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ANNUAL REPORT



LETTER FROM ACE BOARD PRESIDENT

Dave Sovereign



As I write this, our family farm is busy wrapping up another harvest—one that marks my 50th year running a combine. Hard to believe how far we’ve come since 1975 when I proudly took the wheel of an E Gleaner for the first time. Many of you who remember

those early Gleaners will recall the importance of keeping a $1\frac{5}{16}$ inch wrench or a bottle of belt dressing close at hand! It’s remarkable to see the technology and efficiency of today’s equipment compared to what we had back then.

The 2025 growing season brought its share of challenges, with a slow, wet start—much like what ethanol producers experienced this year. The first couple of quarters were difficult from a profitability standpoint, but the last two quarters likely made the year profitable for most producers.

A major topic around nearly every boardroom table is the 45Z tax credit and how to maximize its benefits for ethanol plants and their shareholders. This incentive opens doors

to finance capital-intensive technologies that create new production efficiencies, squeeze every bit of ethanol and oil out of those corn kernels, and provide a much-needed revenue stream for farmers in these tough economic times.

I’m optimistic about where we’re headed. Consumers are seeing real savings from ethanol-blended fuels, and that momentum is spreading globally. Ethanol use continues to expand around the world, driving exports to record levels. Here at home, ACE continues to push hard for nationwide E15 legislation—and with California passing legislation adopting E15, we’re closer than ever to making that a reality.

The new administration, cabinet members and staff have a few months under their belts now, and ACE has been actively engaging and educating policymakers. We all need to do our part in telling our story—and I know I’m preaching to the choir—but our industry has an incredible success story that has such widespread benefits for so many people.

ACE refers to itself as a grassroots organization and our members remain our best ambassadors to tell our story. Lawmakers and their staff want to hear that story directly from the people who live and breathe this work every day. That’s why I hope you’ll join us for ACE’s upcoming Washington, D.C. Fly-In March 17–18, 2026. Let’s make it our biggest Fly-In yet—your voice can and will make a difference.

GOVERNMENT AFFAIRS



YEAR-ROUND E15

Soon after taking office, President Trump declared a national energy emergency, supporting EPA’s issuance of an emergency fuel waiver for the fourth consecutive year to allow E15 sales during the 2025 summer driving season. Despite nearly securing year-round E15 at the end of 2024, a permanent legislative fix is still needed to clarify that E15 can be sold nationwide, year-round, without reliance on temporary waivers.

Year-round E15 remains ACE’s top legislative priority. ACE made E15 a central focus during its Washington, DC Fly-In, where ethanol advocates urged members of Congress to act. Throughout the August recess and fall session, ACE mobilized grassroots members to contact their Senators and Representatives, emphasizing the urgent need to boost domestic corn demand through year-round E15—especially as farmers face a record harvest, low corn prices, and continued negative returns.

GOVERNMENT AFFAIRS

Once again, ACE's grassroots members proved instrumental in building bipartisan support for a permanent solution. ACE remains committed to securing nationwide, year-round E15 and ending the cycle of temporary fixes.

IMPROVING AND MAXIMIZING 45Z

In summer 2025, Congress passed a comprehensive tax and spending package that extended and strengthened the 45Z Clean Fuel Production Credit—a major win for ACE members focused on carbon intensity.

Congress restored transferability of the credit, removed indirect land use change (ILUC) penalties, and limited feedstock eligibility to U.S., Mexico, and Canada, significantly improving the tax credit. As the industry awaits final guidance from Treasury, ACE will continue leading to ensure low-carbon farming practices are included so ethanol companies and farmers can maximize 45Z.

This leadership is demonstrated by ACE's work with farmers and ethanol companies through the USDA Regional Conservation Partnership Program (RCPP), a key to unlocking 45Z's full value by enabling farmers and ethanol producers to benefit from verified low-carbon farming practices such as reduced tillage, 4R nutrient management, and cover crops. Data from this effort will improve the GREET model and USDA's Feedstock Carbon Intensity Calculator (FD-CIC), solving for information gaps currently preventing farmers and ethanol producers from monetizing these practices under 45Z.

