

# Overview:

## Biodiesel Use by State Agencies

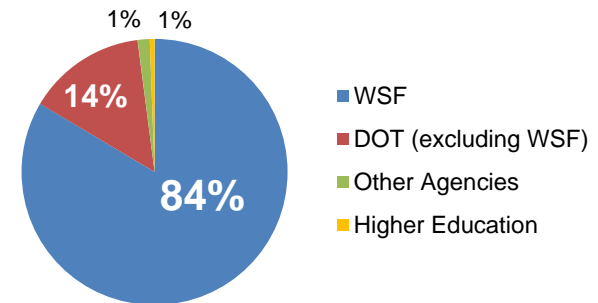
### Current Fuel Use

- State agencies purchase 20 million gallons of diesel fuel for vehicles, vessels and equipment each year.
- WA State Ferries purchases 17 million gallons of diesel fuel annually.

### Current Use Requirements

- WSF system:
  - Use at least 5% biodiesel.
  - Price not to exceed diesel by more than 5%.
- All other state agencies:
  - Use at least 20% biodiesel on an annual basis when purchasing on state contract.
  - Make good faith efforts to buy B20 at retail.

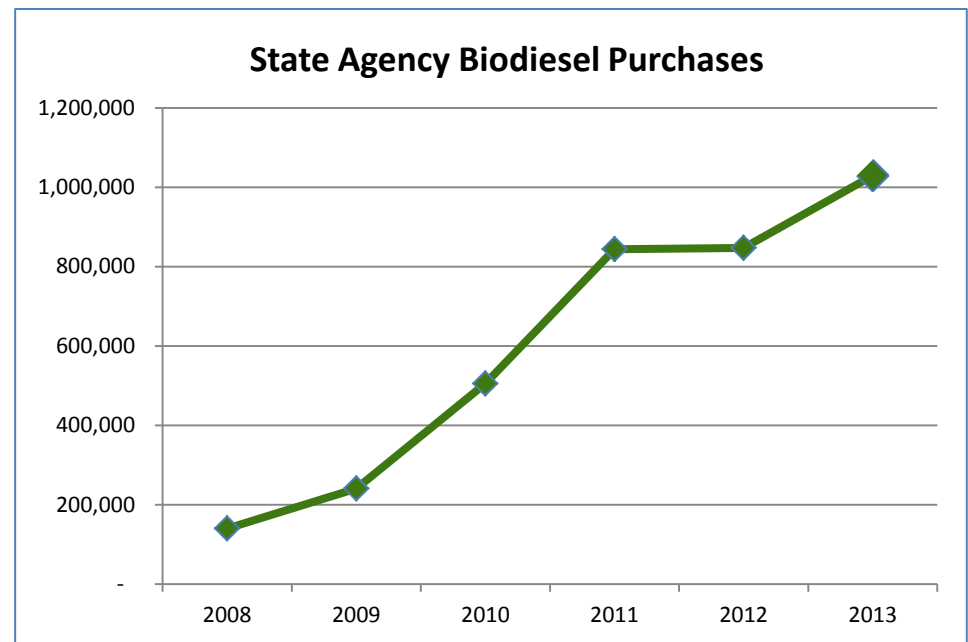
**State Agency Diesel Fuel Purchases**  
via state contracts, 20 million gallons per year



# Biodiesel Use by State Agencies

*HIGHLIGHTS AS OF JUNE 2014*

- **Total biodiesel purchases** on track to top **1 million gallons** for 2<sup>nd</sup> year in a row.
- **WA State Ferries**
  - **B5** became standard fuel for entire fleet in March 2013.
- **Other state agencies**
  - **B20** is standard fuel in most of Western WA.
  - **B5** in winter, **B20** in summer for most of Eastern WA.
- **Available** from all vendors.
- Biodiesel must be at least **51% in-state produced or feedstock-sourced**.
- Testing and use continue to show **no significant fuel quality issues**.



