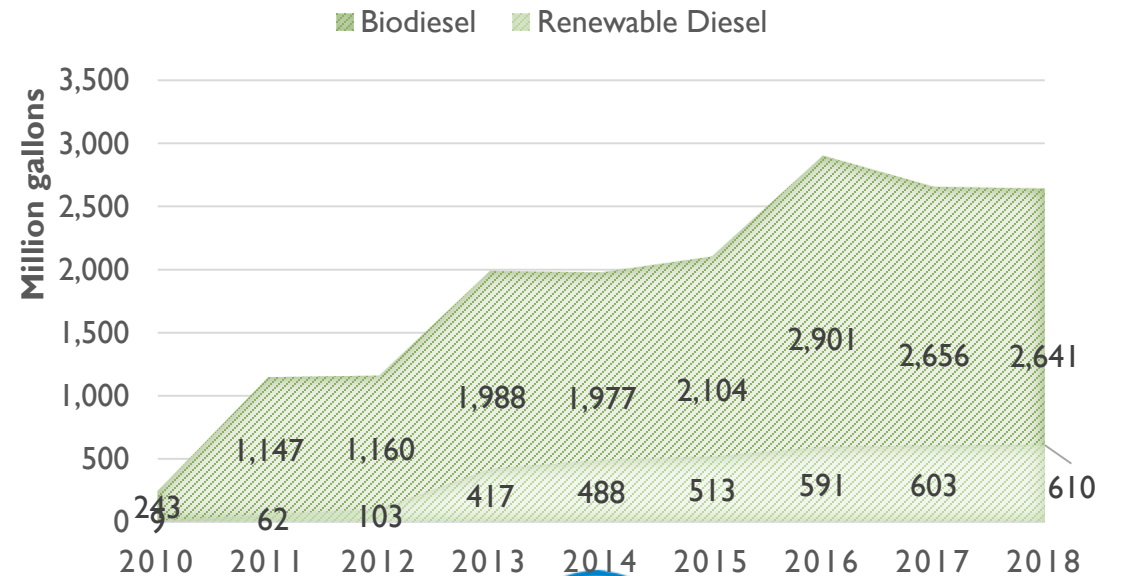
Advanced biofuel

The definition for advanced biofuel exists because of the RFS.

- A fuel produced from qualifying renewable biomass that reduces GHG emissions by 50% compared to petroleum diesel.
- Biodiesel and renewable diesel reduce GHG emissions by 57% to 86%.



U.S. use of biodiesel and renewable diesel grew rapidly, thanks to the RFS and the biodiesel tax incentive.



HOMEGROWN FUEL

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U.S. is world's top biodiesel producer.

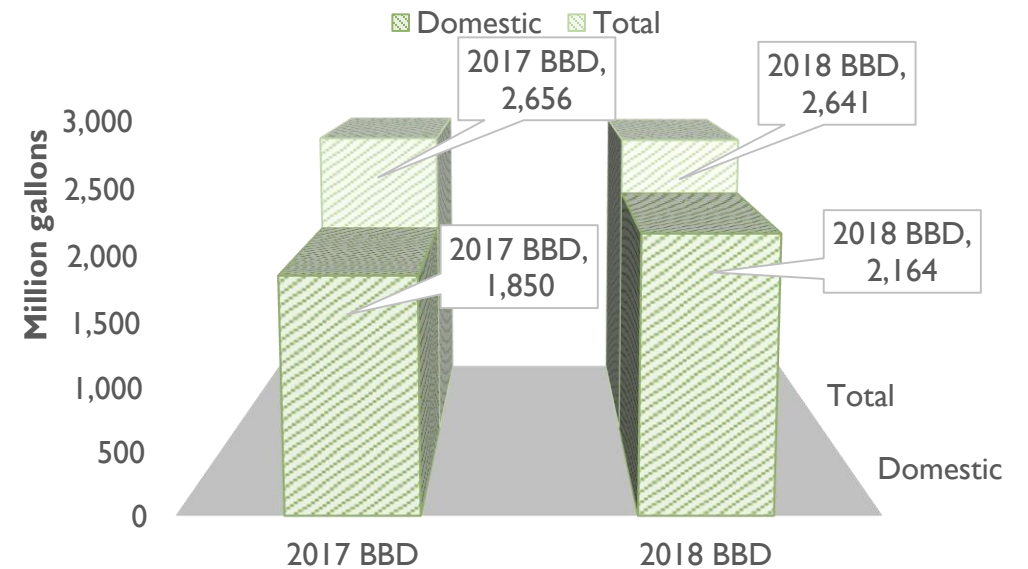
Biodiesel is top alternative fuel choice for fleets.

