

Clean Fuels Forecast Review



Hari Vellaipandian

Michael Kennedy

August 18, 2026

Department of Administrative Services

Agenda

1. Major Policy Changes/Proposals
2. ODOT Fuel Forecast
3. Reported Volumes Forecast
4. Carbon Intensities for Biofuels
5. Credit/Deficit Forecast
6. Supply Forecast Discussion
7. Next Steps
8. Adjourn

Major Policy Changes and Proposals

Current

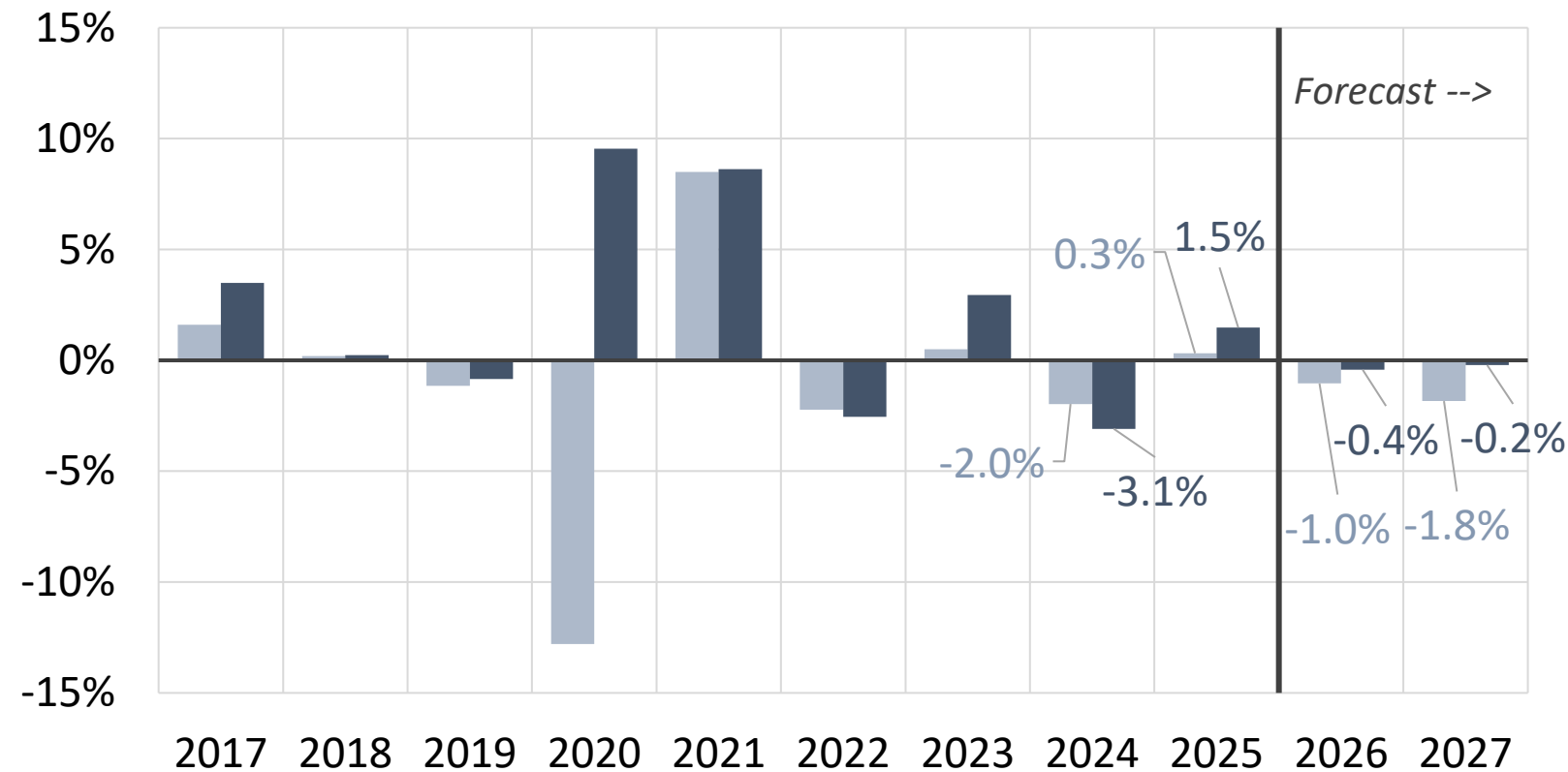
- House Resolution 1
 - Ended Clean Vehicle Tax Credit
 - Reduces corporate average fuel economy (CAFE) civil penalties to \$0
- Recission of the Greenhouse Gas Endangerment Finding

Prior

- Advanced Clean Cars I & II
- CA Low Carbon Fuel Standard Amendments
- Washington Clean Fuels Program – HB1409
- Portland Diesel Regulation

