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american coalition for
ethanolSM

ANNUAL REPORT

LETTER FROM ACE

BOARD PRESIDENT

Dave Sovereign



It doesn't seem possible 2024 has gone by already! By most accounts, it will be viewed as a successful year for the renewable fuels industries. Our ethanol blends offered substantial savings for motorists at the pump at a time when families and workers

needed it most. Ethanol producers had a solid financial year allowing for investment into new technologies, improving efficiencies in production and energy savings all while lowering their carbon intensity scores.

The foresight and actions by eight Midwestern state Governors using provisions within the Clean Air Act to ensure their homegrown fuel of E15 could be sold to motorists in their respective states year-round not only provided fuel savings to their constituents while bolstering their local state economies, but those actions are also serving as a catalyst for getting a nationwide E15 bill across the finish line.

I'm looking forward to the implementation of the USDA Regional Conservation Partnership Program project with data ACE collects from its producer partners, in collaboration with land grant universities and soil scientists. Quantifying soil carbon sequestration through farm practices will provide verified information to properly measure the greenhouse gas benefits from these practices.

I also must touch on the elections; we know there are changes but these changes will also bring opportunities. We are transitioning to a new administration, new cabinet members, and new senators and representatives in 2025. We once again are going to have the opportunity to tell our story to new audience members, and it's such a great story to share.

There is no one better to share and spread ethanol's message of success, its vital importance to our rural communities, and how it benefits our entire country than our grassroots members. Please consider joining fellow ACE members on March 27-28, 2025, for our Annual Washington D.C. Fly-In. Lawmakers and their staff members want to hear from people who live this story every day. I promise you won't be disappointed by the experience.

GOVERNMENT AFFAIRS



YEAR-ROUND E15

Thanks to the grassroots leadership of ACE members and Midwest governors, year-round access to E15 is a reality for Illinois, Iowa, Minnesota, Missouri, Nebraska, Ohio, South Dakota and Wisconsin effective April 28, 2025.

While ACE encourages other states to consider opt-outs of their own, ultimately, Congress needs to ensure permanent

nationwide access to E15. That's why we remain laser-focused on enacting legislation to ensure permanent availability across the entire country.

We thank ACE's grassroots members for helping push Congress to enact this vital legislation in 2024, and we will continue rallying support in 2025, including reintroduction of bills under the new Congress if necessary.

GOVERNMENT AFFAIRS

UNLOCKING ACCESS TO NEW MARKETS AND TAX CREDITS

Agriculture is part of ACE's DNA, which is why the United States Department of Agriculture (USDA) has selected us to lead two Regional Conservation Partnership Program (RCPP) projects to help ethanol producers and farmers unlock new markets and profit opportunities based on agriculture practices.

First, in South Dakota, we are working with farmers nearby Dakota Ethanol LLC to adopt conservation practices on 30,000 acres. Second, USDA has entrusted ACE to replicate this activity on nearly 100,000 acres in a 10-state region involving 13 additional ethanol facilities.

Once farmers have adopted the practices, land-grant scientists will collect soil samples and other data so the Department of Energy can pressure test the GREET model, which Congress requires for non-aviation fuel under the 45Z credit. The purpose of running our data through GREET is to address the 'information gaps' currently preventing farmers and ethanol producers from monetizing ag practices in regulated fuel markets.

With respect to 45Z, our work with USDA will justify flexibility for farmers and removal of artificial limits on the GHG value of ag practices, so farmers and ethanol companies can maximize opportunities in the market. ACE will also work in the new Congress to extend the term of the 45Z credit far beyond its current expiration date.

NEW POLICY INITIATIVES TO INCREASE DEMAND

ACE continues to proactively advocate for new policies at the state and federal level to ensure a growing market for low-carbon ethanol even as overall petroleum use declines. At the federal level, ACE has supported several bipartisan bills to increase the use of ethanol, including the Nationwide Consumer and Fuel Retailer Choice Act to enable the year-

round, nationwide sale of E15, the Adopt GREET Act to require the GREET model for determining lifecycle GHG emissions of biofuels under the Renewable Fuel Standard (RFS), the SAF Accuracy Act to ensure agricultural feedstocks qualify for the SAF market, the Farm to Fly Act to support the development of SAF through USDA, the Flex Fuel Fairness Act to increase the availability of flexible fuel vehicles (FFVs) and the Next Generation Fuels Act to overcome the barriers standing in the way of higher ethanol blends such as E25/30 and E85.

