



heating oil industry overview

navigating market volatility and policy uncertainty

Economic factors can make fuel purchasing decisions more challenging.

As a leader in the heating oil industry, Chevron uses its years of experience to help businesses navigate these complexities. We provide timely resources, insights and support.

Chevron is a leader in the heating oil industry and offers reliable fuel solutions. To help customers maneuver the ever-changing dynamics of the heating oil industry, we aim to offer useful insights and information to make informed decisions. This guide provides insights to help you understand market trends and industry changes, whether you're a long-time customer or new to heating oil.



policy changes



market volatility



economic impact

The Blenders Tax Credit (BTC) will end in 2024 and be replaced by the Section 45Z Clean Fuel Production Tax Credit (CFPC).

Differences between the Blenders Tax Credit (BTC) and the Clean Fuel Production Credit (CFPC) may be pivotal in influencing the heating oil industry's future.

BTC offers a per-gallon tax credit for biodiesel and renewable diesel which can be used in home heating oil. The CFPC provides tax credits for domestic production of these fuels, tied to the carbon intensity of the fuel.

Regulatory uncertainty may put some businesses at risk, as fuel producers struggle to make decisions.

Rules for the Clean Fuel Production Credit have not been issued yet, which could hinder industry growth and innovation. The CFPC could affect tax credits for producing these fuels domestically.

Global instability and regulatory changes are causing volatility in the heating oil market.

Political administration views and supply chain disruptions are major contributors. Elections can amplify these effects through policy changes, regulatory shifts, economic climate adjustments, infrastructure investments and political polarization.

The use of lower carbon intensity energy sources are reshaping the traditional heating oil market. This implementation addresses environmental concerns and ensures long-term lower carbon intensity in energy consumption.

The BTC and CFPC policies have far-reaching impacts, potentially affecting heating oil prices and consumers.

Businesses are making calculated decisions to navigate this uncertainty.

When evaluating various lower carbon intensity solutions, consider key factors such as technology readiness, operational impact, economics and fuel availability.





consumer assurance

Chevron's feedstock flexibility helps meet customer needs through a mix of used cooking oil, soybean oil, distillers corn oil and other feedstocks. We aim to expand our sources and long-term supply of feedstocks. Our feedstock flexibility allows us to use a mix that meets the needs of our customers' specific needs and applications. This flexibility opens up opportunities for innovation. We intend to not only improve our use of current feedstocks but also to find, develop, and use new or unique ones.

No matter what feedstock we use to produce our biofuels at Chevron, our bio-based heating fuels meet or exceed ASTM standards and may be produced using the same feedstocks used to make our biodiesel and renewable diesel. These crops can be harvested, and their oil used for biofuels production.

Consider the time value of carbon, which highlights the importance of reducing carbon emissions as soon as possible for maximum benefits. Our high-quality fuels can support your lower carbon intensity journey. Chevron is focused on a future with lower carbon intensity by providing advanced solutions that reduce emissions today and tomorrow.

We plan to invest \$10 billion in various carbon reduction projects, including the development of innovative biofuels and feedstocks. These investments aim to increase our renewable fuels production capacity to 100,000 barrels per day by 2030. By prioritizing the time value of carbon, we believe our efforts in developing biofuels and feedstocks will help create a future with a lower carbon intensity.



future of biofuels

Adaptability is key for the future of biofuels. The industry is proactive in adapting to changing policies and market conditions.

Innovation and efficiency are enabling advancements in heating oil technology that help enhance performance and reduce fossil carbon emissions. Chevron is helping to lead the energy and transportation industries' journey to a lower carbon intensity future by converting waste and renewable resources into high-quality, lower carbon energy. Today, more companies are focusing on the environment and adopting scalable, lower carbon intensity business practices. They are exploring how lower carbon intensity fuel solutions can help them meet lifecycle carbon emissions targets and gain a competitive edge in the marketplace. Our high-quality, lower carbon intensity solutions can help improve engine performance. They are easy to integrate into almost any existing infrastructure. We're ready to offer a 'fuel of choice' portfolio to customers, working with them on their lower carbon intensity journey.



Chevron focus remains on providing exceptional service and expertise to help you navigate the evolving energy landscape.

For more information contact: Jason Lawrence (717) 989-1313

Jason.lawrence@chevron.com