UNLOCKING NEW MARKET OPPORTUNITIES

Building on the 45Z momentum, ACE is proactively supporting members interested in unlocking new markets—from renewable chemical value chains and bio-based products to maritime shipping, sustainable aviation fuel (SAF), and more.

ACE has engaged the Environmental Protection Agency (EPA) and Congress on replacing the EV mandate with policies to expand availability of Flexible Fuel Vehicles (FFVs) and higher blends—giving automakers the flexibility to build vehicles that run on domestic fuels like E20, E30, and E85, strengthening energy independence and rural economies.

ACE continues to advocate for legislation introduced this Congress to expand ethanol use, including:

- **The Nationwide Consumer and Fuel Retailer Choice Act** – enabling year-round E15.
- **The Ethanol for America Act** – improving E15 dispenser labeling and storage compatibility.
- **The Farm to Fly Act** – advancing SAF through USDA programs.
- **The COST Act** – requiring a comparison of the financial and environmental costs of transitioning the federal fleet to EVs or FFVs.
- **Securing America's Fuels (SAF) Act** – reinstating the 45Z clean fuel production credit premium for SAF and extending the 45Z credit through 2033.

STRENGTHENING THE RENEWABLE FUEL STANDARD

EPA proposed Renewable Volume Obligations (RVOs) for the 2026 and 2027 compliance years under the Renewable Fuel Standard (RFS). ACE submitted testimony and comments commending EPA for proposing record-high renewable fuel volumes, while recommending targeted adjustments to ensure the program continues to expand the use of American-made biofuels. Finalization is expected soon.

ACE has helped convince EPA to avoid demand destruction induced by Small Refinery Exemptions (SREs) through reallocation of any waived gallons under the RFS program. Late this year, ACE urged the Agency to adopt its plan to fully reallocate waived SRE gallons, cautioning that failure to do so could allow obligated parties to rely on an oversupply of low-cost RINs rather than actual ethanol blending.

Additionally, the Supreme Court ruled that the U.S. Court of Appeals for the D.C. Circuit is the appropriate venue for SRE-related legal challenges—a decision ACE supports, as the RFS is a national program and should be adjudicated accordingly.

EMPOWERING ETHANOL PRODUCERS



ENHANCING LOW-CARBON VALUE

ACE continues to lead the way to empower ethanol producers with the data needed to fully capitalize on the low-carbon value of farming practices through our USDA Regional Conservation Partnership Program (RCPP) project. Recent progress has been made in the counties surrounding

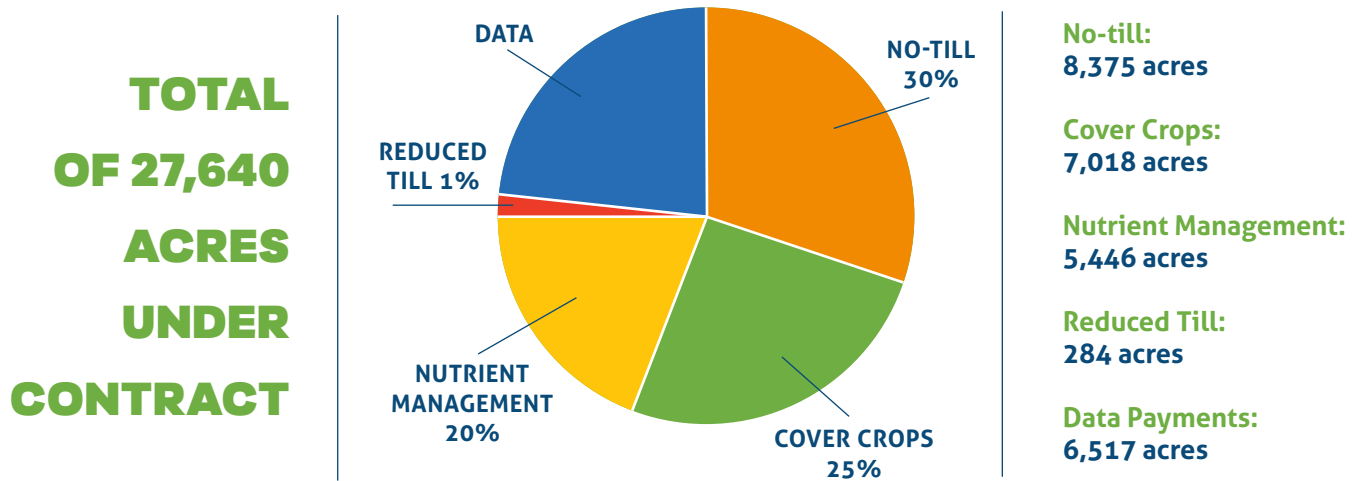
Dakota Ethanol, providing data on the soil carbon benefits of farming practices. Thirty farmers from seven South Dakota counties are closely watching the fields enrolled in the RCPP project looking at the carbon intensity of corn grown using cover crops, 4R fertilizer management and/or reduced tillage.

