



Appendix B

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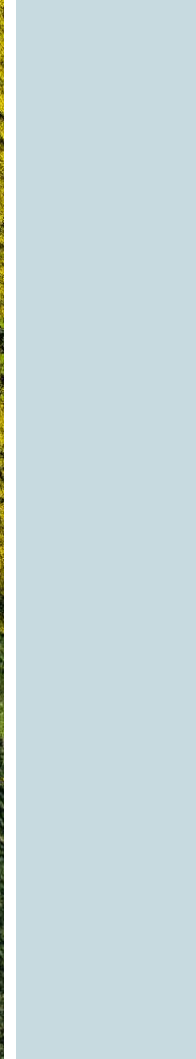
Commodity Insights

CI Consulting

Feedstock Availability to Meet Biodistillate RVOs

Prepared for American Fuel & Petrochemical
Manufacturers

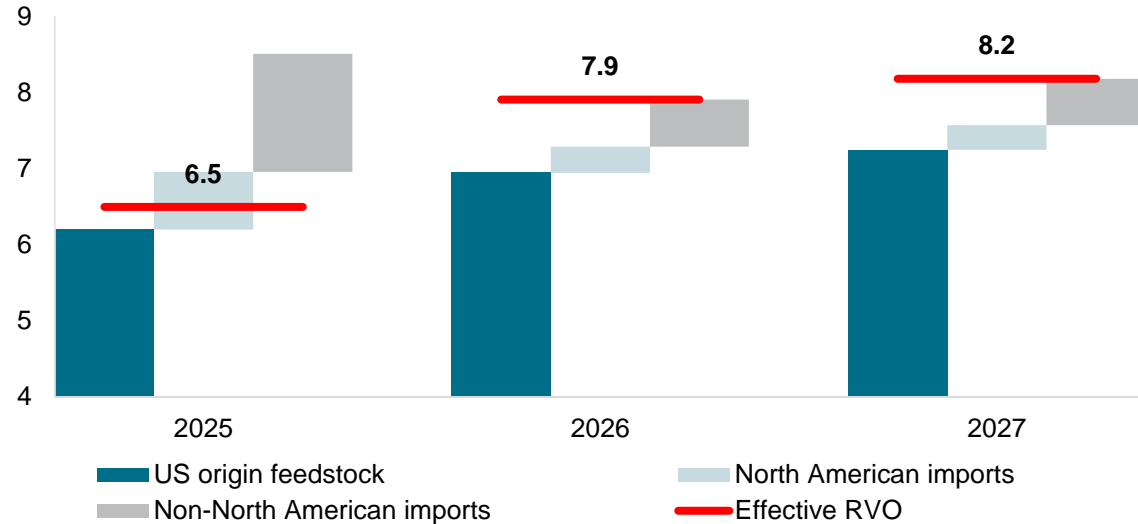
August 2025



US origin feedstocks are insufficient to cover effective RVOs¹; imports will be required to meet the 2026 and 2027 requirements

