



Clean Fuels
ALLIANCE AMERICA



GROWING NEW MARKETS
ANNUAL REPORT 2024

FROM THE CEO



Our industry has achieved significant milestones in the past year, reinforcing our position as a key player in the clean energy revolution. This progress has not been without growing pains, as we see our partners in the soybean industry experiencing significant market pressures. But our fuels are in demand, and our industry's continued resilience has allowed us to persevere. The Annual Report provides a detailed look at the accomplishments of our industry and the Clean Fuels team over the past year.

Nearly 4.6 billion gallons of biomass-based diesel were consumed in the United States in 2023, on pace to increase to 5 billion gallons in 2024. We are well on our way to achieving our vision of 6 billion gallons by 2030. In California, the biomass-based diesel industry now accounts for an incredible 73% of the state's diesel pool. Clean fuel production is using around 1 billion pounds of soybean oil each month driving a 30% increase in crush capacity across the United States.

These are impressive numbers, but our industry stands on the cusp of additional unprecedented growth. Consumers are demanding cleaner solutions for transportation and shipping. Corporations are recognizing the value of integrating biodiesel, renewable diesel and sustainable aviation fuel (SAF) into their sustainability frameworks. Our industry is no longer a niche player. We're a central force in the global effort to curb greenhouse gas emissions.

Together, we have laid the groundwork to capitalize on new markets driving innovation and accelerating the transition to low-carbon fuels. We're making strides in the rail and marine sectors, and SAF is turning the corner from being a promising concept to a cornerstone of sustainable air travel. Our collaborations will continue to build resilient supply networks, and I want to thank you for your commitment, support and engagement in our many efforts. We've achieved so much, yet only scratched the surface and will continue to meet growing demand, taking our industry to new heights.

None of this would be possible without the support of our members. The collaboration within our industry is one of our greatest strengths and has been instrumental in many of our successes over the years. Our recent growth is a clear testament of what we can accomplish together. Whether your company represents feedstock growers, feedstock processors, fuel producers, fuel distributors or retailers, or companies closely affiliated with the industry, your unique perspective contributes to Clean Fuels' collective knowledge of the opportunities and challenges we are facing. This collective knowledge enables Clean Fuels to better serve our entire membership.

Together we truly are better.

A handwritten signature in black ink that reads "Donnell M. Rehagen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Donnell Rehagen
CEO, Clean Fuels Alliance America

FROM THE CHAIRMAN



The clean fuels industry relies on producers, policymakers, regulators, corporations and consumers, but it all starts with the farmer. Our industry is deeply intertwined with agriculture, and together we are fueling a sustainable future. The innovations and efficiencies developed on the farm are not only feeding a growing global population but are also driving the production of clean, renewable fuels that are essential to reducing carbon emissions.

Farmers today are expected to produce more food and fuel using fewer resources, and they've risen to the challenge by adopting cutting-edge technologies and sustainable practices. The results are impressive: since 1980, U.S. soy farmers have improved land use efficiency by 48%, reduced irrigation water use by 60% and increased energy efficiency by 46%. These advancements have led to a 43% reduction in greenhouse gas emissions and a 34% improvement in soil conservation.

These strides in agriculture have been instrumental in the growth of the clean fuels sector. What began as a solution for surplus soybean oil has evolved into a cornerstone of our industry. Last year alone, we produced 4 billion gallons of clean fuel — a 33% increase from the previous year — driven by growing consumer demand for sustainable energy options.

As we look ahead to 2025, we find ourselves at a pivotal moment of transition. The shift from a Blenders Tax Credit to a \$45Z Producer Tax Credit will ultimately be positive for U.S. agriculture and renewable fuel producers. This change is expected to significantly decrease renewable fuel imports and, for the first time, include sustainable aviation fuel (SAF) in federal code. We are currently awaiting additional guidance from the Treasury Department on several key details that will ensure the market can price fuel accurately and provide the correct signals back to farmers for regenerative agriculture practices. While our industry has faced delays in the past with Renewable Volume Obligations (RVOs) and tax credits, it's not unusual for our supply chains to deal with uncertainty again.

However, 2025 also brings optimism. With growth in RVOs and the Producer Tax Credit curbing renewable fuel imports, the marketplace should signal some real fundamental demand drivers for our fuels. This, combined with the ongoing decarbonization trend, the expansion into SAF, and increased interest and demand from the railroad and marine markets, provides a strong foundation to exceed our 2030 goal of 6 billion gallons by 2025 or 2026.

The success of our industry is a testament to the power of partnership. From farmers to fuel producers, everyone involved has played a role in pushing the boundaries of what's possible. Agriculture will continue to be at the heart of our industry as we look to the future. The innovations and efficiencies developed on the farm will help us meet the increasing demand for clean fuels, just as they have helped feed a growing world.

Together, we will continue to drive the clean fuels industry forward.

A handwritten signature in black ink that reads "ML Rath". The signature is fluid and cursive.

Mike Rath
Chairman, Clean Fuels Alliance America

MEMBER TESTIMONIALS



Adam Buttgenbach - Director of Fleet Engineering and Sustainability, PepsiCo

PepsiCo is one of North America's largest food and beverage companies, with a portfolio of iconic brands such as Lay's, Doritos, Pepsi and Quaker. Guided by pep+ (PepsiCo Positive) — the transformation of how we make, move and sell our products — PepsiCo is committed to achieving net-zero emissions by 2040. Decarbonizing one of North America's largest private fleets requires a nuanced, multifaceted approach, which is why we are proud to work with Clean Fuels Alliance America to better integrate alternative fuels and enhance operational efficiency. This collaboration provides access to cutting-edge research, best practices and industry expertise, helping us to reduce emissions and drive excellence.