EMPOWERING ETHANOL PRODUCERS

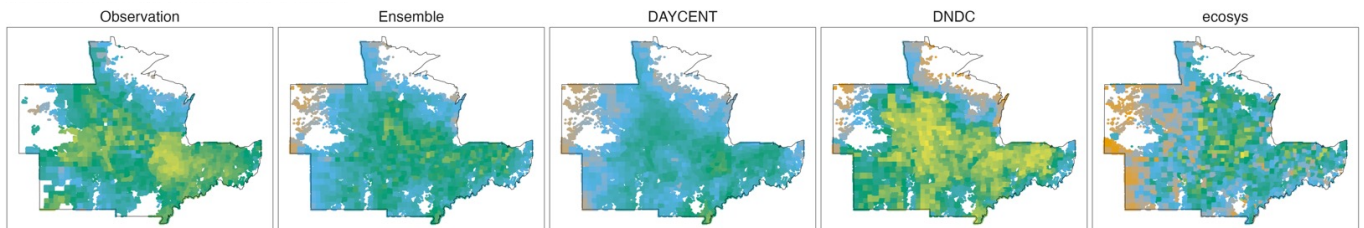
2025 was the first year of full data collection. The RCPP project findings are important for ACE's work in encouraging policies that will help farmers and ethanol producers monetize low-carbon farming practices through clean fuel markets and tax credits such as 45Z.

In South Dakota, nearly 30,000 acres enrolled by 30 producers using three practices—no-till, cover crops, and

nitrogen management. Two-thirds of farmers are doing more than one practice, with between 5,500 and 8,300 acres adopting each practice. In addition, 19 farmers are sharing their historical data on some 6,000 acres. Farmers are providing yield data and fertilizer records and allowing access to fields for soil sampling and data collection. RCPP project field level reports show improved soil health and productivity after conservation practice adoption.



ENSEMBLE MODELING



SOLVING DATA GAPS: The three models above are used to predict the carbon impacts of farming practices. The DOE's Sandia National Laboratory combined those in an "Ensemble" model, which is 50% more accurate than the three individual models when compared to field observations. The data from the RCPP project will be used to further improve modeling accuracy, solve for information gaps, and open new markets to ethanol producers.

PROJECT PARTNERS



ethanol.org/usda-rcpp

MARKET DEVELOPMENT

E15 & FLEX FUEL COST CALCULATOR

ACE introduced a powerful new tool to help fuel marketers seize the opportunity of E15: the E15 & Flex Fuel Cost Calculator. ACE's new online calculator enables retailers to plug in real-time data to compare the costs and potential profits of selling E15 versus E10. It provides station-specific insights, including applicable state and federal tax credits, showing how E15 can boost the bottom line. The calculator can be used by marketers and retailers in all 50 states.