Nat. Work Truck Assoc. & American Transportation Research Institute.

Biodiesel is top choice among liquid fuels for reducing carbon emissions.

California Air Resources Board

Domestic production continues to increase, even though RFS volumes have been flatlined.



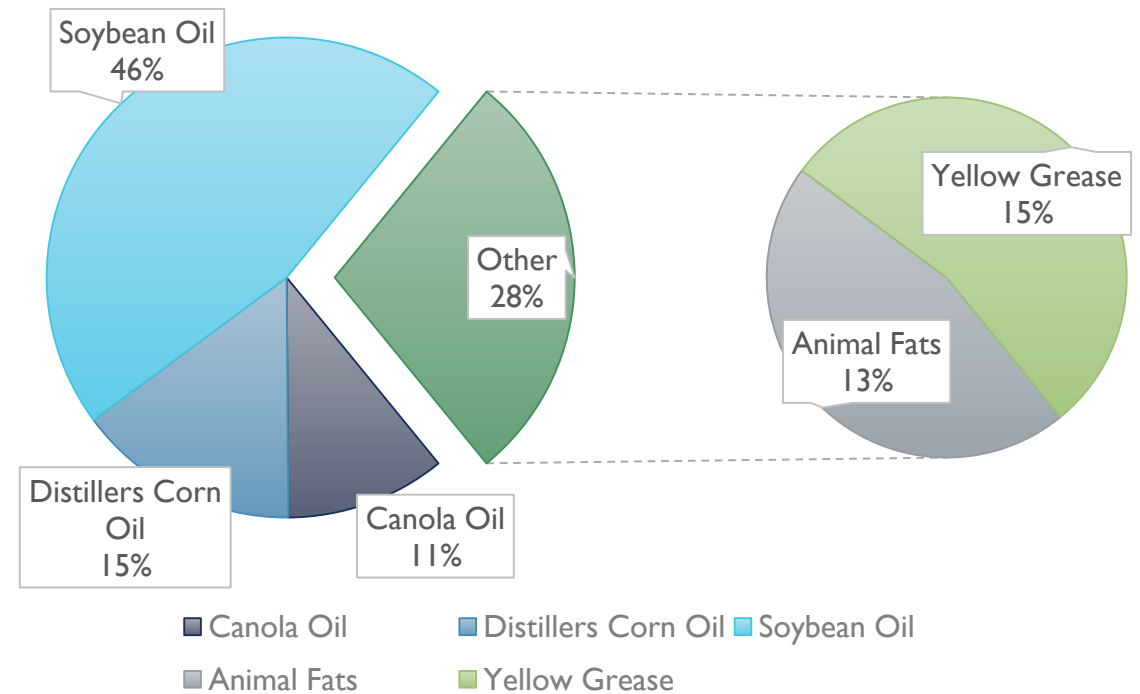
FEEDSTOCK DIVERSITY

The RFS drives diversity in the fuels market.

Soybean oil remains the primary feedstock – nearly half.
 Used cooking oil, rendered animal fats now make up nearly a third of feedstocks.
 Distillers Corn Oil – a byproduct of ethanol production – was not produced prior to the RFS.

How much soybean oil?

2008 – 2.0 billion lbs.
 2016 – 5.7 billion lbs.
 2017 – 6.2 billion lbs.
 2018 – 7.1 billion lbs.
 2019 – 8.2 billion lbs. (USDA projection).



ENVIRONMENTAL AND OTHER BENEFITS

Clean Air

Reduce carbon emissions up to 86%

Reduce engine particulate emission more than 45%

Reduce processing wastewater by 79%; eliminate 96% of hazardous waste

Farm Value

Add 11% to soybean price; \$0.63 per bushel long-term.

