RFS EDUCATIONAL SERIES BRIEFING NO. 2: WHAT IS A RIN?

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The three-letter RIN is an abbreviation for Renewable Identification Number. Under the Federal government's renewable fuel standard (RFS) a RIN is assigned to every gallon of biofuel produced or imported into the United States. Comprised of 38 digits, the RIN serves effectively as a serial number which is tracked throughout its life in the renewable fuel supply chain, from the point of production to the point at which the fuel is placed into the retail market.

Valuable information about the fuel and its producer is embedded within the 38-digit code that makes up the RIN. Here is a sample of what you can readily determine from the RIN number:

-- Status of the RIN as far as being tradable as a separated credit (more on this later)
-- The year the fuel was produced - also referred to as the vintage
-- Who produced or imported the renewable fuel
-- Where it was produced or imported into the U.S.
-- What kind of fuel, ethanol, biodiesel, etc. (more on this later)
-- Its equivalence value (more on this later)
-- Whether it comes from cellulosic technologies or not
-- And the total volume of credits assigned to a batch of renewable fuel

As an example of a RIN consider the following:

12009480270076000011020003994400048031

RINs are useful for tracking renewable fuel at every link of the supply chain. The process starts when renewable fuel is produced or imported and the 38-digit serial number is assigned to the fuel. Tracking and reporting to EPA is then continued as the fuel is transferred from supplier to customer and so on and so on. Once the renewable fuel is placed into the retail market the RIN is separated from the fuel and then serves as a tradable credit. This separated RIN, or credit, can then be traded from one party to another, similar to other environmental credit trading programs.

Ultimately the RIN is used to demonstrate to EPA that a party has met their particular obligation under the RFS. EPA monitors the overall program by having every party in the supply chain report their RIN activity to the agency on a quarterly basis. The advanced fuel standard (RFS2) requires that the frequency of reporting increases first to monthly and then to near real-time, or within three days of transfer.

Future briefings will provide more details about how the RIN number is used, who has value in RINs, and how the changing regulations will impact business throughout the motor fuel sector. Past briefings are available at www.CFCH.com

Clayton McMartin is the President of the Clean Fuels Clearinghouse and the founder of the RINSTAR® renewable fuel registry. Hundreds of companies process renewable fuel and RINs on RINSTAR® each day. More information about the company is available at www.CFCH.com or by calling (575) 377-3369.