



2009 Policy Summit

Insight Gained From RFS1

Clayton McMartin

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Home of the RINSTAR® Registry



Big Claims

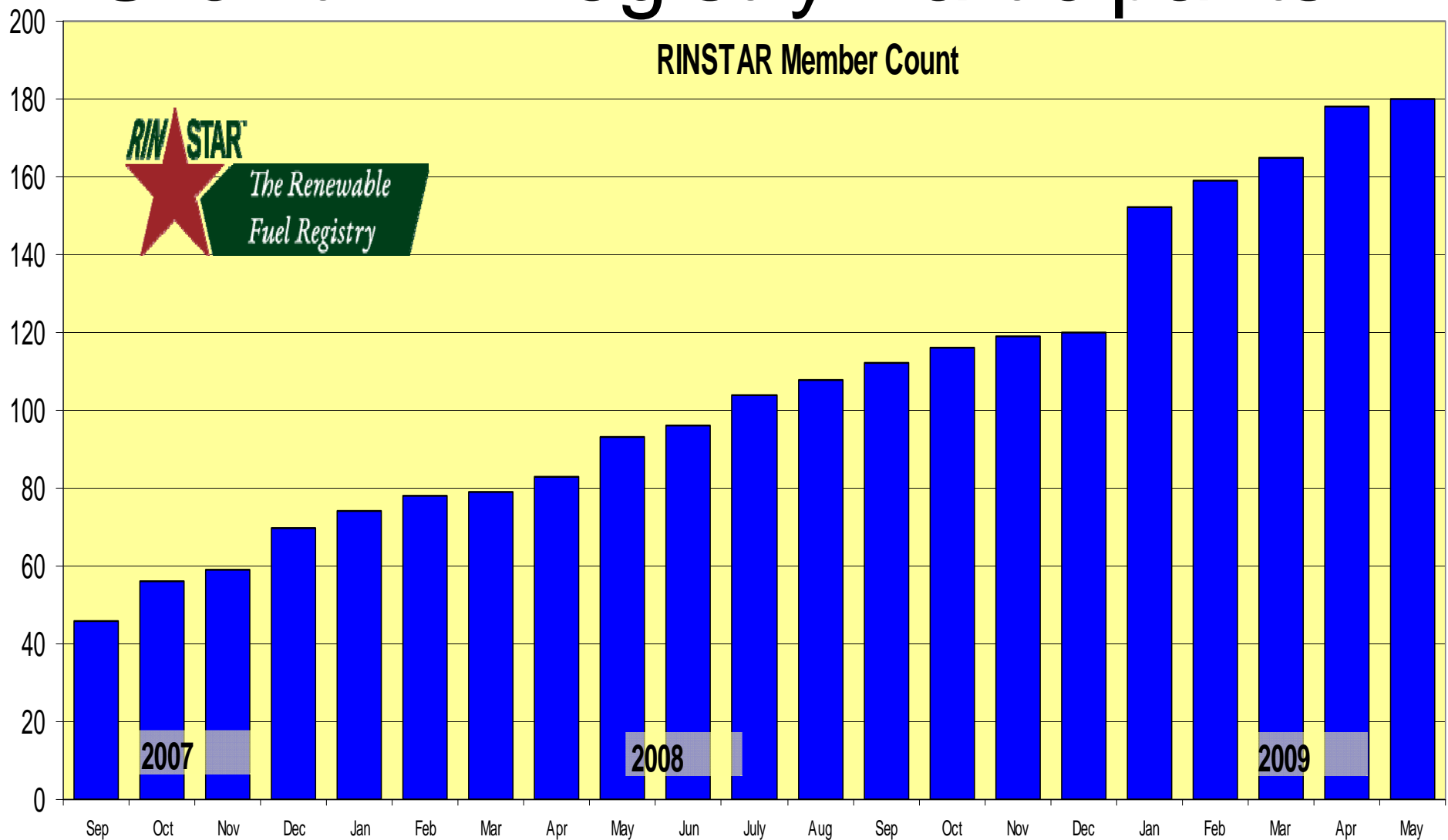
- Not One Ethanol Plant or Biodiesel Facility should be Shut Down Today.
- The Industry is on a Course for Failure
- Government Leaders will Soon Face Tough Decisions
- An Immediate Solution is Available Now