ACE will also work with the Trump EPA to replace EV mandates with incentives for FFVs, clean octane and higher blends.

PROMOTING AND DEFENDING THE RENEWABLE FUEL STANDARD

The goal of the RFS is to increase the use of low-cost renewable fuels and reduce GHG emissions in the U.S. While the statute requires EPA to propose blending targets for 2026 and beyond in 2024, the election delayed the proposal. ACE continues to partner with biofuel and agriculture groups to prevent abuse of Small Refinery Exemptions (SREs) under the RFS and we are actively urging the Agency to adopt the latest GREET model for its lifecycle modeling. The SRE issue continues to be tied up in the judicial system, with the D.C. Circuit Court vacating most of the Biden EPA's 2022 SRE denials, sending the petitions back to the Agency for further review. ACE, along with the Renewable Fuels Association and Growth Energy, intervened on EPA's behalf in the litigation and are evaluating next steps to protect and defend the RFS. Further, the Supreme Court has agreed to decide whether challenges to EPA SRE decisions should be heard in federal appeals courts other than the D.C. Circuit, which will have bearing on SREs going forward.

The incoming Trump administration will be responsible for deciding the future of SREs and setting renewable fuel volumes for 2026 and beyond.

POWER OF COLLABORATION

ACE is leading the way in ensuring ethanol producers and farmers can fully leverage the ag practices and technologies that enhance the value of corn ethanol as a low-carbon fuel.

In February, USDA approved a \$25 million investment in the ACE-led Regional Conservation Partnership Program (RCPP) expansion that builds on the successful South Dakota-based project announced in 2021. Over the course of 2024,

ACE has held farmer meetings with project partners to engage growers about participating in the project. Ultimately, ACE's work is helping set the stage for farmers and ethanol producers to gain a competitive advantage in unlocking new tax credits and market opportunities.

PROJECT STEPS:



Partnering with ethanol companies to incentivize farmer adoption of conservation tillage, nutrient management and cover crops.

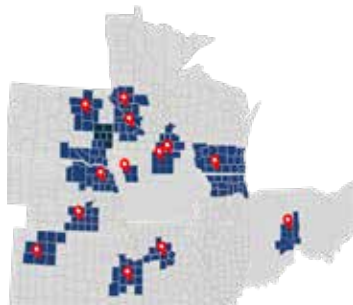


Soil scientists and the Department of Energy (DoE) will measure how the practices adopted by farmers reduce GHG emissions from corn production.



The data collected will empower ethanol producers and farmers to gain access to new markets and capitalize on federal tax incentives, such as the 45Z Clean Fuel Production Credit.

10 STATES



IL, IN, IA, KS, MN, MO, NE, OH, SD, WI

167 COUNTIES

FARMER MEETINGS

700+ MEETING ATTENDEES

350+ INTERESTED FARMERS

EARLY 500,000

Z Acres Available for Implementing Practices – 5X More Expressed Interest Than Current Funding Availability

PROJECT PARTNERS



ENGAGING 700+ FARMERS



INDIANA: Jonathon Lehman of Cultivating Conservation addresses 75 farmers in Winchester, sharing project details, including eligible conservation practices and payment rates.



MINNESOTA: A gathering of 90 engaged farmers attended an informational meeting in Austin at The Hormel Institute.



NEBRASKA: Brennan Lewis from South Dakota State University advising an audience of farmers in Hastings on the agronomic benefits and adoption strategies for conservation practices.



MINNESOTA: Chippewa Valley Ethanol Company's CEO Chad Friese explains the economic value of carbon intensity and farm practices to the company's future success.



MINNESOTA: To a crowd of 90 farmers in Lambert, Highwater Ethanol's CEO Brian Kletscher shares how the RCPP project will provide ethanol companies a carbon intensity score for the corn being grown in the company's grainshed.



