

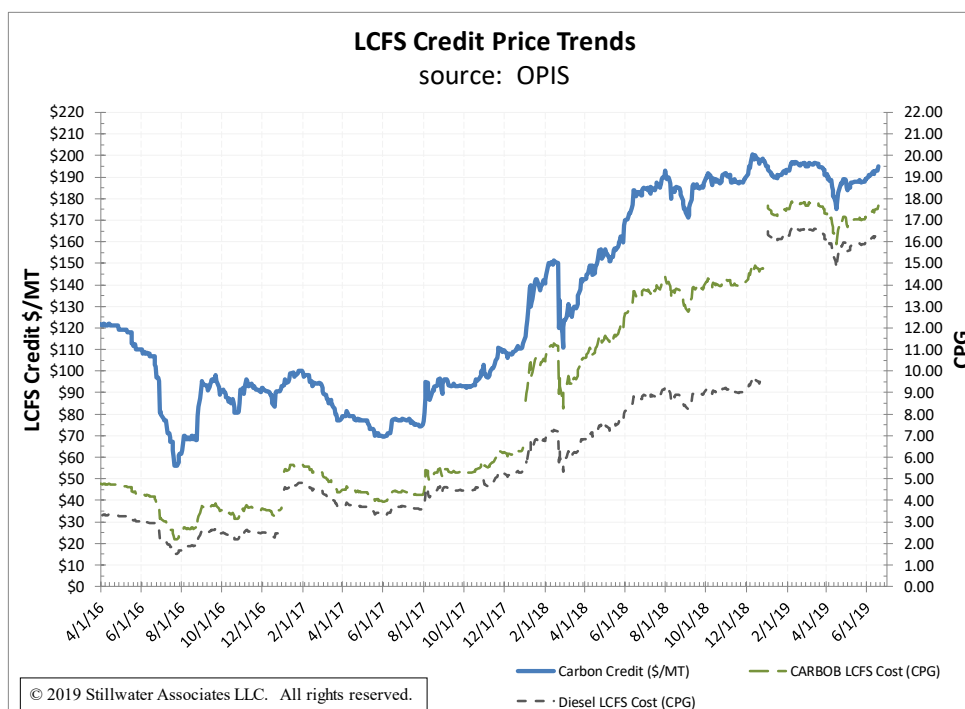
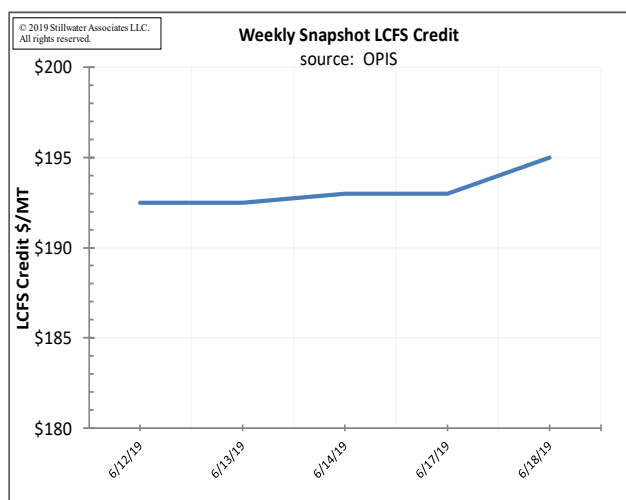
California Low Carbon Fuel Standard (LCFS) Weekly Update June 19, 2019

In this week's edition...

- ⇒ Credit price rose, closing out at \$195.
- ⇒ Trading volumes are down significantly.
- ⇒ CARB posts Preliminary Draft of 2018 Annual Crude Average CI Calculation

