

2021 New York City Virtual Biodiesel Congressional Tour Report

On Tuesday, March 30, 2021, the National Biodiesel Foundation (NBF) hosted a group of congressional staffers on a virtual tour of biodiesel use in New York City (NYC). The event highlighted the theme Sustainable Biodiesel: Improving the Environment and Economy. In prior years NBF hosted in-person tours; this was the first virtual tour of its type. The event was designed to educate interested congressional staff about New York City's use of biodiesel as a key part of meeting its environmental goals and how federal biodiesel policies are important to New York City.

Prior to the official start and as attendees and speakers joined the Zoom call, videos were played to highlight biodiesel:

- **Video 1:** (3 min) Features Keith Kerman, **NYC Deputy Commissioner & Fleet Administrator** Using biodiesel since 2005; uses biodiesel in all buildings both public and private. Helps to improve the air for all New Yorkers. https://youtu.be/tUx8V_Sj97c
- **Video 2:** (2.23 min) NBF video from 2020 Biodiesel Conference explaining what NBF is and does: <https://www.youtube.com/watch?v=ylfdeOdjARc&feature=youtu.be>
- **Video 3 :** (1 minute 30 sec) Features New York City Councilman Costa Constantinides as he shares how biodiesel provides huge benefits throughout the city. <https://youtu.be/fisa14vMSzQ>
- **Video 4:** (5:22 min) REG How We Make Biodiesel <https://www.youtube.com/watch?v=sKUIK30VZTE>

Tom Verry, Executive Director, National Biodiesel Foundation opened the meeting with introductions and welcome. The first presentation was given by **Paul Winters, Director of Public Affairs and Federal Communications, NBB**. Paul provided a Biodiesel 101 and a brief industry overview emphasizing biodiesel's carbon emission reduction and clean air benefits.

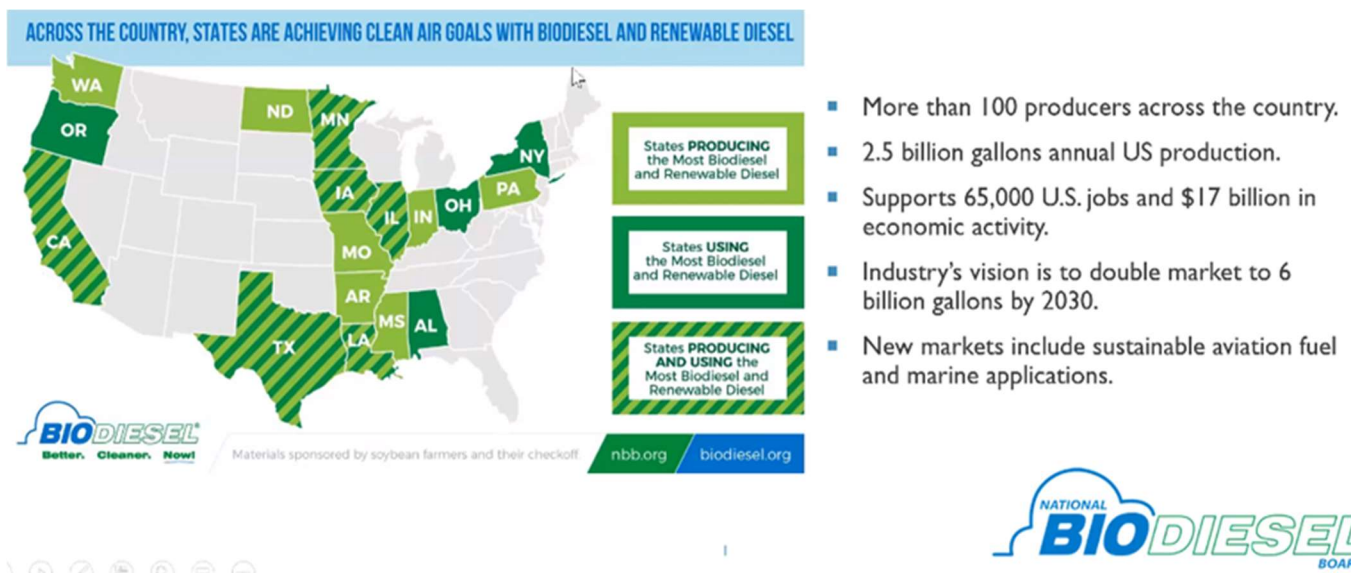


Figure 1: Image showing the states that produce and use the most biodiesel & renewable diesel.