Backed By Data and Experience

- 22 Years Motor Fuels Industry Experience
- 14 Years with Major Oil Companies
 - Refinery Operations Planning
 - Economics
- 8 Years with CFCH
 - Cost Effective Implementation
 - Developed RINSTAR® in 2007

Growth in Registry Participants

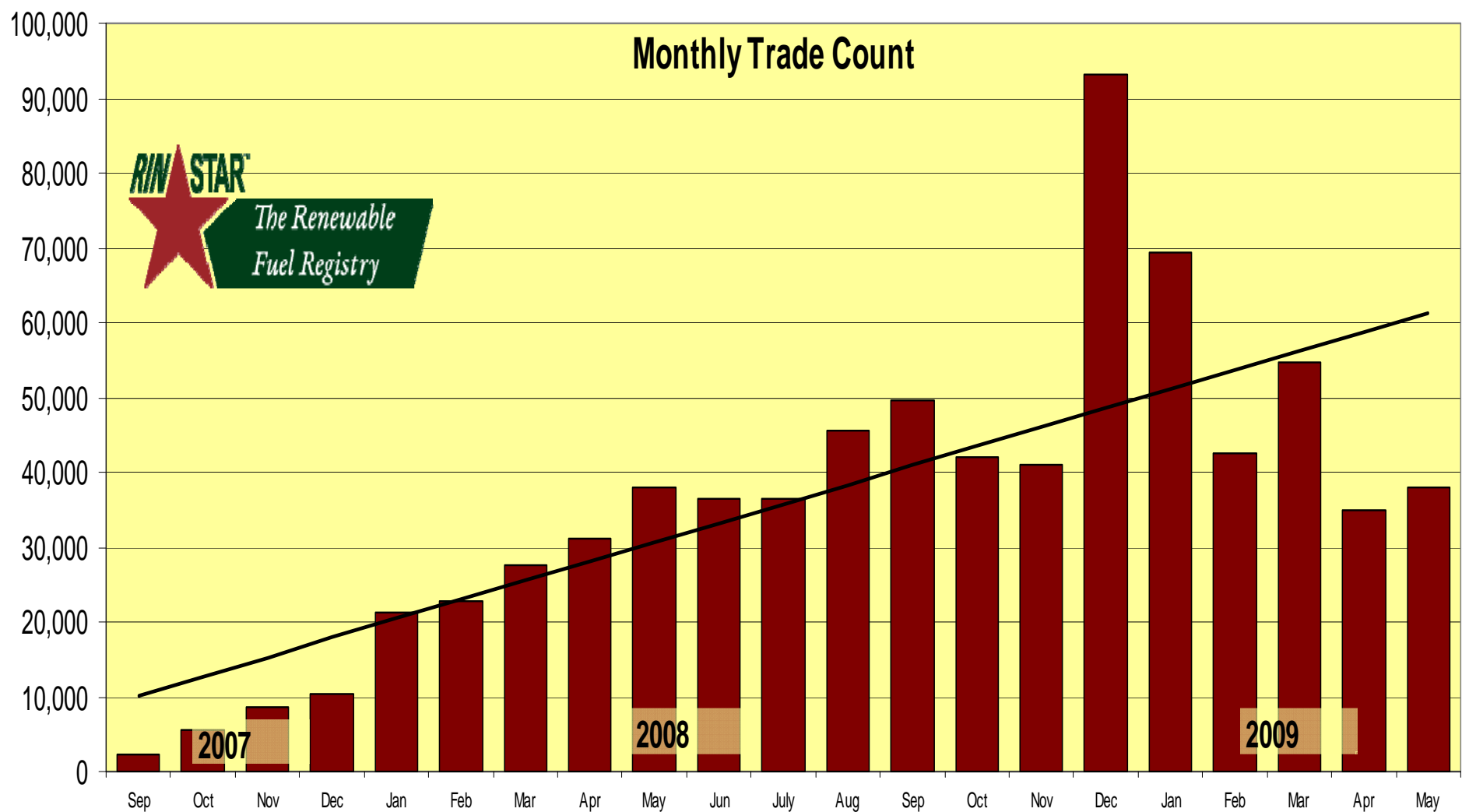




