UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 2018

Commission File Number 001-37469

GREEN PLAINS PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware	**47-3822258**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1811 Aksarben Drive, Omaha, NE 68106	**(402) 884-8700**
(Address of principal executive offices, including zip code)	(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	
Smaller reporting company ☐	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

The registrant had 31,830,431 common units outstanding as of November 5, 2018.

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Commonly Used Defined Terms

The abbreviations, acronyms and industry terminology used in this quarterly report are defined as follows:

Green Plains Partners LP, Subsidiaries, and Partners:

DKGP	DKGP Energy Terminals LLC
Green Plains Operating Company	Green Plains Operating Company LLC
Green Plains Partners; the partnership	Green Plains Partners LP and its subsidiaries
NLR	NLR Energy Logistics LLC

Green Plains Inc. and Subsidiaries:

Green Plains; the parent or sponsor	Green Plains Inc. and its subsidiaries
Green Plains Holdings, the general partner	Green Plains Holdings LLC
Green Plains Trade	Green Plains Trade Group LLC

Other Defined Terms:

2017 annual report	The partnership's annual report on Form 10-K for the year ended December 31, 2017, filed February 14, 2018
ARO	Asset retirement obligation
ASC	Accounting Standards Codification
Bgy	Billion gallons per year
CAFE	Corporate Average Fuel Economy
CAMEX	Brazil Chamber of Foreign Trade
Conflicts committee	The partnership's committee reviewing situations involving a transaction with an affiliate or a conflict of interest
D.C.	District of Columbia
E10	Gasoline blended with up to 10% ethanol by volume
E15	Gasoline blended with up to 15% ethanol by volume
E85	Gasoline blended with up to 85% ethanol by volume
EBITDA	Earnings before interest, taxes, depreciation and amortization
EIA	U.S. Energy Information Administration
EISA	Energy Independence and Security Act of 2007, as amended
EPA	U.S. Environmental Protection Agency
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	U.S. Generally Accepted Accounting Principles
IPO	Initial public offering of Green Plains Partners LP
LIBOR	London Interbank Offered Rate
LTIP	Green Plains Partners LP 2015 Long-Term Incentive Plan
Mmg	Million gallons
MTBE	Methyl tertiary-butyl ether
MVCs	Minimum volume commitments
Partnership agreement	First Amended and Restated Agreement of Limited Partnership of Green Plains Partners LP, dated as of July 1, 2015, between Green Plains Holdings LLC and Green Plains Inc.
PCAOB	Public Company Accounting Oversight Board
RBOB	Reformulated blendstock for oxygenate blending
RFS II	Renewable Fuels Standard II
RIN	Renewable identification number
RVO	Renewable volume obligation
SEC	Securities and Exchange Commission
U.S.	United States
USDA	U.S. Department of Agriculture

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

GREEN PLAINS PARTNERS LP

CONSOLIDATED BALANCE SHEETS

(in thousands, except unit amounts)

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 432	$ 502
Accounts receivable	732	2,640
Accounts receivable from affiliates	17,842	17,334
Amortizable lease costs	-	96
Prepaid expenses and other	743	1,062
Total current assets	19,749	21,634
Property and equipment, net of accumulated depreciation and amortization of $32,394 and $28,977, respectively	46,156	48,305
Goodwill	10,598	10,598
Investment in equity method investees	3,580	2,237
Note receivable	8,100	8,100
Other assets	1,128	1,394
Total assets	$ 89,311	$ 92,268
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Accounts payable	$ 7,534	$ 5,854
Accounts payable to affiliates	4,005	2,106
Accrued and other liabilities	4,600	6,684
Asset retirement obligations	676	192
Unearned revenue	148	1,222
Total current liabilities	16,963	16,058
Long-term debt	136,012	134,875
Deferred lease liability	832	797
Asset retirement obligations	2,904	3,384
Total liabilities	156,711	155,114
Commitments and contingencies (Note 8)		
Partners' capital		
Common unitholders - public (11,551,147 and 11,532,565 units issued and outstanding, respectively)	114,324	115,747
Common unitholders - Green Plains (20,279,284 and 4,389,642 units issued and outstanding, respectively)	(180,729)	(38,505)
Subordinated unitholders - Green Plains (0 and 15,889,642 units issued and outstanding, respectively)	-	(139,376)
General partner interests	(995)	(712)
Total partners' capital	(67,400)	(62,846)
Total liabilities and partners' capital	$ 89,311	$ 92,268

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and in thousands, except per unit amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Revenues				
Affiliate	$ 24,472	$ 24,748	$ 72,949	$ 74,019
Non-affiliate	1,298	1,701	4,546	4,724
Total revenues	25,770	26,449	77,495	78,743
Operating expenses				
Operations and maintenance (excluding depreciation and amortization reflected below)	7,283	8,346	23,586	25,161
General and administrative	1,109	922	3,689	3,258
Depreciation and amortization	1,120	1,280	3,406	3,781
Total operating expenses	9,512	10,548	30,681	32,200
Operating income	16,258	15,901	46,814	46,543
Other income (expense)				
Interest income	21	20	61	61
Interest expense	(1,871)	(1,412)	(5,253)	(3,941)
Other	-	-	75	-
Total other expense	(1,850)	(1,392)	(5,117)	(3,880)
Income before income taxes and income (loss) from equity method investees	14,408	14,509	41,697	42,663
Income tax expense	(5)	(43)	(70)	(135)
Income (loss) from equity method investees	48	-	(82)	-
Net income	$ 14,451	$ 14,466	$ 41,545	$ 42,528
Net income attributable to partners' ownership interests:				
General partner	$ 289	$ 290	$ 831	$ 851
Limited partners - common unitholders	10,726	7,097	24,015	20,856
Limited partners - subordinated unitholders	3,436	7,079	16,699	20,821
Earnings per limited partner unit (basic and diluted):				
Common units	$ 0.44	$ 0.45	$ 1.28	$ 1.31
Subordinated units	$ 0.46	$ 0.45	$ 1.28	$ 1.31
Weighted average limited partner units outstanding (basic and diluted):				
Common units	24,403	15,922	18,780	15,914
Subordinated units	7,427	15,890	13,038	15,890

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited and in thousands)

	Nine Months Ended September 30,	
	2018	**2017**
Cash flows from operating activities:		
Net income	$ 41,545	$ 42,528
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,406	3,781
Accretion	4	178
Amortization of debt issuance costs	453	362
Increase in deferred lease liability	35	45
Unit-based compensation	196	159
Loss from equity method investees	82	-
Other	1	-
Changes in operating assets and liabilities:		
Accounts receivable	1,908	701
Accounts receivable from affiliates	(508)	(1,056)
Prepaid expenses and other assets	319	382
Accounts payable and accrued liabilities	(1,417)	(770)
Accounts payable to affiliates	1,899	(614)
Other	34	(33)
Net cash provided by operating activities	47,957	45,663
Cash flows from investing activities:		
Purchases of property and equipment, net	(1,222)	(1,912)
Contributions to equity method investees	(1,425)	(1,284)
Net cash used in investing activities	(2,647)	(3,196)
Cash flows from financing activities:		
Payments of distributions	(46,302)	(42,839)
Proceeds from revolving credit facility	58,700	51,000
Payments on revolving credit facility	(57,600)	(51,000)
Payments of loan fees	(185)	-
Other	7	3
Net cash used in financing activities	(45,380)	(42,836)
Net change in cash and cash equivalents	(70)	(369)
Cash and cash equivalents, beginning of period	502	622
Cash and cash equivalents, end of period	$ 432	$ 253
Supplemental disclosures of cash flow		
Cash paid for income taxes	$ 124	$ 143
Cash paid for interest	$ 4,799	$ 3,591
Capital expenditures in accounts payable	$ 35	$ -

See accompanying notes to the consolidated financial statements.

GREEN PLAINS PARTNERS LP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. BASIS OF PRESENTATION, DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

References to “the partnership” in the consolidated financial statements and notes to the consolidated financial statements refer to Green Plains Partners LP and its subsidiaries.

Green Plains Holdings LLC, a wholly owned subsidiary of Green Plains Inc., serves as the general partner of the partnership. References to (i) “the general partner” and “Green Plains Holdings” refer to Green Plains Holdings LLC; (ii) “the parent,” “the sponsor” and “Green Plains” refer to Green Plains Inc.; and (iii) “Green Plains Trade” refers to Green Plains Trade Group LLC, a wholly owned subsidiary of Green Plains.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the partnership and its controlled subsidiaries. All significant intercompany balances and transactions are eliminated on a consolidated basis for reporting purposes. Results for the interim periods presented are not necessarily indicative of the expected results for the entire year.

The accompanying unaudited consolidated financial statements are prepared in accordance with GAAP for interim financial information and instructions to Form 10-Q and Article 10 of Regulation S-X. Because they do not include all of the information and footnotes required by GAAP, the consolidated financial statements should be read in conjunction with the partnership’s 2017 annual report on Form 10-K for the year ended December 31, 2017.

The partnership accounts for its interest in joint ventures using the equity method of accounting, with its investment recorded at the acquisition cost plus the partnership’s share of equity in undistributed earnings or losses and reduced by distributions received.

Use of Estimates in the Preparation of Consolidated Financial Statements

Preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses during the reporting period. The partnership bases its estimates on historical experience and assumptions it believes are proper and reasonable under the circumstances. The partnership regularly evaluates the appropriateness of these estimates and assumptions. Actual results could differ from those estimates. Key accounting policies, including, but not limited to, those related to depreciation of property and equipment, asset retirement obligations, and impairment of long-lived assets and goodwill, are impacted significantly by judgments, assumptions and estimates used to prepare the consolidated financial statements.

Description of Business

The partnership provides fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses. The partnership is its parent’s primary downstream logistics provider to support the parent’s approximately 1.5 bgy ethanol marketing and distribution business since the partnership’s assets are the principal method of storing and delivering the ethanol its parent produces. The ethanol produced by the parent is predominantly fuel grade, made principally from starch extracted from corn, and primarily used for blending with gasoline. Ethanol currently comprises approximately 10% of the U.S. gasoline market and is an economical source of octane and oxygenates for blending into the fuel supply. The partnership does not take ownership of, or receive any payments based on the value of the ethanol, other fuels or products it handles. As a result, the partnership does not have any direct exposure to fluctuations in commodity prices.

Revenue Recognition

The partnership recognizes revenue when obligations under the terms of a contract with a customer are satisfied. Generally this occurs with the completion of services or the transfer of control of products to the customer or another specified third party. Operating lease revenue related to minimum volume commitments is recognized on a straight-line basis over the term of the lease. To the extent shortfalls associated with minimum volume commitments in the previous four quarters continue to exist, volumes in excess of the minimum volume commitment are applied to those shortfalls. Remaining excess volumes generating operating lease revenue are recognized as incurred.

The partnership generates a substantial portion of its revenues under fee-based commercial agreements with Green Plains Trade. Please refer to *Note 2 - Revenue* to the consolidated financial statements for further details.

