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Subject: Market Reaction of Cellulosic D3 RIN Price

According to the Environmental Protection Agency's (EPA) Renewable Fuel Standard (RFS) website *RIN Trades and Price Information*, the average price for a D3 QAP 2024 RIN has been approximately \$3.13.¹ Following the publication on the Office of Management and Budget website that EPA sent OMB a proposed rule titled "Partial Waiver of 2024 Cellulosic Biofuel Volume Requirement and Extension of 2024 Compliance Deadline," the D3 RIN price dropped according to market pricing sets subscribed to by Turner, Mason & Company. According to The Jacobsen, "2024 cellulosic (D3) RINs dropped by 15 percent to \$2.70."² The market has continued to decline and currently the D3 RIN pricing is in parity with an estimated cellulosic waiver credit price using EPA's methodology.

The estimated value of issuing the cellulosic waiver now may also be quantified. Multiplying the current D3 RIN price (*i.e.*, \$2.70) by the estimated shortfall in cellulosic biofuel production 2023-2024 (*e.g.*, 115,000,000 RINs) results in a compliance savings of \$310.5 million.

Please let us know if you have any questions or would like to discuss further.

Very best regards,

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