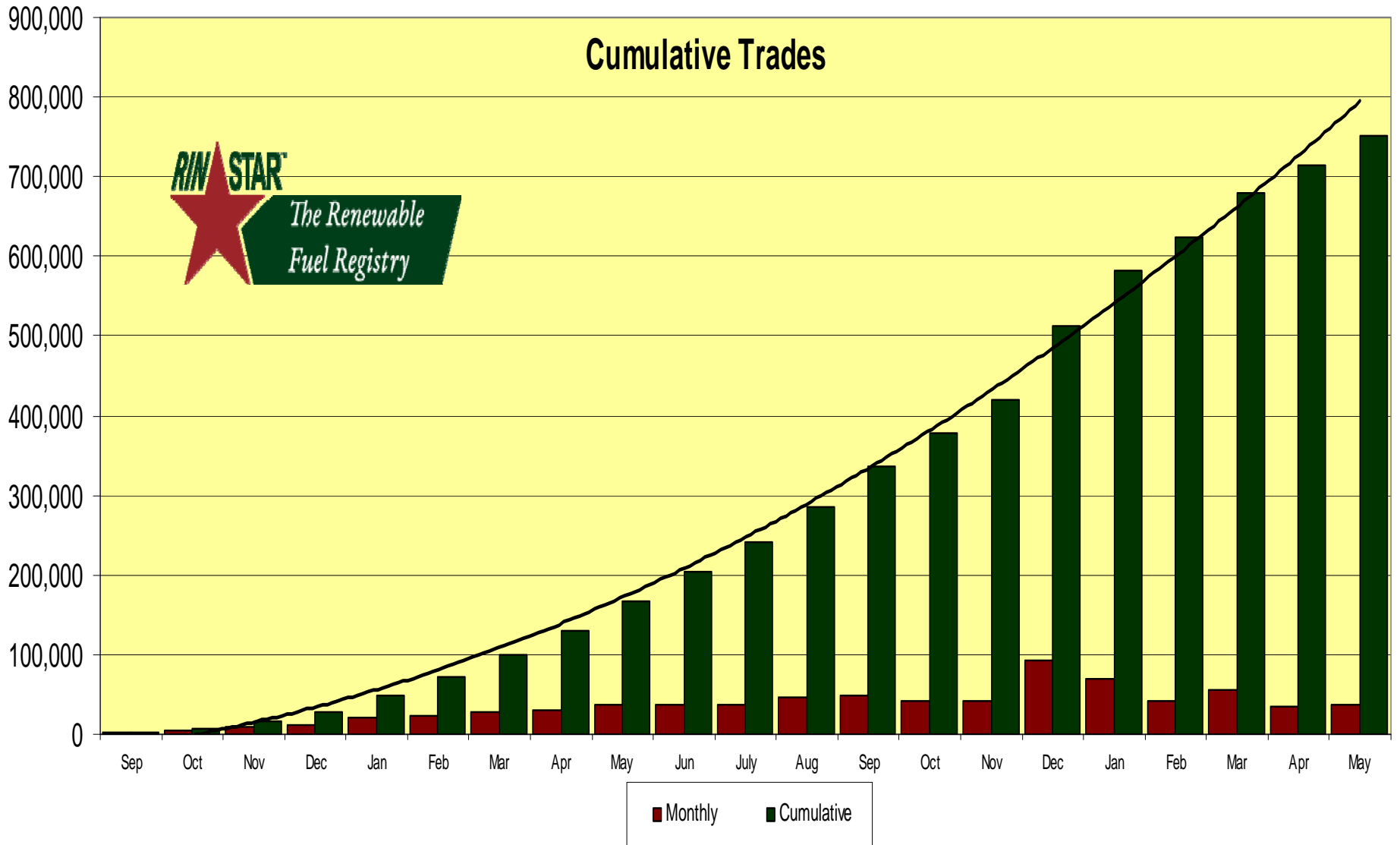
What is a RIN

- 38 Digit Serial Number
- Assigned to Biofuel Product and Tracked Through the Supply Chain
- Converts to Credit
- Applied Towards Obligation
- Mechanism to Provide Latitude in Compliance with Mandates
- Barometer To Assess Market Conditions

