

NOTICE OF SALE NO. DE-NS96-24PO10000

FY24 DOE Gasoline (RBOB) Sale

Questions & Answers

1. **Question: I want to confirm my registration to bid on this notice of sale because I did not receive notification even though I registered on the site.**

Answer: As indicated in Item 1 to the Supplements and Amendments to the Standard Sales Provisions (SSPs) on Page 3 of the Notice of Sale, offers are to be submitted via email utilizing Attachment F (Offer Form). The online system will not be used for this sale.

2. **Question: What information will be needed from me to be able to participate in the upcoming auction?**

Answer: Item 1 to the Supplements and Amendments to the SSPs on Page 3 of the Notice of Sale provides requirements for a valid offer.

3. **Question: Can Letters of Credit be posted by a US branch of a FOREIGN BANK or do the LCs need to be posted by a US bank?**

Answer: Pursuant to SSP B.12(d) (Offer Guarantee) & C.21(b) (Payment and Performance Letter of Credit), "The depository institution must be located in and authorized to do business in any state of the United States or the District of Columbia, and authorized to issue letters of credit by the banking laws of the United States or any state of the United States or the District of Columbia. "

4. **Question: Attachment C RBOB Specifications look to be outdated. Can you please review and confirm if these specifications are correct?**

Answer: Please see Amendment 0001 to the Notice of Sale.

5. **Question: Is DLI (in-tank transfer) the only method that delivery can be accepted? Will they accept other modes of delivery if offered?**

Answer: Pursuant to the Notice of Sale, in tank transfer is the only method in which DOE will transfer ownership of barrels to a Purchaser. DOE will not accept offers from Purchasers that are not in-tank transfers. The Purchaser may work

alternate logistics with the terminal after ownership has been transferred from DOE to the Purchaser.

6. Question: How would this work if we do not have a storage agreement with Buckeye?

Answer: The Notice of Sale section Sale Specific Requirements states that “It is the responsibility of the Offerors to ensure that they are able to accept an in-tank transfer at the Buckeye Terminal(s) before submitting a bid.” The contact information for an Offeror to discuss logistics or storage arrangements can be found at item 12 of the Notice of Sale.

7. Question: On the Guarantee Standby Letter of Credit, do we leave the Offer number blank?

Answer: Pursuant to the Notice of Sale Attachment F, Offer Form, the offer number/identifier is to be provided by the Offeror. Any number may be used; this is to link the offer to the offer guarantee.

8. Question: Is there a cutoff time that we will receive a response to a bid placed?

Answer: Pursuant to SSP B.25(a) (Offeror’s Certification of Acceptance Period), “By submission of an offer, the offeror certifies that its priced offer will remain valid for 10 calendar days after the date set for the receipt of offers, and further that the successful line items of its offer will remain valid for an additional 30 calendar days should it receive a notification of ASO either by telephone or in writing during the initial 10-day period.”

9. Question: Some of the banks are indicating that the offer # doesn’t need to be populated on the LC if we are going to post the max amount. Is that correct? Or is the offer number required to be included in the LC?

Answer: Pursuant to Item 5 of the Supplements and Amendments to the SSPs section, “The offer guarantee shall be in the amount of \$500,000. There will only be 1 offer guarantee required per bidder participating in this Notice of Sale.”

Additionally, pursuant to the Notice of Sale Attachment F, Offer Form, the offer number/identifier is to be provided by the Offeror. The offer number should be included per Attachment D, Sample – Offer Guarantee Standby Letter of Credit.

10. Question: When is the first day SPR volumes would be made available for an in tank transfer (ITT)?

Answer: After notice of award, purchaser will coordinate with terminal for executing and confirming date of in-tank transfer.

11. Question: And to confirm final date for ITT would be June 30?

Answer: see question #10 response

12. Question: Does the purchaser get to decide/nominate when the ITT is executed during this period and is any procedure outside of scheduling with the terminal required when doing so?

Answer: The awarded party would have to enter into an agreement with the terminal before ITT could be executed.

13. Question: Is Buckeye Port Reading a public dock (i.e. dock access is granted on a first come, first serve basis based on vessel notice of readiness [NOR])?

Answer: Yes. The docks operate on a first come, first serve basis.

14. Question: Can you confirm the grade on offer is summer RBOB (F1; max 7.4# RVP after ethanol) at Port Reading?

Answer: All product meets F1 grade gasoline.

15. Question: Per section 12 of the Notice of Sale, while title transfer will take place via in-tank transfer, it seems the winning bidder will have until June 30th to physically load the awarded barrels to their chosen method of transportation. Is that correct? If yes – when is the soonest the winner(s) would be able to take title of the bbls to load them out?

Answer: After notice of award, purchaser will coordinate with terminal for executing and confirming date of in-tank transfer. The contact information for an Offeror to discuss logistics or storage arrangements can be found at item 12.b. of the Notice of Sale.

16. Question: Where would you pick up the Hawaii bbls? Is Port Reading and South Porland my only options?

Answer: Please refer to question #6 response provided in the Questions & Answers.

17. Question: To ensure I understand this correctly, we would get the intank transfer at the Buckeye terminals then load a boat from either location (South Porland and Port Reading)? Are there any potential locations that we can receive bbls from off the Buckeye System?