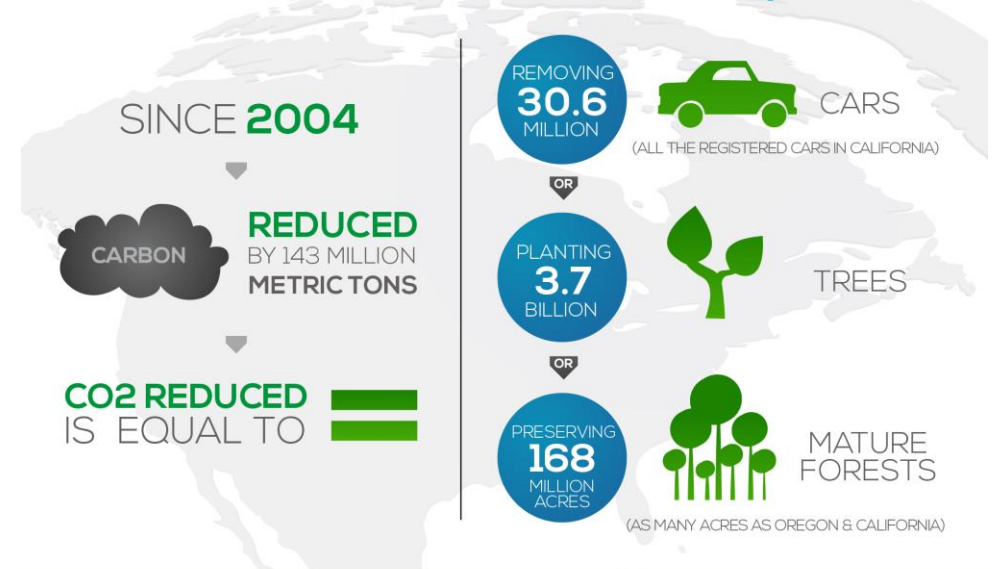
Added \$2.5 billion to soybean values in 2018; \$35 per acre.

Decreases soy meal prices \$20 to \$40 per ton long-term. Saved livestock producers \$5 billion in feed costs from 2006-2014.

Energy Security

Consumers saved at least 17 cents on every gallon of diesel in 2017 – a total of nearly \$10.6 billion overall.