Monthly RINSTAR® Transactions



Total RINSTAR® Transactions





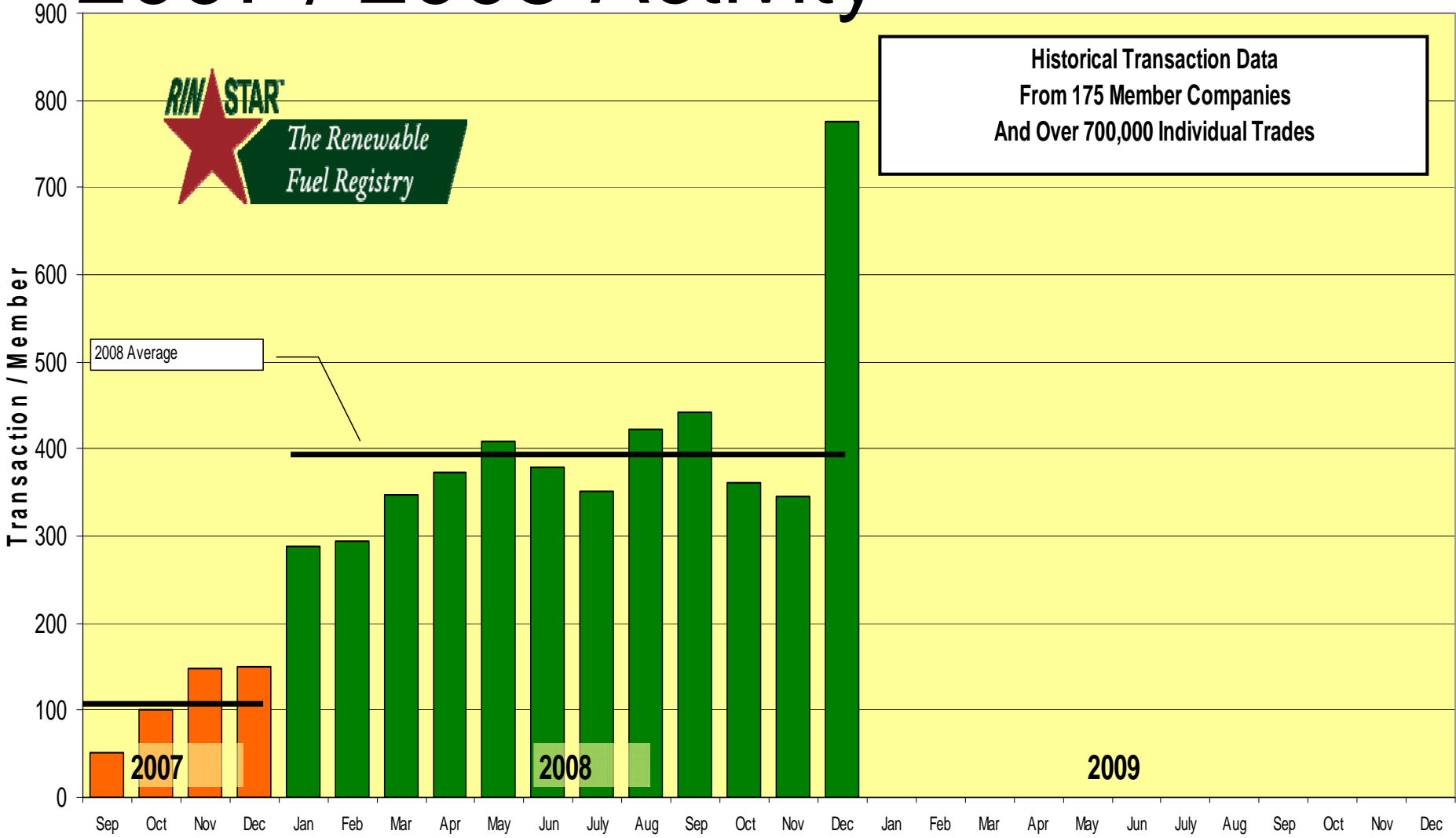
Window Into The Future

- Representative Cross Section
 - 170 plus Companies
 - Observation of 750,000 Transactions
 - Dates back to Day 1 of RFS
- Projections for 2009
 - Where Will We Be
 - What Should We Do