Kerry Fogarty - Quality Control Manager, Incobrasa Industries, Ltd.

Incobrasa has been a member of Clean Fuels Alliance America for the past 17 years. In that time, I can reflect on a long string of success stories, a product of this organization's integrity and hard work. The continued viability of our soybean processing and biodiesel operations in Gilman, Illinois relies heavily upon the sustained expansion of renewable fuel use in the United States. Clean Fuels has been a tireless ally ensuring a solid future for our business. As a recently appointed Governing Board member, I am honored to be among a group of admirable leaders for our industry.



Robert (Bob) Haselwood - Kansas Soybean Commission

The Kansas Soybean Commission has been a proud member of Clean Fuels Alliance America for over 25 years. From the beginning, we recognized the importance of supporting an organization that could drive demand for our soybeans while also fostering innovation in the renewable energy sector. Through Clean Fuels, we've witnessed the transformation of our crops into a vital component of the biofuels industry, adding significant value to the agricultural economy. The work done by Clean Fuels has empowered us to contribute meaningfully to the nation's energy independence and has provided us with new markets that directly benefit our farming communities while addressing today's climate concerns.



Thad Call - General Director, Sustainability, Union Pacific Railroad

Union Pacific is proud to be the first railroad to join Clean Fuels. We see biofuels as a significant growth market as the railroad connects feedstock producers to biofuel refineries, and transports renewable fuels to consumption markets – all at a lower cost and carbon intensity than trucks. Biofuels also have a meaningful place in our decarbonization strategy. Locomotive fuel accounts for over 94% of Union Pacific's direct greenhouse gas emissions, and we are actively working to increase our biofuels usage to further reduce our carbon footprint. I appreciate the policy leadership, technical expertise, and collaborative spirit of the Clean Fuels team as they work to understand and support the rail industry's growing interest in biofuels.

FINANCING OUR MOMENTUM: INDUSTRY SUPPORT

The ability of Clean Fuels to leverage membership dues with outside funding sources helps increase the organization's ability to make an impact for its members. In FY24, membership dues made up just over 27% of the total revenue.



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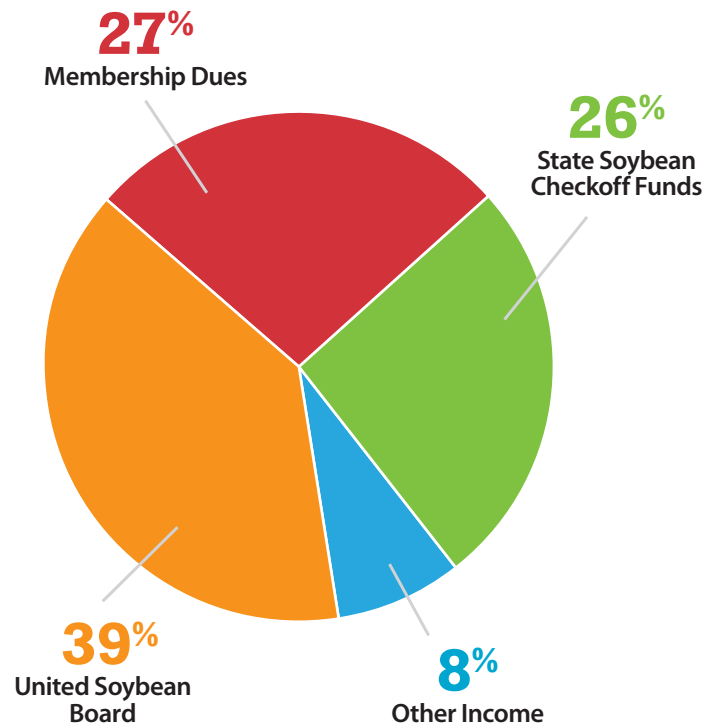
Clean Fuels Funding Sources

39% United Soybean Board – The United Soybean Board provides checkoff funds for biodiesel and renewable diesel programs related to technical and market development efforts. Clean Fuels submits proposals each year through USB's annual planning process. By law, checkoff dollars cannot be used for lobbying. Using these funds to execute programs allows membership dues to focus solely on policy.

27% Membership Dues – These dues play a significant role in Clean Fuels' policy programs. In fact, membership dues and member donations are the only sources of Clean Fuels' national and state lobbying efforts. Federal regulations prohibit checkoff funds and federal grants from being used for lobbying, so Clean Fuels uses membership dues almost exclusively on policy.

26% State Soybean Checkoff Funds – State Soybean Boards, through their checkoff dollars, fund technical, communications, sustainability and education work on behalf of the industry. Each year, Clean Fuels staff submits proposals and continues to obtain strong support from more than 20 different state organizations. Over \$4.9 million was invested from these organizations in 2024, funding critical biodiesel and renewable diesel program areas.

8% Other Income – Income from programs and additional partners rounds out the Clean Fuels annual budget. These funds include BQ-9000, conferences and corporate partners.



