Pulling in Opposite Directions: Federal Policy, State Programs, & the Impact on Transportation Fuel Markets

Prepared for the 2026 TEI Conference

April 22, 2026

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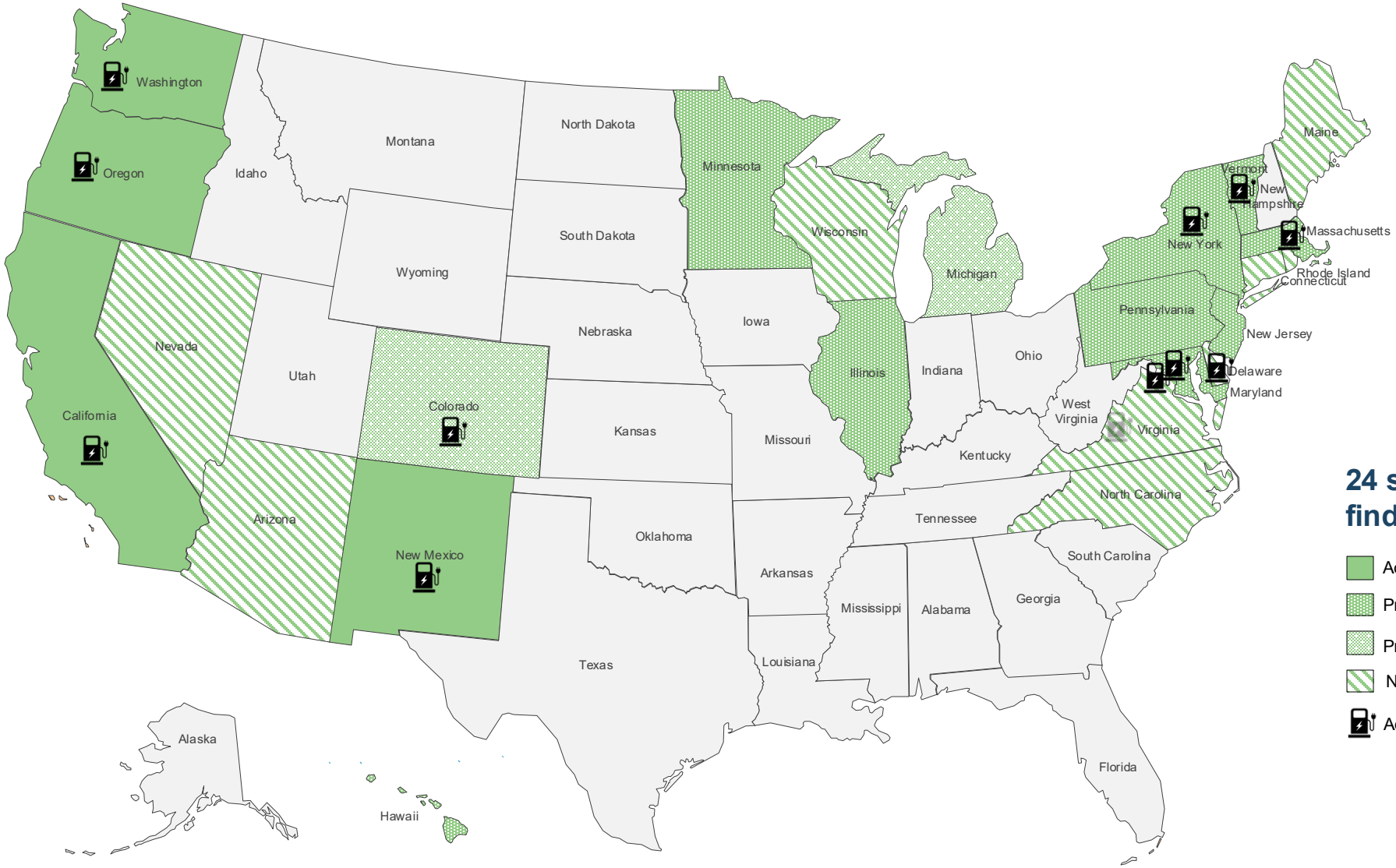
Fueling the future of transportation energy with trusted industry experience

1. Stillwater Associates leverage decades of experience to help clients navigate transportation fuels market challenges. **We see things others miss.**
2. Our clients: government agencies, oil and renewable fuels companies, trade associations, private equity firms, and law firms.
3. Leading experts on the transportation energy transition and the regulations driving supply and demand.
4. **Questions on how market changes are affecting your business?** Our team of experts is available to provide specific analysis and tailored strategy for your needs.