The E15 & Flex Fuel Cost Calculator is the latest addition to flexfuelforward.com—ACE's digital hub tailored to

fuel marketers. It joins the Flex Check tool, which helps station owners quickly determine if their existing equipment is compatible with E15. The EPA Office of Underground Storage Tanks (OUST) continues to cite ACE's Flex Check tool as a resource for determining E15 equipment compatibility, and ACE remains engaged with EPA on equipment compatibility and labeling issues for E15 and higher ethanol blends.

In September, when ACE began promoting the new calculator, fuel marketers confirmed their interest as website traffic more than doubled and 5,600 new active users accessed our E15 web tools.

NEW E15 & FLEX FUEL COST CALCULATOR

Enter Your Details		E10	E15 - Rack	E15 - Blend E10 (94%) + E85 (6%)	Flex Fuel - E85
State Tax Rate SD - South Dako		COST \$1.9315	COST \$1.8941	COST \$1.8740	COST \$0.9740
E10 Cost \$ 1.9315	E15 Cost \$ 1.8941	FEDERAL TAX \$0.1840	FEDERAL TAX \$0.1840	FEDERAL TAX \$0.1840	FEDERAL TAX \$0.1840
Flex Fuel Type E85	Flex Fuel Cost \$.9740	STATE TAX \$0.2860	STATE TAX \$0.2790	STATE TAX \$0.2790	STATE TAX \$0.1810
RECALCULATE		TOTAL COST \$2.4015	TOTAL COST \$2.3071 Includes \$0.05/gal state credit	TOTAL COST \$2.2871 Includes \$0.05/gal state credit	TOTAL COST \$1.3390

LIVE ON FLEXFUELFORWARD.COM!

It provides station-specific insights, including applicable state and federal tax credits, showing how E15 can boost the bottom line. The calculator can be used by marketers and retailers in all 50 states.

MARKET DEVELOPMENT

INTERNATIONAL ETHANOL DEMAND

ACE's international efforts continue to grow along with its role with the U.S. Grains & BioProducts Council (USGBC) in a year of tumultuous trade activity. ACE CMO Ron Lamberty began the year traveling to USGBC's 22nd International Marketing Conference and 65th Annual Membership meeting in Austin, Texas. Lamberty is a member of USGBC's Ethanol A-Team, which helps determine the organization's priorities and advises on strategy for the Council's Ethanol A-Team, which helps determine the organization's priorities and advises on strategy for USGBC's efforts to promote ethanol internationally. Lamberty also attended the Council's Annual Board of Delegates Meeting, uniting with other A-team members to discuss trade actions impacting ethanol markets in Grand Rapids, Michigan.

Lamberty was invited by the Council to speak at their Global Ethanol Summit in Washington, D.C. in the fall. He participated in a panel covering ethanol retailing, transportation logistics, and infrastructure. Following GES, nine international trade teams visited U.S. corn-growing states to connect with suppliers and see ethanol production in action. ACE helped coordinate a stop on the South Dakota tour—welcoming a Latin America delegation with representatives from Chile, Colombia, Ecuador, and Peru. These countries, which blend ethanol with gasoline (except Chile), are key markets for U.S. ethanol. The delegation included senior officials from government

agencies, refineries, fuel and biofuel associations, and major fuel importers. Their visit aimed to strengthen technical collaboration and support higher ethanol blend goals, from today's E5–E10 up to E15 and beyond.

Lamberty rounded out the year with a USGBC-planned trip to Japan, where ethanol imports from the U.S. are rising as the country pursues blending goals of E10 by 2030 and E20 by 2040 for light-duty vehicles.

CALIFORNIA APPROVES E15

In October, California Governor Gavin Newsom signed Assembly Bill 30 into law, a major milestone that opened the door for retailers across the state to sell E15. As the nation's largest motor fuel market, California's adoption of E15 provides retailers and consumers with a meaningful opportunity to help lower the state's high fuel prices and expand access to cleaner, more affordable fuel options. Shortly after the signing of the bill, the California Air Resources Board (CARB) held a scoping workshop on E15 use in California and accepted public feedback through written comments, which ACE participated in, underscoring the urgency of CARB categorizing E15 as a gasoline-grade fuel given the recent authorization of E15 sales through the passage of AB 30 and 14 years of safe, real-world use nationwide. The state has a unique regulatory process that is required to approve a new fuel blend.