MISSOURI: Over 100 Missouri farmers turned out for a meeting in Marshall to hear how they can get involved in the ACE-led RCPP.



SOUTH DAKOTA: Redfield Energy's CEO Eric Baukol explains how farmers who adopt climate-smart practices not only reduce GHG emissions from corn farming, but also improve soil health and increase productivity.



KANSAS: Western Plains Energy's general manager Derek Peine speaks to farmers in Oakley about the opportunity for them to participate in the RCPP project.

MARKET DEVELOPMENT

ACE MARKET DEVELOPMENT RECAP 2024

While traveling shorter distances than the “halfway around the world” mileage logged in 2023, The American Coalition for Ethanol’s 2024 market development efforts continued to be every bit as much an “ambitious journey” as was taken the previous year. In addition to helping prospective retailers understand the economic opportunities offered by higher ethanol blends and assisting other marketers in obtaining funding for new E15 and flex fuel locations, ACE also visited Guatemala and Costa Rica to help Latin American fuel marketers and regulators get ready for higher ethanol blends, and hosted a Korean delegation at ACE’s Sioux Falls office on the group’s tour of the Dakotas.

INTERNATIONAL OUTREACH

ACE’s international efforts continue to grow along with its role with the U.S. Grains Council (USGC), and 2024 started with a reunion with several Latin American delegates who visited South Dakota in October of 2023, when ACE CMO Ron Lamberty traveled to USGC’s 21st International Marketing Conference and 64th Annual Membership Meeting in Guatemala City in February. Lamberty is a member of the Council’s Ethanol A-Team, which helps determine the organization’s priorities and advises on strategy for USGC’s efforts to promote ethanol internationally. Lamberty also attended USGC’s Annual Board of Delegates Meeting and met with other A-team members at the event in Salt Lake City, Utah, in late July.

Lamberty was invited by the Grains Council to speak at their “Growing Energy” conference in Costa Rica a month later, sharing his experience and insight on ethanol blending economics, equipment compatibility and best practices.

He was among the first fuel marketers to build and operate ethanol-blending facilities when the U.S. began selling ethanol-blended gasoline in the 1980’s, and Lamberty shared why it makes sense for Latin American retailers to add ethanol, including its value as a high-octane, low-cost product, the nearly universal compatibility of vehicles with E5 and E10 which are being considered in fuels there, and the competitive advantage and higher profits ethanol offers wholesalers and retailers who sell ethanol-blended fuels.

COAST TO COAST MARKETER ENGAGEMENT

ACE continued its long history of meeting fuel marketers where they are by exhibiting and speaking at trade shows across the U.S., focusing on explaining the profit opportunities available when selling higher ethanol blends, and in recent years, helping retailers access USDA’s Higher Blends Infrastructure Incentive Program (HBIIP) funds.

At the Midwest Petroleum and Convenience Tradeshow (M-PACT) in Indianapolis in April, ACE CMO Ron Lamberty was joined by Ohio Corn & Wheat Growers Ethanol Specialist Brad Moffitt, where they talked about ethanol infrastructure and economics with marketers from multiple Midwest states. Lamberty did the same at the Wisconsin Fuel & Retail Association Convention a week later, and in September, ACE participated at the Pacific Fuels and Convenience Summit (PFCS) in San Diego. HBIIP Director Jeff Carpenter stopped by the ACE booth at PFCS and talked with new and existing biofuels marketers about HBIIP and how the program could be more effective if there are future rounds. These fuel industry events were attended by more than 10,000 people from 25 states.

MARKET DEVELOPMENT

USDA's Carpenter also visited the ACE booth at the National Association of Convenience Stores (NACS) Show in Las Vegas in October, which is the largest fuel industry tradeshow, with a record 26,124 attendees representing every U.S. state and dozens of foreign countries in 2024.