ODOT Fuel Consumption Forecast

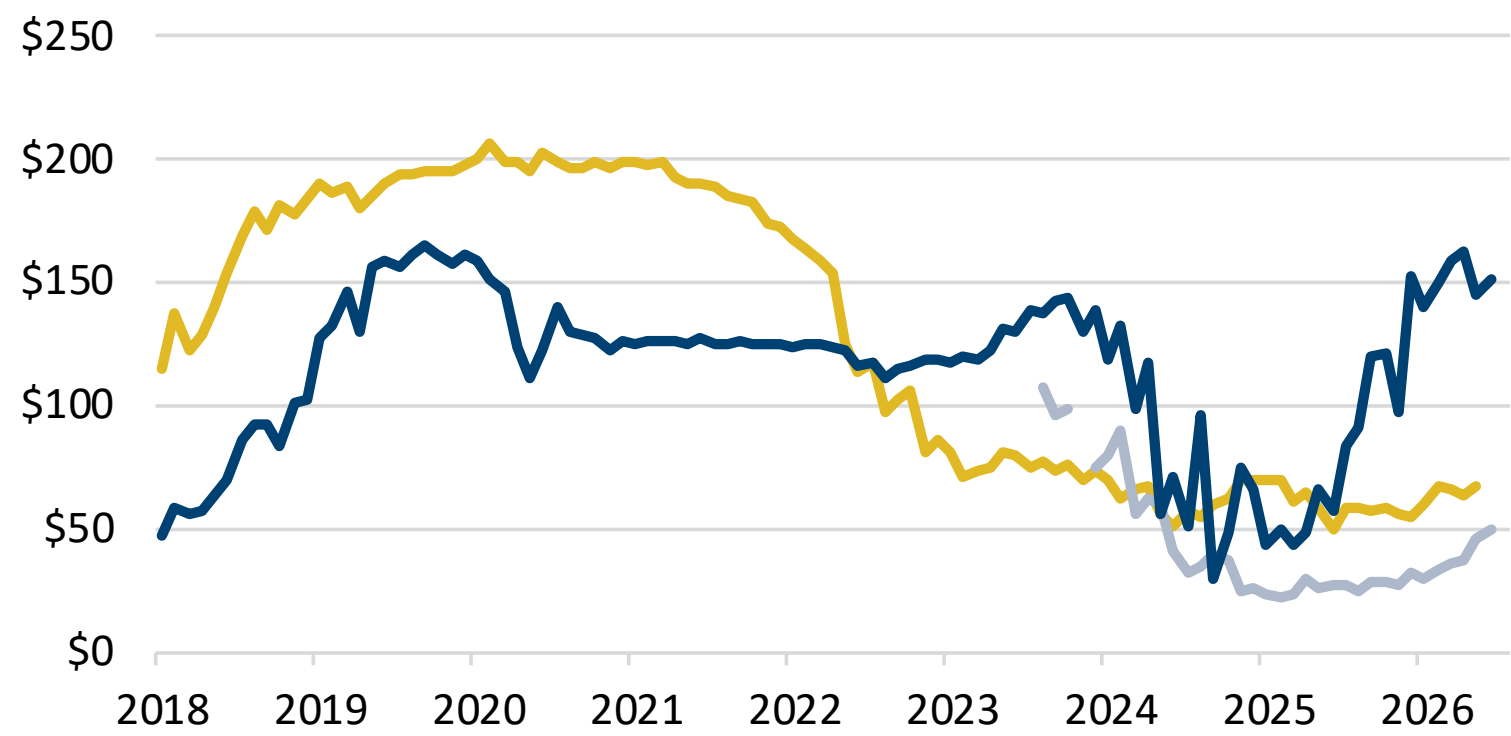
Percent Change Y/Y | Gasoline | Diesel



Source: Oregon Department of Transportation (April 2026 Forecast)

Carbon Credit Price Comparison

Oregon | California | Washington

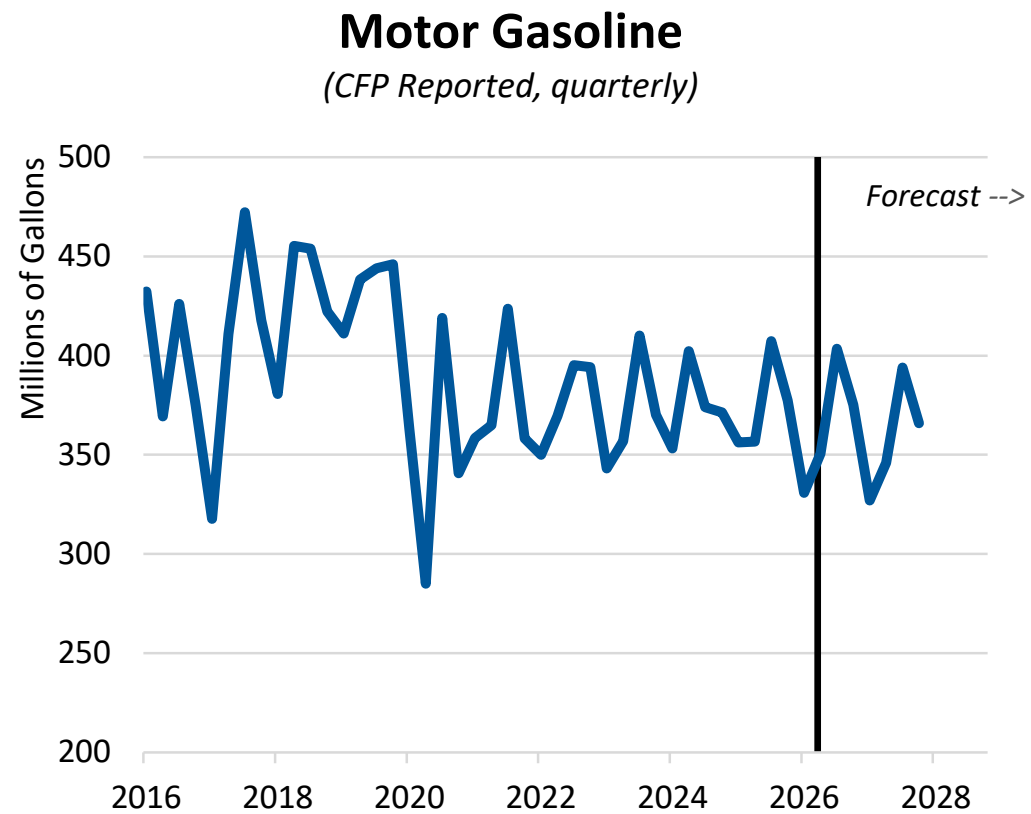


Latest Data: June 2026 | Source: CA Air Resources Board, OR Dept of Environmental Quality, WA Dept of Ecology

