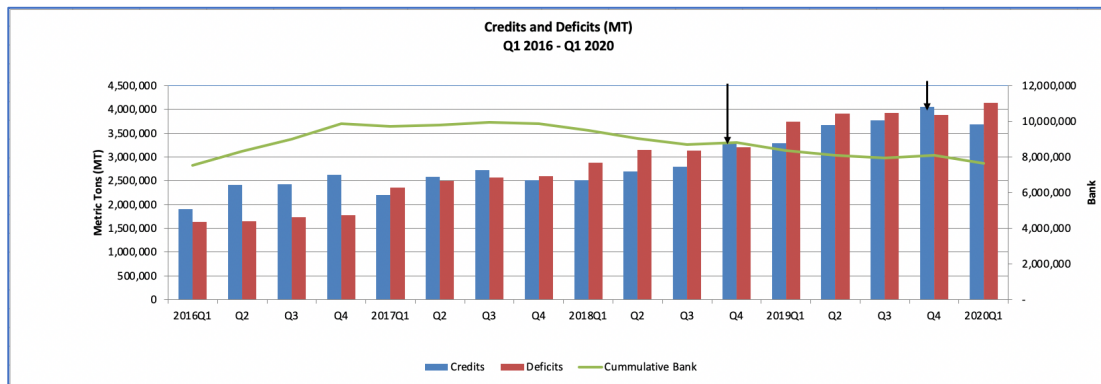
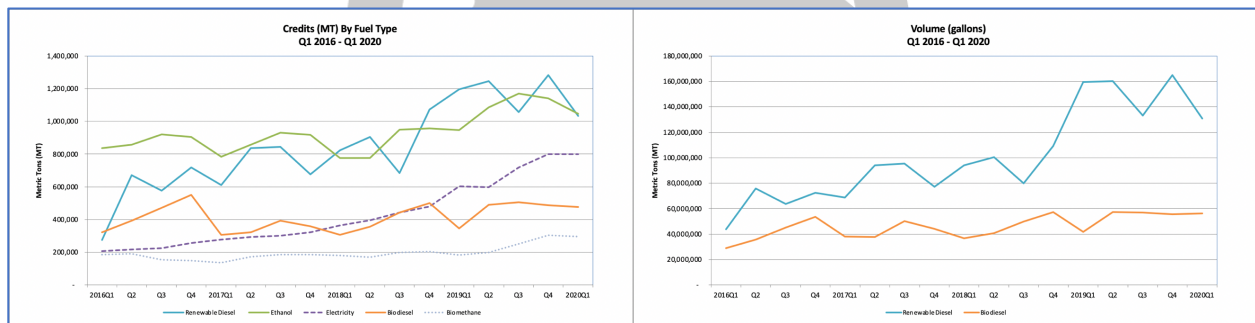


An Evaluation of CARB's Q1 2019 LCFS Summary Report¹

As planned on July 31, CARB issued the above noted report. The information contained herein focuses on the period beginning Q1 2016 through Q1 2020. During that period the “Bank” balance has remained relatively constant (~7.5 million). However, since Q4 2017, there’s been only two quarters (Q4 2018 and Q4 2019) where credits have outweighed deficits as outlined following.



Renewable diesel and ethanol continue to be the primary credit generators each averaging over 1 million credits per quarter. Provided below are the top four credit generators. For the same time period, the volumes of renewable diesel and biodiesel are as indicated. For the last four quarters biodiesel’s volume has remained flat, just under 60 million gallons.



In the past, CARB has estimated that 25-30% of biodiesel volumes are used in blends above the seasonal allowances which equates to approximately 15-18 million gallons of biodiesel per quarter. A significant portion of this volume is in jeopardy of being lost given CARB’s proposed updates to the Alternate Diesel Fuel regulation. CARB’s latest NOx mitigant testing proposal is too expensive, cumbersome and incapable of delivering a positive return on investment at a NOx Mitigant cost that is palatable to the marketplace. We have voiced our concerns over this in our public comments to CARB as well as in other newsletters. We hope you will stand with us and voice your similar concerns to CARB otherwise biodiesel use will take a step backwards.

¹https://ww2.arb.ca.gov/sites/default/files/classic//fuels/lcfs/dashboard/quarterlysummary/20200731_q1.datasummary.pdf