



RINs and the Proposed RFS2 for the Biofuels Industry

Biofuels Journal Webinar Series
June 30, 2009



Webinar Overview

- Fundamental Changes with RFS2
- Top 3 Challenges with RFS2
- Insight from RFS1 Implementation



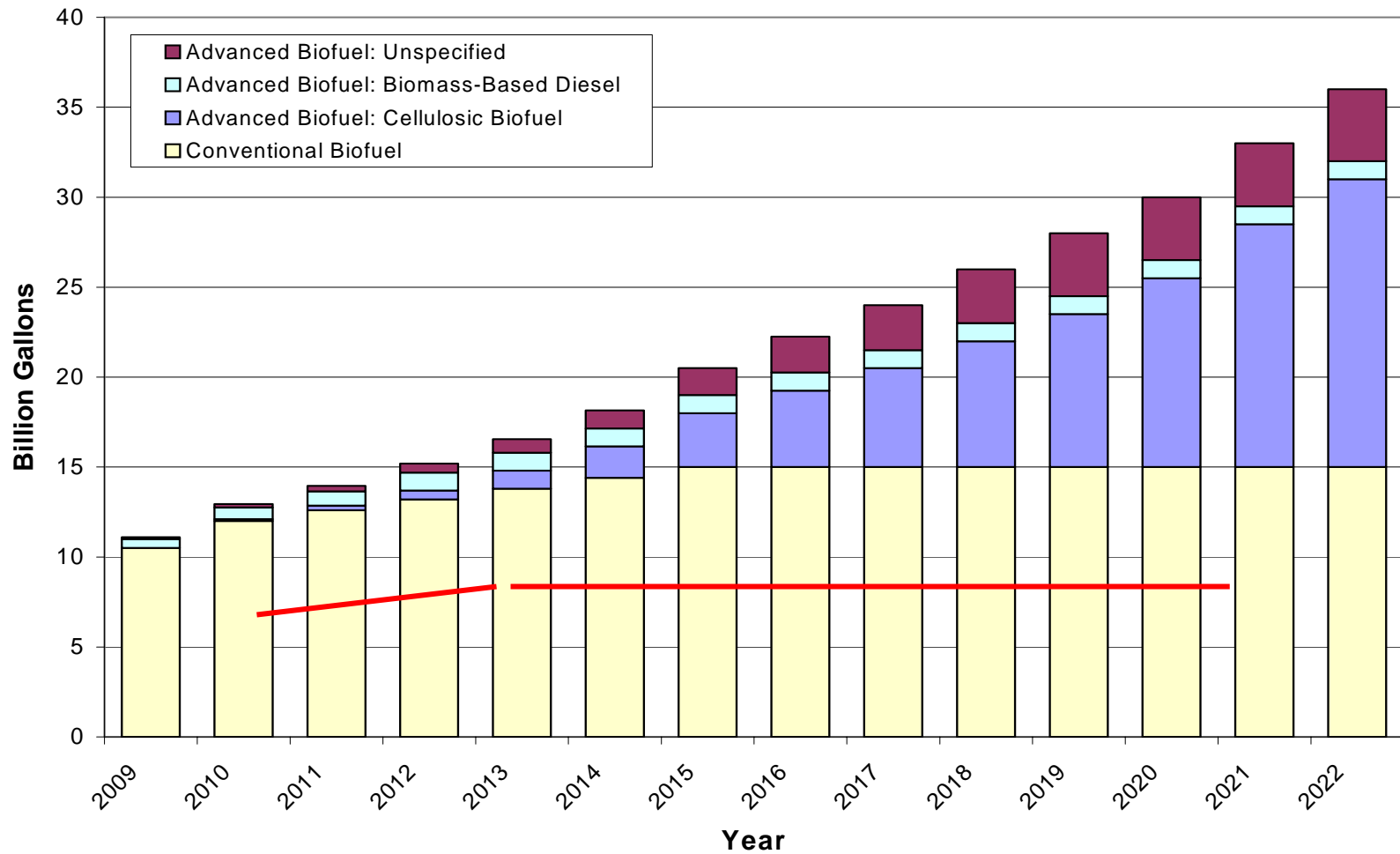
Background / Qualifications

- Clean Fuels Clearinghouse est. 2001
- RINSTAR® Only Renewable Fuel Registry
- Over 180 Members, Interacting with 500+ Companies Throughout Supply Chain Daily
- Facilitated Over 750,000 Renewable Fuel and RIN Trades
- Processed 9 Billion, 840 Million Gal-RIN Transactions and growing.