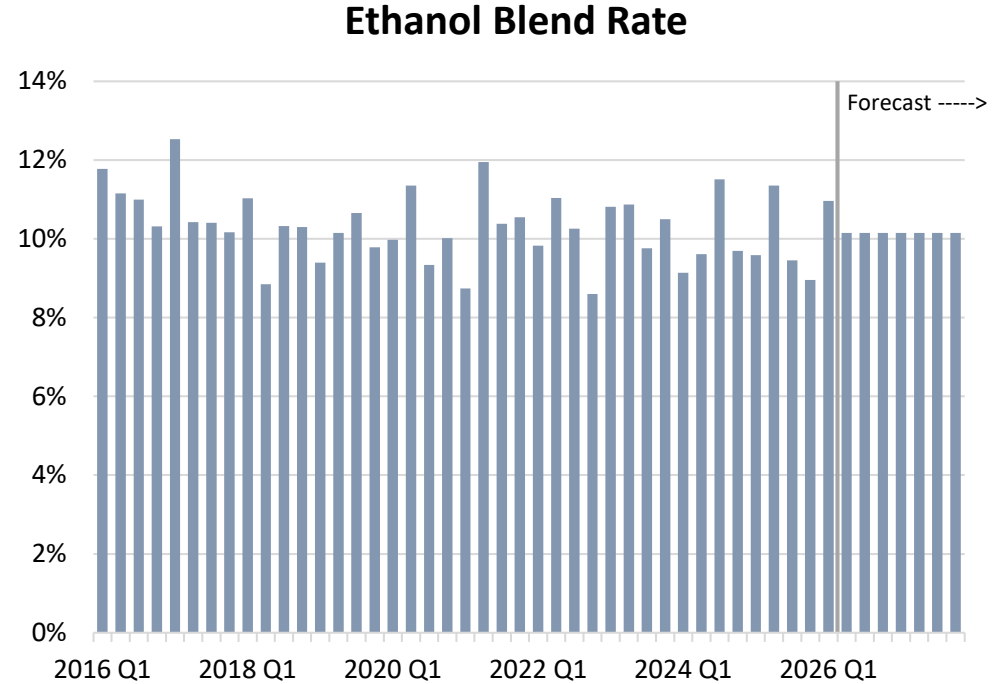
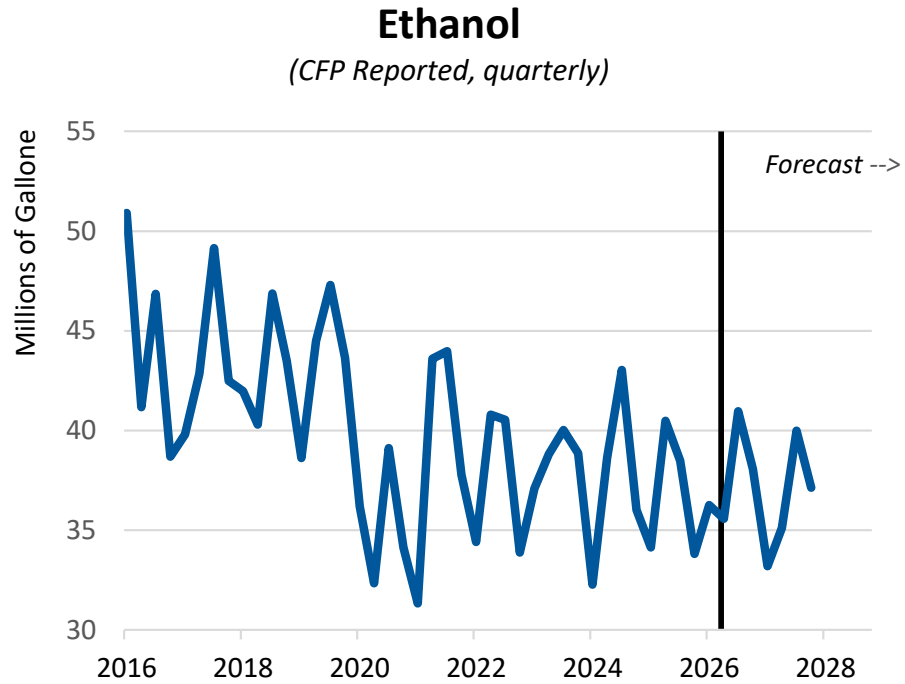
Reported Volumes Forecast

- Motor Gasoline
- Ethanol
- Diesel
- Biodiesel
- Renewable Diesel
- On-Road Electricity
- Off-Road Electricity
- Natural Gas
- Liquefied Petroleum Gas

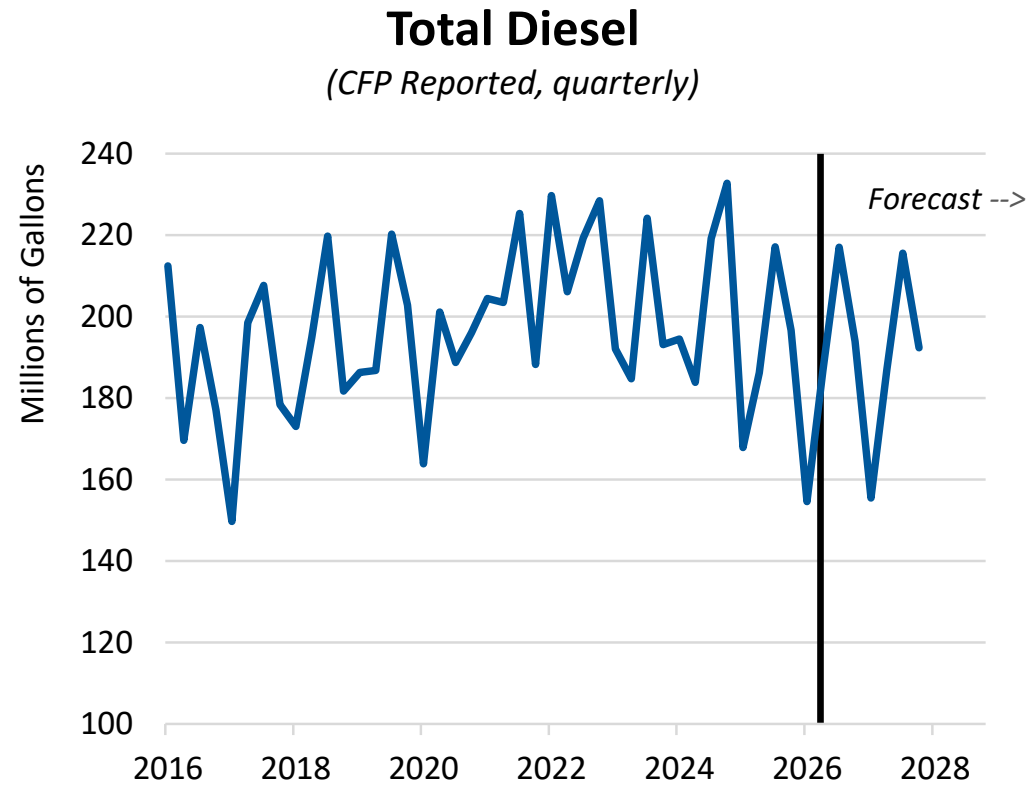
										2016-25
Motor Gasoline (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F	Ann. Growth
EIA Pacific Outlook	0.0%	-10.5%	3.7%	-5.1%	-0.8%	3.2%	-4.8%	-2.0%	-2.5%	
ODOT Gasoline Forecast	-1.2%	-12.8%	8.5%	-2.2%	0.5%	-2.0%	0.3%	-1.0%	-1.8%	-0.9%
Clean Fuels Program	1.6%	-19.1%	6.9%	0.3%	-1.9%	1.4%	-0.2%	-2.5%	-1.9%	-0.8%



