

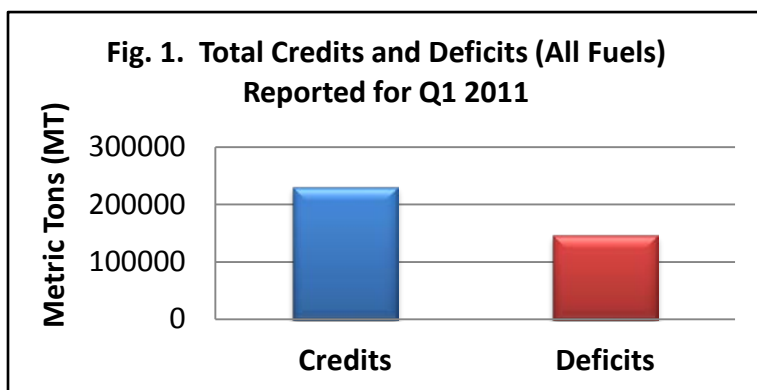
## **APPENDIX B**

### **SUMMARY OF LOW CARBON FUEL STANDARD 2011 FIRST QUARTER DATA**

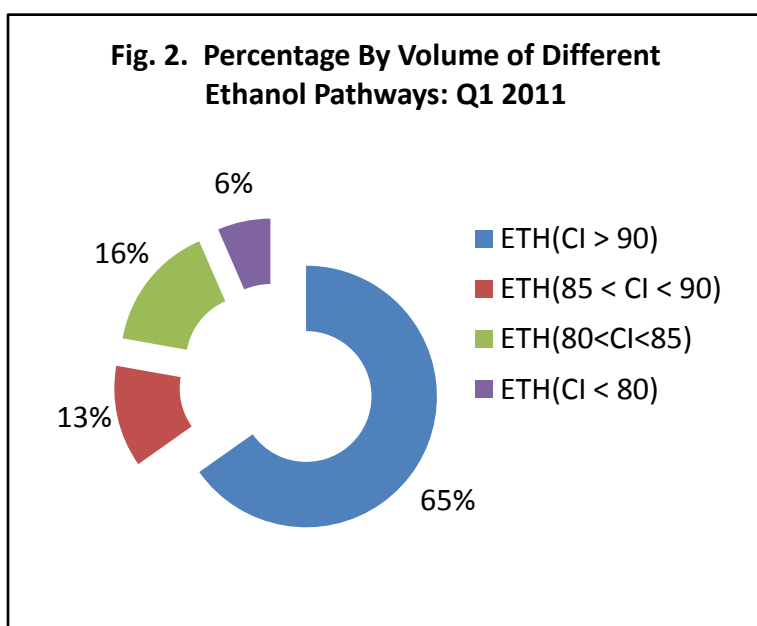
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## Summary of Low Carbon Fuel Standard 2011 First Quarter (Q1) Data

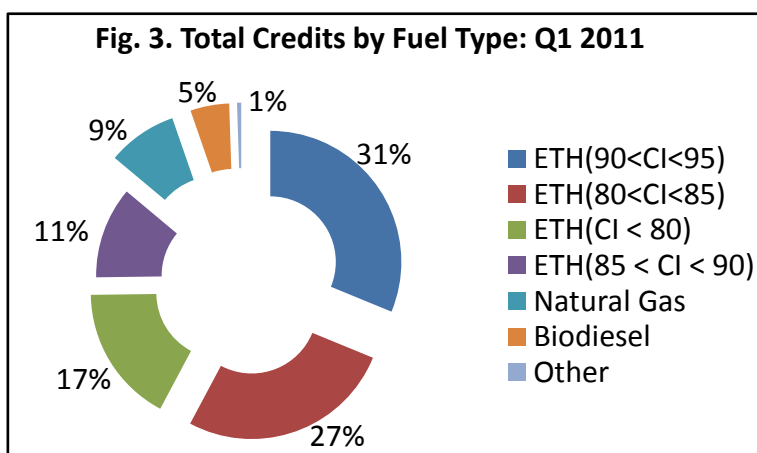
ARB staff has reviewed all first quarter data and can provide the following results. Figure 1 shows the total Q1 credits and deficits reported by regulated parties. As shown, credits exceed deficits by about 75,000 MT; however, this may change as some regulated parties have revised their data.