Cumulative Effect of US Biodiesel and Renewable Diesel Marketplace

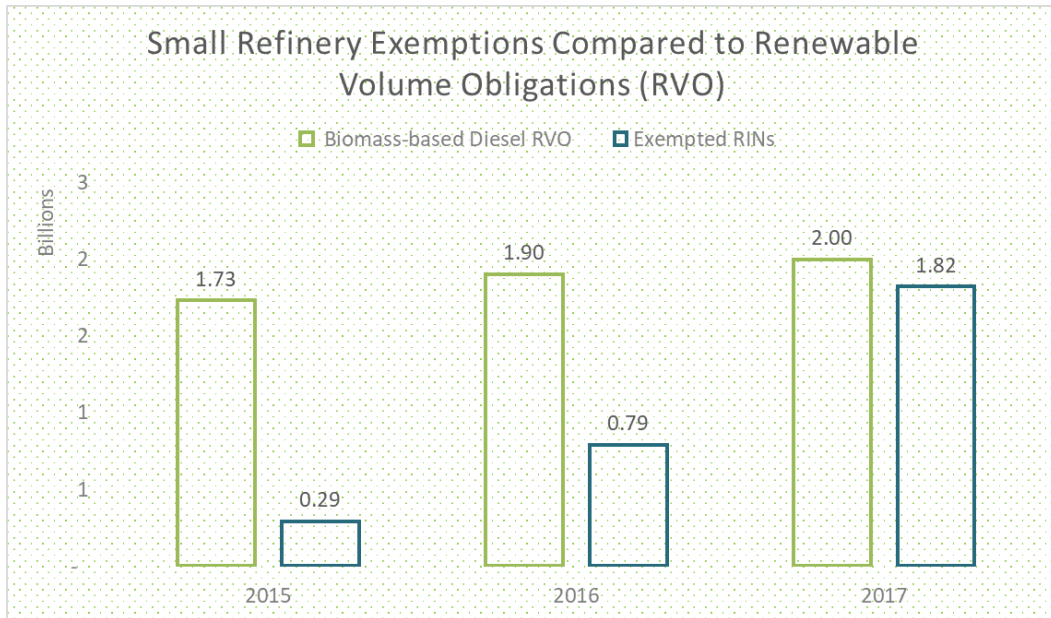


BIODIESEL
America's Advanced Biofuel

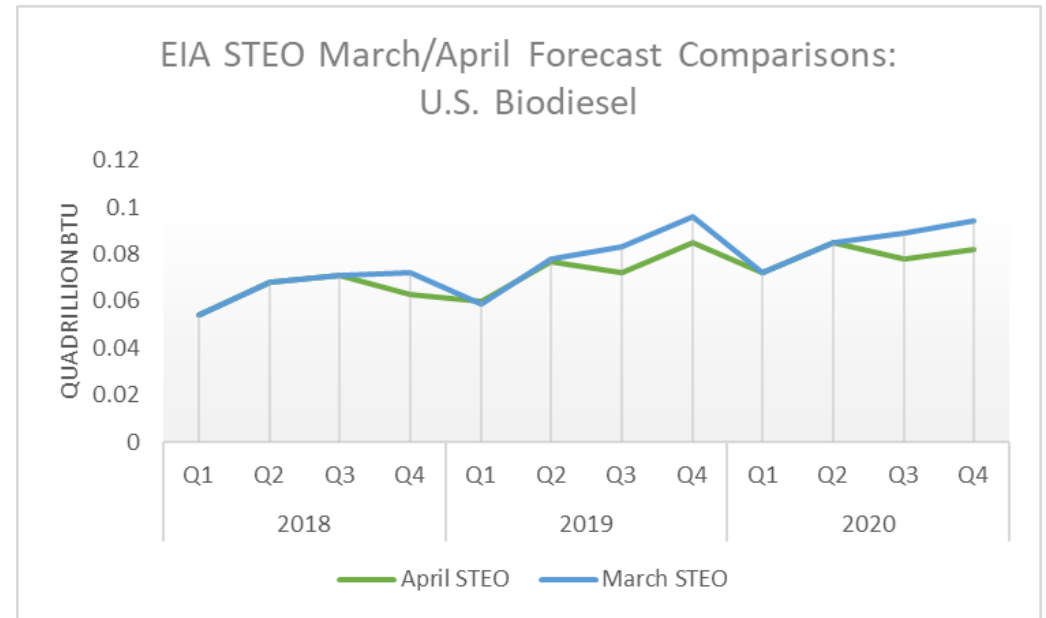
NATIONAL **BIODIESEL** BOARD

RFS SMALL REFINERY EXEMPTIONS

EPA's small refinery exemptions reached massive proportions in 2017.



The impact falls heaviest on biodiesel and other advanced biofuels. EIA is now lowering its outlook for biodiesel.



RFS AFTER 2022

RVO

Interagency review expected shortly.

EPA has committed to finalizing the 2020 RFS annual rule on time (Nov. 30).

EPA may also address the 500-million-gallon remand from 2016.

RIN Reform

Proposed in conjunction with E15 rule.

NBB is opposing the RIN Reform proposals, because there is no evidence of RIN trading problems.

Deadline for comments is April 29.

Reset

Final 2019 rule triggered reset for remaining statutory volumes (cellulosic, advanced, and overall).

New volumes for 2021-2022 to be based on a “review of the implementation of the program” and other factors.

Should be the same process used to set BBD volumes since 2013.

Set

The agency will also set BBD volumes for future years.

EPA will not change the BBD volume for 2020, set last November.

Once EPA sets future BBD volumes, they will only translate them to RVO percentages in annual rules.



BIODIESEL TAX INCENTIVE EXTENSION

- April 4 – Reps. Finkenauer (D-IA), Kelly (R-PA), Kind (D-WI) and Smith (R-NE) introduce the Biodiesel Tax Credit Extension Act of 2019 (HR 2089).
- Feb. 28 – Sen. Chuck Grassley (R-IA), chairman, and Sen. Ron Wyden (D-OR), ranking member of the Senate Finance Committee, introduce the Tax Extender and Disaster Relief Act of 2019 (S.617).
- Dec. 20 – House passes HR 88, containing a seven-year extension and phaseout of the biodiesel tax credit.



