



P.O. Box 4159  
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(888) SCFUELS  
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Dear Valued Customer,

Effective January 1, 2024, the California Air Resources Board ("CARB") has mandated the use of Red Dyed Renewable Diesel (RD99) for all off-road equipment, with limited exceptions, as outlined in Section 2449.1(f) of the CARB regulatory amended standards. We encourage all fleet owners to review the standards, as there are requirements for fleets impacted by this regulation.

The following are a couple of key points on the regulation.

In terms of exemptions, equipment or vehicles exclusively used in agricultural operations, implements of husbandry, and specific equipment governed by the Truck and Bus Regulation, the Fleet Rule for Public Agencies and Utilities, as well as the Regulation for Mobile Cargo Handling equipment at Ports and Intermodal Rail Yards, are outside the scope of this rule. Furthermore, off-road diesel vehicles owned and operated by individuals for personal, non-commercial, and non-governmental uses are unaffected.

Regarding recordkeeping, fleets impacted by this regulation must retain documents showing the date and volume of the fuel they have purchased. The regulations would include invoices, purchase orders, or fueling contracts. Regulated fleets are required to maintain these records for three calendar years. If a fleet cannot purchase RD99 for its operations, it must maintain records demonstrating its efforts to obtain RD99. These records should include (1) a detailed description of the fleet's customary refueling methods, (2) an account of the fleet's attempts to source RD99, and (3) supportive documentation that emphasizes their inability to procure RD99, which could be in the form of specific communications or rejected contract bids.

Again, we encourage all impacted fleet owners to take the time to review the applicable regulations before January 1, 2024.

SC Fuels is taking steps to ensure that our customers meet the requirements of this new rule. We are working with our parent company, Pilot Travel Centers LLC, and other suppliers to secure our customers' necessary RD99.

Currently, over 50% of the diesel SC Fuels sells in California is RD99 and we continue to see that number grow. We anticipate the increase in the available volume of RD99 will also continue throughout 2024.

We anticipate being able to supply RD99 for our customers regularly. Unfortunately, RD99 will not be readily available in some situations. For example, at this point, no



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RD99 is available for sale at the Imperial Terminal in El Centro. Therefore, for our El Centro customers, we will be supplying them with ULSD Dyed diesel until RD99 is available at the Imperial Terminal.

In addition, we expect days of limited or no supply of RD99 at other terminals in the region. During those periods, SC Fuels will deliver ULSD Dyed diesel to ensure our customers can continue to operate. Once the RD99 is available again, we will revert to that product.

As we deliver RD99, our invoices will reflect the delivery of that product to provide documentation of compliance with this new regulation for our customers. The regulation requires impacted fleets to work with their fuel supplier to make a good-faith effort to secure RD99. To assist our customers in meeting this requirement, when RD99 is unavailable, SC Fuels will be adding the following language to our ULSD Dyed diesel invoices for deliveries to bulk tanks:

'A good faith attempt was made to obtain RD99, but currently, we cannot supply RD99 reasonably.'

For customers that receive Fleet Fueling services from SC Fuels, we will be adding the following language to all invoices.

'If the invoice contains ULSD Dyed, a good faith attempt was made to obtain RD99, but currently, we cannot supply RD99 reasonably.'

At SC Fuels, we value you as a customer and want to provide the answers you need for fueling and lubrication. If you have any questions, don't hesitate to contact your personal account representative or one of our customer service representatives at (800) 659-5823.

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