Operations and Maintenance Expenses

The partnership's operations and maintenance expenses consist primarily of lease expenses related to the transportation assets, labor expenses, outside contractor expenses, insurance premiums, repairs and maintenance expenses, and utility costs. These expenses also include fees for certain management, maintenance and operational services to support the storage and terminal facilities, trucks, and leased railcar fleet allocated by Green Plains under the operational services and secondment agreement.

Concentrations of Credit Risk

In the normal course of business, the partnership is exposed to credit risk resulting from the possibility a loss may occur due to failure of another party to perform according to the terms of their contract. The partnership provides fuel storage and transportation services for various parties with a significant portion of its revenues earned from Green Plains Trade. The partnership continually monitors its credit risk exposure and concentrations. Please refer to *Note 2 – Revenue* and *Note 9 – Related Party Transactions* to the consolidated financial statements for additional information.

Segment Reporting

The partnership accounts for segment reporting in accordance with ASC 280, *Segment Reporting*, which establishes standards for entities reporting information about the operating segments and geographic areas in which they operate. Management evaluated how its chief operating decision maker has organized the partnership for purposes of making operating decisions and assessing performance, and concluded it has one reportable segment.

Asset Retirement Obligations

The partnership records an ARO for the fair value of the estimated costs to retire a tangible long-lived asset in the period incurred if it can be reasonably estimated, which is subsequently adjusted for accretion expense. Corresponding asset retirement costs are capitalized as a long-lived asset and depreciated on a straight-line basis over the asset's remaining useful life. The expected present value technique used to calculate the fair value of the AROs includes assumptions about costs, settlement dates, interest accretion, and inflation. Changes in assumptions, such as the amount or timing of estimated cash flows, could increase or decrease the AROs. The partnership's AROs are based on legal obligations to perform remedial activity related to land, machinery and equipment when certain operating leases expire.

Equity Method Investments

The partnership accounts for investments in which the partnership exercises significant influence using the equity method so long as the partnership (i) does not control the investee and (ii) is not the primary beneficiary of the entity. The partnership recognizes these investments as a separate line item in the consolidated balance sheets. The partnership's proportional share of earnings or loss in these investments is recognized on a one-month lag as a separate line item in the consolidated statements of operations.

The partnership recognizes losses in the value of equity method investees when there is evidence of an other-than-temporary decrease in value. Evidence of a loss might include, but would not necessarily be limited to, the inability to recover the carrying amount of the investment or the inability of the equity method investee to sustain an earnings capacity that justifies the carrying amount of the investment. The current fair value of an investment that is less than its carrying amount may indicate a loss in value of the investment. The partnership evaluates equity method investees when there is evidence an investment may be impaired.

Distributions paid to the partnership from unconsolidated equity method investees are classified as operating activities in the consolidated statements of cash flows until the cumulative distributions exceed the partnership's proportional share of income from the equity method investees since the date of initial investment. The amount of cumulative distributions paid to the partnership that exceeds the cumulative proportional share of income in each period represents a return of investment, which is classified as an investing activity in the consolidated statements of cash flows.

Recent Accounting Pronouncements

On January 1, 2018, the partnership adopted the amended guidance in ASC Topic 606, *Revenue from Contracts with Customers*. Please refer to *Note 2 - Revenue* to the consolidated financial statements for further details.

Effective January 1, 2018, the partnership early adopted the amended guidance in ASC Topic 350, *Intangibles – Goodwill and Other: Simplifying the Test for Goodwill Impairment*, which simplifies the measurement of goodwill by eliminating Step 2 from the goodwill impairment test. The annual goodwill impairment test will be performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge equal to the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit, would be recognized. The amended guidance will be applied prospectively when the annual impairment testing is performed in the current year. The partnership does not believe the new guidance will have a material impact on the consolidated financial statements.

Effective January 1, 2019, the partnership will adopt the amended guidance in ASC Topic 842, *Leases*, which aims to make leasing activities more transparent and comparable, requiring substantially all leases to be recognized by lessees on the balance sheet as a right-of-use asset and corresponding lease liability, including leases currently accounted for as operating leases. The new standard is effective for fiscal years and interim periods within those years, beginning after December 15, 2018. The standard requires a modified retrospective transition approach and allows for early adoption. In July 2018, the FASB issued Accounting Standards Update, *Leases (Topic 842): Targeted Improvements*, which provides an option to apply the transition provisions of the new standard at adoption date instead of the earliest comparative period presented in the financial statements. The partnership will elect to use this optional transition method.

The partnership has established an implementation team which continues to review current accounting policies, internal controls, processes, and disclosures that will change as a result of adopting the new standard. The partnership has gathered information on existing leases to obtain a complete population of leases upon adoption, and has implemented a lease accounting system, which will assist in delivering the required accounting changes and disclosures. The new standard will significantly increase right-of-use assets and lease liabilities on the partnership's consolidated balance sheet, primarily due to operating leases that are currently not recognized on the balance sheet. In addition, it will also require expanded disclosures in the partnership's consolidated financial statements. The partnership continues to evaluate the impact the new standard may have on revenue streams that are currently reported as operating lease revenue under GAAP. The partnership will complete its assessment of the impact of the new guidance on its consolidated financial statements during the fourth quarter of 2018.

2. REVENUE

Adoption of ASC Topic 606

On January 1, 2018, the partnership adopted the amended guidance in ASC Topic 606, *Revenue from Contracts with Customers*, and all related amendments ("new revenue standard") and applied it to all contracts using the modified retrospective transition method. There was no adjustment required to the consolidated January 1, 2018, balance sheet for the adoption of the new revenue standard. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. In addition, there was no impact of adoption on the consolidated statements of operations or balance sheets for the nine months ended September 30, 2018.

Revenue Recognition

The partnership recognizes revenue when obligations under the terms of a contract with a customer are satisfied. Generally this occurs with the completion of services or the transfer of control of products to the customer or another specified third party. Revenue is measured as the amount of consideration expected to be received in exchange for providing services.

Revenue by Source

The following table disaggregates our revenue by major source for the three and nine months ended September 30, 2018, and 2017 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Revenues				
Service revenues				
Terminal services	$ 2,132	$ 2,348	$ 6,912	$ 7,289
Trucking and other	1,419	961	3,722	2,163
Railcar transportation services	29	26	82	82
Total service revenues	3,580	3,335	10,716	9,534
Leasing revenues (1)				
Storage and throughput services	15,748	15,416	45,965	45,695
Railcar transportation services	6,127	7,358	19,698	22,087
Terminal services	315	340	1,116	1,427
Total leasing revenues	22,190	23,114	66,779	69,209
Total revenues	$ 25,770	$ 26,449	$ 77,495	$ 78,743

(1) Leasing revenues do not represent revenues recognized from contracts with customers under ASC Topic 606, *Revenue from Contracts with Customers*, and continue to be accounted for under ASC Topic 840, *Leases*.

Terminal Services Revenue

The partnership provides terminal services and logistics solutions to Green Plains Trade, and other customers, through its fuel terminal facilities under various terminal service agreements, some of which have minimum volume commitments. Revenue generated by these terminals is disaggregated between service revenue and leasing revenue in accordance with the new revenue standard. If Green Plains or other customers fail to meet their minimum volume commitments during the applicable term, a deficiency payment equal to the deficient volume multiplied by the applicable fee will be charged. Deficiency payments related to the partnership's terminal services revenue may not be utilized as credits toward future volumes. At terminals where customers have shared use of terminal and tank storage assets, revenue is generated from contracts with customers and accounted for as service revenue. This service revenue is recognized at the point in time when product is withdrawn from tank storage. At terminals where a customer is predominantly provided exclusive use of the terminal or tank storage assets, the partnership is considered a lessor as part of an operating lease agreement. Revenue is recognized over the term of the lease based on the minimum volume commitment or total actual throughput if in excess of the minimum volume commitment.

Trucking and Other Revenue

The partnership transports ethanol, natural gasoline, other refined fuels and feedstocks by truck from identified receipt points to various delivery points. Trucking revenue is recognized over time based on the percentage of total miles traveled, which is on average less than 100 miles.

Railcar Transportation Services Revenue

Under the rail transportation services agreement, Green Plains Trade is obligated to use the partnership to transport ethanol and other fuels from receipt points identified by Green Plains Trade to nominated delivery points. Green Plains Trade is required to pay the partnership fees for the minimum railcar volumetric capacity provided, regardless of utilization of that capacity. However, Green Plains Trade is not charged for railcar volumetric capacity that is not available for use due to inspections, upgrades or routine repairs and maintenance. Revenue associated with the rail transportation services fee is considered leasing revenue and is recognized over the term of the lease based on the actual average daily railcar volumetric capacity provided. The partnership may also charge Green Plains Trade a related services fee for logistical operations management of railcar volumetric capacity utilized by Green Plains Trade which is not provided by the partnership. Revenue associated with the related services fee is considered service revenue generated from contracts with customers and is recognized at a point in time based on average daily railcar volumetric capacity managed.

Storage and Throughput Revenue

The partnership generates leasing revenue from its storage and throughput agreement with Green Plains Trade based on contractual rates charged for the handling, storage and throughput of ethanol. Under this agreement, Green Plains Trade is required to pay the partnership a fee for a minimum volume commitment regardless of the actual volume delivered. If Green Plains Trade fails to meet its minimum volume commitment during any quarter, the partnership will charge Green Plains Trade a deficiency payment equal to the deficient volume multiplied by the applicable fee. The deficiency payment may be applied as a credit toward volumes delivered by Green Plains Trade in excess of the minimum volume commitment during the following four quarters, after which time any unused credits will expire. Revenue is recognized over the term of the lease based on the minimum volume commitment or total actual throughput if in excess of the minimum volume commitment.

Payment Terms

The partnership has standard payment terms, which vary depending on the nature of the services provided, with the majority of terms falling within 10 to 30 days after transfer of control or completion of services. Contracts generally do not include a significant financing component in instances where the timing of revenue recognition differs from the timing of invoicing.

Major Customers

Revenue from Green Plains Trade Group was $24.5 million and $72.9 million for the three and nine months ended September 30, 2018, respectively, and $24.7 million and $74.0 million for the three and nine months ended September 30, 2017, respectively, which exceeds 10% of the partnership's total revenue.

Contract Liabilities

The partnership records unearned revenue when consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of service and lease agreements. Unearned revenue from service agreements, which represents a contract liability, is recorded for fees that have been charged to the customer prior to the completion of performance obligations, and is generally recognized in the subsequent quarter.

The following table reflects the changes in our unearned revenue from service agreements for the three and nine months ended September 30, 2018 (in thousands):

	Amount
Balance at January 1, 2018	$ 194
Revenue recognized included in beginning balance	(194)
Net additions	228
Balance at March 31, 2018	228
Revenue recognized included in beginning balance	(228)
Net additions	181
Balance at June 30, 2018	181
Revenue recognized included in beginning balance	(181)
Net additions	148
Balance at September 30, 2018	$ 148

The partnership expects to recognize all of the unearned revenue associated with service agreements from contracts with customers as of September 30, 2018, in the subsequent quarter when the product is withdrawn from tank storage.