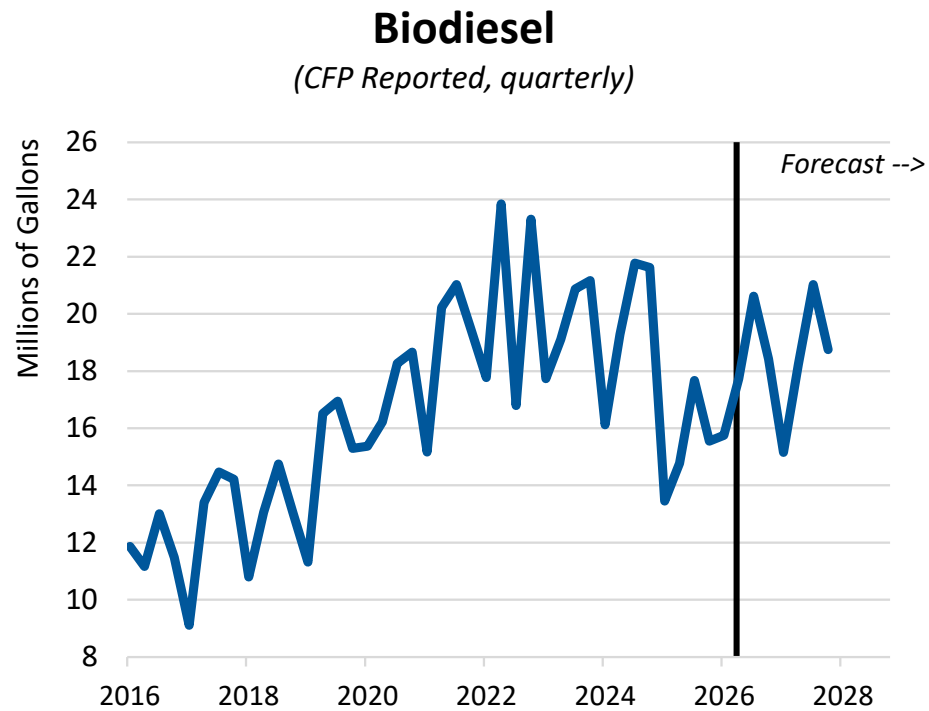
Ethanol (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA National Outlook	-0.6%	-12.3%	8.2%	2.4%	-0.2%	1.5%	0.5%	-0.2%	1.2%
ODOT Gasoline Forecast	-1.2%	-12.8%	8.5%	-2.2%	0.5%	-2.0%	0.3%	-1.0%	-1.8%
Clean Fuels Program	0.8%	-18.5%	10.5%	-4.5%	3.5%	-3.1%	-2.0%	2.7%	-3.6%
<i>Blend Rate</i>	<i>10.0%</i>	<i>10.1%</i>	<i>10.4%</i>	<i>9.9%</i>	<i>10.5%</i>	<i>10.0%</i>	<i>9.8%</i>	<i>10.3%</i>	<i>10.2%</i>



	2016-25									
Total Diesel (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F	Ann. Growth
EIA Pacific Outlook	4.7%	-13.0%	4.1%	2.8%	3.3%	31.9%	7.6%	-0.2%	-0.2%	
ODOT Diesel Forecast	-0.8%	9.5%	8.6%	-2.5%	3.0%	-3.1%	1.5%	-0.4%	-0.2%	2.1%
Clean Fuels Program	3.5%	-5.8%	9.6%	7.6%	-10.1%	4.6%	-7.5%	-2.0%	-0.2%	0.2%

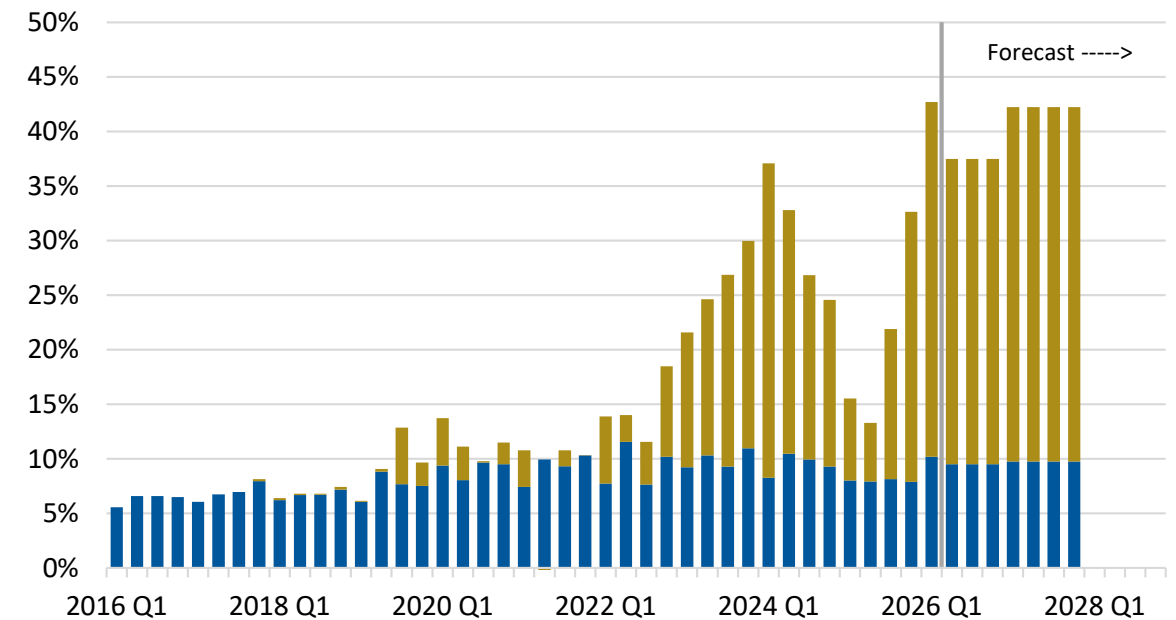


Biodiesel (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA National Outlook	-3.1%	-20.7%	-5.6%	-6.0%	-5.8%	25.1%	-37.7%	20.4%	-4.4%
ODOT Diesel Forecast	-0.8%	9.5%	8.6%	-2.5%	3.0%	-3.1%	1.5%	-0.4%	-0.2%
Clean Fuels Program	16.3%	14.0%	10.7%	7.8%	-3.5%	-0.1%	-22.0%	18.1%	0.9%
<i>Blend Rate</i>	7.5%	9.1%	9.2%	9.2%	9.9%	9.5%	8.0%	9.6%	9.8%



