

TCBiomass 2024

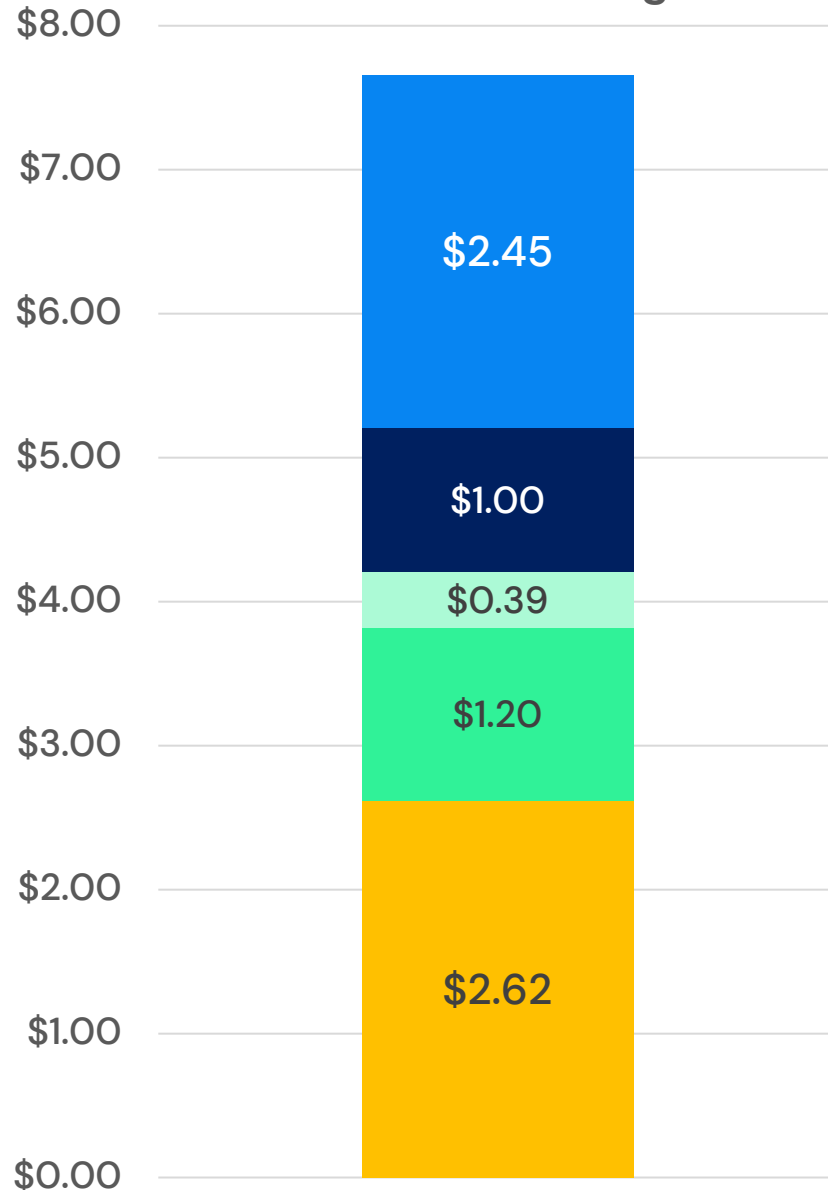
Funding, Policy, Incentives and Capital for Advanced Biofuels



Mike McCurdy, P.E.
Vice President – Fuels & Power

09/11/2024

UCO – RD – Los Angeles
(2021–2024 Average)



Value Component

Physical fuel value
(Ultra-Low Sulphur Diesel - ULSD)

Physical Fuel Value for Fossil Substitute
(Ultra Low Sulfur Diesel)

Tax value
(U.S. biomass-based diesel production tax credit)

\$1.00 BTC Credit. Follow-on Section 45Z Credit

LCFS & CAR Value
(Value of Credits Generated on Per Gallon Basis for Low Carbon Fuel Standard and Cap-At-The-Rack CAR)