Unearned revenue associated with lease agreements is not considered a contract liability under the new revenue standard. There was no unearned revenue associated with lease agreements as of September 30, 2018, and $1.0 million as of December 31, 2017.

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3. DEBT

Revolving Credit Facility

Green Plains Operating Company has a $235.0 million revolving credit facility, which matures on July 1, 2020, to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. On February 20, 2018, the partnership accessed a portion of its available accordion to increase the revolving credit facility by $40.0 million, from $195.0 million to $235.0 million. The credit facility can be increased by an additional $20.0 million without the consent of the lenders. Advances under the credit facility, are subject to a floating interest rate based on the preceding fiscal quarter's consolidated leverage ratio at a base rate plus 1.25% to 2.00% or LIBOR plus 2.25% to 3.00%. The unused portion of the credit facility is also subject to a commitment fee of 0.35% to 0.50%, depending on the preceding fiscal quarter's consolidated leverage ratio.

The revolving credit facility is available for revolving loans, including sublimits of $30.0 million for swing line loans and $30.0 million for letters of credit. The revolving credit facility is guaranteed by the partnership, each of its existing subsidiaries, and any potential future domestic subsidiaries. As of September 30, 2018, the revolving credit facility had an average interest rate of 4.74%.

The partnership's obligations under the credit facility are secured by a first priority lien on (i) the capital stock of the partnership's present and future subsidiaries, (ii) all of the partnership's present and future personal property, such as investment property, general intangibles and contract rights, including rights under any agreements with Green Plains Trade, and (iii) all proceeds and products of the equity interests of the partnership's present and future subsidiaries and its personal property. The terms impose affirmative and negative covenants, including restrictions on the partnership's ability to incur additional debt, acquire and sell assets, create liens, invest capital, pay distributions and materially amend the partnership's commercial agreements with Green Plains Trade. The credit facility also requires the partnership to maintain a maximum consolidated net leverage ratio of 3.50x and a minimum consolidated interest coverage ratio of 2.75x, each of which is calculated on a pro forma basis with respect to acquisitions and divestitures occurring during the applicable period. The consolidated leverage ratio is calculated by dividing total funded indebtedness minus the lesser of cash in excess of $5.0 million or $30.0 million by the sum of the four preceding fiscal quarters' consolidated EBITDA. The consolidated interest coverage ratio is calculated by dividing the sum of the four preceding fiscal quarters' consolidated EBITDA by the sum of the four preceding fiscal quarters' interest charges.

On February 16, 2018, the partnership amended the permitted investment clause of the revolving credit facility to allow certain joint venture investments, including the future possible investment in the Beaumont export terminal through JGP Energy Partners LLC. All other material terms of the credit agreement remained substantially the same.

The partnership had $128.0 million and $126.9 million of borrowings outstanding under the revolving credit facility as of September 30, 2018, and December 31, 2017 respectively.

The partnership had $88 thousand and $125 thousand of debt issuance costs recorded as a direct reduction of the carrying value of the partnership's long-term debt as of September 30, 2018, and December 31, 2017, respectively.

Scheduled long-term debt repayments as of September 30, 2018, are as follows (in thousands):

Year Ending December 31,		**Amount**
2018	$	-
2019		-
2020		128,665
2021		671
2022		678
Thereafter		6,086
Total	$	136,100

Covenant Compliance

The partnership, including all of its subsidiaries, was in compliance with its debt covenants as of September 30, 2018.

4. UNIT-BASED COMPENSATION

The board of directors of the general partner adopted the LTIP upon completion of the IPO. The LTIP is intended to promote the interests of the partnership, its general partner and affiliates by providing unit-based incentive compensation awards to employees, consultants and directors to encourage superior performance. The LTIP reserves 2,500,000 common limited partner units for issuance in the form of options, restricted units, phantom units, distribution equivalent rights, substitute awards, unit appreciation rights, unit awards, profit interest units or other unit-based awards. The partnership measures unit-based compensation grants at fair value on the grant date and records noncash compensation expense related to the awards over the requisite service period.

The non-vested unit-based award activity for the nine months ended September 30, 2018, is as follows:

	Non-Vested Units	Weighted-Average Grant-Date Fair Value	Weighted-Average Remaining Vesting Term (in years)
Non-vested at December 31, 2017	11,549	$ 19.06	
Granted	18,582	16.96	
Forfeited	-	-	
Vested	(11,549)	19.06	
Non-vested at September 30, 2018	18,582	$ 16.96	0.8

Compensation costs related to the unit-based awards of $76 thousand and $196 thousand for the three and nine months ended September 30, 2018, respectively, and $40 thousand and $159 thousand for the three and nine months ended September 30, 2017, respectively, were recognized. A net benefit of $14 thousand was recognized during the three months ended September 30, 2017, as a reduction to compensation expense due to forfeitures during the period. As of September 30, 2018, there was $238 thousand of unrecognized compensation costs from unit-based compensation awards.

5. PARTNERS' CAPITAL

Components of partners' capital are as follows (in thousands):

	Partners' Capital				
	Limited Partners				
	Common Units-Public	Common Units-Green Plains	Subordinated Units-Green Plains	General Partner	Total
Balance, December 31, 2017	$ 115,747	$ (38,505)	$ (139,376)	$ (712)	$ (62,846)
Quarterly cash distributions to unitholders	(16,385)	(6,233)	(22,563)	(1,121)	(46,302)
Net income	14,766	9,249	16,699	831	41,545
Unit-based compensation, including general partner net contributions	196	-	-	7	203
Conversion of subordinated units	-	(145,240)	145,240	-	-
Balance, September 30, 2018	$ 114,324	$ (180,729)	$ -	$ (995)	$ (67,400)

A roll forward of the number of common and subordinated limited partner units outstanding is as follows:

	Common Units-Public	Common Units-Green Plains	Subordinated Units-Green Plains	Total
Units, December 31, 2017	11,532,565	4,389,642	15,889,642	31,811,849
Units issued under the LTIP	18,582	-	-	18,582
Conversion of subordinated units	-	15,889,642	(15,889,642)	-
Units, September 30, 2018	11,551,147	20,279,284	-	31,830,431

Subordinated Unit Conversion

The requirements under the partnership agreement for the conversion of all of the outstanding subordinated units into common units were satisfied upon the payment of the distribution with respect to the quarter ended June 30, 2018. Accordingly, the subordination period ended on August 13, 2018, the first business day after the date of the distribution payment, and all of the 15,889,642 outstanding subordinated units were converted into common units on a one-for-one basis. The conversion of the subordinated units does not impact the amount of cash distributions paid or the total number of outstanding units.

Issuance of Additional Securities

The partnership agreement authorizes the partnership to issue unlimited additional partnership interests on the terms and conditions determined by the general partner without unitholder approval.

Cash Distribution Policy

Quarterly distributions are made within 45 days after the end of each calendar quarter, assuming the partnership has sufficient available cash. Available cash generally means, all cash and cash equivalents on hand at the end of that quarter less cash reserves established by the general partner plus all or any portion of the cash on hand resulting from working capital borrowings made subsequent to the end of that quarter.

The general partner also holds incentive distribution rights that entitles it to receive increasing percentages, up to 48%, of available cash distributed from operating surplus, as defined in the partnership agreement, in excess of $0.46 per unit per quarter. The maximum distribution of 48% does not include any distributions the general partner or its affiliates may receive on its general partner interest, common units, or subordinated units.

On February 9, 2018, the partnership distributed $15.3 million to unitholders of record as of February 2, 2018, related to the quarterly cash distribution of $0.470 per unit that was declared on January 18, 2018, for the quarter ended December 31, 2017.

On May 11, 2018, the partnership distributed $15.5 million to unitholders of record as of May 4, 2018, related to the quarterly cash distribution of $0.475 per unit that was declared on April 19, 2018, for the quarter ended March 31, 2018.

On August 10, 2018, the partnership distributed $15.5 million to unitholders of record as of August 3, 2018, related to the quarterly cash distribution of $0.475 per unit that was declared on July 19, 2018, for the quarter ended June 30, 2018.

On October 18, 2018, the board of directors of the general partner declared a quarterly cash distribution of $0.475 per unit, or approximately $15.5 million, for the quarter ended September 30, 2018. The distribution will be paid on November 9, 2018, to unitholders of record as of November 2, 2018.

The total cash distributions declared for the three and nine months ended September 30, 2018, and 2017, are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
General partner distributions	$ 310	$ 299	$ 930	$ 877
Incentive distributions	73	-	219	-
Total distributions to general partner	383	299	1,149	877
Limited partner common units - public	5,487	5,305	16,452	15,564
Limited partner common units - Green Plains	9,633	2,020	13,803	5,926
Limited partner subordinated units - Green Plains	-	7,308	15,095	21,451
Total distributions to limited partners	15,120	14,633	45,350	42,941
Total distributions declared	$ 15,503	$ 14,932	$ 46,499	$ 43,818

6. EARNINGS PER UNIT

The partnership computes earnings per unit using the two-class method. Earnings per unit applicable to common units, and to subordinated units prior to the expiration of the subordination period, is calculated by dividing the respective limited partners' interest in net income by the weighted average number of common and subordinated units outstanding during the period, adjusted for the dilutive effect of any outstanding dilutive securities. Diluted earnings per limited partner unit was the same as basic earnings per limited partner unit as there were no potentially dilutive common or subordinated units outstanding as of September 30, 2018. The following tables show the calculation of earnings per limited partner unit – basic and diluted (in thousands, except for per unit data):

	Three Months Ended September 30, 2018			
	Limited Partner Common Units	Limited Partner Subordinated Units (1)	General Partner	Total
Net income:				
Distributions declared	$ 15,120	$ -	$ 383	$ 15,503
Earnings (less than) in excess of distributions	(4,394)	3,436	(94)	(1,052)
Total net income	$ 10,726	$ 3,436	$ 289	$ 14,451
Weighted-average units outstanding - basic and diluted	24,403	7,427		
Earnings per limited partner unit - basic and diluted	$ 0.44	$ 0.46		

(1) The subordinated units converted to common units on a one-for-one basis in August 2018 (see *Note 5 – Partners' Capital*).

	Nine Months Ended September 30, 2018			
	Limited Partner Common Units	Limited Partner Subordinated Units (1)	General Partner	Total
Net income:				
Distributions declared	$ 30,255	$ 15,095	$ 1,149	$ 46,499
Earnings (less than) in excess of distributions	(6,240)	1,604	(318)	(4,954)
Total net income	$ 24,015	$ 16,699	$ 831	$ 41,545
Weighted-average units outstanding - basic and diluted	18,780	13,038		
Earnings per limited partner unit - basic and diluted	$ 1.28	$ 1.28		

(1) The subordinated units converted to common units on a one-for-one basis in August 2018 (see *Note 5 – Partners' Capital*).