WHAT ARE BIODIESEL & RENEWABLE DIESEL?

Biodiesel	A drop-in diesel replacement made through esterification of fatty acids in vegetable oils or recycled fats. (ASTM D6751)	<ul style="list-style-type: none"> Both are: <ul style="list-style-type: none"> Drop-in diesel replacements – can be used at various blend levels. Made from renewable fats, oils and greases. Better fuels that meet international standards and have higher cetane ratings. Cleaner fuels lower carbon, fewer criteria pollutant emissions. Biodiesel <ul style="list-style-type: none"> Improves lubricity.
Renewable diesel	A diesel fuel produced by hydrotreating vegetable oils or recycled fats. (ASTM D975).	
Bioheat	Heating fuel containing a blend of biodiesel and ultra low sulfur heating oil. (ASTM D396)	

Figure 2: Image describing the difference between Biodiesel & Renewable Diesel.



ENVIRONMENTAL BENEFITS

- Low-carbon.
 - Average 74% reduction.
 - Some facilities have scores of 88% -91%.
- Less criteria pollutants.
 - Hydrocarbons are reduced by up to 45%.
 - Particulate matter is reduced by up to 80%.
- Health benefits of reducing these emissions include:
 - Reduced respiratory symptoms, exacerbation of asthma, chronic and acute bronchitis.
 - Fewer heart attacks and hospital admissions.
 - Reduced mortality, cancer risk and lost workdays.

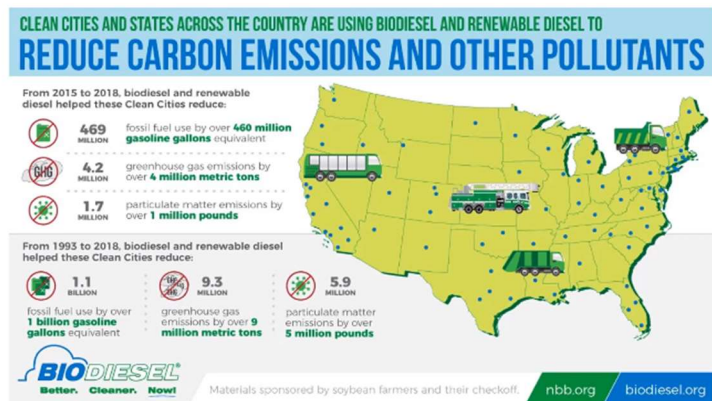


Figure 3: Image describing the environmental benefits of biodiesel.



Keith Kerman, NYC Deputy Commissioner & Fleet Administrators presentation discussed the benefits of New York using biodiesel and Bioheat™ and how both support NYC's sustainability and clean air goals. Commissioner Kerman oversees the largest and most high-profile metropolitan fleet in the country -- more than 13,500 diesel vehicles. Keith began the implementation of biodiesel in the city fleet over 10 years ago. Even though NYC has a goal of going all electric by 2040, Keith believes there are and will continue to be tremendous opportunities for biodiesel and renewable diesel in the City.