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March 26, 2019

The Honorable Nancy Pelosi
Speaker of the U.S. House
Washington, DC 20515

The Honorable Kevin McCarthy
U.S. House Republican Leader
Washington, DC 20515

The Honorable Richard Neal
Chairman
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Kevin Brady
Ranking Republican Member
U.S. House Committee on Ways and Means
Washington, DC 20515

Dear Speaker Pelosi, Minority Leader McCarthy, Chairman Neal, and Ranking Member Brady:

We are writing to ask you to provide a multiyear extension of the expired biodiesel and renewable diesel tax incentive at the earliest possible date. The undersigned companies and organizations from across the biomass-based diesel value chain – production, blending, distribution, and marketing – share the view that a multiyear extension of the biodiesel tax incentive should be an urgent priority for Congress.

Congress last addressed the biodiesel tax incentive in February 2018, retroactively extending it for 2017 but leaving it expired for 2018 and beyond. The future of the credit has been unclear for more than 14 months. That uncertainty is curtailing investments in new plants and capital projects to upgrade existing plants. It is beginning to force some producers, blenders and distributors to cut back purchases of raw materials and deliveries of renewable fuel to consumers, which will have impacts across the economy.

The tax incentive has been a key to the biodiesel and renewable diesel industry's success, helping the industry grow from a few hundred million gallons of production to a more than 2.6-billion-gallon annual market. The industry benefits farmers and rural communities across the country; it reduces the costs of food for consumers by creating value for agricultural coproducts, which lowers the cost of animal feed by \$20 to \$40 per ton. Biodiesel diversifies our nation's fuel resources and increases our energy independence. And it stimulates economic growth and supports more than 60,000 U.S. jobs—often in economically disadvantaged areas of the country. Biodiesel has many environmental benefits, reducing carbon emissions and toxic air pollutants. Renewing this tax credit will ensure that the public continues to receive these benefits through increased biodiesel use.

The U.S. biodiesel and renewable diesel industry's continued success is now at stake. Tens of thousands of American workers and manufacturers—as well as the millions of Americans who benefit from cleaner air and water—are depending on you to provide our industry the certainty we need to secure investments and continue growing over the next several years.

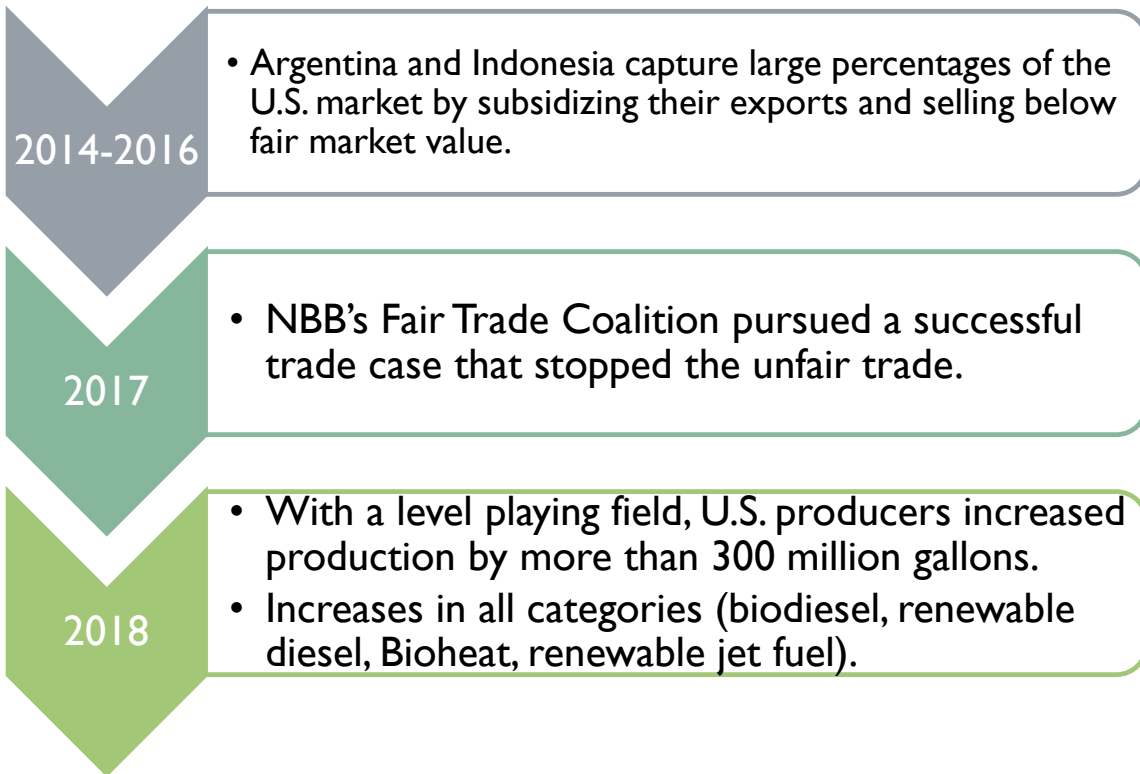
We believe that a long-term extension of the tax incentive would be the best policy to help the industry achieve substantial growth over time, creating significant new employment opportunities, an important market for agricultural products and renewable feedstocks, as well as opportunities for rural economic growth.