2007 / 2008 Activity



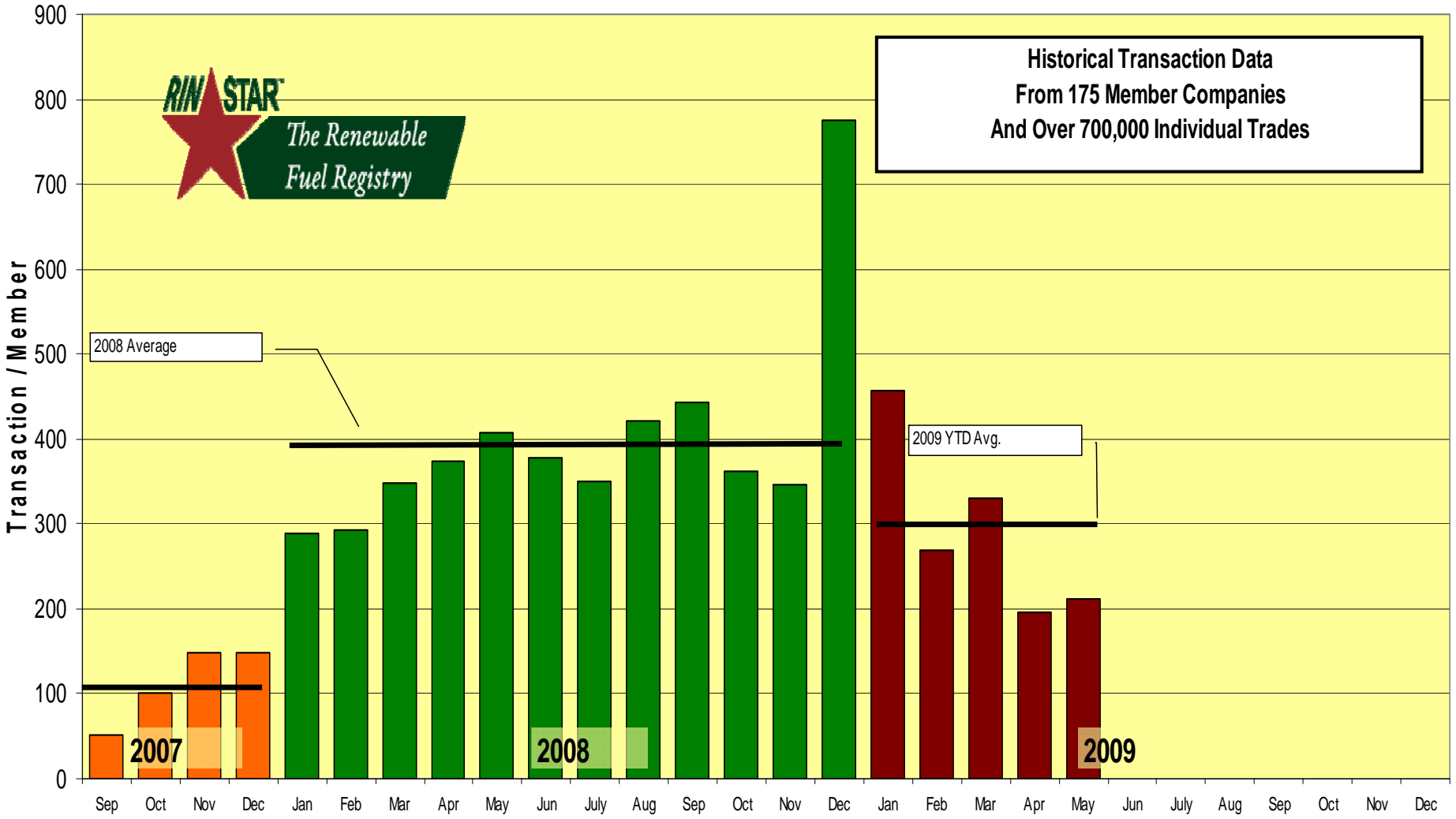
Historical Transaction Data
From 175 Member Companies
And Over 700,000 Individual Trades