FY24 Budgeted Revenue Estimate

PAC: FUELING OUR FUTURE

The Clean Fuels Political Action Committee may have a new logo this year, but it has the same mission: to help elect candidates who support the biomass-based diesel industry. Thanks to the generous, voluntary contributions from Clean Fuels members and member company PACs, the Clean Fuels PAC has been able to give over \$100,000 to more than 52 campaigns during the 2023-2024 election cycle.

Among the candidates the Clean Fuels PAC has supported this year are Rep. Mariannette Miller-Meeks of Iowa, a member of the powerful House Energy & Commerce Committee; Sen. Maria Cantwell of Washington, chair of the Senate Commerce Committee; Rep. Don Bacon of Nebraska, a member of the House Agriculture Committee; and Sen. Sherrod Brown of Ohio, chair of the Senate Banking Committee.

The PAC also hosted fundraisers for Rep. Nikki Budzinski of Illinois in June, Rep. Brad Finstad of Minnesota in March and Sen. Amy Klobuchar of Minnesota during the November 2023 Membership Meeting.

The Clean Fuels PAC is one of our industry's most effective advocacy tools, and we thank you for your support!



\$100,000+
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2023-2024 election cycle.



Clean Fuels advocates pose in front of the U.S. Capitol during the 2024 June Membership Meeting.



Sen. Amy Klobuchar speaks at the 2023 November Membership Meeting.



U.S. Rep. Nikki Budzinski speaks at the 2024 June Membership Meeting.

FEDERAL AFFAIRS: STRIVING FOR POLICY CERTAINTY

Preparing for a ground shift in federal tax policy, Clean Fuels' federal affairs team is engaging with the U.S. Treasury, Department of Energy, EPA and USDA to advocate for timely rules that evenhandedly support the industry.

Tax Incentives

In June, the U.S. Treasury issued guidance on the §40B SAF Blender Credit, including the first-ever consideration of the lifecycle carbon benefits of conservation agriculture practices. Clean Fuels worked with other biofuel associations to ensure that the familiar GREET model was named as a method for carbon intensity scoring. Clean Fuels immediately pivoted to urge Treasury to issue timely rules for the §45Z Clean Fuel Production Credit, which begins in 2025, leading 25 trade associations and working with 52 Senators and Representatives on outreach to Treasury. Clean Fuels also developed extensive technical comments for USDA on climate smart agriculture practices.

Renewable Fuel Standard (RFS)

Following extremely disappointing RFS volumes for 2023, 2024 and 2025 that failed to anticipate robust growth in biomass-based diesel production, Clean Fuels organized industry stakeholders and congressional champions to call on the EPA to reassess. Clean Fuels intervened in lawsuits over the rule, petitioned the agency to reconsider and worked with industry stakeholders, Senators and Representatives to urge EPA to issue timely and accurate volumes for future years.

Farm Bill

Clean Fuels advocated for extension of the Bioenergy Program for Advanced Biofuels with mandatory funding. In the Farm, Food and National Security Act of 2024, the House Agriculture Committee approved a five-year reauthorization that includes funding at the same level as in the previous farm bill.

Ocean-Going Vessels

Clean Fuels worked with champions in the House and Senate to introduce the Renewable Fuels for Ocean-Going Vessels Act. The legislation would enable biofuel producers to retain RINs for biodiesel, renewable diesel or other biofuels used in larger marine vessels and open up markets in international shipping.



STATES LEADING THE CHARGE FOR RENEWABLE FUELS

In 2024, the implementation of new biomass-based diesel (BBD) programs across the United States marked a significant advancement in the nation's commitment to sustainable energy and value back to agriculture. These programs have been pivotal in reducing greenhouse gas emissions, fostering rural economic growth and increasing energy security. Clean Fuels proudly played a pivotal role in this success that will drive demand and production throughout the nation.

State Success:



New Mexico

After several years of effort, New Mexico became the fourth state to implement a Clean Transportation Fuel Standard. The New Mexico Environmental Department is currently developing rules and regulations that will govern the program with the hope of credit generation beginning in 2025.



Nebraska

Nebraska successfully expanded its biodiesel retail program to allow for more participation from state fuel retailers. Nebraska also became the latest state to pass incentives for the in-state production of Sustainable Aviation Fuel (SAF).

Other State Activity:



California

The Low Carbon Fuel Standard (LCFS) rulemaking is aimed at strengthening carbon intensity targets pre- and post-2030 and positioning the LCFS to meet the 2022 GHG Scoping Plan. California remains a key market for our industry and BBD has been a key contributor to the success of the state's LCFS. In 2024, BBD grew to over 70% of the state's diesel pool with estimates showing that complete distillate displacement of petroleum fuels with BBD could happen by 2028.



Illinois

Illinois also considered legislation this year that would create a Clean Fuel Standard. Working with environmental and agriculture stakeholders, the bill received considerable interest and will continue to be a focus for Clean Fuels in the legislative sessions to come. Legislation was also introduced this year to create renewable diesel production incentives.



Minnesota

Minnesota continued efforts to implement a Midwest Fuel Standard. Modeled after the California LCFS, this bill would be a first for Midwest states to use market-based framework for reducing the carbon intensity of transportation fuels in the state.