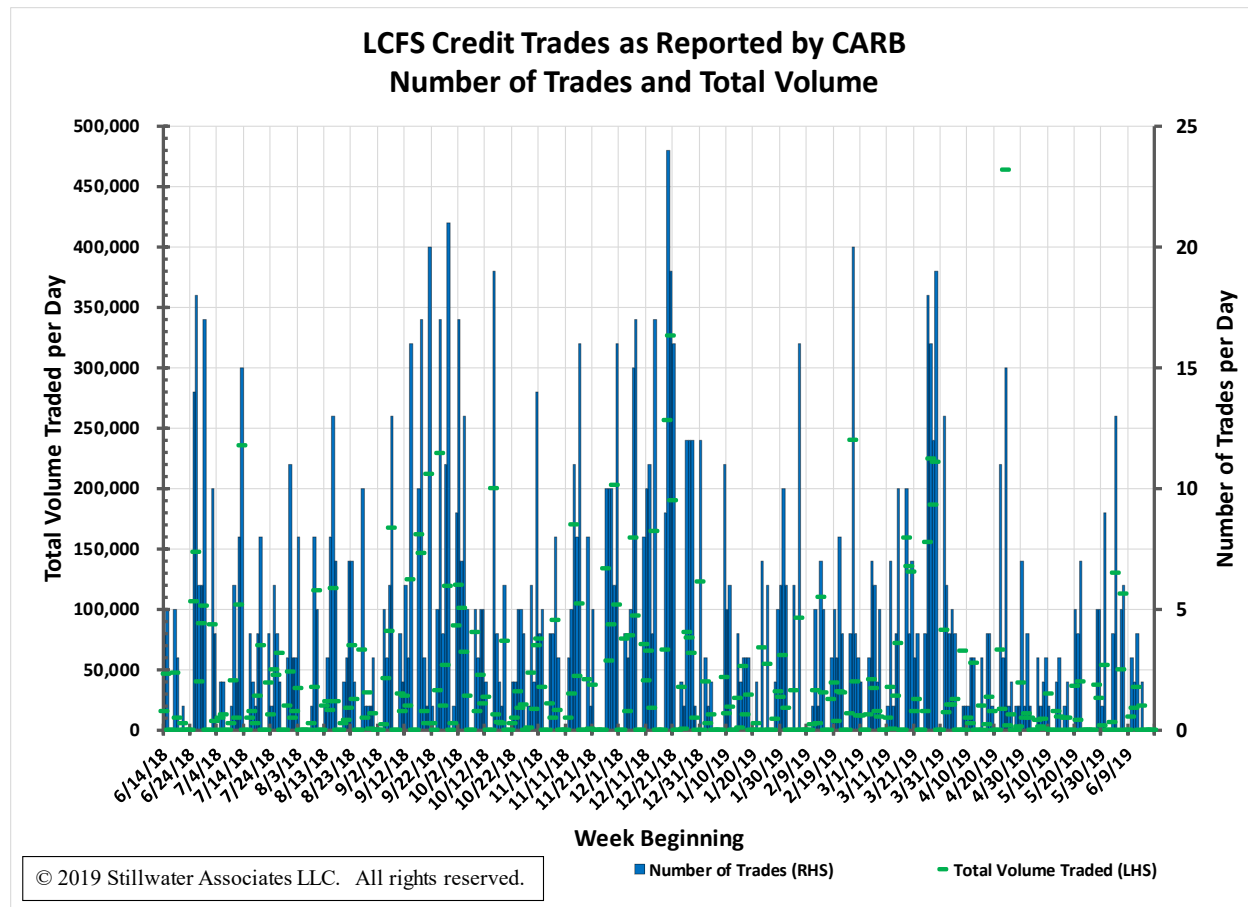
LCFS Credit Price Trend

For the week of June 12-18, credit prices started at \$192.50 per metric ton (MT) – up \$1/MT (0.50%) from the previous week's closing price. Credit prices increased throughout the week closing at \$195/MT – up \$3.50/MT (1.80%) from the previous week's closing price. The same week last year averaged \$181.70/MT. For June 2019, a credit price of \$195/MT correlates to 17.7 cents per gallon (CPG) for CARBOB and 16.5 CPG for diesel. For 2019, LCFS credit prices have averaged \$191/MT, reaching a low of \$175/MT and a high of \$197/MT – that latest high recorded on February 14th. The year-average price for 2018 was \$168/MT.