The Federal-State Fault Line: State-level carbon reduction ambition is accelerating as federal policy is retreating



24 states suing over endangerment finding recission

- Active LCF Programs
- Proposed LCF bill in 2026 legislature
- Previously proposed LCF or considering introduction
- No LCF proposal
- Adopted Advanced Clean Cars II

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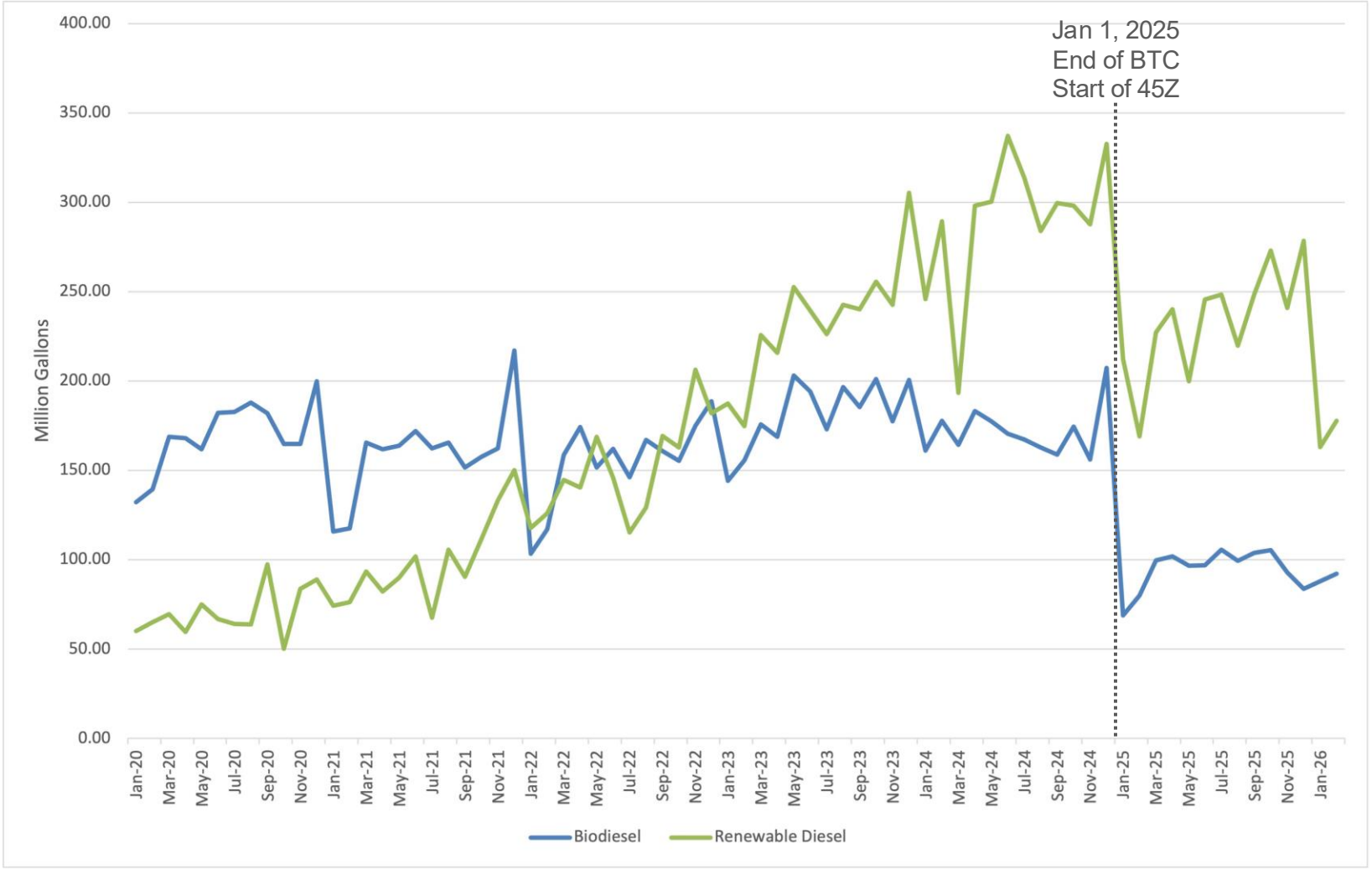
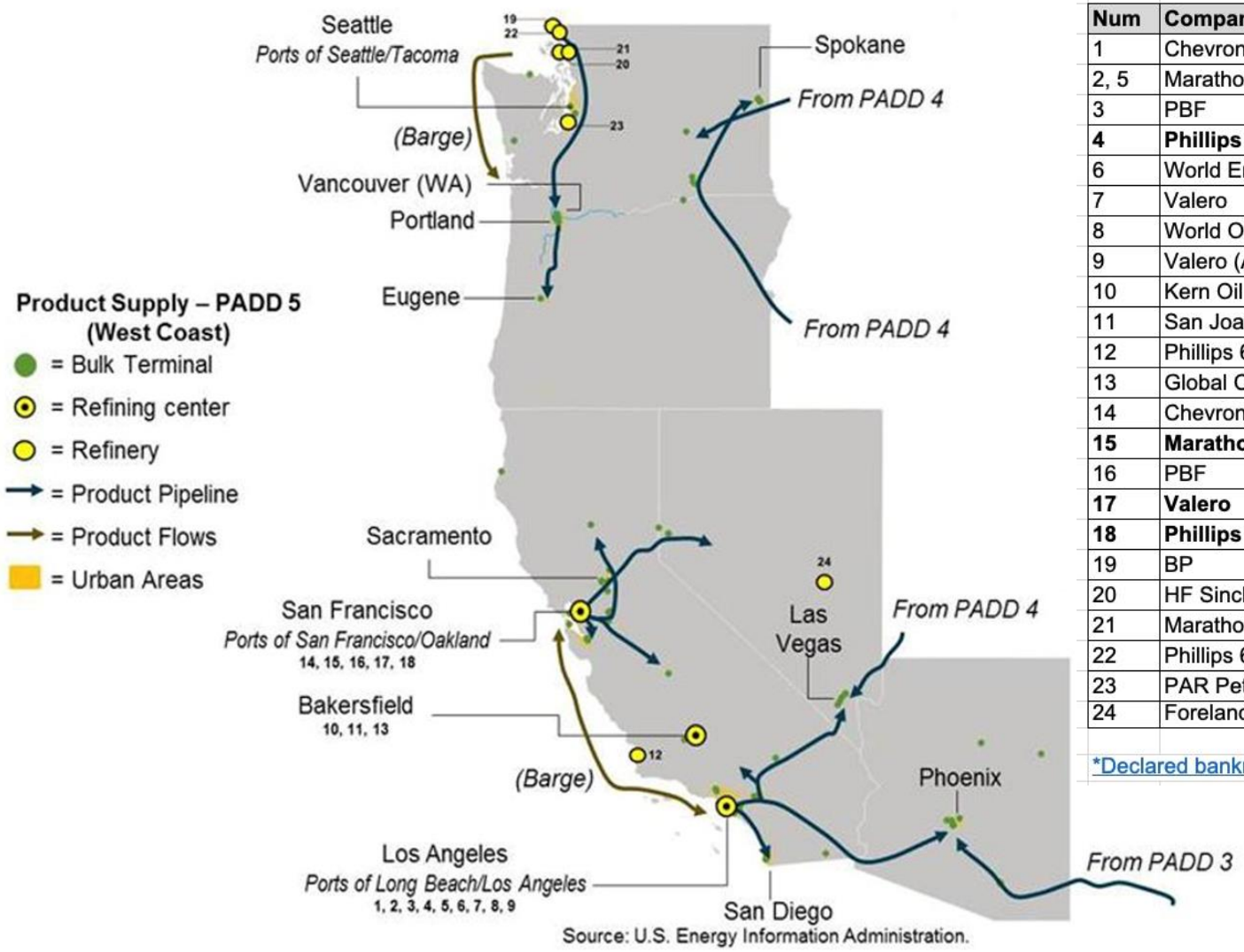
A Federal Wildcard: The BTC-to-45Z transition has been tough on RD & BD volumes