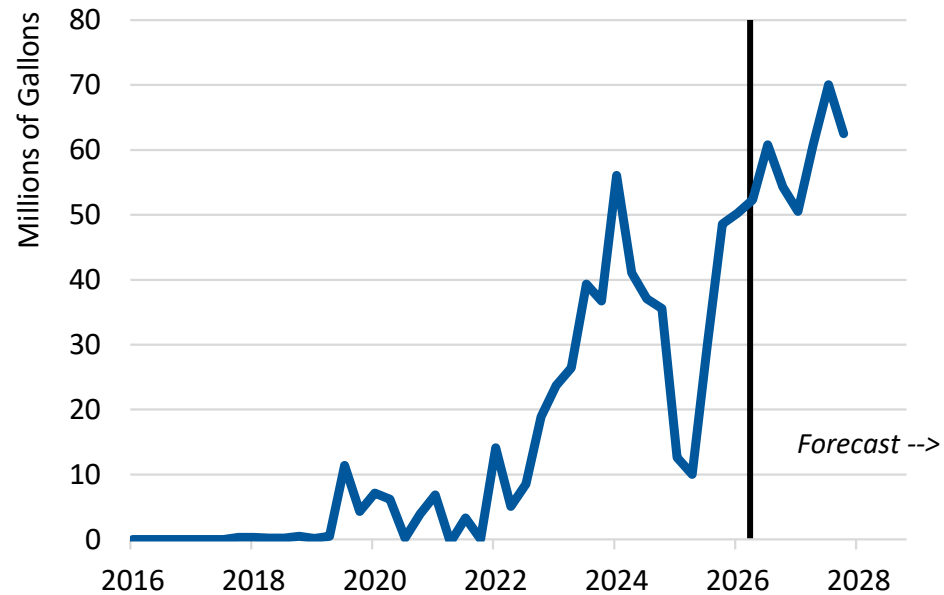
Biodiesel/Renewable Diesel Blend Rate

Biodiesel | Renewable Diesel

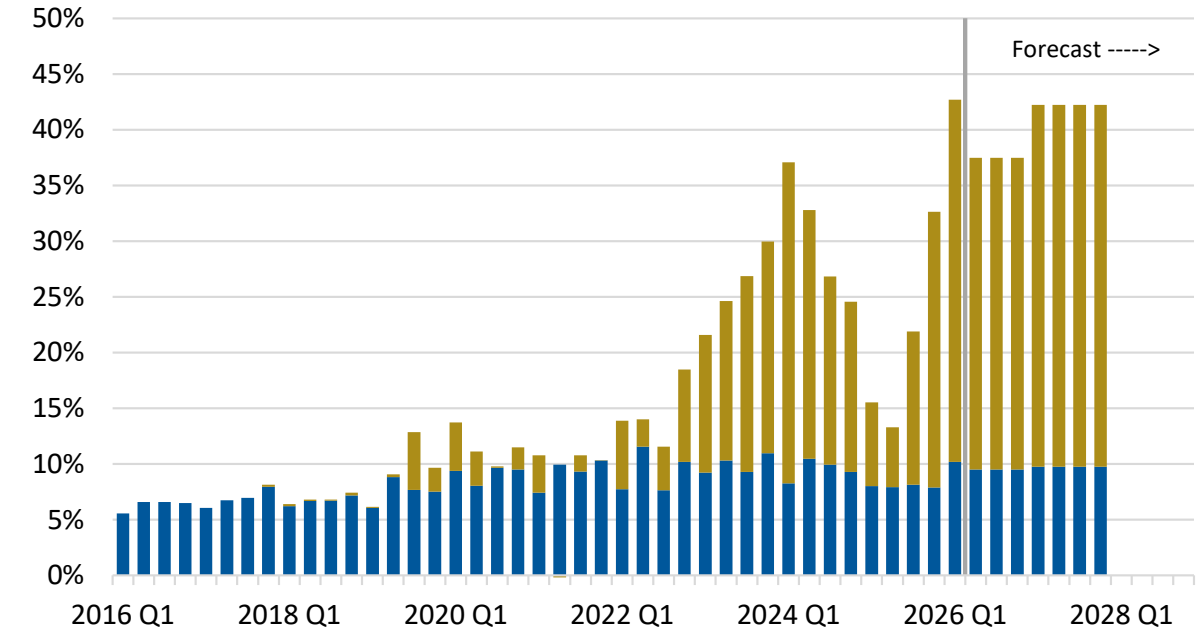


Renewable Diesel (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA National Outlook	-9.8%	13.1%	111.0%	100.9%	19.5%	7.2%	3.5%	0.0%	7.0%
ODOT Diesel Forecast	-0.8%	9.5%	8.6%	-2.5%	3.0%	-3.1%	1.5%	-0.4%	-0.2%
Clean Fuels Program	1251.0%	6.9%	-43.9%	377.1%	170.8%	34.4%	-40.4%	115.1%	12.1%
<i>Blend Rate</i>	<i>2.0%</i>	<i>2.3%</i>	<i>1.2%</i>	<i>5.3%</i>	<i>15.9%</i>	<i>20.4%</i>	<i>13.2%</i>	<i>28.9%</i>	<i>32.5%</i>

Renewable Diesel
(CFP Reported, quarterly)