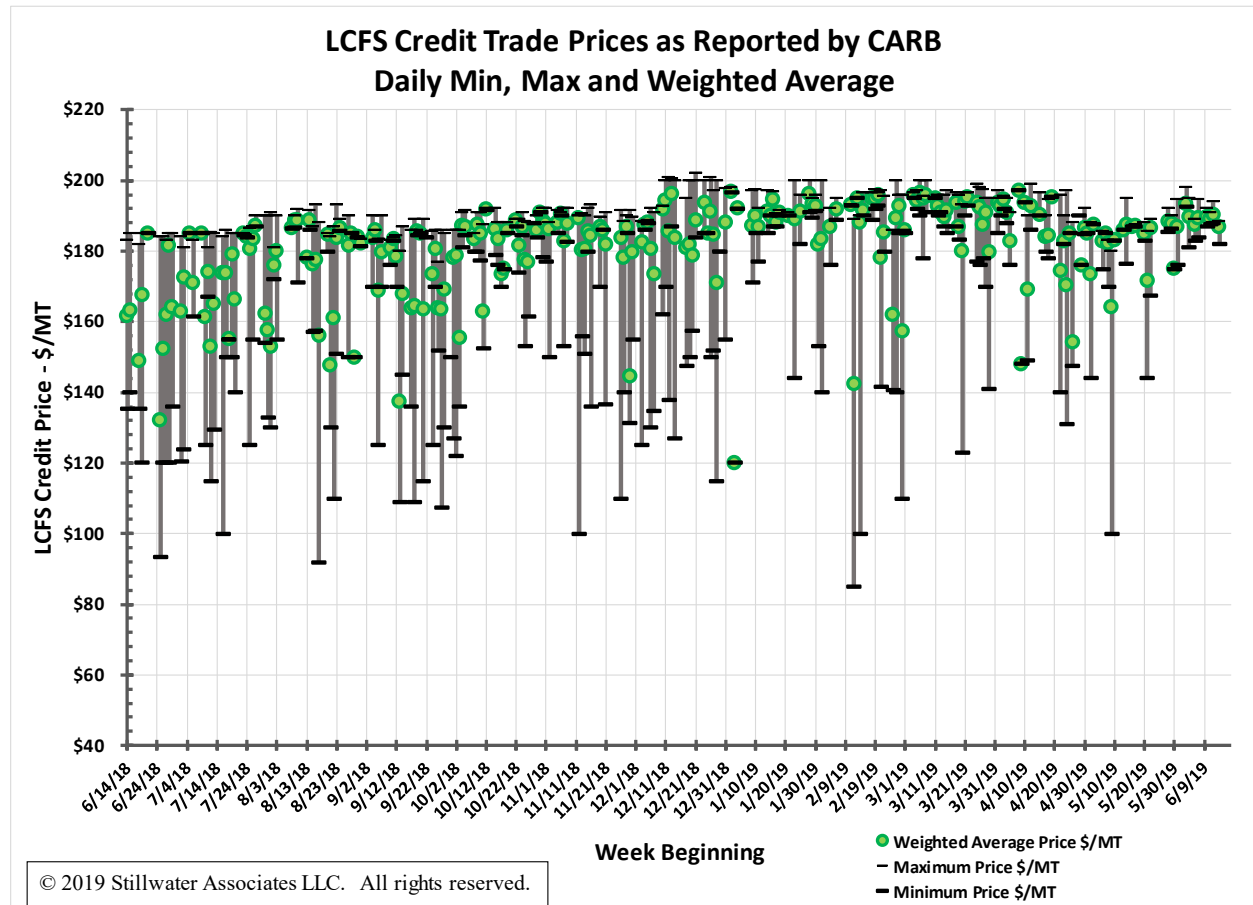
LCFS Trading Trends

The figure below shows a history of volumes traded and number of deals per day. For the week beginning June 9th, 11 trades were made for a total of 83,000 MT compared with 28 trades totaling 298,184 MT the previous week (revised upward from the 27 trades and 294,781 MT initially reported in last week's newsletter).



LCFS Trade Price Trends

The figure below shows the minimum, maximum, and volume-weighted average price traded per day.



LCFS in the News – June 12-18

On June 17th, CARB released a Preliminary Draft of the 2018 Annual Crude Average Carbon Intensity Calculation. This draft is based on preliminary information from the California Department of Conservation for crudes produced in California; the final 2018 Crude Average Carbon Intensity Value will be published at a later date when final data becomes available. The Preliminary Draft can be accessed on CARB's website: https://www.arb.ca.gov/fuels/lcfs/crude-oil/2018_preliminary_draft_calculation_crude_average_ci_value.pdf

On June 18th, oil giant Chevron announced that it has partnered with California Bioenergy LLC to fund up to 18 dairy digesters that would harvest methane from cow manure in Kern, Kings and Tulare counties. Chevron will also help find a market for the resulting biomethane, and the partnership will help Chevron comply the LCFS.

- Cox, John. Chevron partners with biomethane developer to harvest, market gas from local dairy manure. Bakersfield. June 18, 2019. https://www.bakersfield.com/news/chevron-partners-with-biomethane-developer-to-harvest-market-gas-from/article_9db00946-91f4-11e9-ad75-ab9c198f5126.html

The Weekly Credit Transfer Report for June 10-16 was posted on CARB's website on June 18th.

- California Air Resources Board. Weekly LCFS Credit Transfer Reports. June 18, 2019. <https://www.arb.ca.gov/fuels/lcfs/credit/lrtweeklycreditreports.htm>

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