U.S. Biodiesel and Renewable Diesel Supply by Month
January 2020 – February 2026



Source: EPA EMTS

The Supply Side Crisis: CA refinery closures will affect the wider region



Num	Company	Location	Capacity (bbls/day)
1	Chevron	El Segundo	269,000
2, 5	Marathon	Los Angeles (Carson & Wilmington)	363,000
3	PBF	Torrance	160,000
4	**Phillips 66**	**Wilmington**	**Ceased operations 4Q 2025**
6	World Energy	Paramount	Idle
7	Valero	Wilmington	85,000
8	World Oil	South Gate	8,500
9	Valero (Asphalt)	Wilmington	6,300
10	Kern Oil	Bakersfield	26,000
11	San Joaquin Refining	Bakersfield	15,000
12	Phillips 66	Santa Maria	Idle
13	Global Clean Energy*	Bakersfield	Converting to Renewables
14	Chevron	Richmond	245,271
15	**Marathon - Renewables**	**Martinez**	**47,700**
16	PBF	Martinez	156,400
17	**Valero**	**Benecia**	**Ceasing operations end of April 2026**
18	**Phillips 66 - Renewables**	**Rodeo**	**50,000**
19	BP	Ferndale	238,500
20	HF Sinclair	Anacortes	145,000
21	Marathon	Anacortes	119,000
22	Phillips 66	Ferndale	105,000
23	PAR Petroleum	Tacoma	40,700
24	Foreland Refining	Ely	2,000

*Declared bankruptcy in April 2025

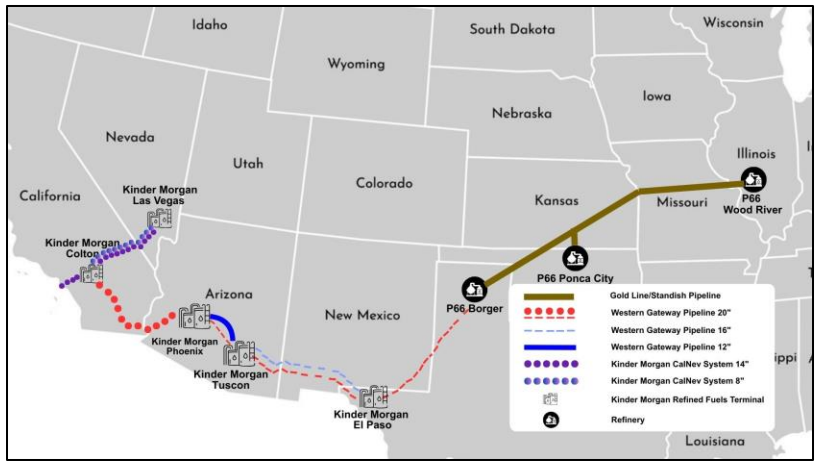
Infrastructure Response: Proposed pipelines could supply petroleum products from East to West

HF Sinclair Proposal: SLC to Reno

Source: HF Sinclair

1. Expand Pioneer pipeline Sinclair, WY to SLC, UT
2. Debottleneck UNEV pipeline from SLC to Las Vegas, NV
3. Build SLC to Reno, NV

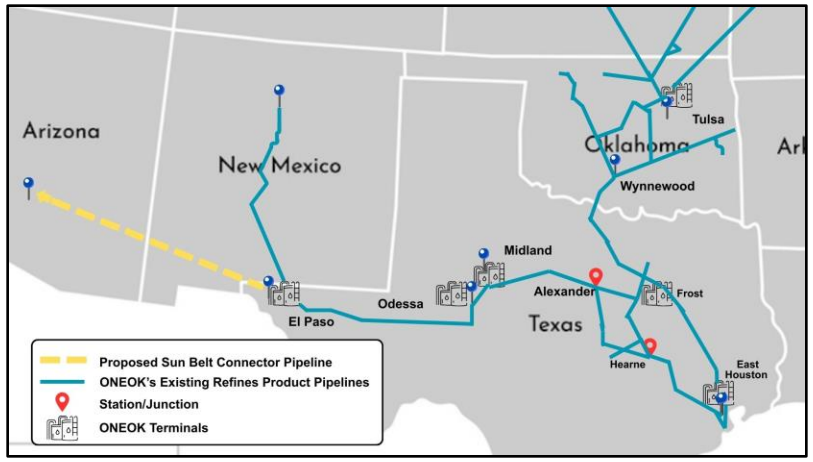
Kinder Morgan/P66 Proposal: Western Gateway Pipeline



Source: Kinder Morgan

1. Build Borger, TX to Phoenix, AZ
2. Reverse KM's Phoenix, AZ to Colton, CA SFPP West Line

ONEOK Proposal: Sunbelt Connector



Source: ONEOK

1. Build El Paso, TX to Phoenix, AZ

Thank you.

Questions?