

# TERMINALS SEGMENT CAPITALIZING ON RENEWABLE DIESEL OPPORTUNITIES

As one of the largest energy infrastructure companies in North America, we recognize that energy consumption contributes to greenhouse gas emissions. We are actively making enhancements to our business practices and operations to support the energy transition and reduce emissions.

## WHO WE ARE

Kinder Morgan provides **safe, reliable** and **environmentally responsible** energy storage and transportation services. We are the largest independent terminal operator in North America with a strong network of terminals that serve our customers' storage, distribution, blending and logistical needs. Our terminals store and handle petroleum products, chemicals, vegetable oils and **biofuels**.

## WHAT WE ARE DOING

We are committed to improving lives and creating a better world by providing access to reliable and affordable energy. Our **Terminals** segment is **actively pursuing** new opportunities associated with biofuels and expanding its existing capabilities. The segment's existing infrastructure is well-suited to support biofuels like **renewable diesel**, and its **diversified network** allows for storage and product movement via rail, truck, vessel or pipeline.

## WHAT IS RENEWABLE DIESEL?

Renewable diesel is a **biofuel** made from renewable resources, including natural fats, vegetable oils and greases. It is **chemically identical to petroleum diesel fuel** and meets the same American Society for Testing and Materials (ASTM) specification.

Renewable diesel and biodiesel are not the same fuel. Although they are both produced from biomasses, the way they are processed differs.

## RENEWABLE DIESEL BENEFITS

- Because renewable diesel meets the same ASTM specification as petroleum diesel, it can be used in **existing** pipelines, storage tanks and diesel engines.
- Like other biofuels, including ethanol and biodiesel, renewable diesel helps **reduce emissions**. This is because the carbon dioxide (CO<sub>2</sub>) that is captured by growing feedstocks for biofuels reduces overall greenhouse gas emissions by balancing the CO<sub>2</sub> released from burning biofuels.

In 2019, our Terminals and Products Pipelines segments collectively handled

**>2 million barrels**

of renewable diesel. That same year, U.S. production of renewable diesel was

**~12 million barrels**

## RENEWABLE DIESEL CAPABILITIES

As the need for storage and logistics associated with biofuels and feedstocks has increased, our Terminals segment has been **capitalizing on opportunities** related to renewable diesel. For example, our Harvey Terminal, located near New Orleans, Louisiana, already handles a significant amount of renewable diesel.

Moving forward, many of our terminals throughout the U.S. are poised to take advantage of the growing demand for biofuels. Because renewable diesel is a drop-in for petroleum diesel, it **matches well with our existing diesel infrastructure**. Additionally, our assets and strategic hubs are also well-suited to support the specialty needs, including heating, required for biofuel feedstocks. Our terminal locations are also positioned with multi-modal access, where materials can be shipped via rail, truck, vessel or pipeline.

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Our terminals are well positioned in key market hubs to participate in the growth of renewable diesel with both feedstock handling and handling of the finished product.

- Mike Garthwaite, chief commercial officer of KMI's Terminals segment