Michigan

Continuing the work from last year, Michigan offers new opportunities for BBD. The state is currently considering three major pieces of legislation that would grow demand for renewable fuels: the Michigan Biodiesel Tax Incentive for Retail and Production, Michigan Clean Fuel Standard and Michigan SAF Incentive.



Massachusetts

Massachusetts came close to passing Clean Fuel Standard legislation this year. Clean Fuels is optimistic that this legislation will remain a priority for legislators looking to decarbonize the heavy-duty transportation industry.



New Jersey

Similar to other Northeast states, New Jersey introduced Clean Fuel Standard legislation aiming to reduce the average carbon intensity of transportation fuels by 10% below a 2019 baseline by 2030.

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Indiana

Legislation was introduced this year that would provide incentives for retail sale, blending and production of BBD. The bill has the potential to drive demand by over 130 million gallons when fully implemented. Working with the Indiana Soybean Alliance and other key stakeholders, this legislation will be a top priority in 2025.



New York

New York introduced the Clean Fuels Standard aiming to reduce the carbon intensity of transportation fuels by 10% by 2030. New York has the second largest diesel transportation market in the Northeast. Currently, New York has a Bioheat® fuel mandate requiring that all heating oil sold in the state contain a minimum percentage of biodiesel. New York City also uses BBD in their city fleet.



Vermont

Vermont is currently writing rules and regulations for the state's Clean Heat Standard, which became law in 2023. Modeled after similar legislation for transportation, Vermont's Clean Heat Standard focuses on reducing greenhouse gas emissions in the residential, commercial and industry thermal sectors. Clean Fuels has been actively serving on the Advisory Committee helping draft the regulations for this transformative program.

Expanding the Map

Looking ahead, the future of state BBD programs appears promising. With ongoing investments in infrastructure, technological advancements in feedstock development and increasing public and private sector support, BBD is poised to play a crucial role in the transition to a low-carbon economy. Numerous other states are actively considering policies that will prioritize renewable fuels in their state.

Future States:

- Wisconsin
- South Dakota
- Kansas
- Virginia
- Ohio
- Tennessee
- Maryland
- Pennsylvania
- Rhode Island
- Colorado

Infrastructure Development:

State investments in infrastructure have been critical to the success of deploying more BBD in regions throughout the country. States have allocated funds for upgrading fuel distribution systems, building new biodiesel production facilities, and enhancing research and development (R&D) for more efficient biodiesel technologies.



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SUPPLY CHAIN PROGRAM HITS MAJOR MILESTONES

The Supply Chain Integration program has reached significant milestones this year through strategic vision, meticulous planning and effective execution. Our team has actively engaged with terminals, wholesalers and stakeholders to develop intelligent, ratable and competitive decarbonization strategies. This year, our primary focus has been on the marine and rail sectors, conducting in-depth analyses of market potentials, challenges and opportunities. These insights and accomplishments provide a robust foundation for Phase II, where we plan to engage more intensively with Class I and II railroads, barges, ferries, tugs and ocean-going vessels.

One of our most notable achievements was the successful development and execution of the XBX Exploring Biofuels event in Boston, Massachusetts. Designed to showcase the latest advancements in biofuels, this event brought together industry leaders, policymakers and key stakeholders to discuss the future of biofuels and address the four pillars of a successful energy transition in exhaustive detail. The event facilitated meaningful discussions and paved the way for new partnerships. Attendees explored cutting-edge technologies in biofuel production and application, including demonstrations of advanced biofuel blends in real-world scenarios. Educational sessions provided in-depth insights into the benefits and challenges of biofuels, enhancing overall understanding. Additionally, the event fostered networking opportunities, enabling attendees to connect with potential collaborators and partners, which are expected to drive future initiatives and projects in the biofuels space.

A highlight of our achievements this year has been the launch of an innovative celebrity outreach campaign, the first of its kind in our industry. Leveraging the celebrity influence of Donnie Wahlberg, we have successfully elevated awareness of biodiesel and Bioheat® fuel. Through strategic media engagements and public appearances, Donnie Wahlberg effectively communicated the benefits of low-carbon fuel options, reaching a broad national audience. The endorsement by a well-respected celebrity has added credibility to our advocacy efforts, making our message more compelling to both consumers and industry stakeholders. The campaign highlighted the practical benefits of biodiesel and Bioheat® fuel, emphasizing their role in reducing carbon emissions and promoting environmental sustainability.

The accomplishments of the Supply Chain Integration program this year have been monumental, laying a solid foundation for future endeavors. As we move forward into Phase II, our focus will be on building upon these successes, expanding our reach and intensifying



Imagine if everyone in my old neighborhood switched to Bioheat®?

-Donnie Wahlberg



efforts to facilitate the transition to low-carbon fuels across the marine and rail sectors. The continued identification and execution of pilot projects will be pivotal in demonstrating the viability of these fuels, ultimately driving broader adoption and contributing to a more sustainable future.

XBX EXPLORING BIOFUELS
regional seminars

BOSTON | AUG 21, 2024

NAVIGATING THE FUTURE OF U.S. LIQUID ENERGY

Join liquid fuels industry leaders for a full day of education and networking at the iconic **New England Aquarium** in Boston, MA.

Catered lunch and aquarium day-pass included with registration.

REGISTER TODAY:
www.exploringbiofuels.com



The Supply Chain Integration program has reached significant milestones this year through strategic vision, meticulous planning and effective execution.

