



1903 S. Congress Ave.
Suite 205
Boynton Beach, FL 33426
(561) 392-3667

10/14/2021

Protec Fuel Management is requesting the current “best interest” E85 fuel supply agreement to be extended and continued for additional 5 year term to December 2026. **Please see enclosed agreement.**

The City of Hollywood and Protec designed and implemented the E85 fueling initiative to accomplish three objectives:

- 1.) Save Money vs Gasoline – by fueling the City’s Flex Fuel Vehicles (FFV) with lower-cost E85 } From April 2020 to June 2021 Hollywood saved over \$60,000
- 2.) Reduce Pollution – by slashing Greenhouse Gas (GHG) emissions and replacing petroleum with the renewable biofuel ethanol (E85) Local Impact Global Impact } GHG emissions reduced by (metric tons): 656 1,496 } Gasoline burning vehicles effectively removed from the fleet: 64 145 } Pure petroleum displaced: over 260,000 gallons
- 3.) Secure Hurricane Fuel Supplies – by diversification of fuel supply sources and Protec’s free pre-storm rail car positioning and fuel storage } During Hurricane Irma E85 was continuously supplied – even when gasoline deliveries were stopped – keeping the City’s first responder FFV fueled and on patrol We are pleased that all three objectives have been achieved, and will continue to benefit the City.
- 4.) Past Performance success – Protec Fuel has regularly and consistently delivered E85 fuel to the City through various hurricanes, storms, power outages, and COVID driver shortages. The City has not experienced what most other locations (public and private) have experienced with transport driver shortages causing long delays on deliveries.

Gasoline delivery by pipelines, terminals, ports, or other facilities are susceptible to events that force them offline, including:

- Severe Weather events such as hurricanes, flooding, etc.
- Accident, failure, or damage to infrastructure.
- Terror attacks against infrastructure.
- War or other cases of national emergency in which gasoline is rationed.
- Trade embargoes.

The majority of first responder light duty vehicles are capable of using E85 and are classified as Flex Fuel Vehicles (FFV). Adding E85 with Protec to the fleet’s fueling facilities accomplishes the following vital steps to achieving Emergency Preparedness and Fuel Supply Security:

- Diversified fuel sources:
 - Separate, E85 infrastructure and supply chain.





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- Rail delivered, independent pumping and back-up generator.
- Protec's inventory is reserved solely for the company's customers and allocated based on their respective emergency plan.
- No line, no waiting for the transport truck picking up E85.
- Reduces reliance on gasoline:
 - Existing demand for gasoline is reduced – meaning the inventory lasts longer.
 - i.e. if 50% of fleet vehicles switch to E85, a given volume of gasoline lasts twice as long.

Protecting the City of Hollywood:

Protec's supply chain ensures a constant E85 fuel supply for the City of Hollywood, not only on a day-to-day basis, but during a declared State-of-Emergency as well.

The bulk of Protec's E85 supply is delivered by railcar, sourced from various production plants in the United States. Each railcar has a capacity of 29,000 gallons, and is parked at the Decks & Docks Lumber Company trans-loading facility located at 3125 S. Andrews Ave., Fort Lauderdale, FL 33316. The distance from this facility to the City's fueling site at 1600 S. Park Rd., Hollywood, FL 33021 is only nine (9) miles. During an emergency when petroleum supplies are restricted or halted due to the cessation of waterborne gasoline deliveries at Port Everglades, our supply chain of E85 typically remains unaffected.

Should an emergency be declared, or Port Everglades terminal become incapacitated for any length of time, Protec's proven expertise to source the fuel and position railcars will be used to create emergency fuel storage capacity. The fuel will be designated solely for the City of Hollywood – whenever necessary – for free. At present fuel use rates, a single railcar would offer the City approximately three (3) weeks back up supply, providing outstanding supply security in even a severe crisis.

In addition, in the most unlikely and extreme of circumstances, Protec has the ability to pull product from our trans-loading facility in Jacksonville and deliver the product by tanker if needed.

Hurricane Preparatory Steps:

While the steps Protec took to prepare for Irma were very successful, it is the company's expectation that increasing communication is always beneficial. To simply summarize Protec's procedures for pre-positioning railcars before an anticipated emergency, such as a hurricane, the company would like to follow the steps below.

*In such a case as the communication outlined in these steps not be perfect, Protec will proceed according to the best available information, and with intent to protect the best interests of the City of Hollywood.

- Monitoring:
 - Protec is headquartered in Boynton Beach, and employees live in South Florida. The entire team closely follows news and weather alerts to keep abreast of developing systems and potential severe weather.
- Evaluation:
 - If a significant event is anticipated to *potentially* affect the City and/or South Florida, a review process is launched to assess:
 - Current E85 inventory and inbound fuel.





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- Volumes necessary to top off customers before the storm.
- A call with Joel Wall and/or other City managers to assess current fuel levels and review:
 - The City's expectations for the event.
 - Any additional circumstances that the City feels should be taken into account.
- Action:
 - When it becomes clear that the storm system is likely inbound, and will impact the City and South Florida, the process to pre-position extra fuel begins.
 - The appropriate amount of fuel will be secured and the railcars directed to Protec's Ft. Lauderdale trans-load facility.
 - The City may at or around this time issue a warning to residents or declare a State-of-Emergency for the storm. Protec asks that the City will make an effort to keep the company informed of the latest status announcements.
 - Any additional fuel needed will arrive at the trans-load facility and be designated as City of Hollywood back up, emergency capacity.
 - Protec will continue to dispatch E85 at the City's request under the normal procedure.

In Summary:

- 1) Protec Fuel Management has performed historically for the City of Hollywood. Protec provided the equipment and installation services. If this agreement is continued, Protec Fuel would like to send out a technician to review installed equipment, replace nozzles and hoses where needed, and ensure the dispenser equipment is operating correctly, at no cost to the City.
- 2) Protec Fuel would like to continue supply the E85 fuel under proper ASTM specifications until December 14, 2026.

Thank You for the consideration and look forward to any questions

Steve Walk
COO
Protec Fuel Management
(651) 442-7240