While in Japan with a USGBC trade delegation, Lamberty visited the first E7 station in Japan, located in Takayama and owned by Nakagawa Bussan.



2025 YEAR IN REVIEW

ACE'S ROADMAP – HOMEFIELD ADVANTAGE

For over three decades, ACE members have proven leadership starts at home. As the innovators who built the ethanol industry from the ground up, they continue to fuel ACE's mission to open new markets and grow demand. The following highlights show how that roadmap took shape in 2025.

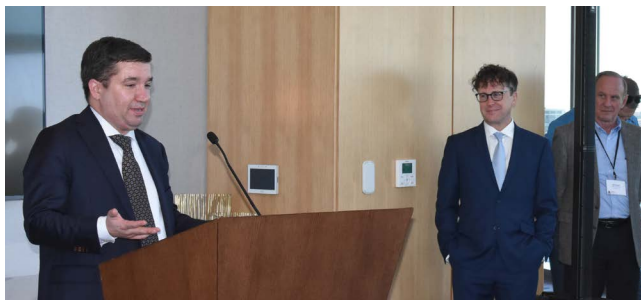
1. Unlocking New Opportunities

✓ *Engagement with Policymakers*

ACE gathered advocates in Washington, D.C., during the 14th Annual D.C. Fly-In, taking 100 meetings with members of Congress and staff to discuss key priorities like E15 year-round, strengthening the Renewable Fuel Standard (RFS), and implementation of the 45Z Clean Fuel Production Credit. ACE also hosted Aaron Szabo, Assistant Administrator of EPA's Office of Air and Radiation, and Bill Hohenstein, Director of USDA's Office of Energy and Environmental Policy as event speakers.



Bill Hohenstein, Director of USDA's Office of Energy and Environmental Policy



Aaron Szabo, Assistant Administrator of EPA's Office of Air and Radiation

✓ *New Markets and Tax Incentives*

ACE continued engagement with USDA and the U.S. Treasury on implementation of the 45Z Clean Fuel Production Credit and USDA's Feedstock Carbon Intensity Calculator (FD-CIC) and associated technical guidelines. Mid-year, Congress extended 45Z through 2029 and made key improvements. ACE is pressing the Administration to finalize 45Z regulations that open new markets for farmers and biofuel producers, which is what ACE is doing through its South Dakota Regional Conservation Partnership Program (RCPP). In 2025, South Dakota State University collected data and documented carbon reductions from participating farmers, while project leads met with members of Congress to build on this effort.

✓ *Education and Industry Collaboration*

ACE hosted its 38th Annual Conference in Sioux Falls, themed "Homefield Advantage," featuring 40 speakers, including South Dakota Congressman Dusty Johnson, and 200+ attendees for two days of discussion and networking around 45Z, E15 year-round, exports, leadership, and more. ACE staff also shared updates at industry events, including the Fuel Ethanol Workshop, Big Iron Show, EHS Summit, Farm Foundation Roundtable, and the Nebraska Association of Resources Districts Conference in D.C.—connecting with members, farmers, and partners across the industry.



South Dakota Congressman Dusty Johnson

2025 YEAR IN REVIEW

2. Increasing Ethanol Demand and Value

✓ *Advocating for Year-Round E15*

ACE welcomed President Trump's National Energy Emergency Executive Order and EPA's emergency waiver allowing E15 sales during the 2025 summer driving season. ACE continues to push for a permanent legislative fix to end the patchwork of state rules and reliance on emergency waivers. Following reintroduction of E15 legislation, ACE mobilized advocates through its Action Center during the August recess and fall session to urge members of Congress to get the bill across the finish line.

✓ *Strengthening the Renewable Fuel Standard*

ACE participated in EPA's 2026–2027 RFS rulemaking, testifying and submitting comments in support of record Renewable Volume Obligations (RVOs) while recommending targeted improvements. ACE also backed full reallocation of Small Refinery Exemptions (SREs) and supported the Supreme Court's decision consolidating SRE appeals in the D.C. Circuit Court.