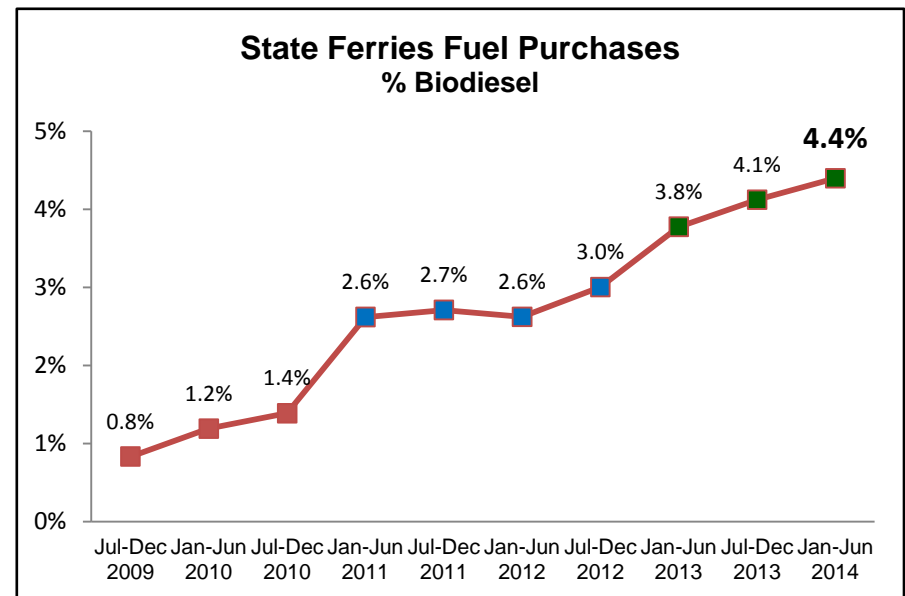
# WSF biodiesel use continues growth

- Use has increased as **inline blending** systems available or installed at three fuel facilities.
- **Price differential** less than 2%, sometimes cheaper than diesel.
- **No** biodiesel-related quality or performance issues.

## Recent Highlights

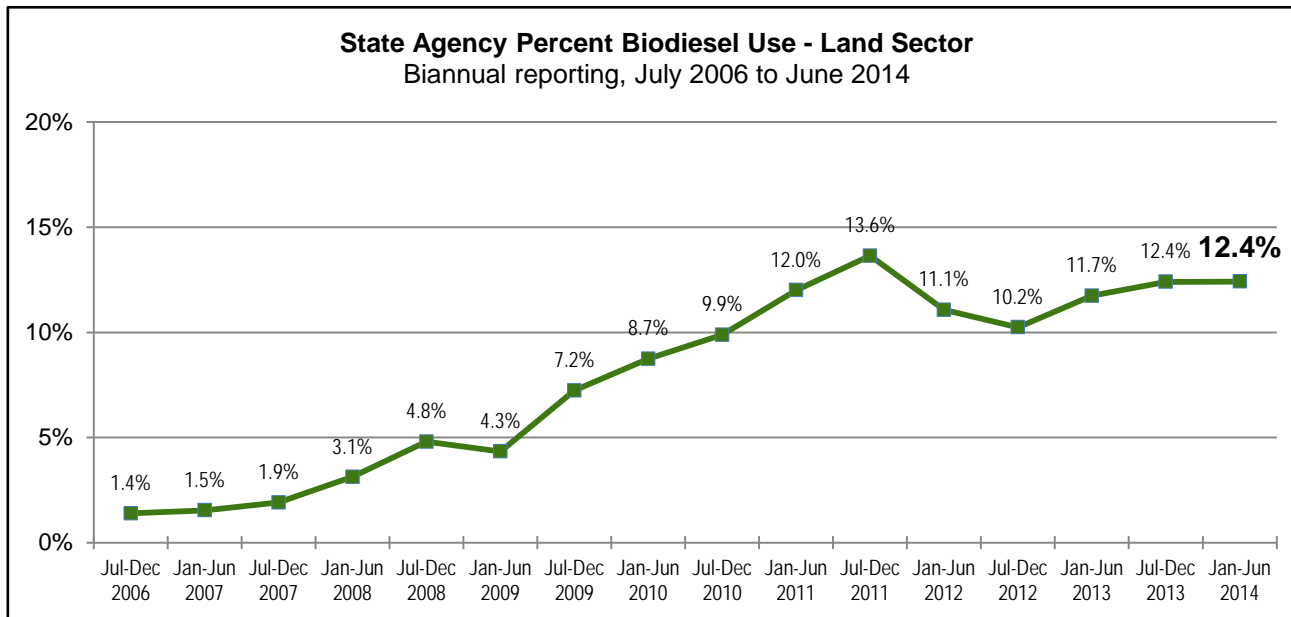
- Purchased **373,000** gallons of biodiesel in the first six months of 2014.
- Making plans to **pilot B10** in two vessels in 2015.