2009 to Date



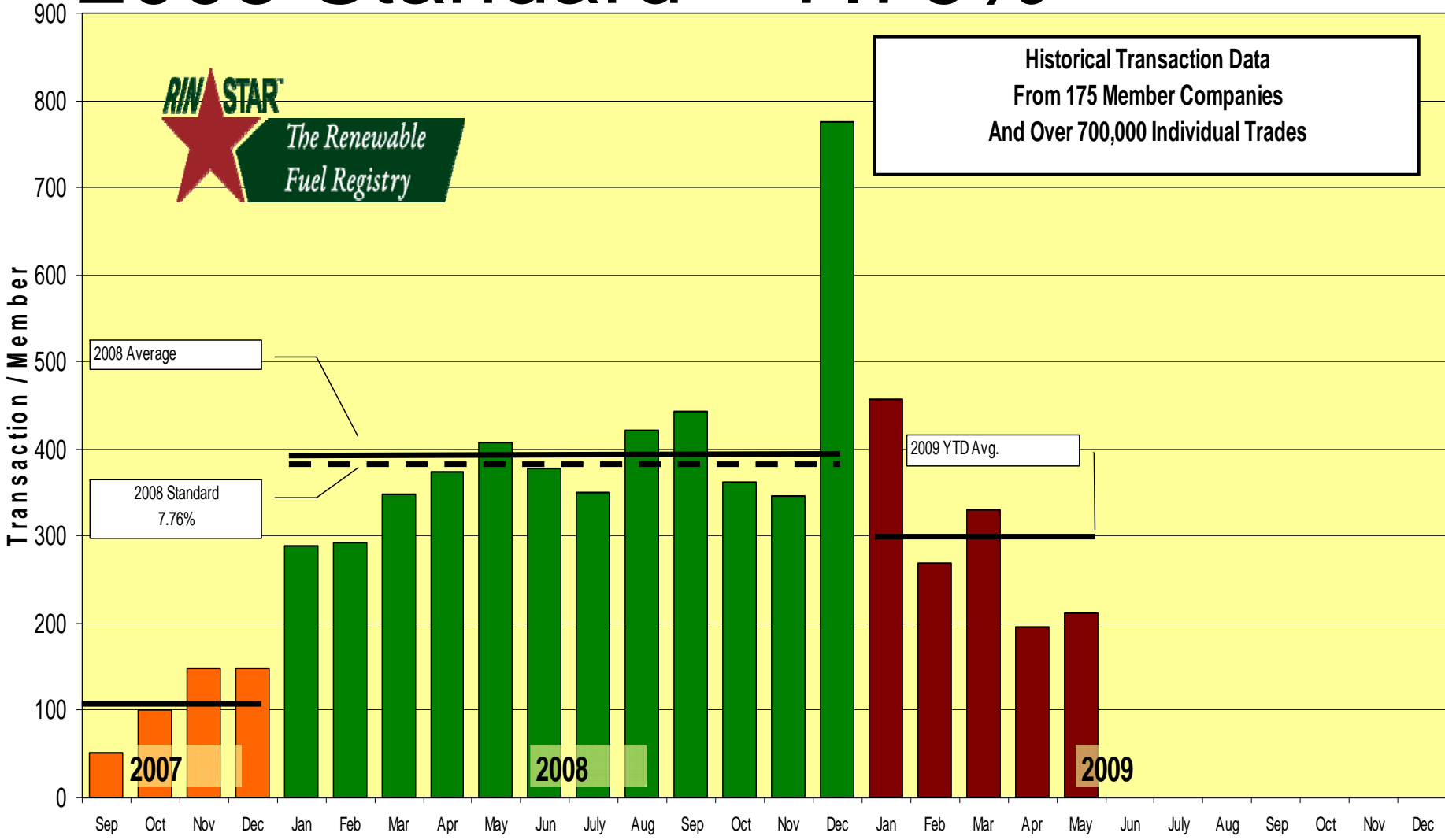
Historical Transaction Data
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2008 Standard = 7.76%