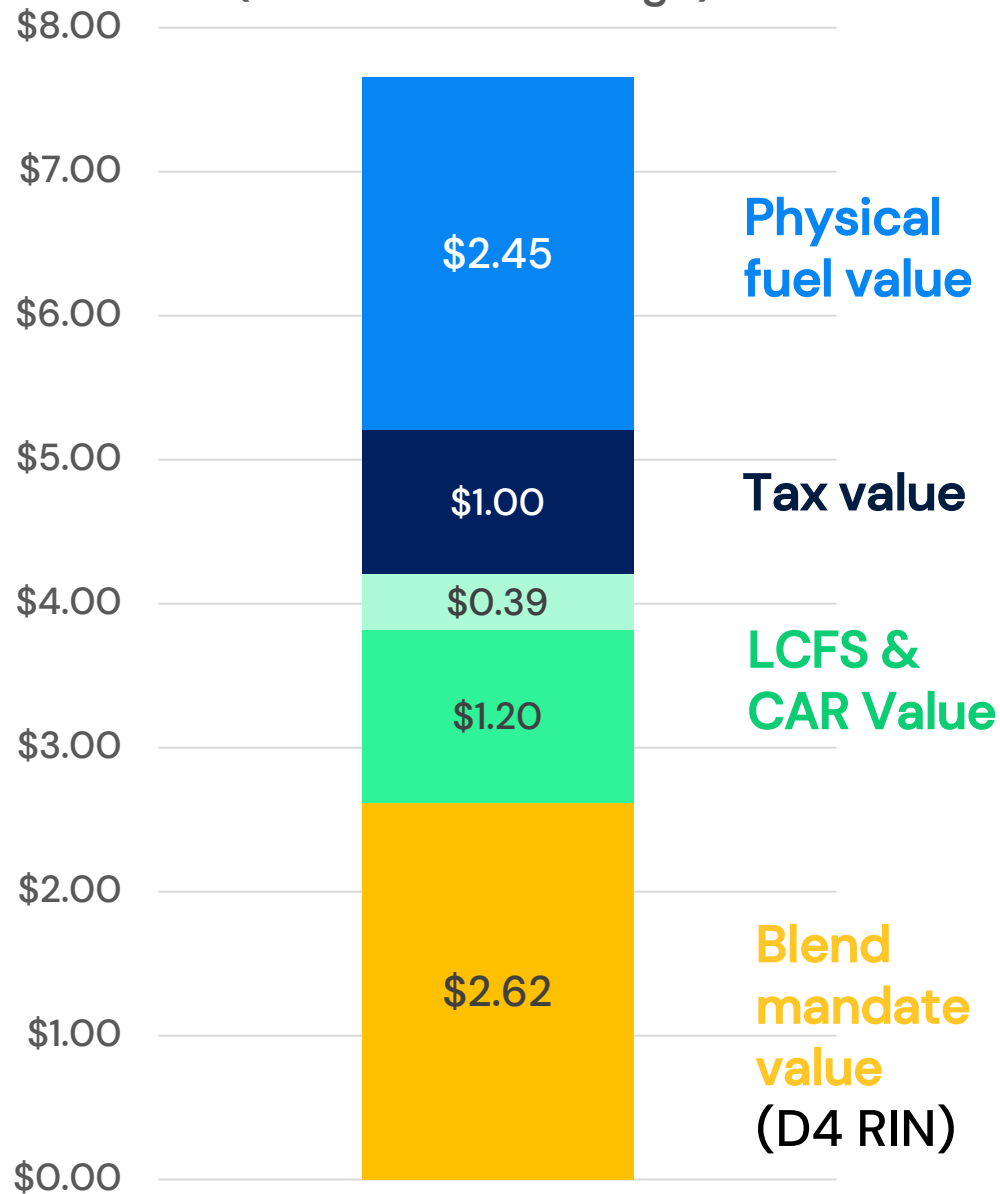
Value of Carbon Credits under LCFS and Cap-and-Trade Programs

Blend mandate value
(US RFS, D4 RIN)

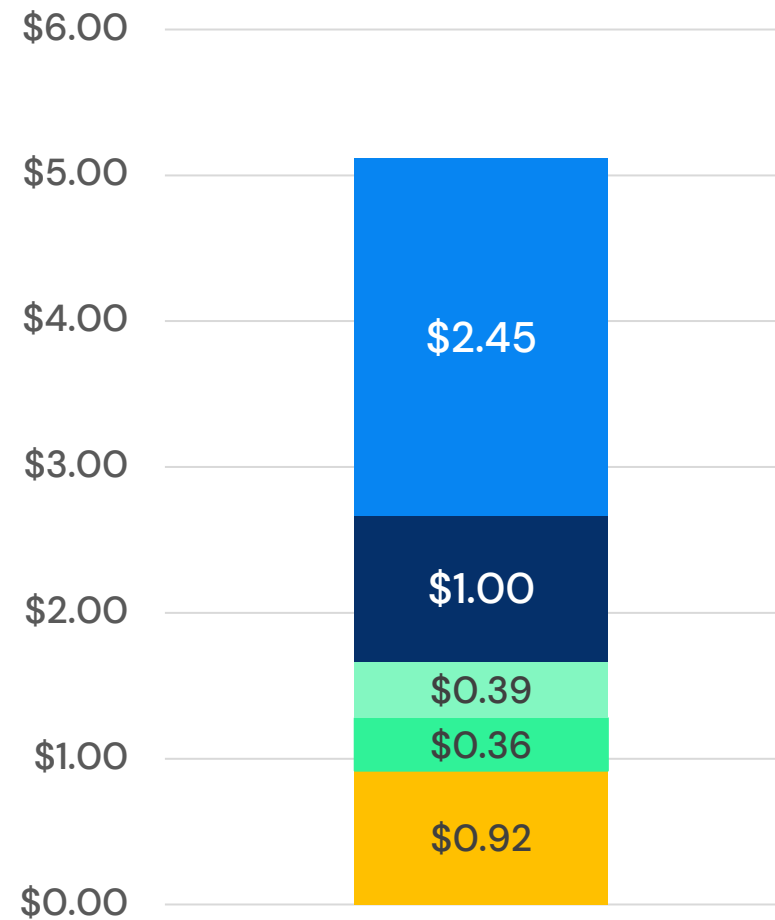
RFS RIN is supply side mandate to bring all biofuel produced into the market

➔ **Average Value Stack for California RD, 2021 to 2024**

UCO – RD – Los Angeles
(2021-2024 Average)

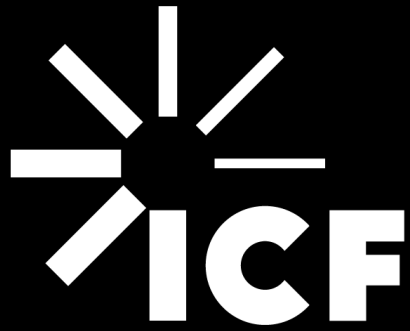


UCO – RD – Los Angeles
August 2024



- EPA 3-Year RVO
 - *Underestimated D4 production*
- *CWC Eliminated, D3 Align with Cellulosic fuel production costs*
- *CARB LCFS Changes for 11/8/2024 Board Meeting*
 - *9% Stepdown, AAM, 30% in 2030*
 - *Current = \$55/ton*
2028 = \$135-\$145/ton

➔ **2024 Margins Way Below Historical, but Beneficial Changes Coming**



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