Answers: Please refer to responses to questions #5 and #6 provided in the Questions & Answers.

18. Question: If we want the bbls to be shipped on the pipe, we would have to coordinate with Buckeye for this, correct?

Answer: Please refer to responses to questions #5 and #6 provided in the Questions & Answers.

19. Question: The only way to receive the bbls is via In tank transfer at these 2 specific locations, is that correct?

Answer: Please refer to responses to questions #5 and #6 provided in the Questions & Answers.

20. Question: In terms of the pricing, the wording is confusing. Are we putting in a bid as an EFP or an index minus/plus a differential? Do you mind clarifying?

Answer: Bidders are to submit per barrel offer price, see example provided under item 26 (Page 11) of the Notice of Sale.

21. Question: It says the offer guarantee shall be in the amount of \$500,000. What does that mean?

Answer: Please refer to question #9 response provided in the Questions & Answers.

22. Question: Our company has spoken to our contact at Buckeye Pipeline. Buckeye has confirmed these barrels are located at Buckeye's storage facility at Port Reading, NJ. Buckeye has also confirmed should we win this offer, then we can take ownership of these barrels at Buckeye's Port Reading terminal at no storage costs and can coordinate the ownership and sale of these barrels after the sale completes. The Notice of Sale requires an in tank transfer of this product. Please confirm this is your understanding also.

Answer: Please refer to responses to questions #5 and #6 provided in the Questions & Answers.

23. Question: We plan to offer to purchase these barrels based on a tiered pricing per barrel as outlined in the Notice of Sale. Please confirm this is acceptable. Also, if you can provide an example of acceptable formats for the bid, or a template we should utilize so as to avoid any confusion and perhaps examples of prior bids.

Answer: Please refer to response to question #1 in the Questions & Answers.

24. Question: Are there any limits to the total number of barrels awarded to each offer/offering company?

Answer: Please refer to Attachment A of the Notice of Sale.

25. Question: The logistics of NYMEX hedging and the timing of that is dependent on how quickly we know if we have won the offer. After submitting our offer, what is the turnaround time for us to know if we have won the offer?

Answer: Please refer to response to question #8 in the Questions & Answers.

26. Question: Please confirm the price assumptions are correct in the example provided below:

We submit an offered price of \$104.299 unit price/bbl for 100,000 bbls of RBOB. Based on the BRP value of \$105.390 as stated in this Notice of Sale, the PAF in this scenario would equate to \$(0.84). If this bid were to be successful, the final contract price would be based upon the 5-day July RB daily price average for days June 7th, 10th, 11th, 12th, and 13th. If we assume the final price average for those 5-days was \$102.900 unit

price/bbl, the final contract purchase price would be \$102.900 + PAF (.84), or 102.060 unit price/bbl.

Answer: Please refer to Question #20 in the Questions & Answers.

27. Question: The available RBOB product meets F1 summer spec, please confirm.

Answer: Please refer to Question #14 in the Questions & Answers.

28. Question: For the offer Guarantee that needs to be submitted, does that constitute of Attachment D (Offer Guarantee Standby Letter of Credit) and Attachment E (Payment and Performance Letter of Credit) or just Attachment D needs to be submitted and if we win, we submit Attachment E?

Answer: Pursuant to the Notice of Sale (NOS) and the SSPs, an Offer Guarantee Standby Letter of Credit is required with the offer, and should an offeror receive a notification of Apparently Successful Offeror, a Payment and Performance Letter of Credit would be required.

29. Question: Will the final submission on May 28th need to have a fully executed bank issued LC or is it enough to have the \$500,000 offer guarantee in place and a template ready to be issued by the bank in case of a successful bid?

Answer: Pursuant to SSP B.12(a) and NOS Sale-Specific Requirements Item 6, a fully executed offer guarantee must be received not later than the time/date for receipt of offers.

30. Question: How soon will the \$500,000 be returned if bids are not successful?

Answer: Please refer to NOS Supplements and Amendments to the SSPs Item 5 (Page 5 of the NOS).

31. Question: A proper bid would be constructed using the BRP from the NS of \$105.1390 and a bidder's determined PAF correct? For example, if the bid was intended to be the DRP minus \$0.42 per barrel. The correct bid to enter on Form F would be 104.7190. This would be \$105.1390 (BRP) less

\$000.4200 (PAF) = \$107.7190 (UNIT PRICE/BBL). So the correct entry into Attachment F UNIT PRICE column would be \$107.7190?

Answer: Please refer to response to question #20 in the Questions & Answers.

32. Question: As the first day of hedging July RBOB futures starts on June 7th, will successful bidders be confirmed before Jun 7th at 11:00am in order to allow for proper hedging arrangements?

Answer: Please refer to response to question #8 in the Questions & Answers.

33. Question: Who is required to email a copy of the fully executed Offer Guarantee to you, the Offeror or the issuing bank?

Answer: The issuing bank should submit the fully executed offer guarantee.

34. Question: Does that exact bbl need to go to HI or can any likesame bbl be sent to HI... or does just being a wholesaler in HI qualify us for this but the bbl doesnt have to to go HI at all?

Answer: Please refer to Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) for further information regarding the State of Hawaii participating in this sale.