Fundamental Changes with RFS2

- Regulation Drives Demand
- Accelerated Mandate
- New and Distinct Product Classifications
 - C-B-A-R
- Administrator Has Authority to Modify Standard based on Market Activity each Year.

RFS 1 vs. RFS 2



Four Product Classes

- Type C
 - Cellulosic, 60% GHG Reduction
- Type B
 - Biomass Based Diesel, 50% GHG Reduction
- Type A
 - Advanced Biofuels, 44% GHG (proposed)
- Type R
 - Renewable Fuel, 20% GHG - Grandfathering

Three Biggest Challenges

- Indirect Land Use
 - Waxman-Markey – 5 Year Proving Period
- Re-registration of Producers by 1/1/10
 - Based on Process Technology and Feedstock – Requires Professional Engineer
- “Burden of Proof”
 - History of Feedstocks Mandatory

Changes In Motion Today

- Waxman Markey Climate Bill
 - ILUA Headed To a 5 Year Proving Period
- Fuel Pathway will Remain
 - Production DOES NOT Automatically Result In RIN Credit Generation
 - All production must either be qualified or be disqualified for RIN generation.
- EPA Ready for Re-Registration Now

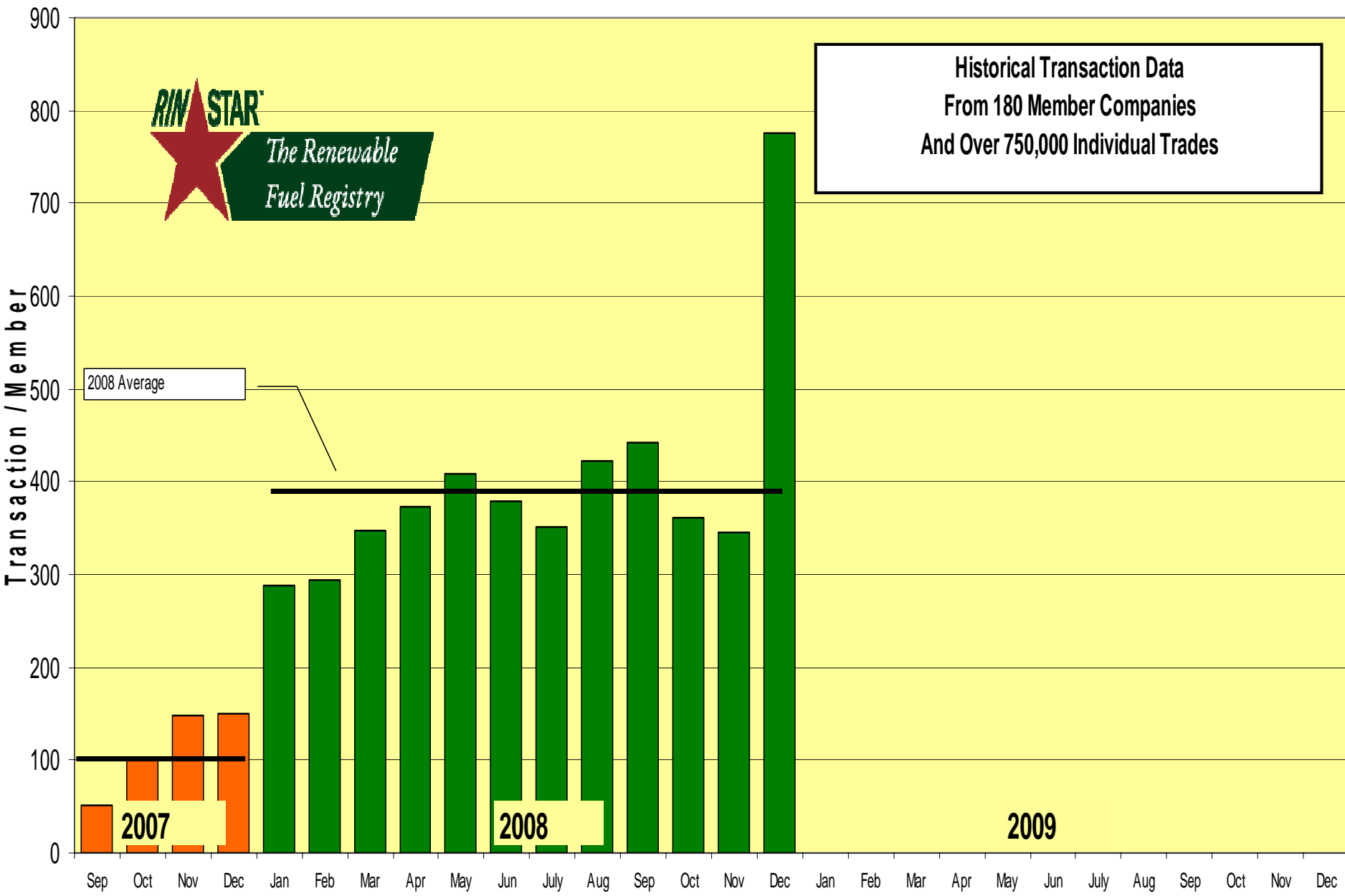


Insight From RFS1 Implementation

- State of the Standard
- Areas of Inefficiencies
- New Role of the Administrator
- Forecast for 2nd Half of 2009
- “Blend Wall” May Appear Sooner than Anticipated
- How Should EPA Address Supply Issues?

