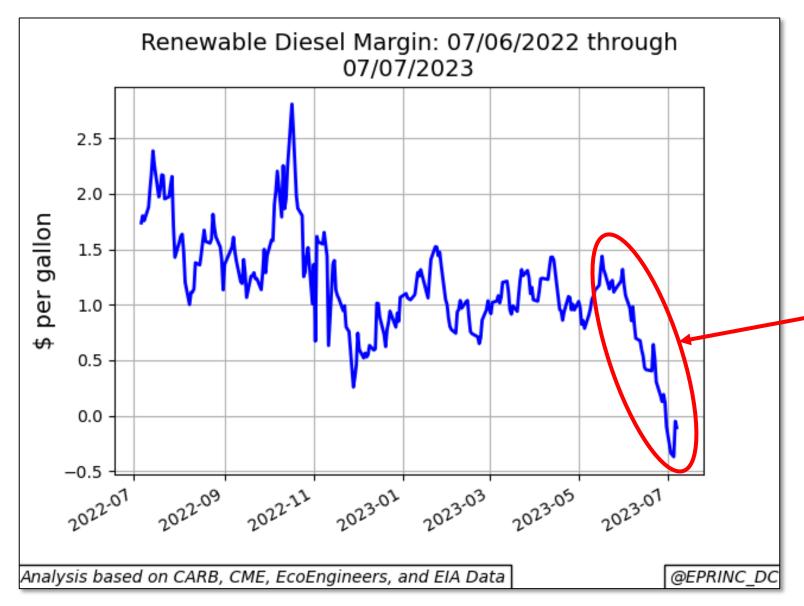


The Renewable Diesel Margin – Post-2023 RVO Set Rule Energy Policy Research Foundation

RVO Percentages					
June 21 2023					
		Biomass-			
	Cellulosic	Based	Advanced	Renewable	
	Biofue	Diesel	Biofuel	Fuel	Туре
2023	0.41%	2.54%	3.33%	11.92%	Proposed
2024	0.82%	2.60%	3.80%	12.55%	Proposed
2025	1.23 <mark>%</mark>	2.67%	4.28%	13.05%	Proposed
2023	0.48%	2.58%	3.39%	11.96%	Final
2024	0.63%	2.82%	3.79%	12.50%	Final
2025	0.81%	3.15%	4.31%	13.13%	Final
Difference: "Final" – "Proposed"					
2023	0.07%	0.04%	0.06%	0.04%	
2024	-0.19%	0.22%	-0.01%	-0.05%	
2025	-0.42%	0.48%	0.03%	0.08%	
Analysis based on EPA Data					EPRINC

Biodiesel refiners were looking for a bump in the 2023 Biomass Diesel RVO Percentages.

The Renewable Diesel Margin – Post 2023 RVO Set Rule Energy Polícy



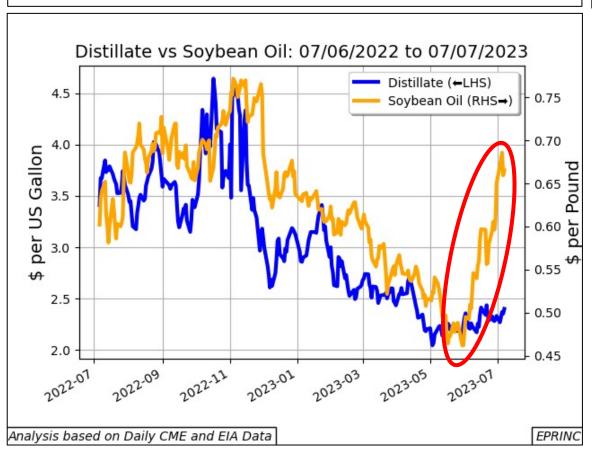
Following the June 21 2023 EPA Final RFS RVO Set Rule announcement, the Renewable Diesel Margin collapsed.

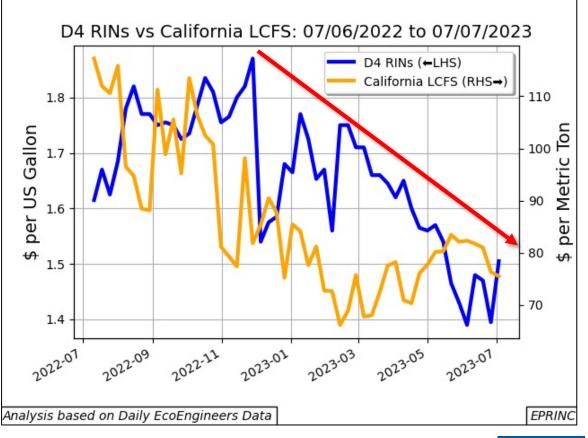
Research Foundation

The Renewable Diesel Margin – Post-2023 RVO Set Rule Energy Policy Inputs: Commodity and Credit Prices

Soybean oil is a key input to renewable diesel production. Recent soybean oil prices have surged on tight supply/demand balances and uncertainty regarding the availability of Ukrainian shipments.

Renewable diesel production is seen as a valuable generator of D4 biomass diesel RINs and California's LCFS credits. D4 prices have dropped because of EPA's unanticipated on low biomass diesel RVOs.





The Renewable Diesel Margin – Post-2023 RVO Set Rule Energy Policy Calculating The Renewable Diesel Margin

- The formula for the renewable diesel margin is:
- NYMEX ULSD + (1.7 * Biodiesel RIN) + (0.00707 * LCFS Credit) (8.5 * CBOT Soybean Oil) where:
- New York Ultra Low Sulfur Diesel (ULSD) price, \$ per gallon
- D4 Biodiesel RINs \$ per RIN (D4 RINs are converted at a rate of 1.7 D6 ethanol RINs)
- Low Carbon Fuel Standard (LCFS) credit, \$ per metric ton (with a carbon intensity of 54, renewable diesel earns 0.00707 of an LCFS credit per gallon)
- Chicago soybean oil price, \$ per pound (8.5 pounds of soybean oil are required to produce one gallon of renewable diesel)
- This slide deck is available at: https://eprinc.org/chart-of-the-week/
- For more information on this chart, please contact Max Pyziur (<u>maxp@eprinc.org</u>).