	Three Months Ended September 30, 2017			
	Limited Partner Common Units	Limited Partner Subordinated Units	General Partner	Total
Net income:				
Distributions declared	$ 7,325	$ 7,308	$ 299	$ 14,932
Earnings less than distributions	(228)	(229)	(9)	(466)
Total net income	$ 7,097	$ 7,079	$ 290	$ 14,466
Weighted-average units outstanding - basic and diluted	15,922	15,890		
Earnings per limited partner unit - basic and diluted	$ 0.45	$ 0.45		

	Nine Months Ended September 30, 2017			
	Limited Partner Common Units	Limited Partner Subordinated Units	General Partner	Total
Net income:				
Distributions declared	$ 21,490	$ 21,451	$ 877	$ 43,818
Earnings less than distributions	(634)	(630)	(26)	(1,290)
Total net income	$ 20,856	$ 20,821	$ 851	$ 42,528
Weighted-average units outstanding - basic and diluted	15,914	15,890		
Earnings per limited partner unit - basic and diluted	$ 1.31	$ 1.31		

7. INCOME TAXES

The partnership is a limited partnership, which is not subject to federal income taxes. The general partner and the unitholders are responsible for paying federal and state income taxes on their share of the partnership's taxable income. However, the partnership owns a subsidiary that is taxed as a corporation for federal and state income tax purposes. In addition, the partnership is subject to state income taxes in certain states. As a result, the financial statements reflect a provision or benefit for such income taxes.

The partnership recognizes uncertainties in income taxes based upon the technical merits of the position, and measures the maximum benefit and degree of likelihood to determine the tax liability in the financial statements.

Effective January 1, 2018, the partnership is required to comply with the Centralized Partnership Audit Regime (CPAR), which was enacted as part of the Bipartisan Budget Act of 2015. Prior to January 1, 2018, tax adjustments were determined at the partnership level, but any additional taxes, including applicable penalties and interest, were collected directly from the partners. Under the CPAR, if an audit of the partnership's income tax returns for fiscal years beginning after December 31, 2017, results in any adjustments, the IRS will collect the resulting taxes, penalties or interest directly from the partnership. An election is available to allocate the tax audit adjustments to the general partner and unitholders once they have been calculated at the partnership level. The partnership has 45 days upon receipt of notice of final adjustment to make the election. However, the partnership does not anticipate making such an election at this time.

8. COMMITMENTS AND CONTINGENCIES

Operating Leases

The partnership leases certain facilities, parcels of land and railcars under agreements that expire on various dates. For accounting purposes, lease expense is based on a straight-line amortization of total payments required over the term of the lease, which resulted in a deferred lease liability of $832 thousand and $797 thousand as of September 30, 2018, and December 31, 2017, respectively. The partnership incurred lease expense of $4.4 million and $14.8 million during the three and nine months ended September 30, 2018, respectively, and $5.5 million and $17.2 million during the three and nine months ended September 30, 2017. Aggregate minimum lease payments under these agreements for the remainder of 2018 and in future years are as follows (in thousands):

Year Ending December 31,	Amount
2018	$ 5,001
2019	15,770
2020	13,376
2021	7,696
2022	5,478
Thereafter	5,283
Total	$ 52,604

In accordance with the amended storage and throughput agreement with Green Plains Trade, Green Plains Trade is obligated to deliver a minimum of 296.6 mmg per calendar quarter to the partnership's storage facilities and pay $0.05 per gallon on all volume it throughputs associated with the agreement. The partnership also has minimum volume commitment terminal agreements with other customers at various rates. Minimum operating lease revenues under these agreements for the remainder of 2018 and in future years are as follows (in thousands):

Year Ending December 31,		**Amount**
2018	$	15,275
2019		59,320
2020		59,320
2021		59,320
2022		59,320
Thereafter		148,300
Total	$	400,855

In accordance with the amended rail transportation services agreement with Green Plains Trade, Green Plains Trade is required to pay the rail transportation services fee for railcar volumetric capacity provided by the partnership. Under the terms of the agreement, Green Plains Trade is not required to pay for volumetric capacity that is not available due to inspections, upgrades, or routine repairs and maintenance. As a result, the actual volumetric capacity billed may fluctuate based on the amount of volumetric capacity available for use during any applicable period. Anticipated minimum operating lease revenues under this agreement for the remainder of 2018 and in future years are as follows (in thousands):

Year Ending December 31,		**Amount**
2018	$	6,207
2019		21,726
2020		19,285
2021		11,687
2022		8,666
Thereafter		1,282
Total	$	68,853

Service Agreements

The partnership entered into agreements for contracted services with certain vendors that require the partnership to pay minimum monthly amounts, which expire on various dates. The partnership exceeded all minimum commitments under these agreements during the three and nine months ended September 30, 2018, and 2017. Aggregate minimum payments under these agreements for the remainder of 2018 and in future years are as follows (in thousands):

Year Ending December 31,		**Amount**
2018	$	253
2019		1,121
2020		240
2021		156
2022		156
Thereafter		-
Total	$	1,926

Legal

The partnership may be involved in litigation that arises during the ordinary course of business. The partnership is not currently party to any material litigation.

9. RELATED PARTY TRANSACTIONS

The partnership engages in various related party transactions with Green Plains and subsidiaries of Green Plains. Green Plains provides a variety of shared services to the partnership, including general management, accounting and finance, payroll and human resources, information technology, legal, communications and treasury activities. These costs are proportionally allocated by Green Plains to its subsidiaries based on common financial metrics management believes are reasonable. The partnership recorded expenses related to these shared services of $1.1 million and $3.5 million for the three and nine months ended September 30, 2018, respectively, and $1.0 million and $3.1 million for the three and nine months ended September 30, 2017, respectively. In addition, the partnership reimburses Green Plains for wages and benefit costs of employees directly performing services on its behalf. Green Plains may also pay certain direct costs on behalf of the partnership, which are reimbursed by the partnership. The partnership believes the consolidated financial statements reflect all material costs of doing business related to its operations, including expenses incurred by other entities on its behalf.

Omnibus Agreement

The partnership has entered into an omnibus agreement, as amended, with Green Plains and its affiliates which, among other terms and conditions, addresses the partnership's obligation to reimburse Green Plains for direct or allocated costs and expenses incurred by Green Plains for general and administrative services; the prohibition of Green Plains and its subsidiaries from owning, operating or investing in any business that owns or operates fuel terminals or fuel transportation assets; the partnership's right of first offer to acquire assets if Green Plains decides to sell them; a nontransferable, nonexclusive, royalty-free license to use the Green Plains trademark and name; the allocation of taxes among the parent, the partnership and its affiliates and the parent's preparation and filing of tax returns; and an indemnity by Green Plains for environmental and other liabilities.

If Green Plains or its affiliates cease to control the general partner, then either Green Plains or the partnership may terminate the omnibus agreement, provided that (i) the indemnification obligations of the parties survive according to their respective terms; and (ii) Green Plains' obligation to reimburse the partnership for operational failures survives according to its terms.

Operating Services and Secondment Agreement

The general partner has entered into an operational services and secondment agreement, as amended, with Green Plains. Under the terms of the agreement, Green Plains seconds employees to the general partner to provide management, maintenance and operational functions for the partnership, including regulatory matters, health, environment, safety and security programs, operational services, emergency response, employee training, finance and administration, human resources, business operations and planning. The seconded personnel are under the direct management and supervision of the general partner who reimburses the parent for the cost of the seconded employees, including wages and benefits. If a seconded employee does not devote 100% of his or her time providing services to the general partner, the general partner reimburses the parent for a prorated portion of the employee's overall wages and benefits based on the percentage of time the employee spent working for the general partner.

Under the operational services and secondment agreement, Green Plains will indemnify the partnership from any claims, losses or liabilities incurred by the partnership, including third-party claims, arising from their performance of the operational services secondment agreement; provided, however, that Green Plains will not be obligated to indemnify the partnership for any claims, losses or liabilities arising out of the partnership's gross negligence, willful misconduct or bad faith with respect to any services provided under the operational services and secondment agreement.

Commercial Agreements

The partnership has various fee-based commercial agreements with Green Plains Trade, including:

- 10-year storage and throughput agreement, expiring on June 30, 2025;
- 10-year rail transportation services agreement, expiring on June 30, 2025;
- 1-year trucking transportation agreement, expiring on May 31, 2019;
- Terminal services agreement for the Birmingham, Alabama unit train terminal, expiring December 31, 2019; and
- Various other terminal services agreements for other fuel terminal facilities, each with Green Plains Trade.

The storage and throughput, rail transportation services, and trucking transportation agreements have various automatic renewal terms if not cancelled by either party within specified timeframes. Please refer to *Item 15 – Exhibits, Financial Statement Schedule* in our annual report on Form 10-K for the year ended December 31, 2017, for further details.

The storage and throughput agreement and terminal services agreements are supported by minimum volume commitments. The rail transportation services agreement is supported by minimum take-or-pay volumetric capacity commitments.

Under the storage and throughput agreement, as amended, Green Plains Trade is obligated to deliver a minimum of 296.6 mmg of product per calendar quarter to the partnership's storage facilities and pay $0.05 per gallon on all volume it throughputs associated with the agreement. If Green Plains Trade fails to meet its minimum volume commitment during any quarter, Green Plains Trade will pay the partnership a deficiency payment equal to the deficient volume multiplied by the applicable fee. The deficiency payment may be applied as a credit toward volumes delivered by Green Plains Trade in excess of the minimum volume commitment during the following four quarters, after which time any unused credits will expire. Green Plains Trade exceeded the minimum volume commitment for the three months ended September 30, 2018, and received a $0.4 million credit related to the $0.7 million deficiency payment charged by the partnership for the three months ended March 31, 2018.

Under the rail transportation services agreement, Green Plains Trade is obligated to use the partnership to transport ethanol and other fuels from receipt points identified by Green Plains Trade to nominated delivery points. The partnership's leased railcar fleet consisted of approximately 3,500 railcars as of September 30, 2018. During the three and nine months ended September 30, 2018, the average monthly fee was approximately $0.0209 and $0.0223 per gallon, respectively, for the railcar volumetric capacity provided by the partnership, which was 98.2 and 98.6 mmg, respectively. During the three and nine months ended September 30, 2017, the average monthly fee was approximately $0.0259 and $0.0269 per gallon, respectively, for the railcar volumetric capacity provided by the partnership, which was 95.1 and 91.9 mmg, respectively.

Green Plains Trade is also obligated to use the partnership for logistical operations management and other services related to average railcar volumetric capacity provided by Green Plains Trade, which was approximately 7.1 mmg and 6.9 mmg for the three and nine months ended September 30, 2018, respectively. Green Plains Trade is obligated to pay a monthly fee of approximately $0.0013 per gallon for these services. In addition, Green Plains Trade reimburses the partnership for costs related to: (1) railcar switching and unloading fees; (2) increased costs related to changes in law or governmental regulation related to the specification, operation or maintenance of railcars; (3) demurrage charges, except when the charges are due to the partnership's gross negligence or willful misconduct; and (4) fees related to rail transportation services under transportation contracts with third-party common carriers. Green Plains Trade frequently contracts with the partnership for additional railcar volumetric capacity during the normal course of business at comparable margins.