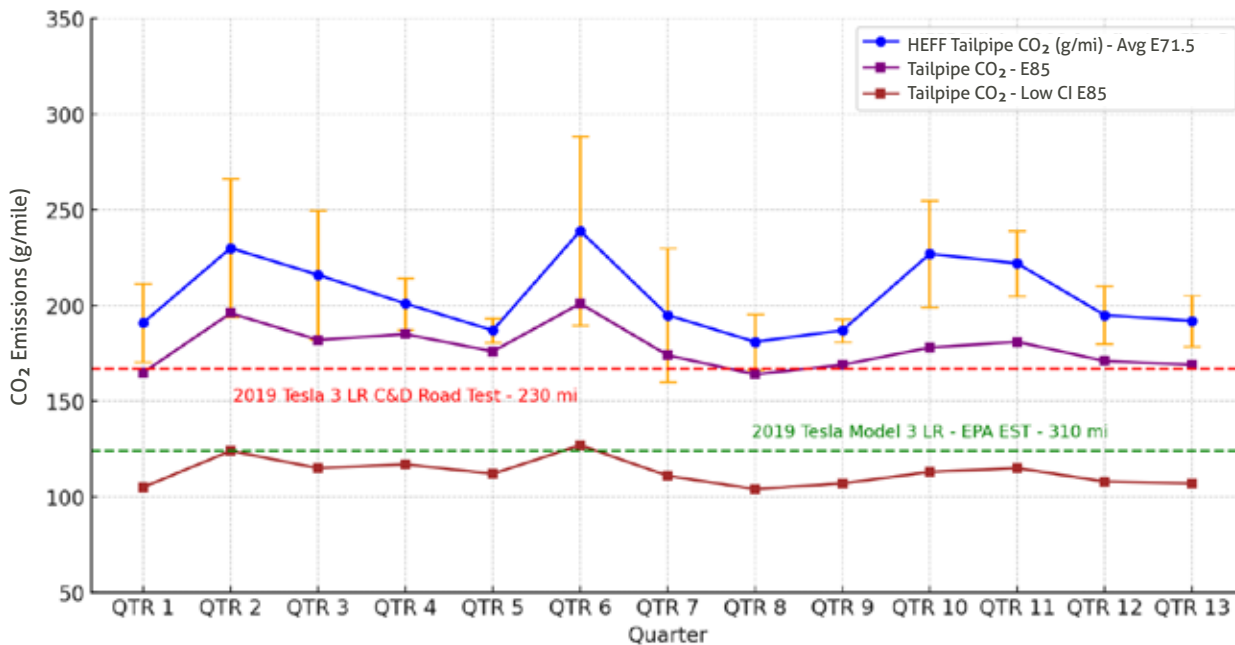
In September, Lamberty was invited to speak to petroleum marketers from all levels of the industry at the Oil Price Information Service's (OPIS) RFS, RINs & Biofuels Forum in Chicago, joining a panel to discuss renewable fuel standard developments and upcoming regulatory impacts on biofuels. ACE board member and Bosselman Enterprises COO Randy Gard joined Lamberty on the panel.

In addition to trade shows and other fuel industry events, ACE continued to promote and increase awareness and participation in USDA's HBIIP.

Beyond HBIIP, ACE provides marketers with information on state infrastructure funds in Iowa, Nebraska and South Dakota, as well as tax credits available for selling higher ethanol blends in those same states. As more marketers and ethanol supporters become aware of these successful state-level programs, efforts to adopt similar programs in other states have increased, and ACE stands ready to assist programs on the state, national or international level by providing resources to ensure continued growth in ethanol adoption and use.

FLEX FUEL - AS CLEAN AS A BATTERY ELECTRIC VEHICLE

HEFF - CO₂ Emissions



The chart shows tailpipe CO₂ emissions from ACE's Hybrid Electric Flex Fuel (HEFF) project, which modified a 2019 Ford Fusion Hybrid to use gas with up to 85% ethanol. HEFF's tailpipe emissions (blue line) over three years and 40,000 miles were within 32 grams per mile (g/mi) of a Tesla Model 3 Long Range (LR) from the same year, when the Tesla's actual range is adjusted from the 310 miles (green dashed line) accepted by EPA, to a range of only 230 miles per charge realized in a 40,000-mile Car and Driver road test. The chart offers two additional scenarios: The purple line shows HEFF's calculated emissions could drop to within 11 g/mi of the Tesla's road test emissions by using E85 at every fill, and the bottom brown line indicates HEFF powered by E85 made with low-carbon intensity (CI) ethanol could produce tailpipe emissions 54 g/mi lower than the Tesla's range-adjusted lifecycle emissions, and 11 g/mi lower than EPA's estimate if the vehicle gets 310 miles per charge.