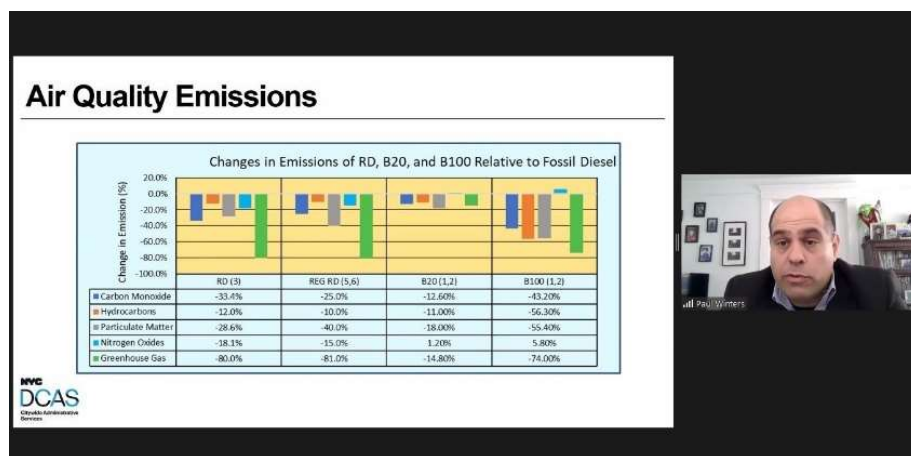


Figure 4: Keith Kerman shares NYC air quality emissions

NYC Fleet: Over 13,500 Diesel Fleet Units

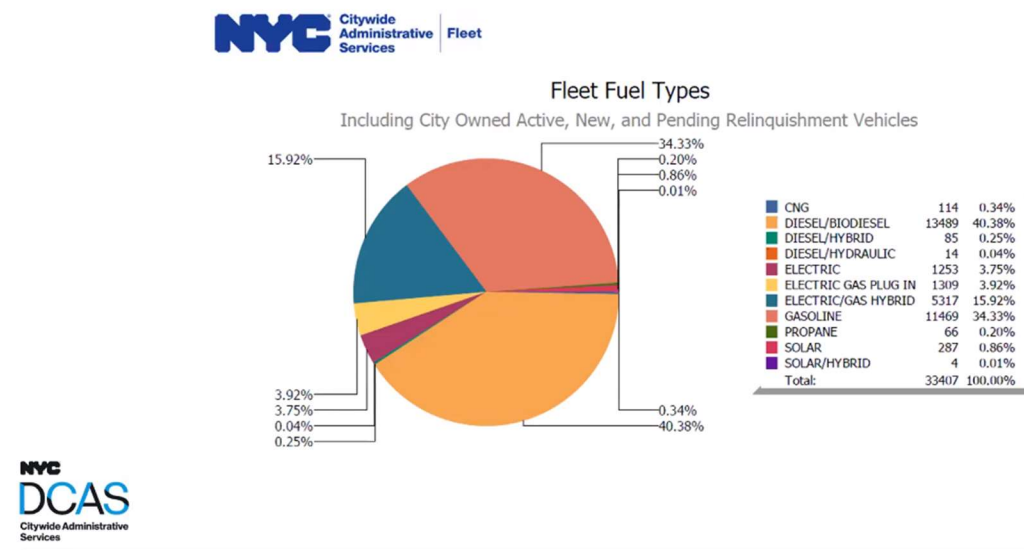


Figure 5: Image describing NYC's fleets & fuel types

Electric, Biofuel, Efficiencies Working Together!



NYC
DCAS
Citywide Administrative
Services

Figure 6: Image of a new hybrid refuse truck using biodiesel (B20) and battery.

Rocco Lacertosa, NY State Energy Coalition discussed the home heating oil market. New York has been the epicenter of the movement to introduce biodiesel into heating oil. Starting at 2% in 2012, they now have a minimum of 5% with several of their members delivering blends as high as 35%. One of the current threats to NY's home heating oil industry is the Climate Leadership and Community Protection Act (CLCPA). The goal is to reduce GHG emissions 40% by 2030 and 85% by 2050. Mr. Lacertosa discussed the increased costs to customers switching from home heating oil to electric heat pumps and the cost benefits of Bioheat.