However, we urgently need a multiyear extension as soon as possible to end the current climate of uncertainty surrounding the industry. We wish to thank Chairman Grassley and Ranking Member

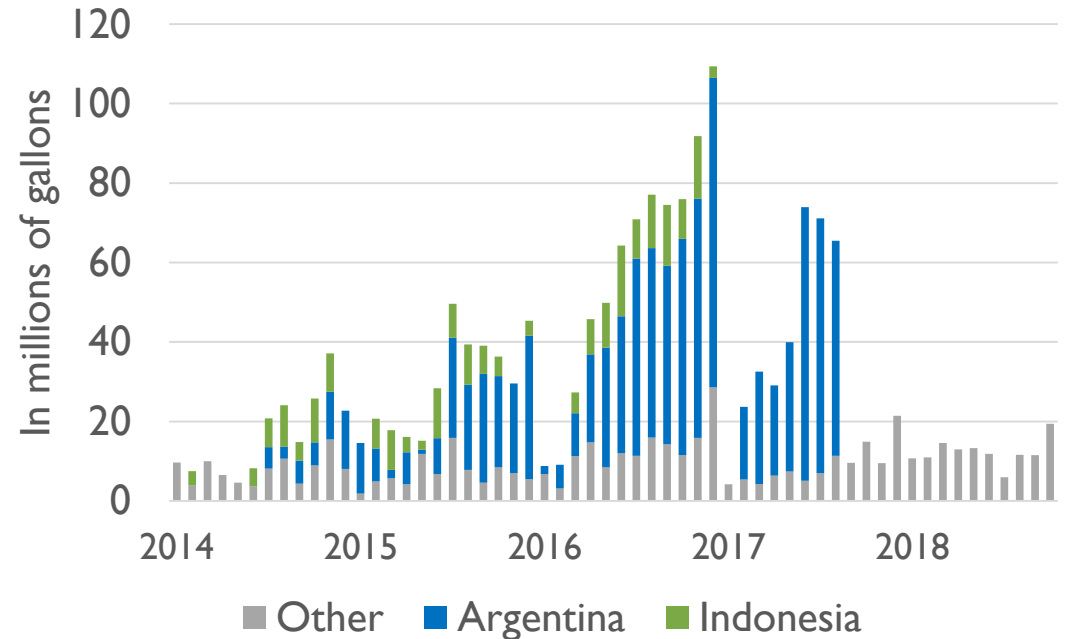
www.biodiesel.org



TRADE CASE IMPACTS BIODIESEL IMPORTS



Monthly Biodiesel Imports 2014-2018



Source: EIA Monthly Biodiesel Production Report.



PANEL

- **Bill Horan,**
Chairman of the Board, Western Iowa Energy, Wall Lake, IA
- **Shawn Triscuit,**
Director of Sales, HERO BX, Erie, PA
- **Cliff Smith,**
General Manager, Mid-America Biofuels, Mexico, MO