ECONOMICS AND MARKET ANALYTICS: LAUNCHING A NEW TOOL FOR INDUSTRY INSIGHTS

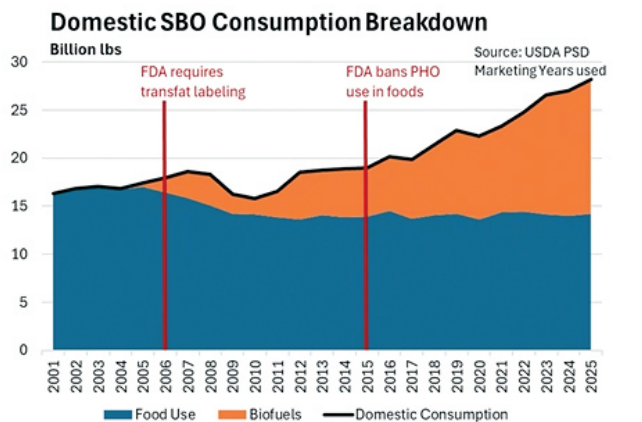
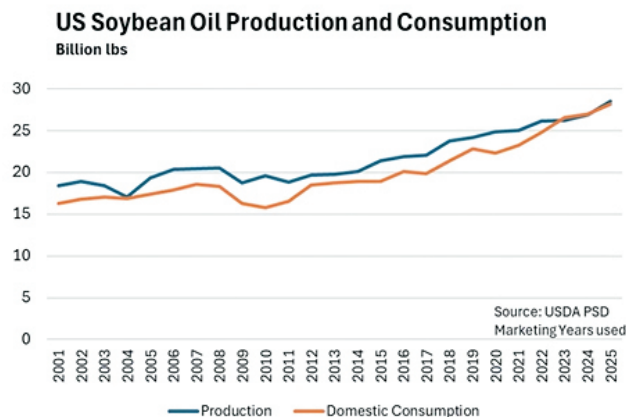
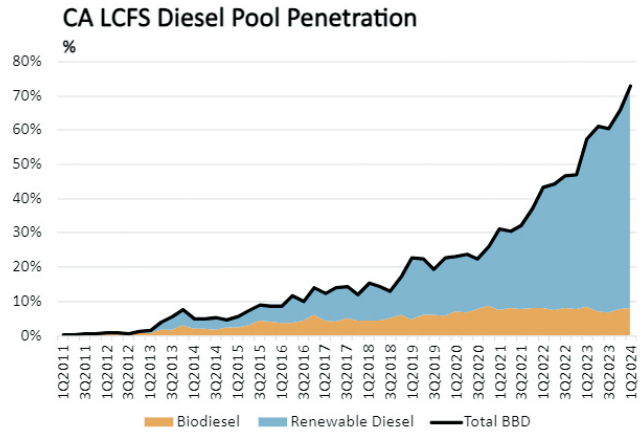
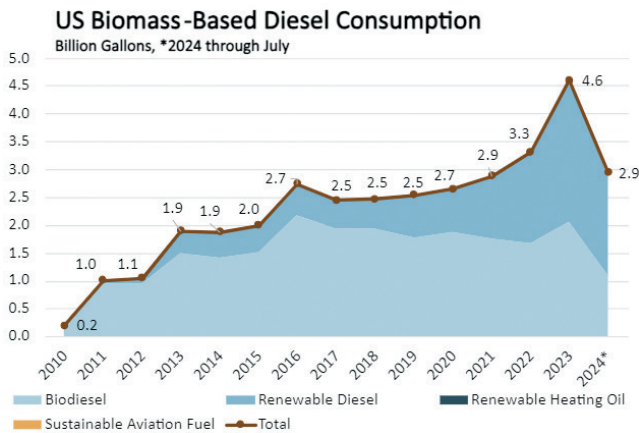
Clean Fuels introduced a Market Analytics Dashboard designed to make industry data more accessible and easier to understand. The tool compiles key information, including feedstocks, production, EPA data and pricing trends, all in one place. The dashboard is organized into sections with executive summaries, charts and tables. It also includes expert commentary from our economics team to explain the data and provide context on current market conditions. Plus, the dashboard is updated regularly to ensure members are getting the most recent information.

For example, the dashboard includes new U.S. Census Bureau import/export data and detailed data on Low Carbon Fuel Standard performance in key states like California, Oregon and Washington. In California, biomass-based diesel now accounts for 73% of the diesel

pool, a significant increase from last year. Oregon and Washington also are seeing growth, with Oregon reporting 36% and Washington at 12%, respectively. This kind of information is regularly updated to reflect the latest trends and developments in the industry.

In addition, Clean Fuels has partnered with World Agricultural Economics and Environmental Services (WAEES) to enhance economic and environmental modeling. This partnership includes a global economic modeling project focused on vegetable oil substitution and a scenario analysis of Renewable Fuel Standard policies, which will help evaluate the impact of tax credit programs under the Inflation Reduction Act.

For access to the Market Analytics Dashboard, contact Jonathan Martin at jmartin@cleanfuels.org.



DRIVING ENGAGEMENT: COMMUNICATIONS

Clean Fuels Launches Better. Cleaner. Now! Podcast

The Better. Cleaner. Now! Podcast, launched in early January, offers a deep dive into the clean fuels industry and insights from Clean Fuels program managers. Topics include feedstock innovation, the future of combustion engines and the time value of carbon. New episodes are released every Wednesday on all major podcast platforms. Through partnerships with Brownfield Ag News and Hearst Media Group, the podcast is promoted via radio, digital marketing and paid social media campaigns.