Currently, a majority of the credits are generated through the production and import of ethanol from various production facilities. As shown in Figure 2, almost two-thirds of the facilities supplying the State are producing ethanol with a CI greater than 90. Of these, about a third are producing ethanol with a 95 CI or more. As the LCFS standards become more stringent, this percentage is expected to decline, while the relative contributions of the lower-CI ethanol will increase.

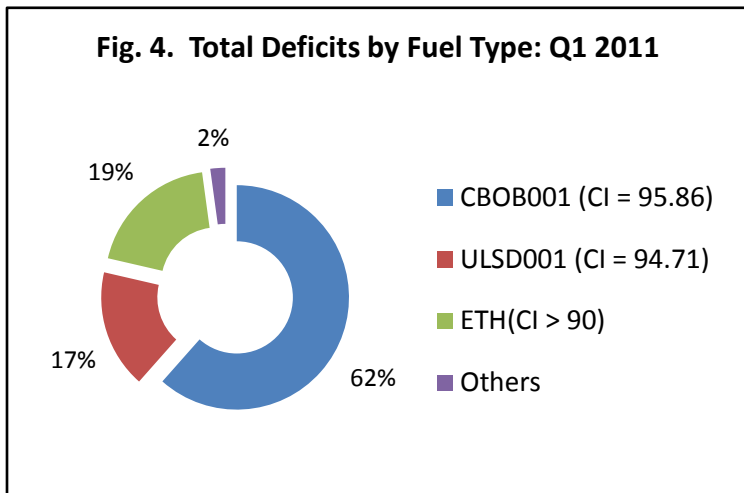


As shown in Figure 3, non-ethanol alternative fuels make up 14 percent of the Q1 credits. However, we expect this to increase significantly as the regulation continues to be implemented. Also, proposed amendments to the regulation may facilitate an increase in alternative fuels. Specifically, staff is proposing rule changes to clarify the opt-in and opt-out procedures based on comments received.

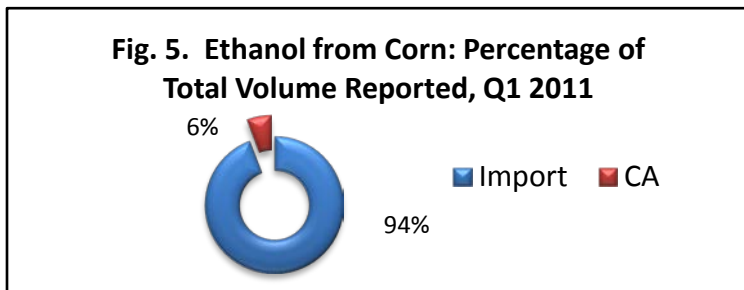


## Summary of Low Carbon Fuel Standard 2011 First Quarter (Q1) Data

As expected, most deficits result from the sale of CARBOB and ULSD (Fig. 4); however, about 20 percent of the deficits are from ethanol imports with CIs that are higher than the LCFS gasoline standard. ARB staff expects this relative contribution of deficits will decrease as market penetration in California of existing lower-CI ethanol increases over time.



Staff also reviewed the amount of California-produced corn ethanol versus imported product. As Figure 5 shows, the vast majority of corn ethanol used in the State continues to be ethanol that is imported from outside California.



Finally, Figure 6 breaks down the total amount of credits generated in Q1 by fuel type. As noted earlier, credits from lower-CI ethanol, natural gas, biodiesel and other transportation fuels (e.g. hydrogen, electricity) are expected to rise with the lower CI standards required under the regulation.