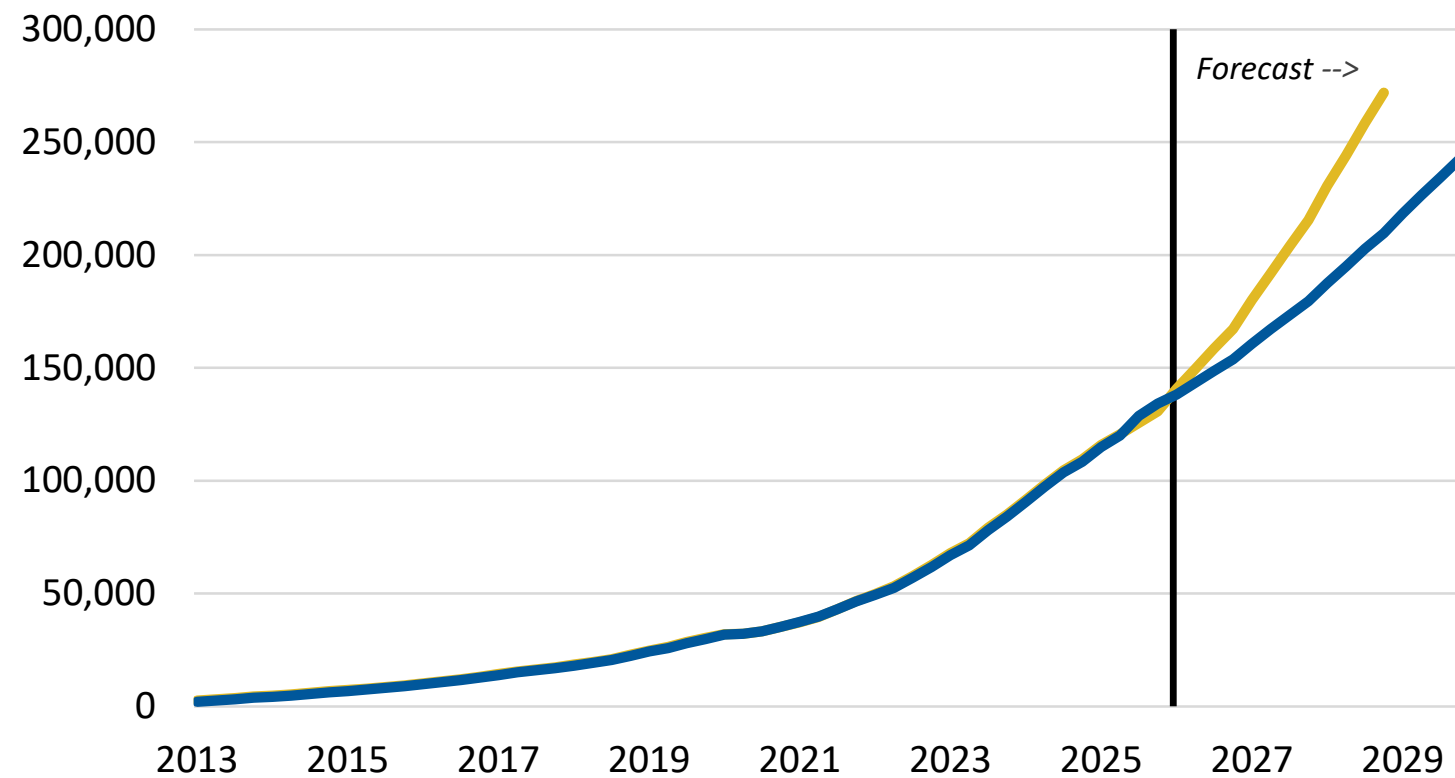


Biodiesel/Renewable Diesel Blend Rate
Biodiesel | Renewable Diesel



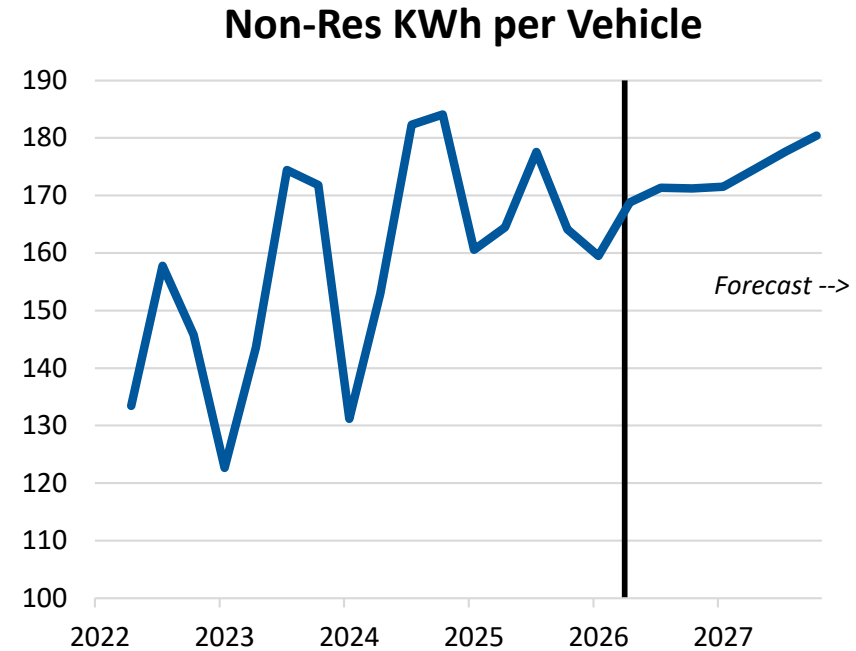
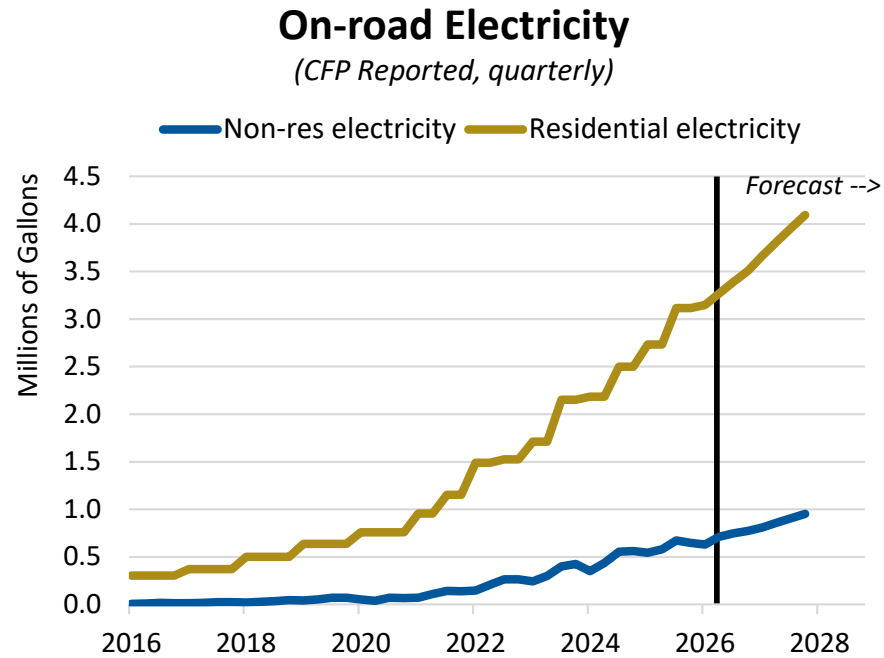
Total Oregon Electric Vehicles