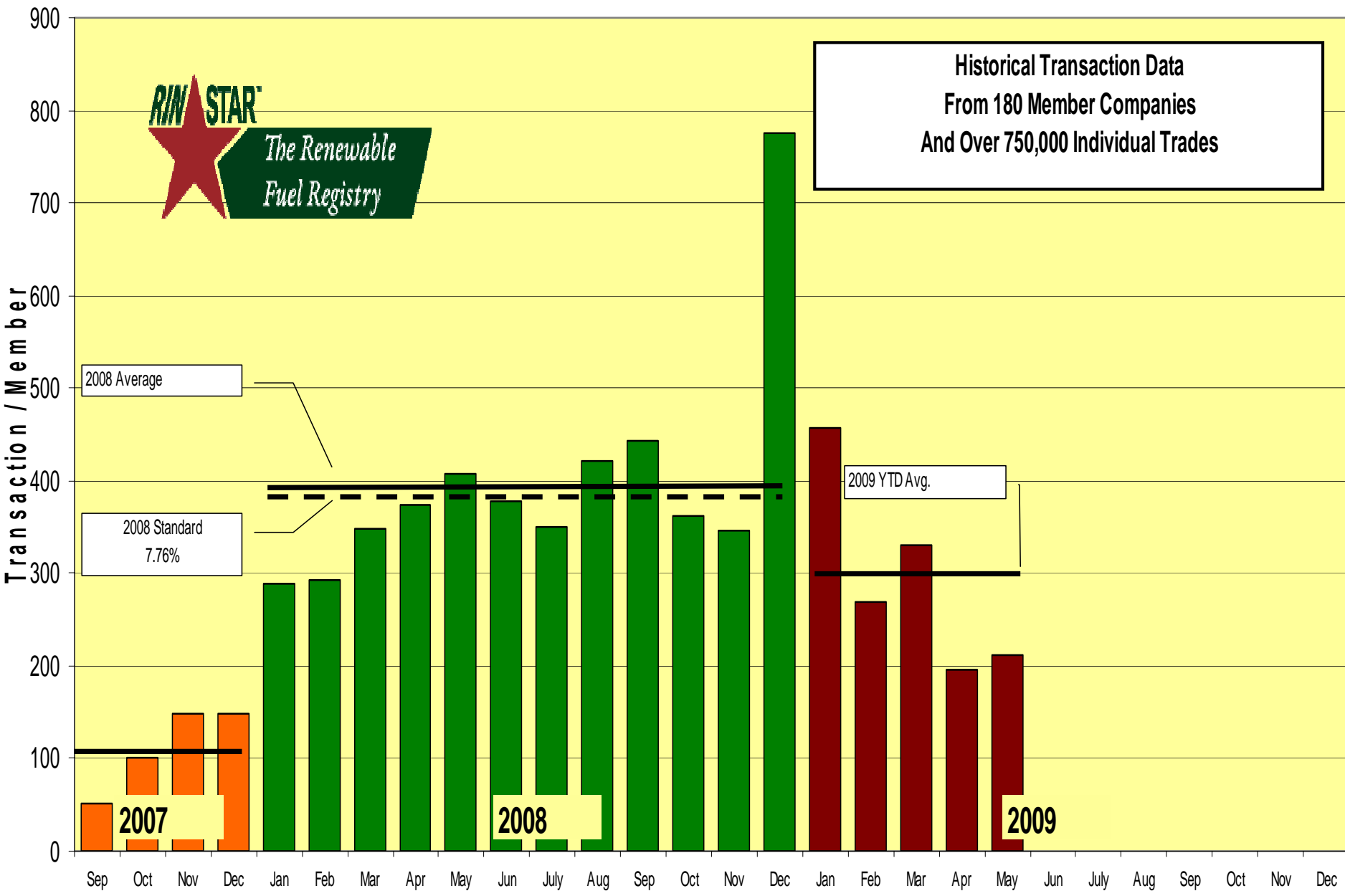


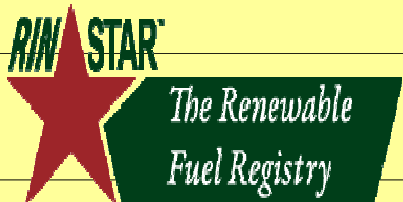
Historical Transaction Data
 From 180 Member Companies
 And Over 750,000 Individual Trades