Feedstock supply to meet effective RVOs

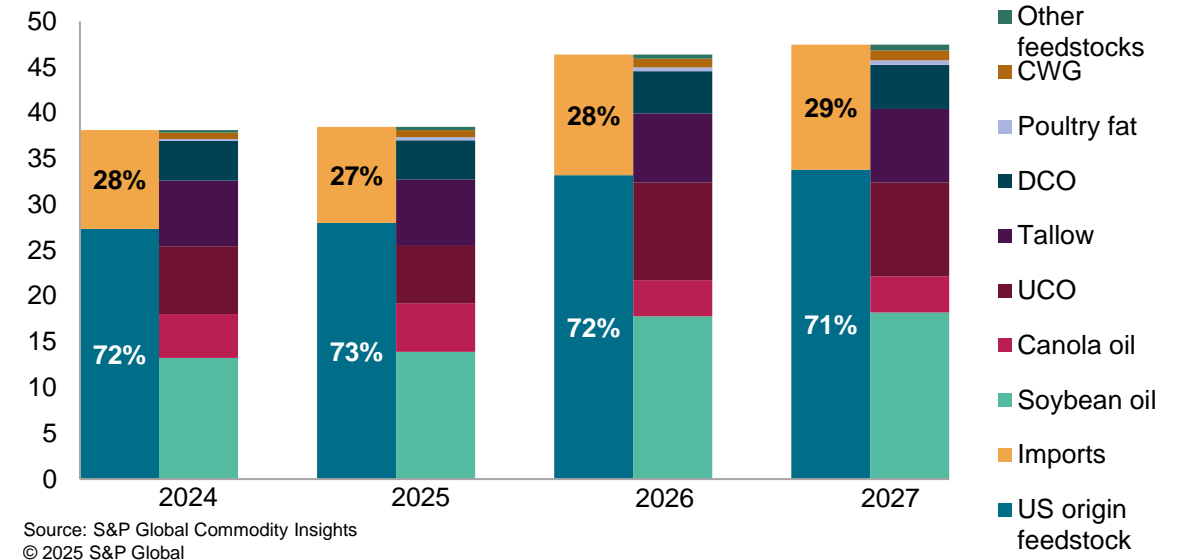
Billion RIN gallons



Source: S&P Global Commodity Insights
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Biodistillate use by feedstock and source²

Billion pounds of feedstock



Source: S&P Global Commodity Insights
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Biodistillate feedstock dynamics are different following recent changes in the loss of the Blender's Tax Credit, proposed RVOs and RIN reduction, and the 45Z credit

- Effective RVOs for BBD are set to increase from 6.5 billion RINs in 2025 to 8.2 billion RINs by 2027. Under SPGCI's baseline feedstock mix (71% US origin, 29% imports), this leads to an expected increase from 4.0 billion BBD gallons in 2025 to ~5.9 billion BBD gallons in 2027.
- US origin feedstock use will reach ~33.7 billion pounds by 2027, up from ~27.3 billion pounds in 2024. Further, neither US origin alone nor US origin plus North American sourced feedstocks are sufficient to meet the proposed effective RVOs in 2026 and 2027.
- Without importing non-North American feedstocks, there would be a feedstock gap of ~7.8 billion pounds (2026-2027 average) which would require ~3.9 billion pounds of US origin feedstocks or a larger amount if more Canadian imports are considered. Such a scenario could pressure feedstock prices to move additional US origin feedstocks to biofuels.³
- Imports needed to meet the effective RVOs are expected to maintain their historical share (28%-29%) of total feedstocks used, but the volume of imported feedstocks is expected to increase to ~13.7 billion pounds by 2027.

1: Effective RVO: the RVO target (in RIN gallons) representing the total RIN value to be met through biodistillate consumption. It equals the sum of the biomass-based diesel target (D4), the remainder under undifferentiated advanced biofuels (D5) after accounting for D3 and D4, and the remainder under conventional renewable fuel (D6) after accounting for ethanol consumption.

2: SPGCI's outlook assumes provisions included in the proposed RVOs, Blender's Tax Credit (BTC) loss at the end of 2024, and the One Big Beautiful Bill Act (OBBBA).

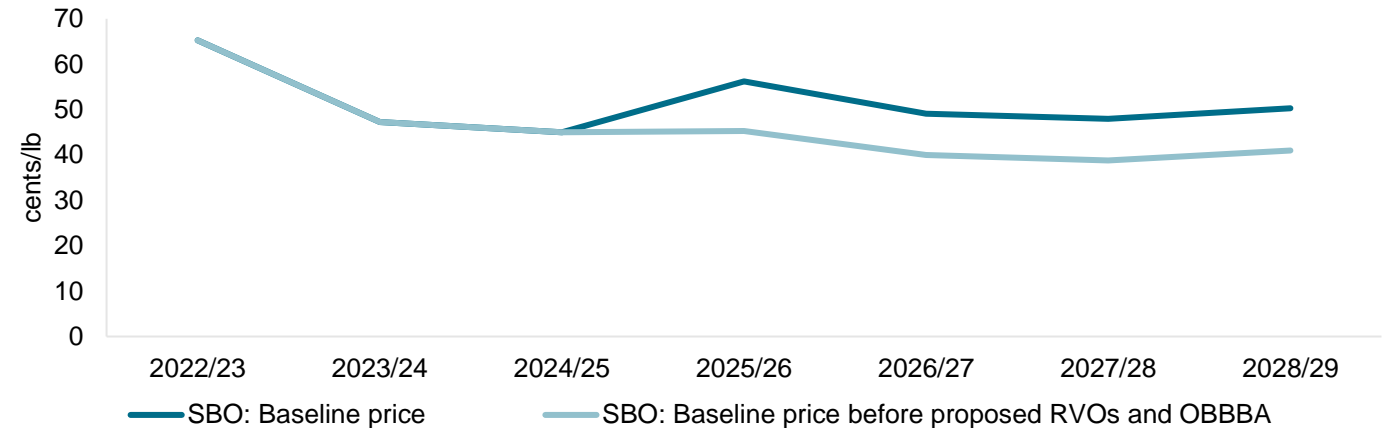
3: The 3.9 billion pounds of US origin feedstock is calculated as 50% of the 7.8 billion pounds of feedstock creating the feedstock gap. The 50% is taken from the proposed rule allocating 50% of the RIN value to imported fuels and feedstocks.

