



Biofuels – Taking Flight







Maintain Market Interoperability

As standards such as ASTM advance, so must we:

F-44 / JP-5

Alcohol To Jet

- Lab testing 95% Complete
- Component/ Engine Testing In Process
- Flight Tests Planned Summer 2014

Direct Sugar To Hydrocarbon

- Lab testing 90% complete
- Similarity analysis on-going to determine component/engine req'ts

Hydroprocessed Depolymerized Cellulosic

- Lab testing 70% complete
- F414 combustor test planned 2014
- Component/Engine testing planned 2015

Catalytic Hydrothermolysis

- Lab testing 60% complete
- Component/Engine testing planned 2015

F-76

Direct Sugar To Hydrocarbon

- Laboratory testing 95% Complete
- Component /Engine Testing in Process
- Platform trials planned 2014/15

Hydroprocessed Depolymerized Cellulosic

- Laboratory Testing 90% Complete
- Component/Engine Testing in process
- Platform trials planned 2015

Catalytic Hydrothermolysis

- Lab testing 60% complete
- Component/Engine testing planned 2015



Farm to Fleet Biofuels Initiative



- Start on large-scale, operational biofuels acquisitions
 - Great Green Fleet 2016
 - SECNAV's 2020 goals
 - USDA CCC funds for approved feedstocks
 - Bulk fuel solicitations process with alt fuels annexes
- Inland/ East/ Gulf Coast bulk fuels solicitation just closed
 - Fuel delivery starts 1 April 2015.
 - Hydrotreated esters and fatty acids & F-T Synthetic Paraffinic Kerosene
- Rocky Mountain / West Coast bulk fuels coming next
 - Deliveries will start 1 October 2015
- Pathways added when MILSPEC changes



Farm to Fleet Biofuels Initiative

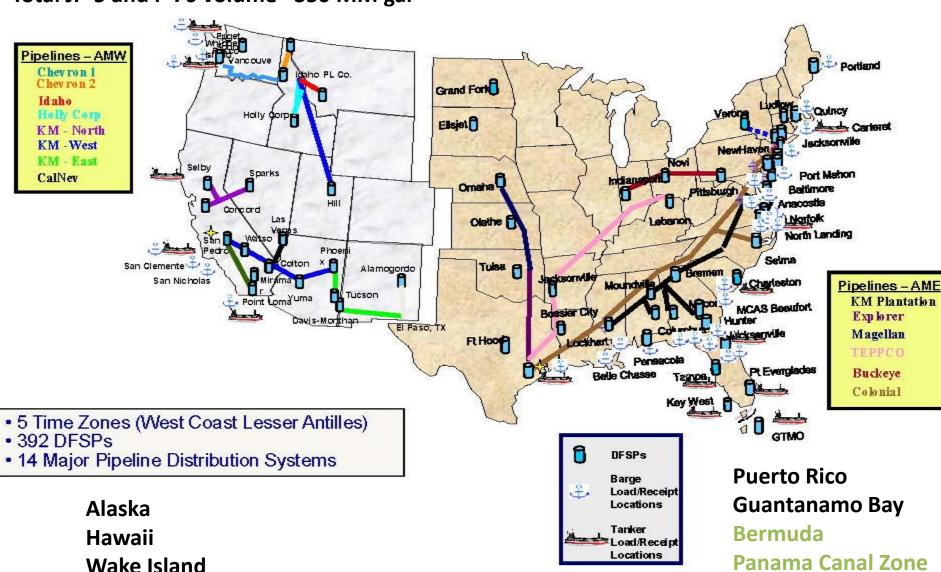


- 10% blend target, 1 year contracts
 - 10% ≈ 37 + 35 MM gal (neat) for each solicitation (≈ 72 MM total)
- CCC Eligibility
 - Feedstocks consistent with CCC charter
 - \$0.7176 per neat gallon max for past IEGC solicitation
- Feedstock Preferences
 - Navy is feedstock agnostic; targets finished fuel specifications
- GHG emissions
 - EISA 526 dictates same or better GHG emissions
- Price: Will be biggest decision criteria; must be cost competitive

Rocky Mountain/West Coast Total JP-5 and F-76 volume ≈350 MM gal

Kwajalein

Inland/East/Gulf Coast: Total JP-5 and F-76 volume – 379 MM gal







Great Green Fleet 2016



- Year-long event throughout CY 2016
- Highlight deploying ships with 3+ energy conservation measures (ECMs) or alternative energy for propulsion, deploying aircraft with 2+ ECMs or alternative energy propulsion
- Ushers in the "New Normal"
- Need international biofuel acquisitions





DPA Title III Advanced Drop-In Biofuels Production Project



As of June 19, 2013, 4 Phase 1 awards have been made

- Potential for 164 million gallons of drop-in compatible MILSPEC fuels, in production as early as 2016, with a weighted average price in 2013 dollars < \$3.50/gal
- Phase 2 set to begin August/September 2014
 - Construction and commissioning



DPA Title III Advanced Drop-In Biofuels Production Project

Company	Location	Feedstock	Conversion Pathway	Capacity (MM gpy)
EMERALD BIOFUELS	Port Arthur, TX	Fats, Oils, and Greases	Hydroprocessed Esters and Fatty Acids (HEFA)	82.0
Natures BioReserve™	South Sioux City, NE	Fats, Oils, and Greases	Hydroprocessed Esters and Fatty Acids (HEFA)	60.0
Fulcrum	McCarran, NV	Municipal Solid Waste	Gasification – Fischer Tröpsch (FT)	10.8
Red Rock Biofuels	Lakeview, OR	Woody Biomass	Gasification – Fischer Tröpsch (FT)	12.0

Any interest in a second offering?





CCC Eligible Feedstocks



Acceptable

- Annual cover crops/oil produce from cover crops (likely approved by EPA on case-by-case basis)
- · Camelina / camelina oil
- Non-food grade corn oil
- Canola / rapeseed oil
- Cellulosic biomass from crop residues
- Slash, pre-commercial thinnings, tree residues, and forest residues
- Mill residues / waste
- Switchgrass
- Miscanthus
- Jatropha
- Energy cane
- Hybrid poplars
- Shrub willows
- Agricultural residues such as rice hulls, nut shells
- Animal waste and by-products of animal waste including fats, oils, and greases (not recycled)
- Sorghum /sorghum oil (non-food grade)
- Sorghum, biomass
- Sorghum, energy
- Sunflower oil
- Safflower oil
- Pennycress
- Eucalyptus
- "other agricultural product approved by CCC"

Not Eligible

- Food waste
- Yard waste
- Municipal solid waste