Under the trucking transportation agreement, Green Plains Trade pays the partnership to transport ethanol and other fuels by truck from identified receipt points to various delivery points. Green Plains Trade is obligated to pay a monthly trucking transportation services fee equal to the aggregate volume transported in a calendar month by the partnership's trucks, multiplied by the applicable rate for each truck lane. A truck lane is defined as a specific and routine route of travel between a point of origin and point of destination. Rates for each truck lane are negotiated based on product, location, mileage and other factors. Green Plains Trade reimburses the partnership for costs related to: (1) truck switching and unloading fees; (2) increased costs related to changes in law or governmental regulation related to the specification, operation and maintenance of trucks; and (3) fees related to trucking transportation services under transportation contracts with third-party common carriers.

Under the Birmingham terminal services agreement, effective January 1, 2017, through December 31, 2019, Green Plains Trade is obligated to throughput a minimum volume commitment of approximately 2.8 mmg per month and pay associated throughput fees, as well as fees for ancillary services.

The partnership recorded revenues from Green Plains Trade under the storage and throughput agreement and rail transportation services agreement of $21.9 million and $65.7 million for the three and nine months ended September 30, 2018, respectively, and $22.8 million and $67.9 million for the three and nine months ended September 30, 2017, respectively. The partnership recorded revenues from Green Plains Trade and other Green Plains subsidiaries related to trucking and terminal services of $2.6 million and $7.2 million for the three and nine months ended September 30, 2018, respectively, and $1.9 million and $6.1 million for the three and nine months ended September 30, 2017, respectively.

Cash Distributions

The partnership distributed $10.0 million and $29.9 million to Green Plains related to the quarterly cash distribution paid for the three and nine months ended September 30, 2018, respectively, and $9.4 million and $27.6 million for the three and nine months ended September 30, 2017, respectively.

Equity Method Investments

The partnership entered into a project management agreement with NLR Energy Logistics LLC, effective June 23, 2017, in which NLR provided the partnership a fixed monthly fee to coordinate and manage the development, design, and construction of the Little Rock, Arkansas unit train terminal. The partnership recognized no income during the three months ended September 30, 2018, and $75 thousand of other income during the nine months ended September 30, 2018, for these services. There was no income recognized for these services during the three and nine months ended September 30, 2017. In addition, the partnership has recorded a receivable of $43 thousand for start-up costs to be reimbursed by NLR as of September 30, 2018.

Other Related Party Revenues and Expenses

The partnership incurs expenses charged by a subsidiary of the parent for cleaning of its storage tanks. The partnership incurred tank cleaning expense of $12 thousand and $22 thousand for the three and nine months ended September 30, 2018, and $36 thousand and $53 thousand for the three and nine months ended September 30, 2017, respectively, for these services.

10. EQUITY METHOD INVESTMENTS

NLR Energy Logistics LLC

In February 2017, the partnership and Delek Renewables LLC formed NLR Energy Logistics LLC, a 50/50 joint venture, to build an ethanol unit train terminal in the Little Rock, Arkansas area with capacity to unload 110-car unit trains and provide approximately 100,000 barrels of storage. Construction of the terminal was completed during the first quarter of 2018 at a total cost of approximately $7.0 million. Operations commenced at the beginning of the second quarter and the first unit train was received in July 2018.

The partnership's investment in NLR was financed through a combination of cash from operations and borrowings under its revolving credit facility. As of September 30, 2018, the partnership's investment balance in the joint venture was $3.6 million.

The partnership does not consolidate any part of the assets or liabilities or operating results of its equity method investees. The partnership’s share of net income or loss in the investee increases or decreases, as applicable, the carrying value of the investment. With respect to NLR, the partnership determined that this entity does not represent a variable interest entity and consolidation is not required. In addition, although the partnership has the ability to exercise significant influence over the joint venture through board representation and voting rights, all significant decisions require the consent of the other investor without regard to economic interest.

DKGP Energy Terminals LLC

On February 16, 2018, the partnership and Delek Logistics Partners LP formed DKGP Energy Terminals LLC, a 50/50 joint venture, to acquire and manage light products terminal assets in Texas and Arkansas. In conjunction with the formation of the joint venture, DKGP executed a membership interest purchase agreement with AMID Merger LP, to acquire all of the membership interests of AMID Refined Products LLC (“AMID”) for approximately $138.5 million. Due to regulatory obstacles, on August 1, 2018, DKGP Energy Terminals LLC notified AMID Merger LP of its termination of the membership interest purchase agreement.

During the three and nine months ended September 30, 2018, the partnership incurred $6 thousand and $288 thousand, respectively, of transaction costs associated with the formation of DKGP. The partnership did not make any equity contributions to DKGP.

Summarized Financial Information

The partnership's proportional share of equity method investee losses are reported on a one-month lag in the consolidated statements of operations. The following table presents combined summarized statement of operations data of our equity method investees for the three and nine months ended August 31, 2018 (amounts represent 100% of investee financial information in thousands, unaudited):

	Three Months Ended August 31, 2018	Nine Months Ended August 31, 2018
Total revenues	$ 365	$ 365
Total operating expenses	269	529
Net income (loss)	$ 96	$ (164)

11. SUBSEQUENT EVENTS

Asset Purchase Agreement

On October 8, 2018, the partnership's parent announced that it entered into an Asset Purchase Agreement to sell three of its ethanol plants located in Bluffton, Indiana, Lakota, Iowa, and Riga, Michigan to Valero Renewable Fuels Company, LLC ("Valero"). Correspondingly, the partnership entered into a separate Asset Purchase Agreement (the "Purchase Agreement") with its parent to sell the related storage assets to be disposed of in the sale to Valero for $120.9 million (the "Transaction"), subject to certain other post-closing adjustments. In addition, approximately 525 of the 3,500 railcars leased by the partnership are anticipated to be conveyed to Green Plains as part of the Transaction.

The partnership will receive approximately 8.9 million units owned by its parent as payment. The Purchase Agreement provides for the closing of the Transaction to occur immediately prior to the Green Plains sale to Valero.

The partnership and its parent have agreed, upon closing, to extend the storage and throughput services agreement with Green Plains Trade an additional three years to June 30, 2028. Upon closing, the quarterly minimum volume commitment associated with the storage and throughput services agreement will be 235.7 million gallons or, approximately 80% of the new Green Plains annual production capacity of 1.183 billion gallons.

The aforementioned transactions were reviewed and approved by the conflicts committee and are anticipated to close during the fourth quarter of 2018, subject to customary closing conditions and regulatory approvals.

Third Amendment to Credit Agreement

On October 12, 2018, the partnership amended its revolving credit facility to allow the sale of the ethanol storage assets associated with up to six ethanol plants owned by Green Plains, with no more than 600 million gallons of production capacity. Upon close of such sale, the revolving credit facility available will be decreased from $235 million to $200 million. In addition, the lenders permitted the exchange of units as consideration for the transaction and also permitted modifications of various key operating agreements. There were no other significant changes in other covenants.

Extension of Offer Period

Effective October 15, 2018, the partnership and its parent agreed to extend the offer period related to the potential purchase of the Green Plains interest in the JGP Energy Partners Beaumont, Texas terminal until June 30, 2019. The transaction was reviewed and approved by the conflicts committee.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information we believe is relevant to understand our consolidated financial condition and results of operations. This discussion should be read in conjunction with our unaudited consolidated financial statements and accompanying notes contained in this report together with our 2017 annual report. The results of operations for the three and nine months ended September 30, 2018, are not necessarily indicative of the results we expect for the full year.

Cautionary Information Regarding Forward-Looking Statements

Forward-looking statements are made in accordance with safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations that involve a number of risks and uncertainties and do not relate strictly to historical or current facts, but rather to plans and objectives for future operations. These statements may be identified by words such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "outlook," "plan," "predict," "may," "could," "should," "will" and similar expressions, as well as statements regarding future operating or financial performance or guidance, business strategy, environment, key trends and benefits of actual or planned acquisitions.

Factors that could cause actual results to differ from those expressed or implied in the forward-looking statements include those discussed in Part I, Item 1A, "Risk Factors," of our 2017 annual report or incorporated by reference. Specifically, we may experience fluctuations in future operating results due to changes in general economic, market or business conditions; foreign imports of ethanol; fluctuations in demand for ethanol and other fuels; risks of accidents or other unscheduled shutdowns affecting our assets, including mechanical breakdown of equipment or infrastructure; risks associated with changes to federal policy or regulation; ability to comply with changing government usage mandates and regulations affecting the ethanol industry; price, availability and acceptance of alternative fuels and alternative fuel vehicles, and laws mandating such fuels or vehicles; changes in operational costs at our facilities and for our railcars; failure to realize the benefits projected for capital projects; competition; inability to successfully implement growth strategies; the supply of corn and other feedstocks; unusual or severe weather conditions and natural disasters; ability and willingness of parties with whom we have material relationships, including Green Plains Trade, to fulfill their obligations; labor and material shortages; changes in the availability of unsecured credit and changes affecting the credit markets in general; and other risk factors detailed in our reports filed with the SEC.

We believe our expectations regarding future events are based on reasonable assumptions. However, these assumptions may not be accurate or account for all risks and uncertainties. Consequently, forward-looking statements are not guaranteed. Actual results may vary materially from those expressed or implied in our forward-looking statements. In addition, we are not obligated nor do we intend to update our forward-looking statements as a result of new information unless it is required by applicable securities laws. We caution investors not to place undue reliance on forward-looking statements, which represent management's views as of the date of this report or documents incorporated by reference.

Overview

Green Plains Partners provides fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses. We are Green Plains' primary downstream logistics provider and generate a substantial portion of our revenues under fee-based commercial agreements with Green Plains Trade for receiving, storing, transferring and transporting ethanol and other fuels, which are supported by minimum volume or take-or-pay capacity commitments.

Recent Developments

Extension of Offer Period – JGP Energy Partners

Effective October 15, 2018, we agreed with our parent to extend the offer period related to the potential purchase of the Green Plains interest in the JGP Energy Partners Beaumont, Texas terminal until June 30, 2019. The transaction was reviewed and approved by the conflicts committee.

Third Amendment to Credit Agreement

On October 12, 2018, we amended the revolving credit facility to allow the sale of the ethanol storage assets associated with up to six ethanol plants owned by our parent, with no more than 600 million gallons of production capacity. Upon close of such sale, the revolving credit facility available will be decreased from $235 million to $200 million. In addition, the lenders permitted the exchange of units as consideration for the transaction and also permitted modifications of various key operating agreements. There were no other significant changes in other covenants.

Asset Purchase Agreement with Green Plains Inc.

On October 8, 2018, our parent announced that it entered into an Asset Purchase Agreement to sell three of its ethanol plants located in Bluffton, Indiana, Lakota, Iowa, and Riga, Michigan to Valero Renewable Fuels Company, LLC ("Valero"). Correspondingly, we entered into a separate Asset Purchase Agreement (the "Purchase Agreement") with our parent to sell the storage assets to be disposed of in the sale to Valero for $120.9 million (the "Transaction"), subject to certain other post-closing adjustments. In addition, approximately 525 of our 3,500 leased railcars are anticipated to be conveyed to our parent as part of the Transaction.