2024 YEAR IN REVIEW

ACCELERATING ETHANOL DEMAND

ACE's Accelerate initiative is our roadmap for sparking new demand for ethanol, built upon the three pillars below. We've highlighted a few ways the Accelerate plan was put into action in 2024.

1. Position Producers as Part of the Carbon Solution

✓ *Unlocking Access to New Markets and Tax Credits*

USDA approved \$25 million in ACE's historic Regional Conservation Partnership Program (RCPP) expansion with 13 ethanol partners which builds on the successful South Dakota-based project announced in 2021. ACE held meetings with over 700 farmers interested in the expanded 10-state RCPP and distributed financial assistance to farmers involved in ACE's South Dakota RCPP implementing practices on nearly 30,000 acres.

✓ *Forging Common Sense Solutions*

ACE actively engaged with the USDA, offering feedback on the processes for quantifying, reporting and verifying the impact of farming practices on greenhouse gas (GHG) emissions from U.S.-grown biofuel feedstock crops. In preparation for the Treasury's release of its 40B GREET model guidance, ACE also urged the Sustainable Aviation Fuel (SAF) Interagency Working Group to fully recognize the value of agriculture and incorporate accurate real-world land use change estimates. Additionally, ACE provided feedback to the California Air Resource Board (CARB) on the 2024 proposed amendments to the Low Carbon Fuel Standard (LCFS), advocating for improved sustainability criteria for crop-based biofuels and pressing CARB to finally approve the use of E15 in California.

✓ *Carbon Topics Top of Mind at 2024 ACE Events*

Gathered advocates in Washington D.C. for ACE's 13th annual D.C. Fly-In. A top focus was urging Congress to support policies that unlock new markets and tax credits, and encouraging Treasury to ensure ethanol qualifies for the 40B and 45Z tax credits by applying the GREET model and integrating agriculture practices. Attendees met with members of Congress and heard from notable speakers, including USDA Under Secretary of Rural Development Dr. Basil Gooden, EPA Agriculture Advisor Rod Snyder, and Senator Deb Fischer (NE). At ACE's 37th Annual Conference in Omaha, themed "The Gold Standard," discussions centered on ensuring ethanol remains the premier clean fuel for years to come. ACE was honored to host U.S. Secretary of Agriculture Tom Vilsack, who highlighted the administration's historic investments in biofuels.

2. Increase Ethanol Demand and Value

✓ *E15 Year-Round*

Expressed gratitude for the Biden Administration allowing E15 to be sold in eight Midwest states. However, since the rule wasn't set to be effective until April 2025, ACE rallied industry advocates to call on the EPA and President Biden to issue emergency waivers for the 2024 summer months, which the EPA delivered on. ACE continues to actively support bipartisan, bicameral legislation in Congress, the Nationwide Consumer and Fuel Retailer Choice Act, to ensure nationwide and permanent E15 availability.



2024 YEAR IN REVIEW



Protecting the Renewable Fuel Standard

The U.S. Court of Appeals for the D.C. Circuit issued an order vacating most of the U.S. EPA's 2022 denials of petitions for small refinery exemptions from Renewable Fuel Standard (RFS) obligations and remanding those petitions to EPA for further proceedings. ACE, along with the Renewable Fuels Association and Growth Energy, intervened on EPA's behalf in the litigation and are evaluating next steps as a coalition to continue to protect and defend the RFS.