Figure 7: Rocco Lacertosa, NY State Energy Coalition

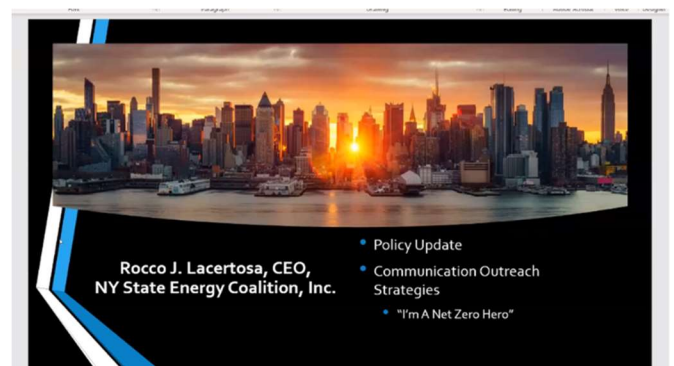


Figure 8: NYC



Figure 10: Image Net-Zero Outreach

Current Threats Facing New York

Climate Leadership and Community Protection Act (CLCPA)

- Reduce GHG emissions 40% by 2030 and 85% by 2050 (net zero by 2050)
- 70% electric generation from renewable energy sources by 2030 and 100% by 2040

NYC Green New Deal

- Committing to carbon neutrality by 2050, and 100% clean electricity (*several Mayoral candidates are proposing eliminating new fossil fuel infrastructure*)

Cost of Carbon

- Carbon pricing, and carbon tax (*LCFS Seen as a tax by state legislators*)
- Designed to increase cost of fossil fuels – discourage consumer use, subsidize RES

Examples of Intent:

- DEC pipeline denial
- Transportation Climate Initiative (TCI)

Figure 11: Image of threats to the home heating oil market.

Donnell Rehagen, Chief Executive Officer, NBB thanked **Councilman, James Gennaro** for being a long-time supporter of the biodiesel industry. **Councilman, James Gennaro** supports the expansion and use of biodiesel.

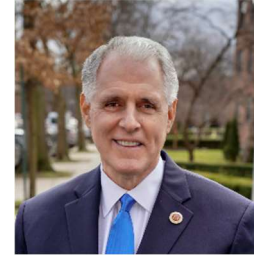


Figure 12: Councilman, James Gennaro

Tim Keaveney, VP of Sales for HeroBX, discussed the biodiesel production process and the economic impact of the biodiesel industry. Tim shared the industry's future concerns that includes feedstock supplies and the importance of supportive federal policies that will help drive the industry forward. HeroBX is one of the largest biodiesel producers in the Northeast. He stated that biodiesel and renewable diesel should be a part of any energy, transportation, carbon, infrastructure legislation Congress considers over the next two years. Biodiesel is available today to meet carbon and clean air goals. Its success is built on RFS and tax credit – policy should provide a transition. Late and uncertain EPA policies can cause uncertainty for the industry.



Figure 14: Image Tim Keaveney, VP of Sales, HeroBX

History of Company



A large group of HeroBX employees, mostly men in dark jackets, are posed in front of a large white cylindrical storage tank. The tank has the HeroBX logo and the tagline 'FUEL FOR HUMANITY' on it.



- ▶ Headquartered in Erie, PA
- ▶ Founded in September 2005
- ▶ Produced its first ASTM D6751 certified biodiesel in 2007
- ▶ Capacity of 100 million gallons per year through 5 plants
- ▶ Employ 190 including production and office staff
- ▶ Strategic Location
 - Within 500 miles of many of the major diesel and heating oil markets in the

Figure 13: Image HeroBX background

Biodiesel Industry Asks!

- ▶ EPA
 - Stop Small Refinery Exceptions
 - Have cut 584 million gallons of biodiesel from RFS
 - Considering 30 more 19/20 that will erase 272M gallons BBD
 - RFS volumes
 - Flatlined BMBD at 2.43B gals for 2021 - lower than industry capacity
 - Announce RVOs on a predictable timeline. 2021 RVO volumes late again!
 - Approve New Feedstocks and Pathways
- ▶ Tax Credit
 - \$1 BTC in place through 2022
 - Provide soft landing, not a sudden slash



Figure 15: Image Biodiesel Industry needs predictability.

Tom Verry, closed the meeting by thanking the attendees, speakers and sponsors. He also announced that there are two additional tours in the series. The California tour will be in the summer of 2021 and the Mid-Atlantic tour is planned for Fall 2021.

This event would not be possible without the support of our sponsors. Thank you.

