



SINCE THE RFS WAS INITIALLY PASSED IN 2005 AND ENHANCED IN 2007, IT HAS BECOME CLEAR THAT IT IS THE MOST SUCCESSFUL U.S. ENERGY POLICY TO DATE.

Congress must maintain a stable RFS policy and the U.S. Environmental Protection Agency (EPA) must consistently implement the RFS to ensure that all qualified cellulosic gallons that can be produced have a market, as the law intends.

- The law has encouraged an increasing volume of biofuels to be blended into the U.S. transportation fuel supply, which has provided a crucial value option for the U.S. agriculture sector and has led to lower fuel prices for consumers.
- Since the law requires that biofuels achieve certain levels of greenhouse gas (GHG) reductions in order to qualify, the RFS has also led to cleaner air and its associated health and economic benefits. Cellulosic biofuels, for instance, must achieve a 60 percent GHG reduction in order to qualify under the law.
- The policy provides a unique value proposition especially for advanced and cellulosic biofuels.
- The policy – and its increasing annual statutory cellulosic gallon requirement – was designed to provide a market for all qualifying cellulosic biofuels that producers could make. Over the past decade, investors and producers have developed long-term business plans to supply cellulosic biofuels in accordance with the intent of the policy.

CELLULOSIC BIOFUELS
MUST ACHIEVE A

60%

GREENHOUSE GAS
REDUCTION

Thanks to improved economics and innovation in corn kernel fiber technologies, the commercial cellulosic ethanol industry has made significant progress, especially since late 2016 and continues to develop at a promising pace.



This pace depends on the stability of the RFS policy and EPA's consistency in:

1. Efficiently approving cellulosic registrations.
2. Implementing the annual cellulosic RVOs to accurately reflect expected production.

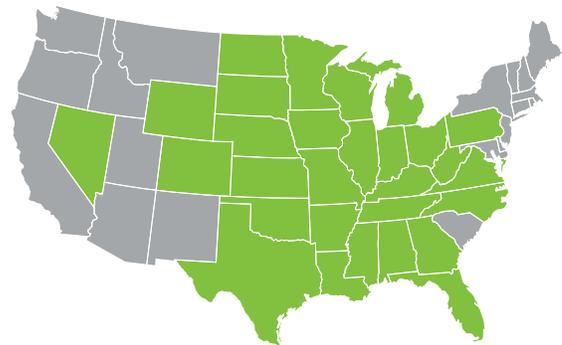


Congress and EPA must support federal policies and regulations that complement the RFS and its positive impact on the growth in the investment, production, and use of cellulosic biofuels into the U.S. transportation fuel supply.

YEAR-ROUND E15 SALES

- Today E15 (15 percent ethanol; 85 percent gasoline) is being offered across 29 states in 1,343 retail stations, showing strong consumer demand for the product and wide adoption from leading fuel retailers.
- When EPA approved the use of E15 in 2001 and newer cars, it did not extend the one-pound waiver for Reid Vapor Pressure to ethanol blends higher than 10 percent.
- Today, fuels without the one-pound RVP waiver cannot be sold in certain parts of the United States in the summer months.
- Edeniq supports legislation that has been introduced in the U.S. Senate and House of Representatives that would allow retailers to sell E15 across the country *all year*.

**E15 IS CURRENTLY OFFERED
IN 29 STATES
AT
1,343 RETAIL STATIONS**



Greater sales of E15 mean a greater U.S. market for all ethanol, including the cellulosic ethanol produced by Edeniq's customers.

SECOND GENERATION PRODUCER TAX CREDIT

- Earlier this year, federal legislation was enacted that retroactively extended the second-generation producer tax credit (PTC) through December 31, 2017. This tax credit, which was designed to encourage investment in cellulosic biofuel production, could provide an extra \$1.01 per gallon of value to cellulosic fuel producers.
- Edeniq supports current efforts in the U.S. Congress to extend this tax credit.
- Ideally, the credit would be extended for several years in recognition of the fact that cellulosic biofuel investment requires long-term business planning.