Latin American trade delegation

3. Developing New Markets and Uses

✓ *Advancing Higher Blends with New Cost Calculator*

ACE continued driving retail adoption of E15 and higher blends through outreach, education, and new digital tools. Updates to flexfuelforward.com messaging and paid advertising now emphasize the economic and competitive benefits of selling E15. In addition, ACE launched an E15 & Flex Fuel Cost Calculator to help retailers estimate potential profits from offering higher blends in their states, which ACE publicly rolled out to coincide with enactment of E15 legislation in California. ACE remains engaged as California looks at implementing the fuel blend.

✓ *Fuel Marketer Education and Regulatory Engagement*

ACE promoted its new calculator and Flex Check E15 equipment compatibility tool at several fuel marketer events. The EPA Office of Underground Storage Tanks (OUST) continued citing ACE's Flex Check tool as a resource for determining E15 equipment compatibility. ACE remains engaged with EPA on compatibility and labeling issues.

✓ *Expanding International Ethanol Demand*

Through participation on the Ethanol A-Team, ACE supported export promotion, speaking and attending multiple U.S. Grains & BioProducts Council meetings and helping host a Latin American trade delegation touring South Dakota's ethanol supply chain. In December, ACE also traveled to Japan, where ethanol imports from the U.S. are rising as the country pursues blending goals of E10 by 2030 and E20 by 2040 for light-duty vehicles.

MEMBER TESTIMONIALS 2025



BRENDA ELMER –
ND Corn Growers Association (NDCGA)

"ACE is a fierce advocate for the ethanol industry that has made for stronger corn markets in this country. The value that ethanol adds to our corn producers bottom line is worth defending and advancing and ACE is a critical partner in advocating for that ethanol-farmer partnership."



TOM RANOLLO –
Cardinal Ethanol

"Cardinal Ethanol is a proud member of ACE and truly values the important role they play in shaping ethanol policy at all levels of government. Their dedicated staff works tirelessly to tell our story and stay on top of the key issues and opportunities impacting our industry".



TODD BROWN –
Dakota Ethanol

"I look forward to the ACE Fly-In each year. It's a great opportunity to get up-to-date information to share during our Hill meetings. The ethanol industry has one of the best stories to tell, and our conversations are always well received by policymakers."



JESSICA MORRISON –
Golgix

"Attending and presenting at ACE for the first time was a valuable experience. The event created an engaging environment to share ideas, connect with industry peers, and learn from others who are driving innovation in ethanol. I left with new insights and meaningful connections that will carry forward into my work."



BRIAN KLETSCHER –
Highwater Ethanol

"About one-half of corn ethanol's carbon intensity comes from farming. That's where ACE is helping lead the way, by working with farmers and ethanol producers to solve for the information gaps currently preventing us from capitalizing on farming practices in new markets and tax credits."

"ACE is a fierce advocate for the ethanol industry that has made for stronger corn markets in this country."

BRENDA ELMER – NDCGA



ACE STAFF AND
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BOARD OF DIRECTORS



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President
Golden Grain Energy, LLC



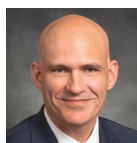
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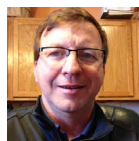
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RICK SCHWARCK –
Absolute Energy, LLC



BRIAN VASA –
Nebraska Public Power District



BEN RHODES –
Nebraska Ethanol Board



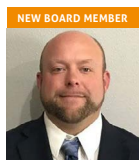
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Chief Ethanol Fuels, Inc.



DAVE ELLENS –
SD Corn Growers Association



ZAC GRIESS –
Bosselman Enterprises



SETH HARDER –
Husker Ag Processing, LLC



CHAD MILLER –
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ASSOCIATE MEMBERS

Beyond

Antora Energy

Golgix

Midwest Cooling Towers

2026 LOOKING AHEAD

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