

Pacific Ethanol Holding Company (PEHC) | Sacramento, California

RFS and LCFS Compliance Management Strategies

PEHC is a leading producer and marketer of low-carbon renewable fuels. Headquartered in Sacramento, California, with an annual production capacity of 515 million gallons across eight facilities in California and the Midwest, PEHC produces ethanol with some of the smallest carbon footprints in the United States. The key to success for PEHC has been the integration of new technologies and compliance strategies that allow the monetization of energy credits for biofuel produced from the corn kernel fiber.

For PEHC, creating shareholder value depends on having a regulatory strategy that ensures iron-clad compliance with federal and local clean fuel standards, such as the RFS and LCFS. EcoEngineers has been PEHC's trusted partner in developing and executing this compliance strategy since the inception of RFS2 and LCFS in 2015.

Key Performance

- EcoEngineers' RIN Management software platform for low-carbon fuels manages PEHC's in-house production of 515 million RINs and Kinergy Marketing's annual transactions of more than 800 million RINs, a total energy credit asset value of approximately \$736 million at 2015 prices. It includes all compliance filings, remedial actions and regulatory liaison engagement with USEPA.
- We evaluate the Carbon Intensity (CI) of ethanol production and technology solutions within regulatory guidelines and help secure approval of new low-carbon production pathways.
- EcoEngineers develops specific compliance strategies for key strategic events such as the implementation of the Edeniq Cellunator™ technology and the acquisition of Aventine Renewable Energy.

Key Results

- We evaluated the operating procedures of the Cellunator™ technology to ensure compliance with federal standards. The final report submitted to the USEPA is a verification of Edeniq's SOP for compliance and serves as the basis for PEHC's eligibility to generate high-value cellulosic RINs for the ethanol produced at their Stockton facility.
- During the acquisition of Aventine Renewable Energy, it was important to structure the transfer of four operating ethanol plants in a way that would guarantee uninterrupted RIN production. EcoEngineers worked closely with federal regulators to structure the asset transfer and was successful in delivering to PEHC zero days of interruption, when other firms were losing millions of dollars in similar circumstances due to poor planning. All project work was completed on time and within budget.