Current Forecast | Prior Forecast

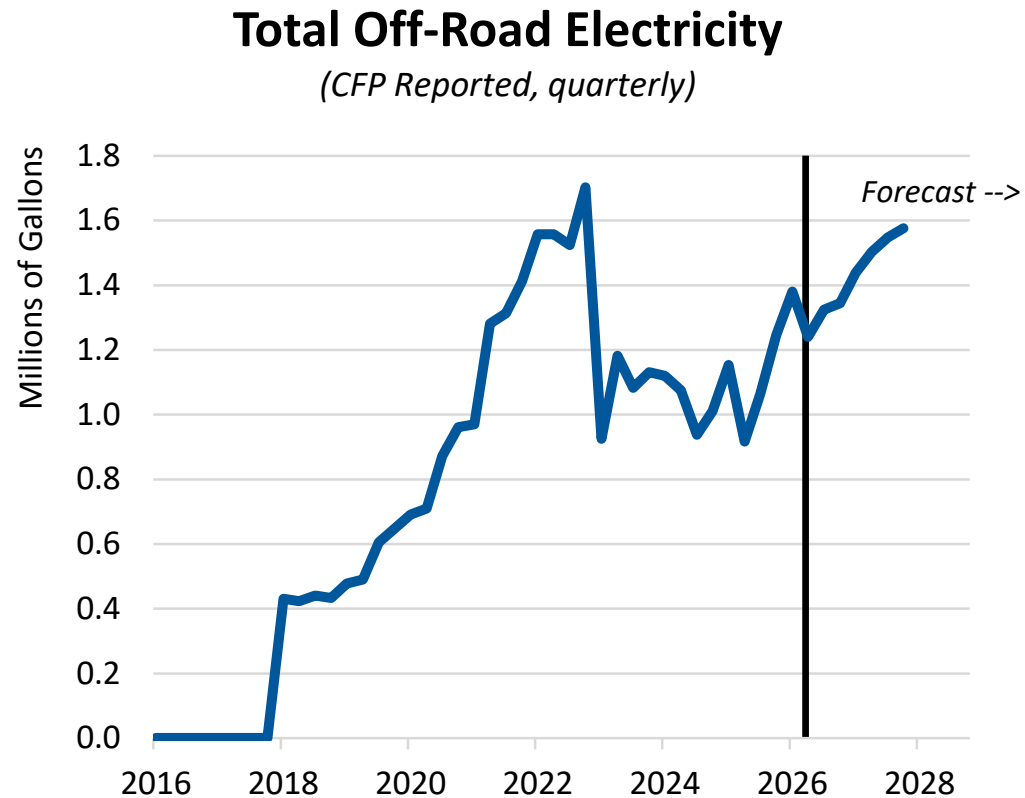


Source: Oregon Dept of Transportation

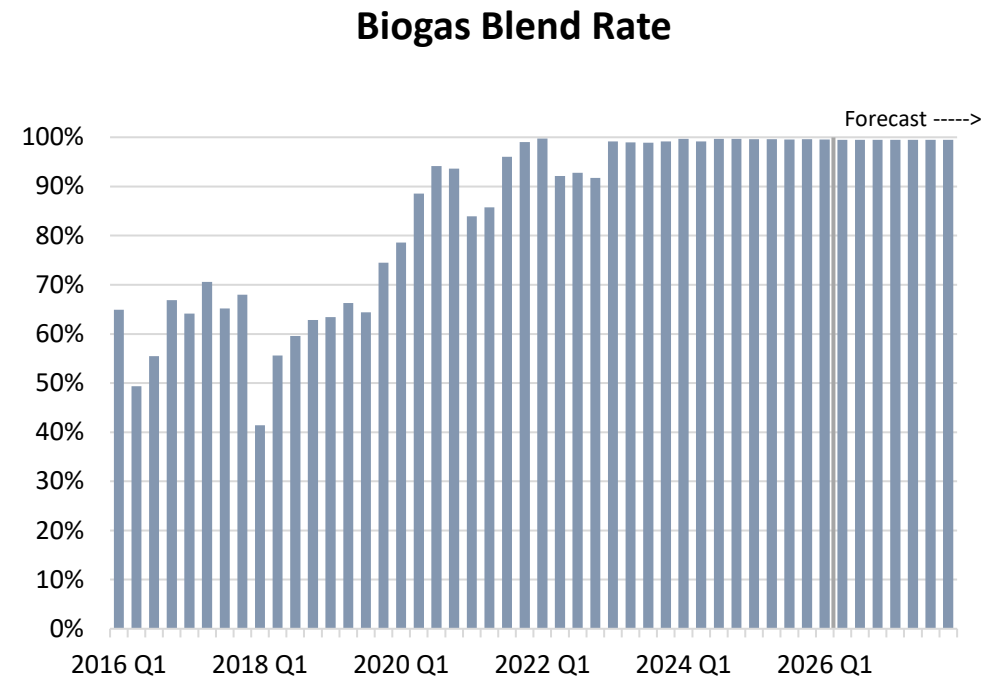
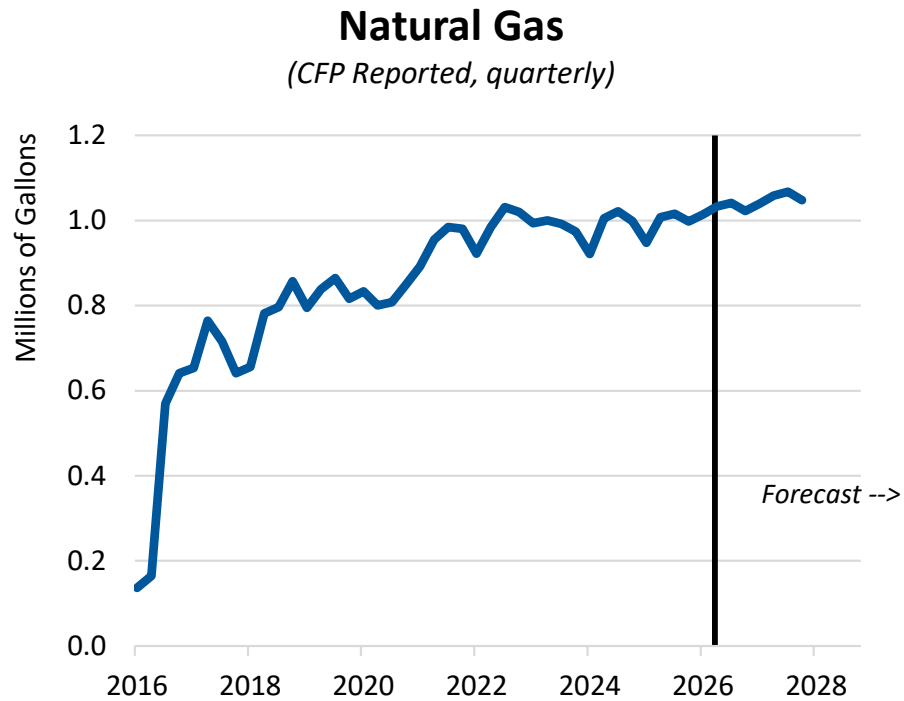
On-road Electricity (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA Pacific Outlook	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29.8%	32.9%
ODOT Electric Vehicle	35.4%	22.7%	26.0%	32.3%	36.2%	33.1%	24.5%	17.3%	16.6%
Clean Fuels Program	31.2%	16.8%	43.6%	47.6%	31.6%	23.9%	25.5%	14.5%	17.7%



Off-road Electricity (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA Pacific Outlook	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30.7%	33.2%
Clean Fuels Program	28.5%	45.6%	53.9%	27.4%	-31.8%	-4.1%	5.7%	20.8%	14.7%



Natural Gas (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA Pacific Outlook	19.0%	-20.2%	71.1%	-17.1%	9.5%	-37.9%	1.2%	-0.4%	-0.1%
Clean Fuels Program	7.2%	-0.7%	15.8%	3.9%	0.0%	-0.4%	0.6%	3.6%	2.5%
<i>Biogas Blend Rate</i>	67.1%	88.7%	91.4%	94.0%	99.1%	99.6%	99.6%	99.5%	99.5%



Liq. Petroleum Gas (Y/Y change)	2019	2020	2021	2022	2023	2024	2025	2026F	2027F
EIA Pacific Outlook	-2.0%	-47.3%	17.3%	12.8%	4.2%	-11.9%	0.9%	-4.0%	-4.3%
Clean Fuels Program	177.6%	-28.2%	65.7%	32.4%	1.3%	-20.2%	-19.2%	2.8%	18.1%
<i>LPG Blend Rate</i>			28.5%	20.7%	22.6%	0.0%	15.4%	35.0%	40.0%