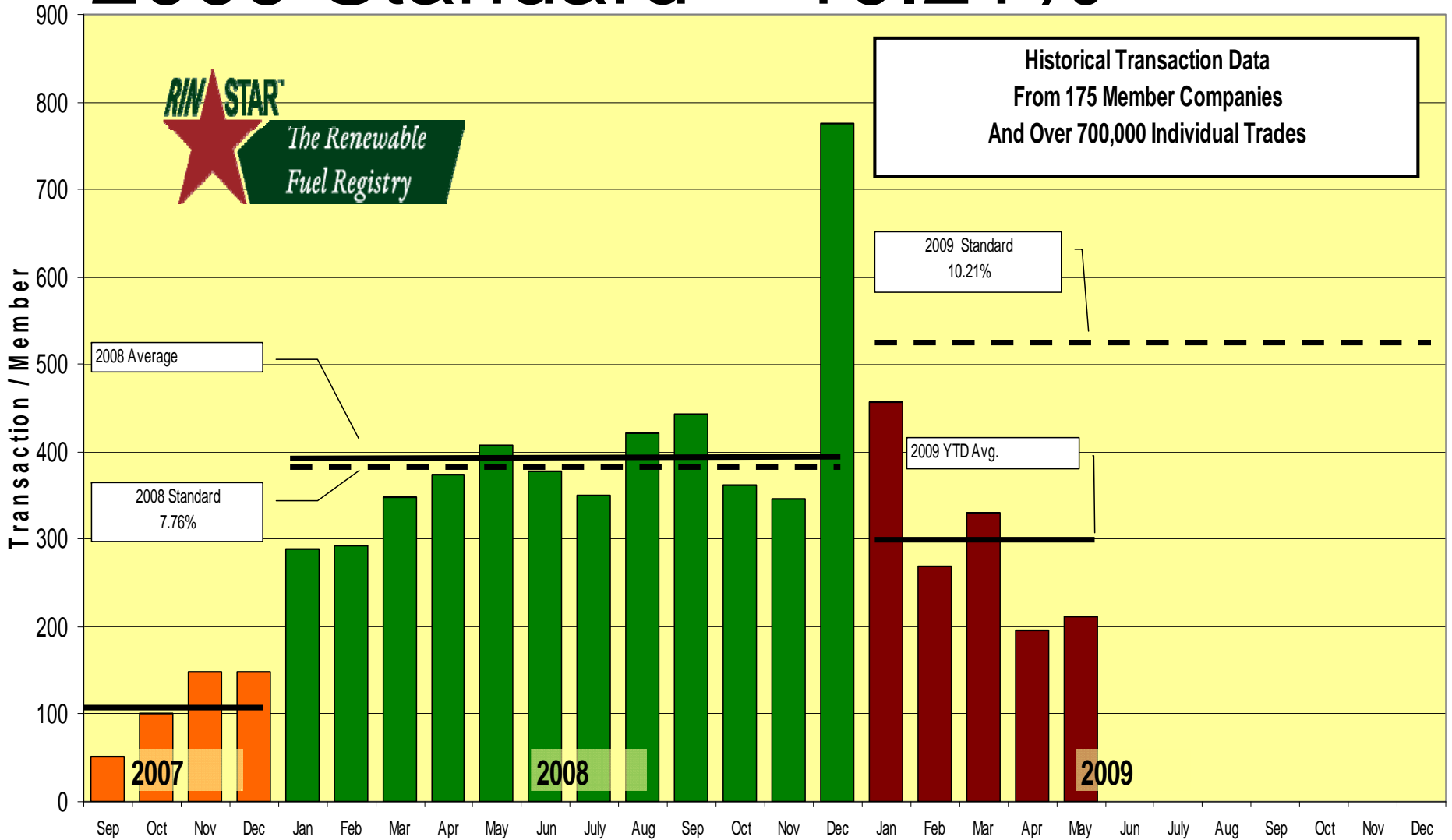
Historical Transaction Data
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2009 Standard = 10.21%



