

# Potential and Pitfalls of E85 Distribution

***E85 at Sheetz***

- Currently have 350 stores in 6 states
- We've been selling E85 at 3 stores around Pittsburgh since August 2006

***The E85 Experience***

- Store
- Customer
- Economics

## ***E85 at the Store***

- Product Displacement
- Tank Preparation
- Employee Training
- MPD Labeling
- Store Signage
- Retail Pricing Strategy
- Displaced Customers
- New Customer?

*E85 Dispenser*



## ***E85 with the Customer***

- A New Choice
- Benefits of Ethanol
- Ethanol Backlash
- Number of FFV's
- VIN Identification
- Value Proposition
- Miss-fueling
- Claims

## ***E85 Economics***

- Installation/Conversion Costs
- Displaced Product
- E85 Availability/Cost
- Retail Margin
- Low Sales Volume
- Margin Risk
- Publicity

**E85 Breakeven Retail Price**

		Retail 87 Price											
		2.45	2.99	3.09	3.19	3.29	3.39	3.49	3.59	3.69	3.79	3.89	3.99
Lost Mileage %	15%	2.54	2.63	2.71	2.80	2.88	2.97	3.05	3.14	3.22	3.31	3.39	
	18%	2.45	2.53	2.62	2.70	2.78	2.86	2.94	3.03	3.11	3.19	3.27	
	21%	2.36	2.44	2.52	2.60	2.68	2.76	2.84	2.92	2.99	3.07	3.15	
	24%	2.27	2.35	2.42	2.50	2.58	2.65	2.73	2.80	2.88	2.96	3.03	
	27%	2.18	2.26	2.33	2.40	2.47	2.55	2.62	2.69	2.77	2.84	2.91	
	30%	2.09	2.16	2.23	2.30	2.37	2.44	2.51	2.58	2.65	2.72	2.79	