

Rules

Compliance

Control

Fiber Regulatory Landscape



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Practices

Audit



Key Points

- > EPA Status
- > California/Oregon Regulation
- > Washington Regulation
- > Canada Federal Clean Fuels Regulation
- > Looking Forward - QAP

EPA Status



- Pathways exist for fiber processed separately
- Currently no active enzymatic pathways
- EPA released guidance regarding testing
- Existing labs working to prove compliance with new methods



California LCFS & Oregon CFP



- Instructions note to follow RFS approvals and testing
- With no EPA approvals, CARB approved other methodologies
- Pathways active with approx. 30pt CI reduction and 3-5% conversion
- Labs worked with CARB to approve methodologies
 - Edeniq: All proprietary but all the same calculations
 - Soliton: Methodology proprietary, calculation of converted fraction completed at plant level
- What will happen when EPA approvals begin?

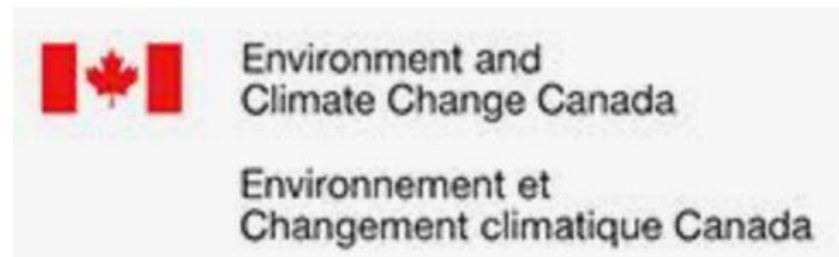
Washington Clean Fuels Program



- Implemented January 1, 2023
- Mix of California and Oregon programs
- Currently accepting any pathways already approved in CA/OR
- Applications in WA only, subject to Dept of Ecology approval
- Cellulosic ethanol considered Tier II application in Washington
- Tier II applications not being accepted until 2024

Canada Federal Clean Fuel Regulations

- Implemented Fall 2022
- ECCC still making adjustments to calculators
- Currently fiber does not have a separate CI score from starch ethanol, but considered in scoring
- How do we allocate between jurisdictions?



Looking Forward – First EPA Approvals

Most D3 RINs require QAP to be marketable – given the difficulty/risk with testing, likely fiber ethanol will also require QAP.

Upon first pathway approvals, QAP providers will need to obtain cellulosic ethanol protocol approvals from EPA to offer QRINs.

New compliance process for most ethanol facilities

- Quarterly reviews of RIN and fiber testing data

- Semi-annual site visit requirements

- Additional compliance costs

- Limited number of providers (currently only 4 QAP providers)



Thank you!
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