Argus Consulting

Renewable Diesel and Sustainable Aviation Fuel Refinery Screening and Market Study



Challenge faced

A global trading company was exploring additional investment opportunities in biofuels value chains and asked Argus Media Inc. Consulting for assistance in understanding what makes for a competitive Renewable Diesel and SAF refinery. The extensive study was to cover the entirety of the United States and Canadian Renewable Diesel and SAF markets.

After the initial project, the trading company identified an investment target, a partnership in a biorefinery based in Hawaii. The company is currently operating in the US biofuels market with access to 4kbd of renewable diesel (RD) production and 550k barrels of storage capacity in California. The company asked Argus Media Inc. Consulting for support in exploring the opportunities that the partnership would provide. In order to evaluate the opportunity, Argus Media Inc. Consulting provided Federal and State credit forecasts, as well as feedstock and product pricing landed in Hawaii.

Solution provided by Argus Consulting

Argus Media Inc. Consulting provided detailed analysis covering US and Canada, State, Federal and Provincial regulations for SAF and Renewable Diesel. The study covered the cost of production for varying technological pathways to SAF and their respective advantages, risks, feedstocks, and potential pricing. The study also evaluated the supply chain of SAF into California markets, including routes and costs, tankage in the region, and potential options for route to market. Supply and Demand, as well as finished product pricing and feedstock pricing were forecasted for the trading company to accurately assess their investment.

Analysis performed

- Supply and demand forecasts for renewable diesel, SAF, and feedstocks, for the United States and Canada.
- Pricing forecasts for renewable diesel, SAF and Feedstocks for US West Coast, US Midwest, US Gulf Coast, Canada, British Columbia, and delivered Hawaii
- Cost or production for different Renewable Diesel and SAF pathways
- Logistics mapping for SAF route to market

Outcome

This study provided insight into which end market should be prioritized for investment. The deep dive into the different SAF pathways helped the client understand the competitiveness of the varying investment opportunities. The supply and demand analysis of the renewables market helps the client to understand the longevity of the market and the importance of the regulations and credit markets in the United States and Canada. The client has identified an investment opportunity and continues to ask Argus Media Inc. Consulting for support to evaluate the renewable diesel and SAF markets and impacts of current events.

More information

To learn more about Argus Consulting, visit https://view.argusmedia.com/biofuel-consulting.html

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