Highlighting Emerging Markets

Clean Fuels produced two videos with Cosmic Sauce, showcasing underground mining equipment and rail and marine use of biodiesel. An outreach campaign with Hearst Media Group used these videos, leading to over 10 million impressions and significant engagement on cleanfuels.org. The marine industry story alone achieved 10.5 million impressions and 20,200 page views.

Donnie Wahlberg Joins Clean Fuels for Bioheat® Fuel Campaign

Actor Donnie Wahlberg teamed up with Clean Fuels to promote Bioheat® fuel, with a focus on social media ads targeting Northeast homeowners. The campaign, supported by the United Soybean Board, included interviews with major media outlets and drove traffic to mybioheat.com.

On the Air

Since January, Clean Fuels has provided monthly updates on the biofuels industry on “This Week in Agribusiness,” airing on RFD TV and reaching over 350,000 viewers each weekend.

Notable Placements

- **USA TODAY:** Clean Fuels secured an ad in USA TODAY’s Sustainability Edition, reaching millions of readers both in print and online.
- **POLITICO:** An educational article on the importance of decarbonizing, promoted through native ads and social media.
- **Viewpoint with Dennis Quaid:** A documentary on the benefits of biodiesel, renewable diesel and SAF, with segments airing on major networks.

Clean Fuels Conference in Fort Worth

Held Feb. 5-8, the conference saw over 850 registrations, a 10% increase from the previous year, defying typical trends for Fort Worth events.

Industry Events Participation

Clean Fuels sponsored or exhibited at key industry events including the Iowa Renewable Fuels Association Summit, Commodity Classic, Biodiesel Summit, NTEA Work Truck Week, National Association of Fleet Administrators, Government Fleet Expo, Sustainable Fleet Technology Conference, the North American SAF Conference and Expo, and the Farm Progress Show.



TECHNICAL PROGRAM – ENHANCING STANDARDS AND APPLICATIONS

In 2024, the Clean Fuels Technical Program achieved significant milestones, strengthening the industry's position in advancing biomass-based diesel and enhancing the quality of biodiesel.

The ASTM D6751 standard, which sets the specifications for Biodiesel Fuel Blendstock (B100) for Middle Distillate Fuels, underwent revisions aligning with the growing demand for more sustainable and efficient fuels. The changes reflect the global shift toward decarbonization. The updated spec now includes tighter adjustments to the allowable limits for key parameters such as the allowable metals content, ensuring that higher blends of biodiesel can meet the stringent requirements of modern engines and after-treatment systems.

The seventh annual Assessment of BQ-9000 Biodiesel Properties report revealed that the quality of biodiesel continues to surpass the ASTM minimum requirements. This ongoing quality assurance effort is critical as the industry seeks broader acceptance of biodiesel across various sectors like marine and rail and the use of higher blends such as the B30 incentive in Iowa.

The heating oil industry made strides in its goal to reach net-zero emissions by 2025 with the release of new protocols by Underwriters Laboratories (UL) for certifying equipment to operate on biodiesel blends up to B100. At a number of events related to the heating oil industry in the past year, several distributors announced the sale of B40-B50 blends to their customers and the successful use by their customers.

The railroad industry is increasingly recognizing biodiesel as a viable and cost-effective solution for achieving decarbonization goals.

In the marine sector, the publication of an updated ISO fuel specification that includes B100 approval marks a critical step forward. ISO 8217:2024 is expected to drive increased biodiesel use in marine applications contributing to greater greenhouse gas emissions reductions in the global marketplace. Domestically, Clean Fuels is now working with an inland tug/tow operation on the use of B50 blends in their engines.

As part of the ongoing commitment to address the decarbonization challenge, the technical team featured several key sessions at the 2024 Clean Fuels conference highlighting the role of OEMs and fleets in adopting clean fuels. Experts emphasized the importance of higher biodiesel blends in meeting future emissions regulations, particularly the new ultra-low emissions diesel engines (ULEDEs) set to take effect in 2027, which will reduce tailpipe emissions by approximately 90% compared to current levels.

The Targeted Market Outreach program continued to gain traction in both the railroad and marine markets. The largest Class 1 railroads are increasingly recognizing biodiesel as a viable and cost-effective solution for achieving decarbonization goals. Collaboration with locomotive manufacturers and the marine industry is ongoing to boost confidence in higher biodiesel blends, with a particular focus on addressing the requirements for retiring Renewable Identification Numbers (RINs) for biodiesel used in "ocean-going" applications. One of the positive results of years of collaboration and industry interactions has been the growth in Clean Fuels' membership, as more organizations are realizing the additional benefits from Clean Fuels Alliance America beyond just the technical research.



ENVIRONMENTAL SCIENCE PROGRAM

Through ongoing research and analysis, Clean Fuels' Environmental Science Program continues to quantify and effectively communicate the environmental value of biodiesel, renewable diesel and sustainable aviation fuel (SAF). This year, we have made significant strides in several key areas that support our mission.

Our program has expanded its capacity to model the environmental benefits of our fuels under multiple frameworks, including for use under the Renewable Fuel Standard (RFS) and the Inflation Reduction Act (IRA) tax credits. This enhancement ensures that our fuels' environmental benefits are recognized and appropriately rewarded, facilitating broader adoption and impact.

