

FLEET OWNER PERSPECTIVE ON EFFORTS TO REDUCE DIESEL EMISSIONS

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TITAN Freight Systems

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Regional Time-Sensitive LTL Overnight Carrier

Founded in 1968 – Corporate office in Portland, Oregon

84 staff members / 50 drivers / 44 trucks / 124 trailers

7 service centers located throughout Oregon, Washington and Idaho

\$8 million annual revenue

24-hour operation

Innovation focused



Equipment & Duty Cycle

- Medium & Heavy-Duty Class 6, 7 & 8 Vehicles
- Duty cycle = 15 years or 800,000 miles, whichever comes first
 - *Light and medium repair focus*
 - *Equipment salvaged before major repair or engine replacement required*
- Exceeding HB 2007
 - *6 units 2005 to 2007 scheduled for replacement*
 - *After which all units will be 2012 or newer*

Vision 2020 - Energy – Scorecard

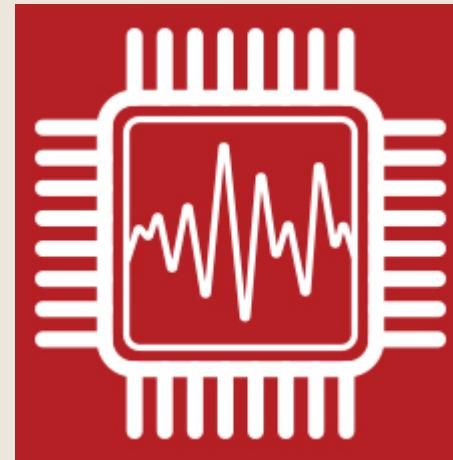
<u>Energy 20 / 20 Vision</u>											
- Cut energy use 20% by 2020											
- Environmental care as a core value											
- We know that even small efforts make a big difference in the struggle for a healthy planet											
- As we strive for continued environmental stewardship, we urge our team, customers and business partners to join our efforts											
											Q1
Fleet MPG	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Baseline MPG	6.50										
Goal MPG	6.50	6.50	6.50	6.60	6.80	7.00	7.20	7.60	7.80	7.80	
Goal Target Reduction	0%	0%	0%	-5%	-8%	-11%	-17%	-20%	-20%	-20%	
Actual MPG		6.40	6.36	6.61	6.71	6.93	7.12	7.20	7.26	7.07	
Actual Target Reduction	2%	2%	-2%	-3%	-7%	-10%	-11%	-12%	-12%	-9%	

Missing MPG Target Despite Every Available Add-On

- Air Deflectors



- Artificial Intelligence



- Engine Idle Shutoff



- Trailer Side Skirts



- Aero Wheel Covers



- Aero Mud Flaps



- Low Rolling Resistance Tires



Unlearn MPG - Focus On Reducing Emissions

Diesel Application Energy Options	ASTM (American Society for Testing and Standards)	Carbon Intensity [g CO ₂ e / MJ]	CI Reduction vs. Petroleum Diesel
Petroleum Diesel (B5)	D975	99.48	---
Compressed Natural Gas	WK40094	79.93	20%
Biodiesel (UCO & Feedstock)(OR-WA)	D6751	58.25	42%
Renewable Diesel (UCO & Feedstock)	D975	33.45	67%
Electricity		31.85	68%

- City of Knoxville - http://www.tncleanfuels.org/docs/Renewable-Diesel-Report_City-of-Knoxville_6-15-17.pdf
- City of Oakland - <https://www.youtube.com/watch?v=9IkiBCRJtNo>
- City of Eugene - https://eventsimages.bobitstudios.com/upload/pdfs/gfx/2017/speaker-presentations/renewable_diesel_-_facts_from_fleet_users_-_richard_battersby_and_gary_lentsch.pdf
- Oregon Department of Energy – Rick Wallace <http://gtsummitexpo.socialenterprises.net/assets/docs/past-events/GTSE-tacoma-2016/april-5/gtse-tacoma-2016-GTSE-Session-1B-Rick-Wallace-ODOE-Calculating-Your-GHG-Emissions-April-5th.pdf>

Replaced Petroleum with 100% Renewable Diesel

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- Renewable Diesel requires no vehicle or infrastructure modifications and may be mixed directly with ULSD
- Missing target not because of equipment we were using but the energy source
- Largest Oregon private carrier using Renewable

Energy 20 / 20 Vision

Cut emissions 20% by 2020

	2011	Q1 2020	Q2 RD 2020
Fleet MPG			
Baseline MPG	6.50		
Goal MPG	6.50	7.80	7.80
Goal Target Reduction		-20%	-20%
Actual MPG		7.07	7.22
Actual Target Reduction		-9%	-11%

ULSD - B5

Carbon Intensity	99.48	99.48
Gallons Used	66140	28637

Renewable Diesel

Carbon Intensity	33.45	33.45
Gallons Used	0	34352

Emissions Reductions

Results -

- 36% emissions reductions for entire fleet (OR, WA, ID)
- Oregon emissions were circa 67% lower

MTCO2

661 **402**

100 Gallons = 1 MTCO2

RD VS B5 Cost Per Mile (CPM) Case Study

Fuel Cost Study		Q2 2020
B5 Avg	Per Gallon	\$1.597
R99	Per Gallon	\$1.695
Renewable Diesel Cost Increase		\$0.0980
MPG Q2 2020		7.22
RD Per Gallon CPM Increase		\$0.014
Fuel Economy +/-		
Q1 2020	B5	7.07
Q2 2020	B5 & RD	7.22
Fuel Economy Increase		2.1%
Per Gallon Cost Reduction		\$0.036
RD Fuel Economy CPM Improvement		-\$0.003
Exhaust System Maintenance Cost Study		
2018 to Q1 2020 CPM - B5		\$0.022
Q2 2020 - RD		\$0.013
RD Exhaust System Maint CPM Improvement		-\$0.009
RD TOTAL COST INCREASE		\$0.002

Results –

- Near ZERO cost difference
- Additional cost reductions
 - *DEF reductions*
 - *Equipment down time reduced*
 - *Oil change interval extended*
 - 30% less soot
- Performance
 - *Cetane*
 - RD 80
 - B5 50