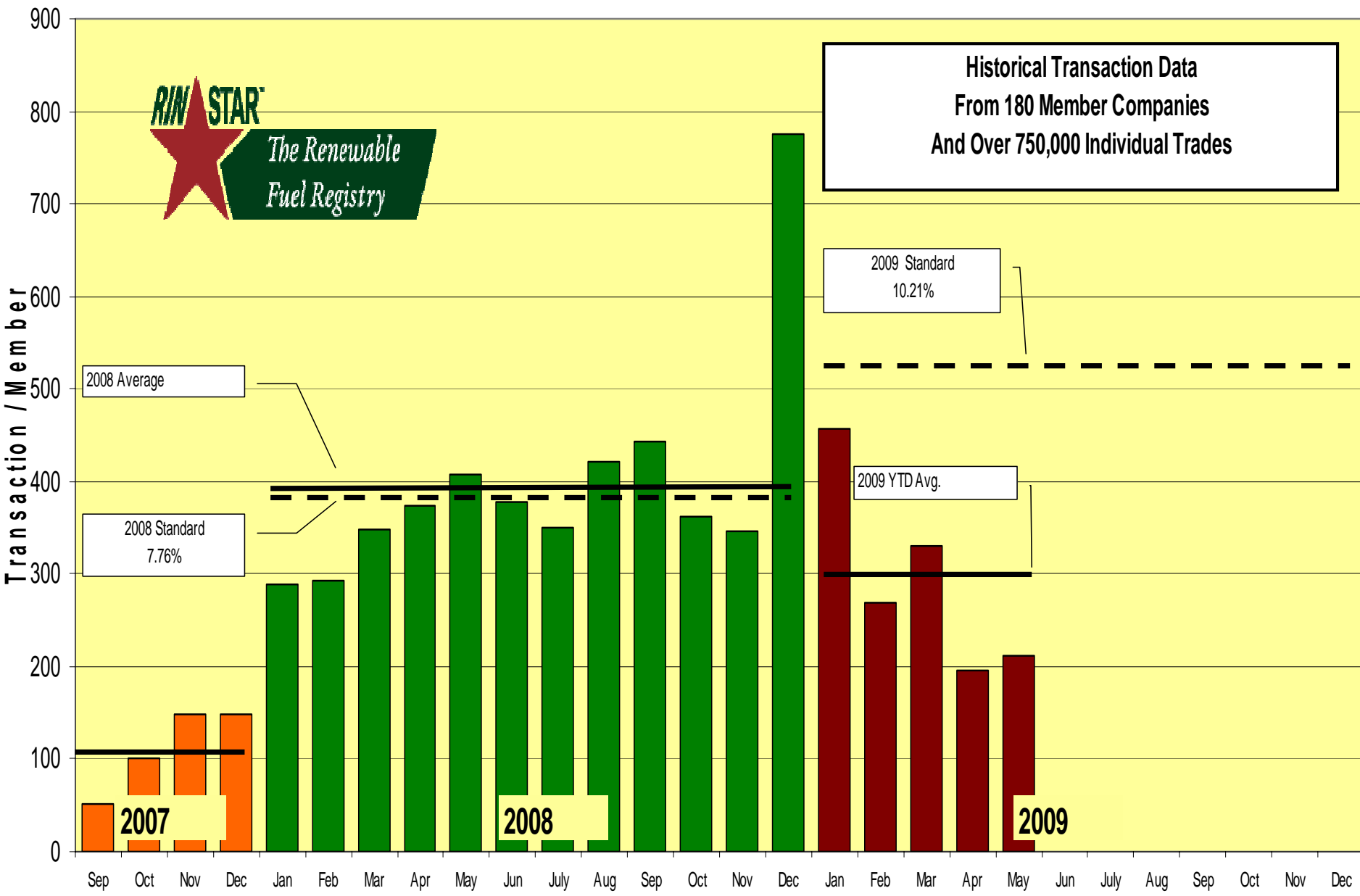


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2008 Average

2008 Standard
7.76%

2009 Standard
10.21%

2009 YTD Avg.

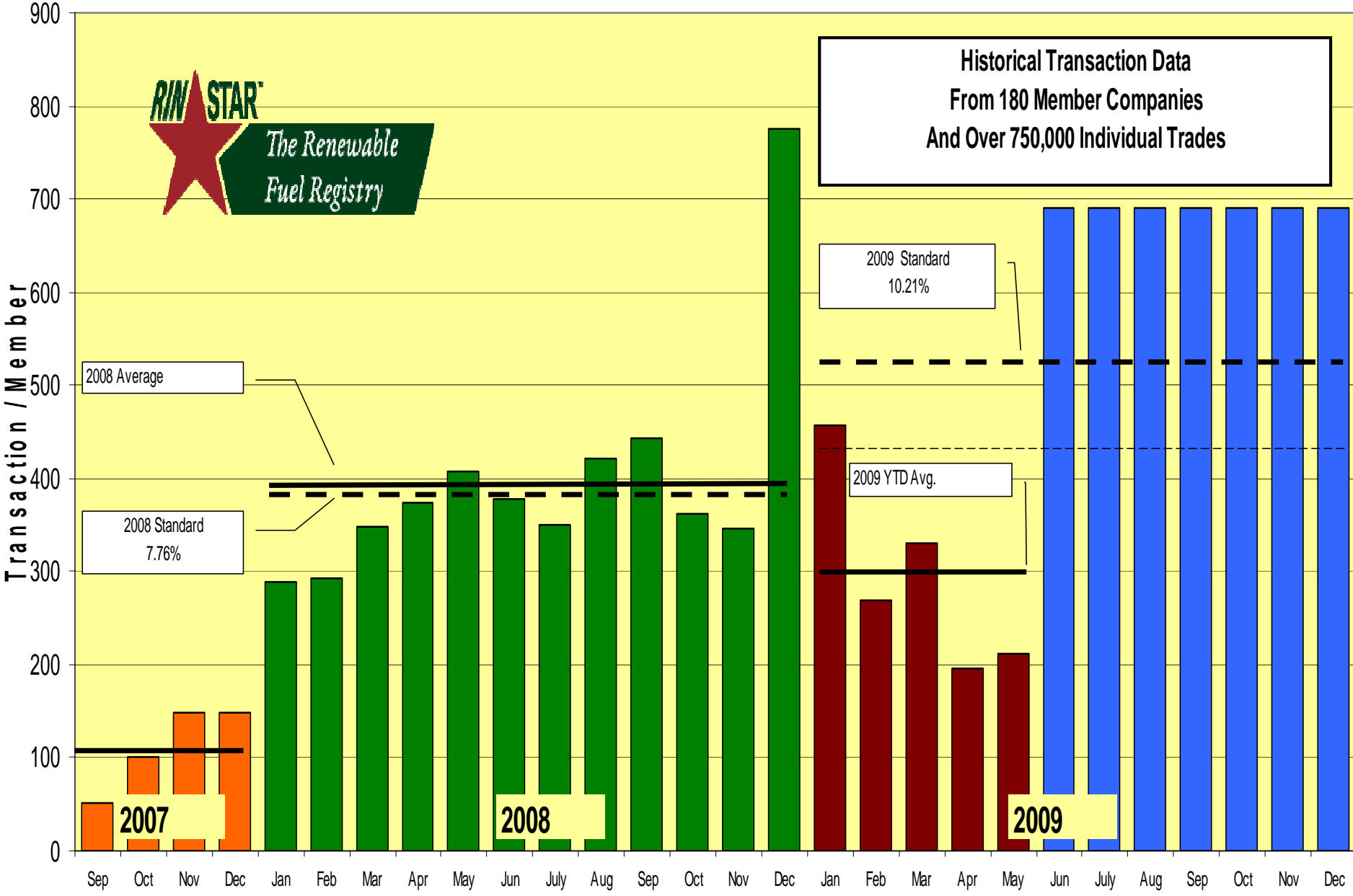
2007

2008

2009



**Historical Transaction Data
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2008 Average

2008 Standard
7.76%

2009 Standard
10.21%

2009 YTD Avg.

2007

2008

2009



Polling Question

- How Should EPA Handle a RIN Shortfall in 2009? (Multiple Answers Acceptable)
 - Increase to E15
 - Grant a Waiver
 - Enforce the Deficit Carry Forward Provision



Polling Question

- How Beneficial would Ready Access To Market Data Be to Your Company?
 - Extremely Valuable
 - Very Valuable
 - Valuable
 - Some Benefit
 - No Benefit

“RFS2 Stakeholder Awareness Webinar Series”

■ Six Sessions

- Legal Considerations, Attest and Auditing, Washington RFS2 Hearings.
- EPA Moderated Transaction System, Market Factors Driving RINs, Stakeholder Feedback
- “BONUS” Session on RFS2 with 6 Key Officials from EPA.



Survey Question

- Are you Interested in Receiving More Information about the “RFS2 Stakeholder Awareness Webinar Series?”
 - Yes, Please Contact Me
 - Not at This Time



RINSTAR® Demonstration

- Customized Demonstration of RINSTAR® and How You Can Profit with RINs Today and with the New RFS2.
- Available FREE
- Scheduling 2 to 3 weeks out at this point.



Survey Question

- Are You Interested in Scheduling a Private RINSTAR® Demonstration to Learn More About How to Optimize Your Biofuels Business?
 - Yes, within the Next 3 weeks
 - Yes, within the Next 6 weeks
 - No, Not at this time

Questions & Answers



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