We have also provided crucial support to our federal affairs group in their efforts to establish accurate modeling for the SAF blenders tax credit. This work is a precursor to the Clean Fuel Production Credit, ensuring that the true environmental benefits of SAF are captured in these important policy tools.

Engaging with fuel customers has been another critical focus. By understanding their needs and demonstrating the added value of our fuels, we have tailored our communication to ensure that the environmental benefits are fully appreciated and leveraged by users and their customers.

Additionally, we have proposed a USDA methodology for a regional, practice-based carbon intensity (CI) credit for agricultural feedstocks grown with climate-smart practices. This methodology can be applied across CI programs at various government levels, promoting sustainable agricultural practices and contributing to overall GHG reductions.

Our ongoing work emphasizes the importance of quantifying and communicating the environmental value of our fuels. Ensuring this value is accurately accounted for by end users and their customers supports global goals to decrease GHG emissions. By reducing CO₂ emissions now, we can avoid decades, even centuries, of associated heating, highlighting the urgency and significance of our mission.

Understanding the Time Value of Carbon

Waiting **5 years** to start cutting emissions means you'll need to cut

13 TIMES THE EMISSIONS to make up for lost time.

Delaying now makes it much harder to fix the problem later.

MEETING DEMAND: FEEDSTOCKS

In 2023, U.S. biomass-based diesel production saw substantial growth, driven by shifts in feedstock use and increased capacity. Soybean oil remains the primary feedstock, and there is rising use of animal fats, used cooking oil (UCO) and corn oil, all of which have lower carbon intensity (CI) scores under the California Low-Carbon Fuel Standard (LCFS).

The biofuel industry is undergoing a significant transformation, driven by changes in feedstock utilization and strategic policy shifts. In the first half of 2023, UCO use surged by 30% compared to the previous year, largely due to increased imports from China. This growth reflects the industry's shift toward more sustainable feedstocks, supported by favorable market conditions and a rising demand for low-carbon alternatives.

Central to this transformation is the expansion of processing capacity across North America. Over 20 new processing plants or expansions are underway, poised to add 650 million bushels of additional crush capacity. This expansion is expected to produce nearly one billion gallons of extra soybean oil supplies, representing a \$6 billion investment in rural America. The scale of this investment highlights the industry's commitment to meeting the growing demand for biofuels, particularly in the context of global efforts to reduce carbon emissions.

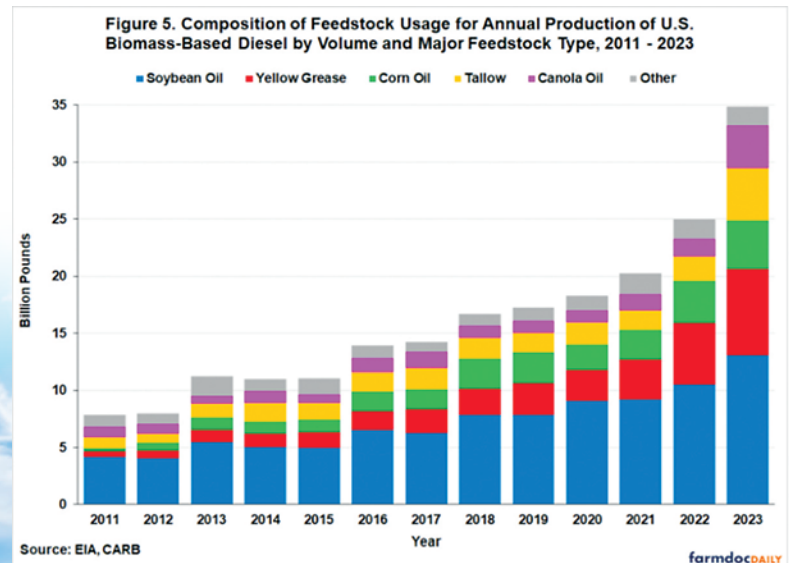
Growth in the industry is not confined to soybean oil. Canola oil use in renewable diesel doubled in 2023, driven by new pathways approved by the EPA in late 2022. These developments have facilitated greater integration of canola into biofuel production. Notably, over 20% of the new U.S. crush capacity planned between 2023 and 2025 is designed to process soft seeds like canola, signaling a broader shift toward diversifying feedstock sources.

Soybean oil remains the primary feedstock, and there is rising use of animal fats, used cooking oil (UCO) and distillers corn oil.

The integration of U.S. and Canadian canola markets further enhances feedstock availability. New processing facilities in Canada are expected to supply an additional 500 million gallons of feedstock by 2024, reinforcing the interconnected nature of North American agriculture in supporting the biofuel industry.

These advancements are driven by a combination of federal and state policies that prioritize low-carbon fuels. The Renewable Fuel Standard (RFS) and California's LCFS have been instrumental in encouraging the use of feedstocks with lower CI scores, such as tallow, UCO and corn oil. These feedstocks, which offer higher credit values per gallon, are increasingly sought after as the industry responds to regulatory pressures and market incentives.