We will receive approximately 8.9 million units owned by our parent as payment for the Transaction. The Purchase Agreement provides for the closing of the Transaction to occur immediately prior to our parent's sale to Valero.

We have agreed with our parent, upon closing, to extend the storage and throughput services agreement with Green Plains Trade an additional three years to June 30, 2028. Upon closing, the quarterly minimum volume commitment associated with the storage and throughput services agreement will be 235.7 million gallons or, approximately 80% of the new Green Plains Inc. annual production capacity of 1.183 billion gallons.

The aforementioned transactions were reviewed and approved by the conflicts committee and are anticipated to close during the fourth quarter of 2018, subject to customary closing conditions and regulatory approvals.

DKGP Energy Terminals LLC Membership Interest Purchase Agreement with AMID Merger LP Termination

On February 16, 2018, we partnered with Delek Logistics Partners LP to form DKGP Energy Terminals LLC, a 50/50 joint venture, to acquire and manage light products terminal assets in Texas and Arkansas. In conjunction with the formation of the joint venture, DKGP executed a membership interest purchase agreement with AMID Merger LP, to acquire all of the membership interests of AMID Refined Products LLC ("AMID") for approximately $138.5 million. Due to regulatory obstacles, on August 1, 2018, DKGP Energy Terminals LLC notified AMID Merger LP of its termination of the membership interest purchase agreement.

Completion of Construction and Commencement of Operations – NLR Energy Logistics LLC

During the first quarter of 2018, construction of the NLR Energy Logistics LLC ethanol unit train terminal in Little Rock, Arkansas was completed at a total cost of approximately $7.0 million. Operations commenced at the beginning of the second quarter and we received our first unit train in July 2018.

Results of Operations

During the third quarter of 2018, our parent's average utilization rate was approximately 81.3% of capacity, resulting in ethanol production of 304.8 mmg, compared with 313.6 mmg, or 83.7% of capacity, for the same quarter last year. Our parent will continue to evaluate production run rates and will flex production depending on market conditions. Green Plains Trade exceeded the minimum volume commitment for the three months ended September 30, 2018, and received a $0.4 million credit related to the $0.7 million deficiency payment charged by the partnership for the three months ended March 31, 2018.

Adjusted EBITDA and Distributable Cash Flow

Adjusted EBITDA is defined as earnings before interest expense, income tax expense, depreciation and amortization, plus adjustments for transaction costs related to acquisitions or financing transactions, minimum volume commitment deficiency payments, unit-based compensation expense, net gains or losses on asset sales, and our proportional share of EBITDA adjustments of equity method investees.

Distributable cash flow is defined as adjusted EBITDA less interest paid or payable, income taxes paid or payable, maintenance capital expenditures, which are defined under our partnership agreement as cash expenditures (including expenditures for the construction or development of new capital assets or the replacement, improvement or expansion of existing capital assets) made to maintain our operating capacity or operating income, and our proportional share of distributable cash flow adjustments of equity method investees.

Adjusted EBITDA and distributable cash flow are supplemental financial measures that we use to assess our financial performance. We believe their presentation provides useful information to investors in assessing our financial condition and results of operations. However, these presentations are not made in accordance with GAAP. The GAAP measure most directly comparable to adjusted EBITDA and distributable cash flow is net income. Since adjusted EBITDA and distributable cash flow may be defined differently by other companies in our industry, our definitions of adjusted EBITDA and distributable cash flow may not be comparable to similarly titled measures of other companies, diminishing their utility. Adjusted EBITDA and distributable cash flow should not be considered in isolation or as alternatives to net income or any other measure of financial performance presented in accordance with GAAP to analyze our financial performance and operating results.

The following table presents reconciliations of net income to adjusted EBITDA and to distributable cash flow, for the three and nine months ended September 30, 2018 and 2017 (unaudited, dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income	$ 14,451	$ 14,466	$ 41,545	$ 42,528
Interest expense	1,871	1,412	5,253	3,941
Income tax expense	5	43	70	135
Depreciation and amortization	1,120	1,280	3,406	3,781
MVC adjustments [1]	(747)	(828)	-	182
Transaction costs	6	-	288	-
Unit-based compensation expense	76	40	196	159
Proportional share of EBITDA adjustments of equity method investees [2]	45	-	45	-
Adjusted EBITDA	16,827	16,413	50,803	50,726
Interest paid or payable	(1,871)	(1,412)	(5,253)	(3,941)
Income taxes paid or payable	(4)	(43)	(68)	(135)
Maintenance capital expenditures	(35)	(18)	(50)	(182)
Distributable cash flow	$ 14,917	$ 14,940	$ 45,432	$ 46,468
Distributions declared [3]	$ 15,503	$ 14,932	$ 46,499	$ 43,818
Coverage ratio	0.96x	1.00x	0.98x	1.06x

(1) Adjustments related to the storage and throughput quarterly minimum volume commitments.
(2) Represents our proportional share of depreciation and amortization, interest expense, and income tax expense of equity method investees.
(3) Distributions declared for the applicable period and paid in the subsequent quarter.

Selected Financial Information and Operating Data

The following discussion reflects the results of the partnership for the three and nine months ended September 30, 2018, and 2017.

Selected financial information for the three and nine months ended September 30, 2018, and 2017, is as follows (unaudited, in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% Var.	2018	2017	% Var.
Revenues						
Storage and throughput services	$ 15,748	$ 15,416	2.2 %	$ 45,965	$ 45,695	0.6 %
Railcar transportation services	6,156	7,384	(16.6)	19,780	22,169	(10.8)
Terminal services	2,447	2,688	(9.0)	8,028	8,716	(7.9)
Trucking and other	1,419	961	47.7	3,722	2,163	72.1
Total revenues	25,770	26,449	(2.6)	77,495	78,743	(1.6)
Operating expenses						
Operations and maintenance (excluding depreciation and amortization reflected below)	7,283	8,346	(12.7)	23,586	25,161	(6.3)
General and administrative	1,109	922	20.3	3,689	3,258	13.2
Depreciation and amortization	1,120	1,280	(12.5)	3,406	3,781	(9.9)
Total operating expenses	9,512	10,548	(9.8)	30,681	32,200	(4.7)
Operating income	$ 16,258	$ 15,901	2.2 %	$ 46,814	$ 46,543	0.6 %

Selected operating data for the three and nine months ended September 30, 2018, and 2017, is as follows (unaudited):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	% Var.	2018	2017	% Var.
Product volumes (mmg)						
Storage and throughput services	314.1	308.3	1.9 %	926.7	913.9	1.4 %
Terminal services:						
Affiliate	35.2	33.1	6.3	101.3	124.5	(18.6)
Non-affiliate	28.1	38.8	(27.6)	90.7	99.3	(8.7)
	63.3	71.9	(12.0)	192.0	223.8	(14.2)
Railcar capacity billed (daily avg.)	98.2	95.1	3.3	98.6	91.9	7.3

Three Months Ended September 30, 2018, Compared with the Three Months Ended September 30, 2017

Consolidated revenues decreased $0.7 million for the three months ended September 30, 2018, compared with the same period for 2017. Revenues generated from rail transportation services decreased $1.2 million due to lower average rates charged for the railcar volumetric capacity provided. Revenues generated from terminal services decreased $0.2 million due to lower throughput at our fuel terminals. These decreases were partially offset by an increase in trucking and other revenue of $0.4 million primarily due to expansion of our truck fleet and an increase in storage and throughput services revenue of $0.3 million primarily due to an increase in throughput and transload volumes.

Operations and maintenance expenses decreased $1.1 million for the three months ended September 30, 2018, compared with the same period for 2017, primarily due to lower railcar lease expense.

General and administrative expenses increased $0.2 million for the three months ended September 30, 2018, compared with the same period for 2017, primarily due to increases in board expenses and professional fees.

Distributable cash flow for the three months ended September 30, 2018, was comparable to the same period for 2017.

Nine Months Ended September 30, 2018, Compared with the Nine Months Ended September 30, 2017

Consolidated revenues decreased $1.2 million for the nine months ended September 30, 2018, compared with the same period for 2017. Revenues generated from rail transportation services decreased $2.4 million due to lower average rates charged for the railcar volumetric capacity provided. Revenues generated from terminal services decreased $0.7 million due to lower throughput at our fuel terminals. These decreases were partially offset by an increase in trucking and other revenue of $1.6 million primarily due to expansion of our truck fleet and an increase in storage and throughput services revenue of $0.3 million primarily due to an increase in throughput and transload volumes.

Operations and maintenance expenses decreased $1.6 million for the nine months ended September 30, 2018, compared with the same period for 2017, primarily due to lower railcar lease expense of $2.4 million and lower unloading fees of $0.2 million, partially offset by increased wages, fuel and other expenses of $1.0 million as a result of the expansion of our trucking fleet.

General and administrative expenses increased $0.4 million for the nine months ended September 30, 2018, compared with the same period for 2017, primarily due to transaction costs related to the formation of the DKGP joint venture and associated membership purchase agreement to acquire AMID and an increase in expenses allocated by our parent under the secondment and omnibus agreements.

Distributable cash flow decreased $1.0 million for the nine months ended September 30, 2018, compared with the same period for 2017, primarily due to lower net income of $1.0 million. Interest expense increased $1.3 million due to higher interest rates and the $80 million year-over-year increase in the revolving credit facility capacity.

Industry Factors Affecting our Results of Operations

U.S. Ethanol Supply and Demand

According to the EIA, domestic ethanol production averaged 1.06 million barrels per day during the third quarter of 2018, which was slightly higher than the 1.04 million barrels for the previous quarter, but 3.0% higher than the same quarter of last year. Year-to-date, production volumes are up 2.2% in 2018 compared with the same period in 2017. Refiner and blender input volume increased slightly to 932 thousand barrels per day for the third quarter of 2018 compared with 931 thousand barrels per day for the same quarter last year. Gasoline demand was down slightly by 69 thousand barrels per day in the third quarter of 2018 or 0.7% compared to the same period a year ago. As of September 30, 2018, there were 1,628 retail stations selling E15 in 30 states, up from 1,210 at the beginning of the year, according to Growth Energy. Ethanol futures traded at an average discount of $0.71 to RBOB during the third quarter of 2018 related to weaker ethanol demand. U.S. domestic ethanol ending stocks increased by approximately 1.9 million barrels to 23.4 million barrels on September 30, 2018, year over year.

Global Ethanol Supply and Demand

According to the USDA Foreign Agriculture Service, year-to-date domestic ethanol exports through September 30, 2018, were 1.24 bg, up 25%, from 992.9 mmg for the comparable period in 2017. Brazil remained the largest export destination for U.S. ethanol, which accounted for 30% of domestic ethanol export volume despite the 20% tariff on U.S. ethanol imports in excess of 150 million liters, or 39.6 million gallons per quarter, imposed in September 2017 by Brazil’s Chamber of Foreign Trade, or CAMEX. Canada, India, and South Korea accounted for 21%, 7% and 5%, respectively, of U.S. ethanol exports.

