



SUSTAINABILITY

PHILLIPS 66 SECURES RENEWABLE-FUELS FEEDSTOCK WITH INVESTMENT IN IOWA SOYBEAN-PROCESSING PLANT

By Mary Page Bailey | April 26, 2021

Phillips 66 (Houston) is securing feedstock for the company's growing portfolio of renewable fuels projects by investing in a new soybean-processing plant in Iowa. The company also recently announced a memorandum of understanding with Southwest Airlines to advance the commercialization of sustainable aviation fuel

The company's investment gives it a minority ownership stake in Shell Rock Soy Processing, named after the nearby town in northeast Iowa where it will be built. The plant, which is pending state and local approvals, will yield approximately 4,000 barrels per day of soybean oil. Phillips 66 has an agreement to purchase 100% of the plant's soybean oil production that will be used to make renewable fuels.

"This strategic investment expands our reach into the renewable diesel value chain and provides secure feedstock," said Brian Mandell, Phillips 66 Executive Vice President of Marketing and Commercial. "It also reflects our commitment to play an important role in a lower-carbon energy future."

The company unveiled plans last year to convert its Rodeo Refinery into one of the world's largest renewable fuels facilities, capable of producing 800 million gallons per year of renewable diesel, renewable gasoline and sustainable aviation fuel from used cooking oils, fats, greases, vegetable oils and other feedstocks. The project, subject to permits and approvals, would be completed in early 2024.

"Phillips 66 represents what we believe to be the premier renewables platform, with a superior business plan and fantastic long-term prospects," said Shell Rock Soy Processing CEO Mike Kinley. "As we reviewed our options for offtake partners, it was clear to us that Phillips 66 was the partner of choice for the long term."

In addition to the soybean oil, Shell Rock Soy Processing will produce more than 900,000 tons per year of soybean meal and hulls for livestock feed. The plant is geographically advantaged, located in one of the top soybean production states with rail options that provide direct access to diverse markets. It is targeting an in-service date of December 2022.