Company History

**Fueling America's Growth 1870 to 1950**
- Founded in Boston in 1870 by Charles Sprague
- Supplied whale oil and coal, helping to fuel America's industrialization
- Owned fleet of 27 vessels transporting coal – Thomas Lawson (above)
- Ran Allied coal support efforts in WWI and WWII

**Terminals and Fuels Expansion 1950-1960; Energy Crisis 1970 to 1985**
- Transitioned to residual fuel oils
- Acquired and built new terminals
- Focused on industrial customers
- Sprague family sold to Royal Dutch Shell…
- …only to sell to Axel Johnson Inc. two years later
- Expanded into distillate fuels and reseller class of trade
- Built two small refineries

**Expanding the Asset Base 1986 to 2000**
- Expanded product offerings:
  - Gasoline
  - Natural Gas & Electricity
- Leveraged terminals for bulk materials handling
  - Coal
  - Gypsum
  - Road Salt
- Initiated bulk liquid storage
  - Asphalt
  - Clay Slurry
  - Vegetable Oil

**Expanding Capabilities 2000-2010**
- Invested substantially in system/process improvement
- Acquired RAD Energy and expanded delivered business
- Expanded into break bulk handling of paper/forest products
- Introduced Biofuel
- Acquired Hesco; propelled down-market Natural Gas expansion
- Acquired 50% equity investment in Kildair
  - Asphalt and residual fuel marketing and storage (3.2 MM bbl tankage)
Company History – 2010 to Present

Expanding the Footprint

• SpraguePORT® RealTime® programs

• Geographical footprint in Northeast expanded (Castle Oil, Carbo, L.E.Belcher, Capital acquisitions)
  o Increased to more than 20 controlled terminals
  o Natural Gas to 14,000 commercial and industrial customer locations

• In 2017, acquired Coen Energy of Washington, PA and Carbo Industries, Lawrence, NY

• In 2018, Sprague’s Mt Vernon, NY terminal supplied the City of New York with renewable diesel, a low-emission, 99% petroleum-free fuel, to power over 1,000 city government vehicles, the first project of its kind in the northeast

• In 2019, partnered with Picktricity to expand the use of Solar Panel technology on Sprague’s storage tanks, while offering a solution to other terminal operators, building owners, landfills and other unused land properties throughout the United States
Our Lines of Business

Refined Products

Natural Gas/Electricity

Materials Handling
Sprague’s Extensive Network
Over the Years: A Transition to Lower Carbon Offerings

- Incentives
- Federal Programs
- Customer Demand
- Environmental Stewardship

Industry Evolving

Traditional fuels> biodiesel, renewable diesel, ethanol, electricity, hydrogen and potential new products which may be commercially available

- Natural Gas/Electricity
- Solar/Wind
- Sustainability Efforts
Considerations and Framing of a Program

Targeted Stakeholder Input and Feedback Critical
- entire distribution chain
- combustion of end users/consumers
- States opting in and out of a program
- reporting challenges

Support already achieved carbon reductions in transportation fuels today and in the future
- biofuels and other clean fuels/energy are now part of the fuel fabric

Financial and administrative burdens
- suppliers (unknown/every supplier different impact)
- combustion end users/consumers (can fleets/consumer absorb the unknown cost impact and additional regulation)
Considerations and Framing of a Program

Exhaust all other avenues to fund the revenue stream resulting in both revenue and incentivizing cleaner vehicles and cleaner fuels

- For example: integrate into each State’s DMV registration process
  the combustion user paying for the energy BTU consuming
  based on the vehicle of their choice

The northeast with its fragmented supply and distribution is not California

- State vs. multiple States
- refiners vs. thousand’s of non-refiner and few refiner marketers
- interstate and out of/ into the area supply and distribution
- gasoline supply may be blended prior to entering storage or blended in terminal
- diesel and heating fuel may be combined virtual storage and bio-blended:
  prior to terminal discharge
  terminal storage tank
  terminal rack injection
  after departing terminal
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