On April 1, 2018, China announced it would add an additional 15% tariff to the existing 30% tariff it had earlier imposed on ethanol imports from the United States and Brazil. The cost to produce the equivalent amount of starch found in sugar from $3.50-per-bushel corn is 7 cents per pound. The average price of sugar was approximately 12 cents per pound during the third quarter of 2018, compared with an average of 15 cents per pound for 2017. We currently estimate that net ethanol exports will reach between 1.6 billion gallons and 1.7 billion gallons in 2018 based on historical demand from a variety of countries and certain countries who seek to improve their air quality and eliminate MTBE from their own fuel supplies.

Legislation and Regulation

We are sensitive to government programs and policies that affect the supply and demand for ethanol and other fuels, which in turn may impact the volume of ethanol and other fuels we handle. Congress may also consider legislation that would impact the RFS. Bills have been introduced in the House and Senate, which would either sunset the RFS entirely or sunset the corn based ethanol portion of the mandate.

Federal mandates supporting the use of renewable fuels are a significant driver of ethanol demand in the U.S. Ethanol policies are influenced by environmental concerns, diversifying our fuel supply, and an interest in reducing the country's dependence on foreign oil. Consumer acceptance of flex-fuel vehicles and higher ethanol blends of ethanol in non-flex-fuel vehicles may be necessary before ethanol can achieve significant growth in U.S. market share. CAFE, which was first enacted by Congress in 1975 to reduce energy consumption by increasing the fuel economy of cars and light trucks, provides a 54% efficiency bonus to flexible-fuel vehicles running on E85. Another important factor is a waiver in the Clean Air Act, known as the One-Pound Waiver, which allows E10 to be sold year-round, even though it exceeds the Reid vapor pressure limitation of nine pounds per square inch. However, the One-Pound Waiver does not apply to E15 or higher blends, even though it has similar physical properties to E10, so its sale is limited to flex-fuel vehicles only during the June 1 to September 15 summer driving season.

On October 8, 2018, President Trump directed the EPA to begin rulemaking to expand the One-Pound Waiver to E15 so it can be sold year round. The EPA will follow the Administrative Procedure Act in proposing a rule, accepting public comment, and then issuing a final rule. The President has stated a goal of having a final rule out before the start of summer driving season on June 1, 2019. Any final rule from the agency is susceptible to legal challenges.

When RFS II was passed in 2007 and rulemaking finalized in October 2010, the required volume of conventional renewable fuel to be blended with gasoline was to increase each year until it reached 15.0 billion gallons in 2015. In November 2017, the EPA announced it would maintain the 15.0 billion gallon mandate for conventional ethanol in 2018. In June 2018, the EPA proposed to maintain 15.0 billion gallons for 2019, and plans to finalize the rule by November 30, 2018.

The EPA has the authority to waive the mandates in whole or in part if there is inadequate domestic renewable fuel supply or the requirement severely harms the economy or environment. According to RFS II, if mandatory renewable fuel volumes are reduced by at least 20% for two consecutive years, the EPA is required to modify, or reset, statutory volumes through 2022. While conventional ethanol maintained 15 billion gallons, 2018 is the first year the total proposed RVOs are more than 20% below statutory volumes levels. Thus, the EPA Administrator directed his staff to initiate the required technical analysis to perform any future reset consistent with the reset rules. The reset will be triggered if the final 2019 RVOs continue to be more than 20% below the statutory levels, as is expected, and the EPA will be required to modify statutory volumes through 2022 within one year of the trigger event, based on the same factors used to set the RVOs post-2022.

The EPA assigns individual refiners, blenders, and importers the volume of renewable fuels they are obligated to use based on their percentage of total domestic transportation fuel sales. Obligated parties use RINs to show compliance with RFS-mandated volumes. RINs are attached to renewable fuels by producers and detached when the renewable fuel is blended with transportation fuel or traded in the open market. The market price of detached RINs affects the price of ethanol in certain markets and influences the purchasing decisions by obligated parties.

The EPA can, in consultation with the Department of Energy, waive the obligation for individual refineries that are suffering "disproportionate economic hardship" due to compliance with the RFS. To qualify, the refineries must be under 75,000 barrels per day and state their case for an exemption in an application to the EPA each year. The previous administration issued these sparingly, granting 7 of 15 petitions in 2015, in whole or in part, for a total of 292.5 million gallons.

The current administration has been granting these at a much higher rate, waiving the obligation for 19 of 20 applicants for compliance year 2016, totaling 790 million gallons, and 29 of 33 for compliance year 2017, totaling 1.46 billion gallons. This effectively reduces the annual RVO by that amount, since the waived gallons are not reallocated to other obligated parties at this time. The resulting surplus of RINs in the market has brought values down significantly, from the mid $0.80 range early in the year to around $0.10. Since the RIN value helps to make higher blends of ethanol more cost effective, lower RIN values could negatively impact retailer and consumer adoption of E15 and higher blends.

On July 28, 2017, the U.S. Federal District Court for the D.C. Circuit ruled in favor of the Americans for Clean Energy and its petitioners against the EPA related to its decision to lower the 2016 volume requirements. The Court concluded the EPA erred in how it interpreted the “inadequate domestic supply” waiver provision of RFS II, which authorizes the EPA to consider supply-side factors affecting the volume of renewable fuel available to refiners, blenders and importers to meet statutory volume requirements. The waiver provision does not allow the EPA to consider the volume of renewable fuel available to consumers or the demand-side constraints that affect the consumption of renewable fuel by consumers. As a result, the Court vacated the EPA’s decision to reduce the total renewable fuel volume requirements for 2016 through its waiver authority, which the EPA is expected to address. We believe this decision to confine the EPA’s waiver analysis to supply considerations benefits the industry overall and expect the primary impact will be on the RINs market. The EPA has not yet accounted for the 500 million gallons that the court in the Americans for Clean Energy case directed.

Valero Energy and refining trade group American Fuel and Petrochemical Manufacturers (AFPM) have challenged the EPA’s handling of the U.S. biofuel mandate in separate actions on January 26, 2018. AFPM is asking the D.C. U.S. Court of Appeals to review the EPA’s November 2017 decision to reject proposed changes to the structure of the RFS, including moving the point of obligation from refiners and importers of fuel to fuel blenders. Valero filed two petitions with the same court, one seeking review of the annual RVO rule set by the EPA for 2018 and 2019, which dictates the volumes of renewable fuels to be blended in the coming years, and a second arguing against the EPA’s December 2017 assertion that the agency has fulfilled its duty to periodically review the RFS as directed by statute.

Government actions abroad can significantly impact the demand for U.S. ethanol. In September 2017, China’s National Development and Reform Commission, the National Energy Board and 15 other state departments issued a joint plan to expand the use and production of biofuels containing up to 10% ethanol by 2020. China, the number three importer of U.S. ethanol in 2016, imported negligible volumes during the year due to a 30% tariff imposed on U.S. and Brazil fuel ethanol, which took effect in January 2017. There is no assurance the recently issued joint plan will lead to increased imports of U.S. ethanol, and recent trade tensions have caused China to raise their tariff on ethanol to 45% and then to 70%. Our exports also face tariff rate quotas, countervailing duties, and other hurdles in Brazil, the European Union, India, Peru, and elsewhere, which limits our ability to compete in some markets.

In Brazil, the Secretary of Foreign Trade issued an official written resolution, imposing a 20% tariff on U.S. ethanol imports in excess of 150 million liters, or 39.6 million gallons per quarter in September 2017. The ruling is valid for two years. In June 2017, the Energy Regulatory Commission of Mexico (CRE) approved the use of 10% ethanol blends, which was challenged by nine lawsuits. Four cases were dismissed. The five remaining cases follow one of two tracks: 1) to determine the constitutionality of the CRE regulation, or 2) to determine the benefits, or lack thereof, of introducing E10 to Mexico. Five of these cases were initially denied and are going through the appeals process. An injunction was granted in October 2017, preventing the blending and selling of E10, but was overturned by a higher court in June 2018 making it legal to blend and sell E10 by PEMEX throughout Mexico except for its three largest metropolitan areas. U.S. ethanol exports to Mexico totaled 30 mmg in 2017.

Liquidity and Capital Resources

Our principal sources of liquidity include cash generated from operating activities and borrowings under our revolving credit facility. We consider opportunities to repay, redeem, repurchase or refinance our debt, depending on market conditions, as part of our normal course of doing business. Our ability to meet our debt service obligations and other capital requirements depends on our future operating performance, which is subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. We plan to fund future expansion capital expenditures primarily from external sources, including borrowings under our revolving credit facility and issuances of debt and equity securities. We expect these sources will be adequate for both our short-term and long-term liquidity needs.

On February 20, 2018, we accessed a portion of our available accordion to increase the revolving credit facility capacity by $40.0 million, from $195.0 million to $235.0 million.

At September 30, 2018, we had $0.4 million of cash and cash equivalents and $107.0 million available under our revolving credit facility.

Net cash provided by operating activities was $48.0 million for the nine months ended September 30, 2018, compared with $45.7 million for the nine months ended September 30, 2017. Increased cash flows from operating activities resulted primarily from changes in net working capital. Net cash used in investing activities was $2.6 million for the nine months ended September 30, 2018, compared to $3.2 million for the nine months ended September 30, 2017, due to higher capital spend in the prior year for the expansion of our truck and tanker fleet. Net cash used in financing activities was $45.4 million for the nine months ended September 30, 2018, compared with $42.8 million for the nine months ended September 30, 2017. The change in cash used in financing activities was primarily due to increased cash distributions.

We incurred capital expenditures of $1.3 million for the nine months ended September 30, 2018, primarily due to expansion of our truck and tanker fleet. We do not anticipate significant capital spending for the remainder of 2018.

Equity method investee contributions related to the NLR joint venture were $1.4 million for the nine months ended September 30, 2018. We do not anticipate significant equity contributions to NLR for the remainder of 2018.

Effective October 8, 2018, we entered into an Asset Purchase Agreement to sell select storage and transportation assets to our parent for $120.9 million. As a result of this transaction, we anticipate an annual reduction in operating cash flow of approximately $14.6 million to be offset by a decrease in future distributions payable of approximately $17.0 million based on the current $1.90 per unit annual distribution. For more information, see *Note 11 – Subsequent Events* to the consolidated financial statements included in this report.

Revolving Credit Facility

Green Plains Operating Company has a $235.0 million secured revolving credit facility, which matures on July 1, 2020, to fund working capital, acquisitions, distributions, capital expenditures and other general partnership purposes. The facility can be increased by up to $20.0 million without the consent of the lenders. At September 30, 2018, the outstanding principal balance was $128.0 million with an average interest rate of 4.74%. For more information related to our debt, see *Note 3 – Debt* and *Note 11 – Subsequent Events* to the consolidated financial statements in this report.

Distributions to Unitholders

The partnership agreement provides for a minimum quarterly distribution of $0.40 per unit, which equates to approximately $13.0 million per quarter, or $51.9 million per year, based on the 2% general partner interest, the number of common units, and the number of subordinated units prior to the expiration of the subordination period, currently outstanding. For more information, see *Note 5 – Partners' Capital* to the consolidated financial statements included in this report.