3. Develop New Markets and Uses



Retailer-Focused Website and Ad Updates

When USDA's Higher Blends Infrastructure Incentive Program (HBIIIP) received additional funding through the Inflation Reduction Act, ACE updated its retailer-focused website, flexfuelforward.com, to easily direct prospective E15 and flex fuels retailers to information about applying for and obtaining part of the \$450 million in newly available competitive grants. During the latest five quarters of availability, ACE helped 170 marketers, from Michigan to Arizona and California to Connecticut, access the USDA website and apply for HBIIIP grants.



Ethanol Education on the Road

Throughout the year, ACE expanded its outreach to petroleum marketers by attending several industry trade shows and workshops. These events allowed ACE to address key questions from potential higher blend ethanol marketers regarding infrastructure compatibility, best practices for promoting E15 and E85, opportunities related to USDA's HBIIIP, which concluded this fall, and most importantly, the economic advantages available to retailers offering higher ethanol blends.



Building International Ethanol Demand

ACE CMO Ron Lamberty represented the organization at several key U.S. Grains Council (USGC) events, including the International Marketing Conference and Annual Member Meeting in Guatemala City and the Annual Board of Delegates Meeting in Salt Lake City, Utah. He also spoke at the Council's "Cultivando Energía" (Growing Energy) conference, hosted by the Inter-American Institute for Cooperation on Agriculture (IICA) in Costa Rica, where he also met with fuel marketers and government regulators following the conference. Additionally, ACE welcomed a USGC-sponsored crop tour team of 18 corn and coproduct buyers from Korea to its Sioux Falls office.



MEMBER TESTIMONIALS 2024



"The ACE Fly-in has been crucial for ethanol's continued success. Showcasing America's farmers has been a rewarding experience and one I always look forward to. ACE has been a leader in ethanol education on the hill."

– Alex Good, Good & Quick Gas Station



"Meeting with congressional representatives during the ACE Fly-in was a wonderful experience. It not only provided us the opportunity to speak on a topic we feel passionate about to individuals who can influence policy, but in many cases, it also allowed us to educate individuals on the benefits and misunderstandings surrounding ethanol."

– Ann Reis, Southwest Iowa Renewable Energy



"The ethanol narrative is a true grassroots story that highlights how rural communities, with the help of organizations like ACE, can thrive in adding value to the communities they serve. As Cardinal Ethanol's operations have grown over the years, ACE provides the right resources to navigate policies and stay informed of new initiatives and technology. Their knowledge of the political landscape and the contacts they have, keep our industry at the forefront of legislative issues relevant to our business."

– Jeff Painter, Cardinal Ethanol



"ACE's hybrid electric flex fuel "HEFF" vehicle conversion project has been a success, and the results show great potential for decarbonization in the current vehicle fleet with technology and fuel that are already widely available. With ethanol, we can achieve a similar or even

lower carbon footprint than plug-in electric vehicles. We are excited to have demonstrated this technology with ACE at their conference and look forward to showing "HEFF" to more people in the year to come."

– Juha Honkasalo, eFlexFuel



"It was a long road to making my vision to be the first retailer in my area to offer E85 and E15 a reality, and ACE's knowledge and support, along with the advice of other successful higher ethanol blend retailer I met through ACE, helped me push past the roadblocks that cause most retailers to give up."

– Glenn Badenhop, American Freedom Energy Gas Station



"Higher blends of biofuels are a major factor today when Bosselman Enterprises considers investing in a retail location. That may not have been the case if Ron Lamberty from ACE hadn't been willing to challenge us, make us mad, get kicked out of our office, and then help us understand RINs and ethanol economics. Now we're big proponents of ethanol and biodiesel, and we probably make people mad when we tell them they're crazy if they don't offer higher blends of biofuels."

– Randy Gard, Bosselman Enterprises



"I am honored to be a member of the board of directors for ACE to contribute to the advancement of renewable energy and support an industry that plays a pivotal role in sustainable agriculture and energy independence."

– Kenton Johnson, Granite Falls Energy

ACE STAFF AND
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VOTING MEMBERS

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BASF

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JAG Group, Inc

Mickelson & Company

Mole Master Service Corporation

Saola Energy

Talus Renewables

ZAZA, Inc (Metoree Division)

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MARCH 27-28, 2025**

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AUGUST 20-22, 2025
SIOUX FALLS, SD**

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