B5 Start Date	Facility	% of total fuel purchases
Aug 2009	Seattle truck facility	25%
Jan 2011	Anacortes truck facility	40%
Mar 2013	Seattle dock facility	35%



# Biodiesel use in state vehicles

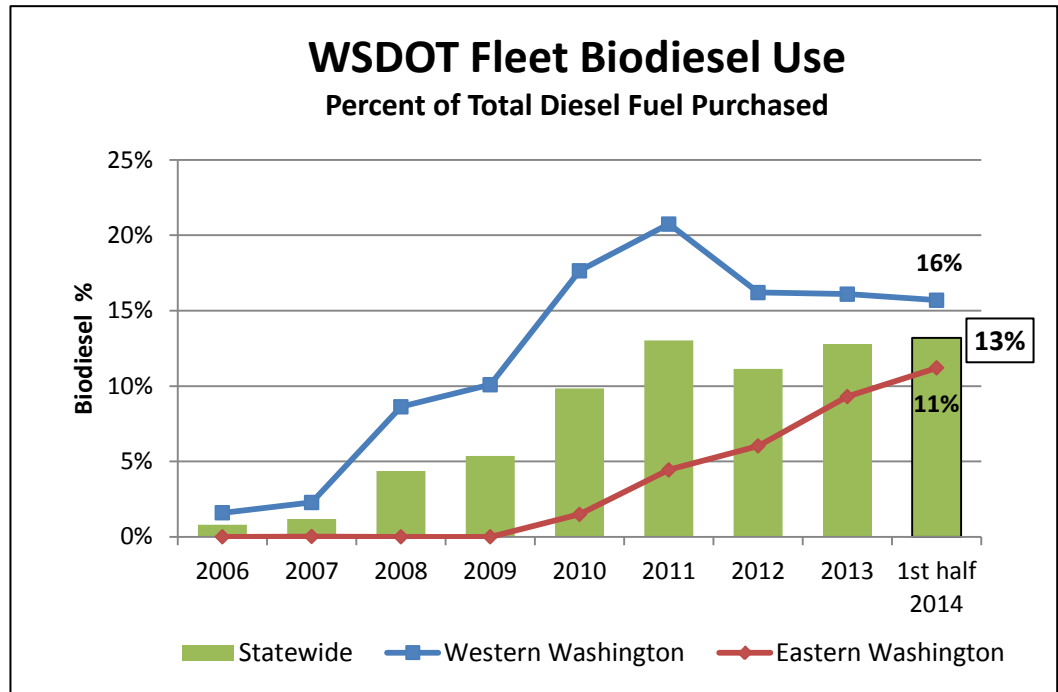
- Use has increased over time **led by WSDOT**. Most recent report: 16% biodiesel in Western WA; 11% biodiesel in Eastern WA.



- Other leading agencies: **DNR (11%)** and **UW (19%)**
- Testing and use continue to show **no significant fuel quality issues**.

# What's new in Fuel Availability

- **Biodiesel availability varies across the state**
  - Became fully available statewide on state contract in May 2011.
  - Outside state contract: limited availability for blends above B5 in Eastern WA.
- WSDOT limited to B20 due to fuel tank materials compatibility.
- Biodiesel fuels at retail
  - Limited WA availability
  - B5 is diesel in Oregon



# What's new with In-state Biodiesel Availability

*In 2014, three Washington state biodiesel producers and one Oregon biodiesel producer using Washington-state sourced feedstock.*

- **Imperium Renewables, Grays Harbor**

- 100 MGY capacity; receives some canola oil from Pacific Coast Canola, Warden.



- **General Biodiesel, Seattle**

- Expansion to 10 MGY capacity completed in 2014.



- **TransMessis Columbia Plateau, Odessa**

- 8 MGY capacity; currently idle. Produced almost 1 million gallons in 2014.

- **Sequential Pacific, Salem, OR**

- 17 MGY capacity. Collects substantial amount of used cooking oil in Washington. DES confirmed qualification for meeting 51% in 2013.



# What's new in Fuel Pricing

- Biodiesel fuel market still developing; B5 has become competitive.
- DES / Interagency team working to improve pricing.
  - New “B5 Rack” product on state contract provides more competitive pricing.
  - New in-state sourced price information being gathered.
  - Opportunities for better contract pricing being explored.

Price Comparison: B99 w/o RINs with ULSD#2, wholesale, Jan 2013 to Sep 2014