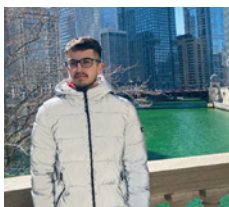
Looking ahead, the introduction of a new producer's tax credit in 2025 is expected to further stimulate domestic production, likely increasing demand for imported feedstocks to meet the biomass-based diesel sector's growing needs. This combination of expanded processing capacity and supportive policies is positioning the biofuel industry for sustained growth as it continues to play a crucial role in the global energy transition.



DEVELOPMENT AND FOUNDATION: ADVANCING OPPORTUNITIES

Clean Fuels Alliance Foundation Accomplishments

- 1. Congressional Tours:** Organized three congressional tours for staffers, including representatives from USDA and EPA, highlighting renewable diesel infrastructure in New Orleans, Bioheat® fuel and biodiesel initiatives in New York City and sustainable aviation fuel (SAF) markets in Los Angeles. Participants represented key and new congressional champions and relevant committees, such as House Energy and Commerce, Senate Energy and Senate Agriculture.
- 2. Sustainability Workshop:** Over 100 industry and academic experts convened in Kansas City to discuss current sustainability research, corporate accounting practices and measurement and verification standards. The next workshop is scheduled for spring 2025, also in Kansas City.
- 3. Beth Calabotta Sustainability Award:**
The 2024 award was presented to Pranab Adhikari, a computer science student at the University of Wisconsin-Madison. Adhikari is currently working as a data analyst intern for the city of Madison, where he oversees the implementation of initiatives like the B100 biodiesel pilot programs. His efforts contribute to the operation of nearly 500 diesel assets using blends of B5, B20 and B100. Adhikari was also invited to participate in the Sustainability Workshop.



Outreach and Development

Clean Fuels collaborated with state and national industry organizations to host webinars aimed at increasing home heating oil applications for USDA Higher Blends Infrastructure Incentive Program (HBIIIP) grants:

- **Pennsylvania Petroleum Association** – The webinar was attended by home heating oil and terminaling companies and several Clean Fuels members.
- **National Energy & Fuels Institute (NEFI)** – Past award recipients shared their experiences applying for grants.

Funding Opportunities

Clean Fuels provided weekly notifications on over 80 federal funding opportunities available to members and their stakeholders. These opportunities included grants and loans for research and infrastructure in carbon reduction, hydrogen, biodiesel, SAF, rail improvements, clean communities, diesel emission reductions, marine vessels, state block grants and environmental justice.



The Clean Fuels development team offered over 70 individual coaching sessions, addressing needs such as cash flow, fleet expansion and market growth. We supported new members unfamiliar with available funding and assisted existing members with project reporting, award management and programmatic information.

Clean Fuels also offered online educational webinars on topics such as HBIIIP and the FAST-SAF program (Fueling Aviation's Sustainable Transition-Sustainable Aviation Fuel grants). In-person presentations benefited hundreds of stakeholders. Successes this year included securing hundreds of millions of dollars in HBIIIP and FAST-SAF grants, with awards ranging from \$500,000 to over \$20 million.

CLEAN FUELS GOVERNING BOARD 2023



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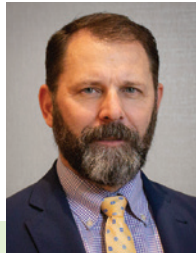
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WWS Inc. dba WWS Trading

CLEAN FUELS STAFF

Donnell Rehagen - Chief Executive Officer

Doug Whitehead - Chief Operating Officer

April Yaeger - Chief Financial Officer

Desiree Hale - Accounting Manager

Heather Buechter - Director of Communications

Katherine Reed - Senior Communications Manager

Bev Thessen - Information Manager

Jonathan Martin - Director of Economics & Market Analytics

Veronica Bradley - Director of Environmental Science

Brad Shimmens - Director of Operations and Membership

Kurt Kovarik - Vice President of Federal Affairs

David Cobb - Director of Federal Affairs

Paul Winters - Director of Public Affairs and Federal Communications

Kate Shenk - Director of Regulatory Affairs

Tom Verry - Director of Outreach and Development

Scott Fenwick - Technical Director

Cory-Ann Wind - Director of State Regulatory Affairs

Stephen Dodge - Director of State Regulatory Affairs

Jeff Earl - Director of State Governmental Affairs

Scott Tremain - Information Technology & Digital Content Director

Jamie Schwartz - Controller



Clean Fuels
ALLIANCE AMERICA

MISSION & VISION

Mission Statement: Representing biodiesel, renewable diesel and sustainable aviation fuel, Clean Fuels Alliance America will advance the interests of its members by supporting sustainable biodiesel, renewable diesel and sustainable aviation fuel industry growth. Clean Fuels serves as the industry's central coordinating entity for technical, environmental and quality assurance programs and will be the strongest voice for its advocacy, communications and market development.

Vision: Biodiesel, renewable diesel and sustainable aviation fuel will be recognized as mainstream low-carbon fuel options with superior performance and emission characteristics. In on-road, off-road, air transportation, electricity generation and home heating applications, use will exceed 6 billion gallons by 2030, avoiding over 50 million metric tons of CO₂ equivalent greenhouse gas emissions annually. With advancements in feedstock, use will reach 15 billion gallons by 2050.

Mainstream low-carbon fuel options

6 BILLION
gallons by 2030



Avoiding over

50 MILLION
metric tons
CO₂ equivalent
greenhouse gas
emissions annually



Growing to

15 BILLION
gallons by 2050

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