Effective RVOs and reduced RIN values projected to increase feedstock costs

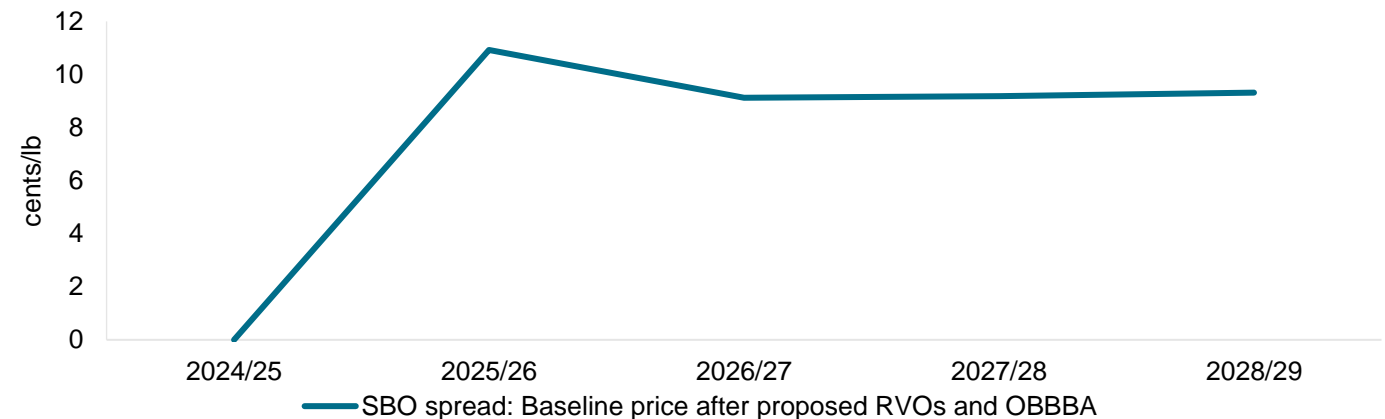
- Early evidence of the impact of proposed RVOs is observed in the spot/futures prices for soybean oil post proposed RVOs announcement (i.e., 10 to 12 cents per pound).
- Higher 2026 and 2027 BBD targets, coupled with lower values from RINs and 45Z credits for imported feedstocks/biofuels, drive the increase of use/preference for US soybean oil/feedstock use for biofuels, raising US origin feedstock prices.
 - > Soybean oil exports expected to decline by ~500 million pounds to reach historical minimums
 - > Shift ~1.0 billion pounds of soybean oil from food to biofuel and shift a similar amount of Canadian canola oil from biofuel to food
- The proposed RVOs and OBBBA increased SPGCI's US SBO price outlook by ~10 cents per pound between 2025 and 2028.
 - > Lower credit values make the viability of imports more challenging, but imports (including used cooking oil from China) are still expected to flow to the US given current demand/price outlooks and alternative uses for those feedstocks.
 - > If imports were to become infeasible, US origin feedstock prices would increase further.
- Competition for imported feedstocks could grow post-2030, as other countries implement biofuel mandates, thereby further pressuring prices.

Soybean oil (SBO) price outlook before and after proposed RVOs (top) and spread (bottom)

Nominal US cents per pound, Illinois



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