On February 9, 2018, the partnership distributed $15.3 million to unitholders of record as of February 2, 2018, related to the quarterly cash distribution of $0.470 per unit that was declared on January 18, 2018, for the quarter ended December 31, 2017.

On May 11, 2018, the partnership distributed $15.5 million to unitholders of record as of May 4, 2018, related to the quarterly cash distribution of $0.475 per unit that was declared on April 19, 2018, for the quarter ended March 31, 2018.

On August 10, 2018, the partnership distributed $15.5 million to unitholders of record as of August 3, 2018, related to the quarterly cash distribution of $0.475 per unit that was declared on July 19, 2018, for the quarter ended June 30, 2018.

On October 18, 2018, the board of directors of the general partner declared a quarterly cash distribution of $0.475 per unit, or approximately $15.5 million, for the quarter ended September 30, 2018. The distribution will be paid on November 9, 2018, to unitholders of record as of November 2, 2018.

Contractual Obligations

Our contractual obligations as of September 30, 2018, were as follows (in thousands):

	Payments Due By Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Long-term debt obligations (1)	$ 136,100	$ -	$ 129,168	$ 1,359	$ 5,573
Interest and fees on debt obligations (2)	12,088	6,593	5,057	157	281
Operating leases (3)	52,604	16,982	22,895	8,188	4,539
Service agreements (4)	1,926	1,124	646	156	-
Other (5)	5,125	713	1,096	2,233	1,083
Total contractual obligations	$ 207,843	$ 25,412	$ 158,862	$ 12,093	$ 11,476

(1) Includes the current portion of long-term debt and excludes the effect of any debt discounts.
(2) Interest amounts are calculated over the terms of the loans using current interest rates, assuming scheduled principal and interest amounts are paid pursuant to the debt agreements. Includes administrative and/or commitment fees on debt obligations.
(3) Operating lease costs are primarily for property and railcar leases.
(4) Service agreements are primarily related to minimum commitments on railcar unloading contracts at our fuel terminals.
(5) Includes asset retirement obligations to return property to its original condition at the termination of lease agreements.

Critical Accounting Policies and Estimates

Key accounting policies, including those relating to depreciation of property and equipment, asset retirement obligations, and impairment of long-lived assets and goodwill are impacted significantly by judgments, assumptions and estimates used to prepare our consolidated financial statements. Information about our critical accounting policies and estimates are included in our 2017 annual report.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements other than operating leases that are entered into during the ordinary course of business and disclosed in the *Contractual Obligations* section above.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the risk of loss arising from adverse changes in market rates and prices. At this time, we conduct all of our business in U.S. dollars and are not exposed to foreign currency risk.

Interest Rate Risk

We are exposed to interest rate risk through our revolving credit facility, which bears interest at variable rates. At September 30, 2018, we had $128.0 million outstanding under our revolving credit facility. A 10% change in interest rates would affect our interest expense by approximately $607 thousand per year, assuming no changes in the amount outstanding or other variables under our revolving credit facility.

Other details about our outstanding debt are discussed in the notes to the consolidated financial statements included in this report and in our annual report.

Commodity Price Risk

We do not have any direct exposure to risks associated with fluctuating commodity prices because we do not own the ethanol and other fuels that are stored at our facilities or transported by our railcars and trucks.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information that must be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and participation of our chief executive officer and chief financial officer, management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2018, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act and concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

Management is responsible for establishing and maintaining effective internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles. There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Emerging Growth Company Status

As an emerging growth company, we are not required to provide an auditor's attestation report on the effectiveness of our system of internal control over financial reporting, adopt new or revised financial accounting standards until they apply to private companies, comply with any new requirements adopted by the PCAOB to rotate audit firms or supplement the auditor's report with additional information about the audit and financial statements of the issuer, or disclose the same level of information about executive compensation required of larger public companies.

We have elected to take advantage of these provisions except for the exemption that allows us to extend the transition period for compliance with new or revised financial accounting standards. This election is irrevocable.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We may be involved in litigation that arises during the ordinary course of business. We are not, however, involved in any material litigation at this time.

Item 1A. Risk Factors.

Investors should carefully consider the discussion of risks and the other information in our annual report on Form 10-K for the year ended December 31, 2017, in Part I, Item 1A, "Risk Factors," and the discussion of risks and other information in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under "Cautionary Information Regarding Forward-Looking Statements" of this report. Although we have attempted to discuss key factors, our investors need to be aware that other risks may prove to be important in the future. New risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. The following risk factor supplements and/or updates risk factors previously disclosed and should be considered in conjunction with the other information included in, or incorporated by reference in, this quarterly report on Form 10-Q.

Government mandates affecting ethanol usage could change and impact the ethanol market.

Under the provisions of the EISA, Congress established a mandate setting the minimum volume of renewable fuels that must be blended with gasoline under the RFS II, which affects the domestic market for ethanol. The EPA has the authority to waive the requirements, in whole or in part, if there is inadequate domestic renewable fuel supply or the requirement severely harms the economy or the environment. After 2022, volumes shall be determined by the EPA in coordination with the Secretaries of Energy and Agriculture, taking into account such factors as impact on environment, energy security, future rates of production, cost to consumers, infrastructure, and other factors such as impact on commodity prices, job creation, rural economic development, or impact on food prices.

Our parent's operations could be adversely impacted by legislation or EPA actions, as set forth below or otherwise, that may reduce the RFS II mandate. Similarly, should federal mandates regarding oxygenated gasoline be repealed, the market for domestic ethanol could be adversely impacted. Economic incentives to blend based on the relative value of gasoline versus ethanol, taking into consideration the octane value of ethanol, environmental requirements and the RFS II mandate, may affect future demand. A significant increase in supply beyond the RFS II mandate could have an adverse impact on ethanol prices. Moreover, changes to RFS II could negatively impact the price of ethanol or cause imported sugarcane ethanol to become more economical than domestic ethanol.

According to RFS II, if mandatory renewable fuel volumes are reduced by at least 20% for two consecutive years, the EPA is required to modify, or reset, statutory volumes through 2022. Since 2018 is the first year the total RVOs are more than 20% below statutory levels, the EPA Administrator directed his staff to initiate the required technical analysis to perform any future reset consistent with the reset rules. If 2019 RVOs are also more than 20% below statutory levels, the RVO reset will be triggered under RFS II and the EPA will be required to modify statutory volumes through 2022 within one year of the trigger event, based on the same factors used to set the RVOs post-2022.

The U.S. Federal District Court for the D.C. Circuit ruled on July 28, 2017, in favor of the Americans for Clean Energy and its petitioners against the EPA related to its decision to lower the 2016 volume requirements. The Court concluded the EPA erred in how it interpreted the "inadequate domestic supply" waiver provision of RFS II, which authorizes the EPA to consider supply-side factors affecting the volume of renewable fuel available to refiners, blenders, and importers to meet the statutory volume requirements. As a result, the Court vacated the EPA's decision to reduce the total renewable fuel volume requirements for 2016 through its waiver authority, which the EPA is expected to address.

On November 22, 2017, the EPA issued a Notice of Denial of Petitions for rulemaking to change the RFS point of obligation which resulted in the EPA confirming the point of obligation will not change. However, Valero Energy and refining trade group American Fuel and Petrochemical Manufacturers (AFPM) have challenged the EPA's handling of the U.S. biofuel mandate in separate actions on January 26, 2018. AFPM is asking the D.C. U.S. Court of Appeals to review the EPA's November 2017 decision to reject proposed changes to the structure of the RFS, including moving the point of obligation from refiners and importers of fuel to fuel blenders. Valero filed two petitions with the same court, one seeking review of the annual Renewable Volume Obligation (RVO) rule set by the EPA for 2018 and 2019, which dictates the volumes of renewable fuels to be blended in the coming years, and a second arguing against the EPA's December 2017 assertion that the agency has fulfilled its duty to periodically review the RFS as directed by statute.

Future demand may be influenced by economic incentives to blend based on the relative value of gasoline versus ethanol, taking into consideration the octane value of ethanol, environmental requirements and the RFS II mandate. A significant increase in supply beyond the RFS II mandate could have an adverse impact on ethanol prices. Moreover, any changes to RFS II originating from issues associated with the market price of RINs could negatively impact the demand for ethanol, discretionary blending of ethanol and/or the price of ethanol. Recent actions by the EPA to grant small refiner exemptions as well as the Philadelphia Energy Solutions Bankruptcy Court's decision to grant RIN relief have resulted in lower RIN prices.

Flexible-fuel vehicles, which are designed to run on a mixture of fuels such as E85, receive preferential treatment to meet corporate average fuel economy standards in the form of CAFE credits. Flexible-fuel vehicle credits have been decreasing since 2014 and will be completely phased out by 2020. Absent CAFE preferences, auto manufacturers may not be willing to build flexible-fuel vehicles, reducing the growth of E85 markets and resulting in lower ethanol prices.

To the extent federal or state laws or regulations are modified, the demand for ethanol may be reduced, which could negatively and materially affect our financial performance.

We may be affected by our parent's portfolio optimization strategy.

Our parent has announced that it is evaluating the performance of its entire portfolio of assets and businesses. Based on this evaluation, our parent may sell certain assets or businesses or exit particular markets that are no longer a strategic fit or no longer meet their growth or profitability targets. Depending on the nature of the assets sold, our profitability may be impacted by lost operating income or cash flows from such businesses. In addition, divestitures our parent completes may not yield the targeted improvements in their business and may divert management's attention from our day-to-day operations. Our parent's failure to achieve the intended financial results associated with its portfolio optimization strategy could have an adverse effect on our business, financial condition or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description of Exhibit
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following information from Green Plains Partners LP Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, formatted in Extensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREEN PLAINS PARTNERS LP
(Registrant)

By: Green Plains Holdings LLC,
its general partner

Date: November 9, 2018	By: */s/ Todd A. Becker* _ Todd A. Becker President and Chief Executive Officer (Principal Executive Officer)
Date: November 9, 2018	By: */s/ John W. Neppl* _ John W. Neppl Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd A. Becker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Plains Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2018

/s/ Todd A. Becker
Todd A. Becker
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John W. Neppl, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Plains Partners LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2018

/s/ John W. Neppl
John W. Neppl
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES‑ OXLEY ACT OF 2002

In connection with the Quarterly Report of Green Plains Partners LP, or “the partnership”, on Form 10-Q for the fiscal quarter ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof, or “the report”, I, Todd A. Becker, President and Chief Executive Officer of the partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1) The report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the partnership.

Date: November 9, 2018

/s/ Todd A. Becker
Todd A. Becker
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002

In connection with the Quarterly Report of Green Plains LP, or “the partnership”, on Form 10-Q for the fiscal quarter ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof, or “the report”, I, John W. Neppl, Chief Financial Officer of the partnership, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1) The report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the partnership.

Date: November 9, 2018

/s/ John W. Neppl
John W. Neppl
Chief Financial Officer