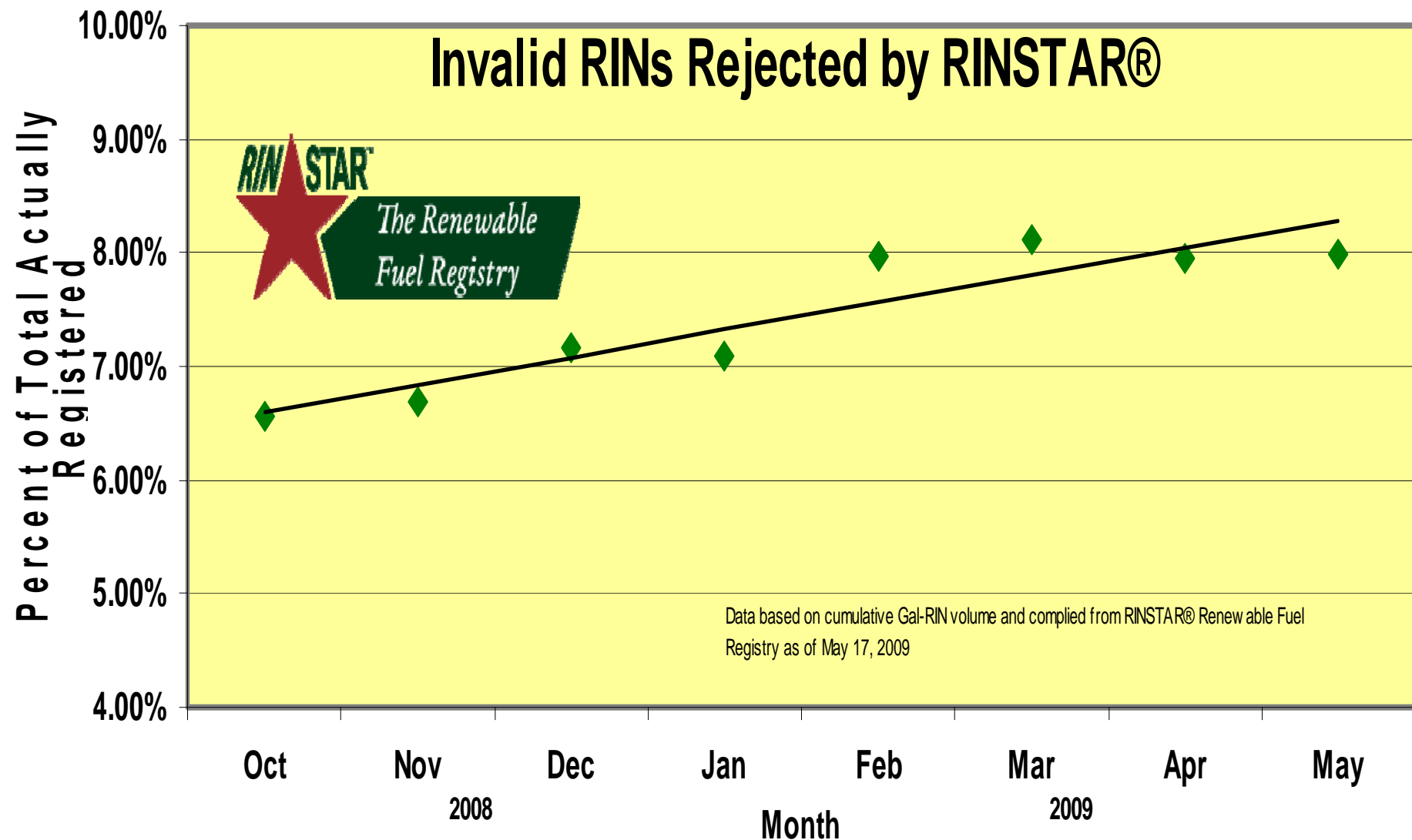
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Here is What the Future Hold

- Pressure for a Waiver
 - Insufficient RINs? (Chicken or Egg?)
 - Call for More Production
 - Blend Wall is Accelerated
 - Carry Forward Provision
 - Consider Increasing 20% Prior Year Limit
- Acts of Fraud
 - Increases in RIN Prices
 - No Enforcement – No NOV's

Fraudulent and Invalid Credits





What is the Solution

- Centralized Registry
 - Industry has Developed RINSTAR®
 - EPA Is Proposing EMTS (Why Reinvent?)
- Continued Support from Leadership
 - Senator Bingaman and Staff
 - Senator Udall and Staff
- Industry Can Not Wait 18 Months



Contact Information

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Acquiring Distressed Assets

- VeraSun – Valero
 - 30 cents on the Dollar
- Northeast Biofuels – Sunoco
 - 8.5 cents/gallon of Capacity
- Pacific Ethanol - ?
- More to come

Ethanol Blend Margin / RIN Price

