

FAQ: RINs and RVOs

What is the Renewable Identification Number 'basket'?

Obligated parties use RINs, or Renewable Identification Numbers, to demonstrate compliance with the Renewable Fuel Standard program. An obligated party under the RFS program is a refiner or importer of gasoline or diesel fuel in the US.

The RINs basket refers to the Renewable Volume Obligation (RVO), which is a calculated value that represents the cents/gal cost to an obligated party of complying with the Renewable Fuel Standard. It is calculated by multiplying a specific year or vintage and category RIN assessment by that renewable fuel's percentage mandate, as published by the Environmental Protection Agency (EPA). The RVO percentage mandate is set by the EPA and is based on expected gasoline and diesel consumption over the year and the legislated requirements for the RFS program.

Each of those RIN and percent multiplied values are then added together, producing a single per gallon cost of biofuels compliance.

What is the price relation between RINs and RVOs?

RINs and their daily assessed values are components of the S&P Global Platts RVO assessment. Therefore, a change in the price or value of a RIN has an impact on the RVO value.

How does S&P Global Platts assess RIN values?

S&P Global Platts surveys the RIN market daily to collect as much data as possible, including bids, offers, interest to trade, transactions, and indications of value from participants in the market. We seek to collect, confirm and analyze as much information as possible in survey markets, and encourage market participants to provide all relevant information. We publish credible information collected that meets our methodological standards, typically through our real-time information services and with as much transparency as possible. This information is considered when determining and completing a final assessment.

How is the RVO calculated?

The RVO is calculated by taking each category and vintage RIN value (i.e. 2018 D6, D4, D5 and D3 RINs), multiplying by its EPA mandated percentage and then adding the results together. For example:

- D6 ethanol RINs daily assessment: 25 cents/RIN
- D5 advanced biofuel daily assessment: 45 cents/RIN
- D4 biodiesel daily assessment: 50 cents/RIN
- D3 cellulosic biofuel daily assessment: \$2.50/RIN

2018 RVO formula

$RVO = 8.3\% (D6) + 0.471\% (D5) + 1.74\% (D4) + 0.159\% (D3)$

$RVO = 8.3\% (25) + 0.471\% (45) + 1.74\% (50) + 0.159\% (250)$

$RVO = 3.5545$ (cents/gal)

When do the annual proposals and confirmed volumes happen each year?

By law, the EPA must release finalized renewable volume obligations by November 30 every year. In order to meet that deadline, a proposal is released sometime in the summer, usually June.

How are RVOs used in S&P Global Platts gasoline and ultra-low sulfur diesel (ULSD) assessments?

For US diesel and gasoline assessments, the value of RVO is implicitly priced into the value of the fuel. For export cargo assessments, including assessments for delivery into Latin America, the value of RVO is subtracted from their values. Platts assesses gasoline cargoes imported into New York Harbor and Boston with RVO, plus other taxes and fees, and without these costs.

When does S&P Global Platts stop assessing the different RIN vintages or years?

S&P Global Platts starts assessing a RIN vintage or year the first business day of July prior to the year of the RIN. For example, we will begin assessing 2019 RINs on July 2, 2018. S&P Global Platts stops assessing a particular year of RIN on the last business day of January, two years after the calendar year of the RIN. For example, we stopped assessing 2016 RINs on January 31, 2018.

What are the RVO mirror codes?

The RVO mirror codes represent the calendar year or lifetime RVO assessments for S&P Global Platts subscribers of the Americas Refined Oil Product market data category. The values exactly “mirror” the assessments made of the RVOs for the specific years that are assessed by the Americas agriculture team. For example, the RVO mirror codes RVOZ018 daily value is the same 2018 RVO assessment as RVOY018 code.

What is the RVO current year assessment?

The RVO assessments follow the same calendar as the S&P Global Platts RIN assessments. We assess year-ahead RVOs on the first working day of July of the prior year. For example, 2019 RINs will be assessed for the first time on Monday, July 2, 2018. Therefore on July 2, 2018, we will be assessing the 2017 RVO, 2018 RVO and 2019 RVO values. We will stop publishing the calendar year RVOs assessments on the last US working day of January two years after the year in question. For example, the last assessment for 2016 RINs was on Wednesday, January 31, 2018. Therefore on February 1, we would be assessing the 2017 RVO and 2018 RVO.

The current year RVO is an S&P Global Platts code that will always represent the RVO year value of the publishing year, taking into account the last working day of January rolling date. For example the S&P Global Platts current year RVO code RVOR002 represents the 2018 RVO up until January 31, 2019, and will represent the 2019 RVO from February 1, 2019, to January 31, 2020.

The RVO annual volumes and percentages are mandated by the EPA in line with the Renewable Fuels Standard, and hence subject to change without prior notice. S&P Global Platts will update the RVO formulas at any time in line with any EPA announcements. When such changes are set forth by the EPA, we will inform the market of the changes in the formulae through subscriber notes.

What’s the impact of RVO on export cargoes of gasoline and diesel?

The RVO cost is one of many considerations for gasoline and diesel exports. While an exporter can subtract the RVO cost from the barrels they're shipping, they must also consider things like freight, blend value, timing, demurrage, etc. Since the US is growing as a gasoline and diesel exporter, there is not always a clear, direct link between RVO cost and the volume of exports. A steeper discount applied to exports from higher RVO can open certain arbitrages.

Do the RVOs impact jet fuel?

RVOs and jet fuel tend to have an inverse relationship. Distillate producers must decide if they want to blend biodiesel, purchase a RIN, export, or make more jet fuel. Producers can choose to favor jet fuel production when the RVO price is high in order to avoid these costs. As the value of RINs rises, refiners have more incentive to produce jet fuel, potentially having a bearish impact on the market.

How do RINs impact heating oil?

Since heating oil is not used as an on-road transportation fuel, there is no renewable volume obligation associated with this fuel. Ultra low sulfur heating oil has the same specifications as ULSD, but without the RVO, so its discount to ULSD tends to move as a proxy of the RVO value. This relationship is particularly true in the Gulf Coast, where ULSD barrels for export have the value of RVO removed, therefore becoming, in essence, an ultra low sulfur heating oil.

RIN and RVO codes table

Code	Description
RINCY01	Prior-year D6 RIN
RINCY02	Current-year D6 RIN
RINCY03	Next-year D6 RIN
RD6XXXX	D6 RIN for a calendar year where XXXX is the year, e.g., RD62018
BDRCY01	Prior-year D4 RIN
BDRCY02	Current-year D4 RIN
BDRCY03	Next-year D4 RIN
RD4XXXX	D4 RIN for a calendar year where XXXX is the year, e.g., RD42018
ABRCY01	Prior-year D5 RIN
ABRCY02	Current-year D5 RIN
ABRCY03	Next-year D5 RIN
RD5XXXX	D5 RIN for a calendar year where XXXX is the year, e.g., RD52018
CBRCY01	Prior-year D3 RIN
CBRCY02	Current-year D3 RIN
CBRCY03	Next-year D3 RIN
RD3XXXX	D3 RIN for a calendar year where XXXX is the year, e.g., RD32018
RVOY0XX	RVO for calendar year where XX is the year, e.g. RVOY018
RVOZ0XX	RVO mirror code for Americas Refined Oil Product market data category, for calendar year where XX is the year, e.g. RVOZ018
RVOR002	Current-year RVO for Americas Refined Oil Product market data category

To find out more

If you have questions about RVOs and our gasoline and ULSD assessments, we invite you to contact us at

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