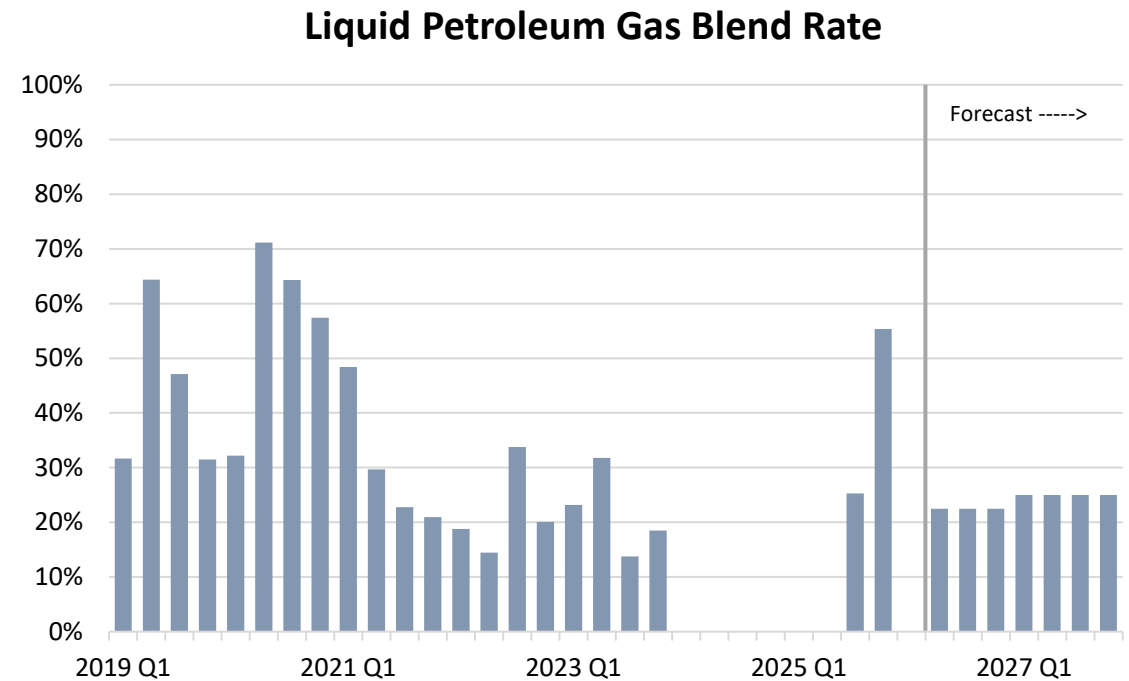
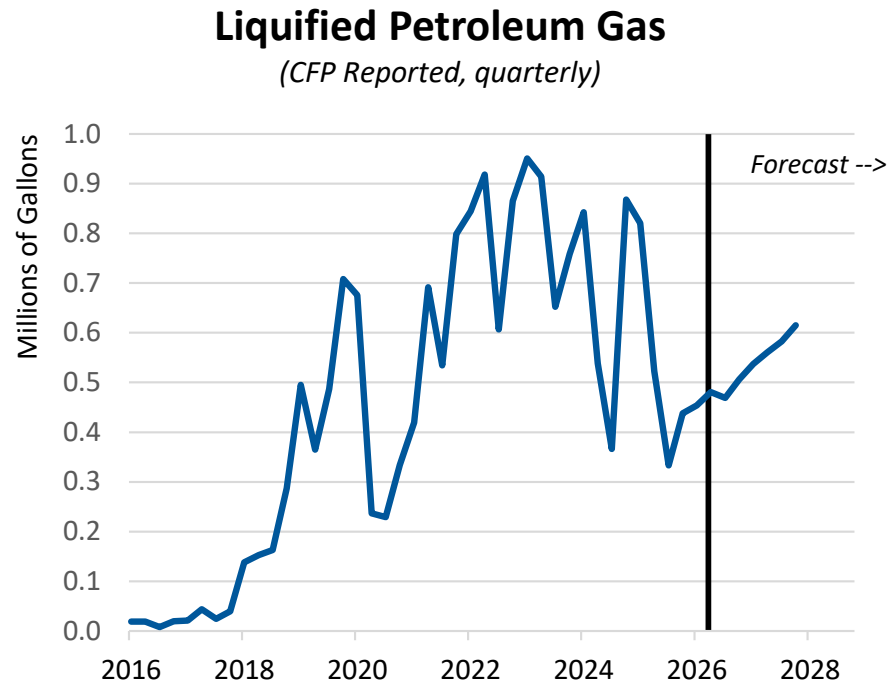


Table 1: Clean Fuels Forecast - Reported Volumes

(Mil. gallons, percent)	2023	2024	2025	2026F	2027F	annual %ch vs. 2025
Conventional Gasoline	1,325.4	1,350.8	1,350.4	1,309.1	1,287.4	-2.4%
Ethanol	154.8	150.0	146.9	150.9	145.4	-0.5%
<i>Ethanol Blend Rate</i>	<i>10.5%</i>	<i>10.0%</i>	<i>9.8%</i>	<i>10.3%</i>	<i>10.2%</i>	
Blendstock	1,480.2	1,500.8	1,497.3	1,460.0	1,432.8	-2.2%
Fossil Diesel	588.9	581.8	605.3	462.1	433.3	-15.4%
Biodiesel	78.9	78.8	61.4	72.5	73.2	9.1%
<i>Biodiesel Blend Rate</i>	<i>9.9%</i>	<i>9.5%</i>	<i>8.0%</i>	<i>9.6%</i>	<i>9.8%</i>	
Renewable Diesel	126.2	169.7	101.2	217.6	243.9	55.3%
<i>Renew diesel Blend Rate</i>	<i>15.9%</i>	<i>20.4%</i>	<i>13.2%</i>	<i>28.9%</i>	<i>32.5%</i>	
Total Diesel	794.0	830.3	767.9	752.2	750.4	-1.1%
Electricity (on-road)	9.1	11.3	14.1	16.2	19.0	16.1%
Electricity (off-road)	4.3	4.1	4.4	5.3	6.1	17.7%
Fossil Natural Gas	0.0	0.0	0.0	0.0	0.0	17.9%
Biogas	3.9	3.9	4.0	4.1	4.2	3.0%
<i>Biogas Blend Rate</i>	<i>99.1%</i>	<i>99.6%</i>	<i>99.6%</i>	<i>99.5%</i>	<i>99.5%</i>	
Total Natural Gas	4.0	3.9	4.0	4.1	4.2	3.0%
Fossil LPG	2.5	2.6	1.8	1.6	1.7	-1.9%
Bio LPG	0.7	0.0	0.3	0.3	0.6	32.6%
<i>LPG Blend Rate</i>	<i>22.6%</i>	<i>0.0%</i>	<i>15.4%</i>	<i>17.2%</i>	<i>25.0%</i>	
Liquified Petroleum Gas	3.3	2.6	2.1	1.9	2.3	4.2%

Notes:

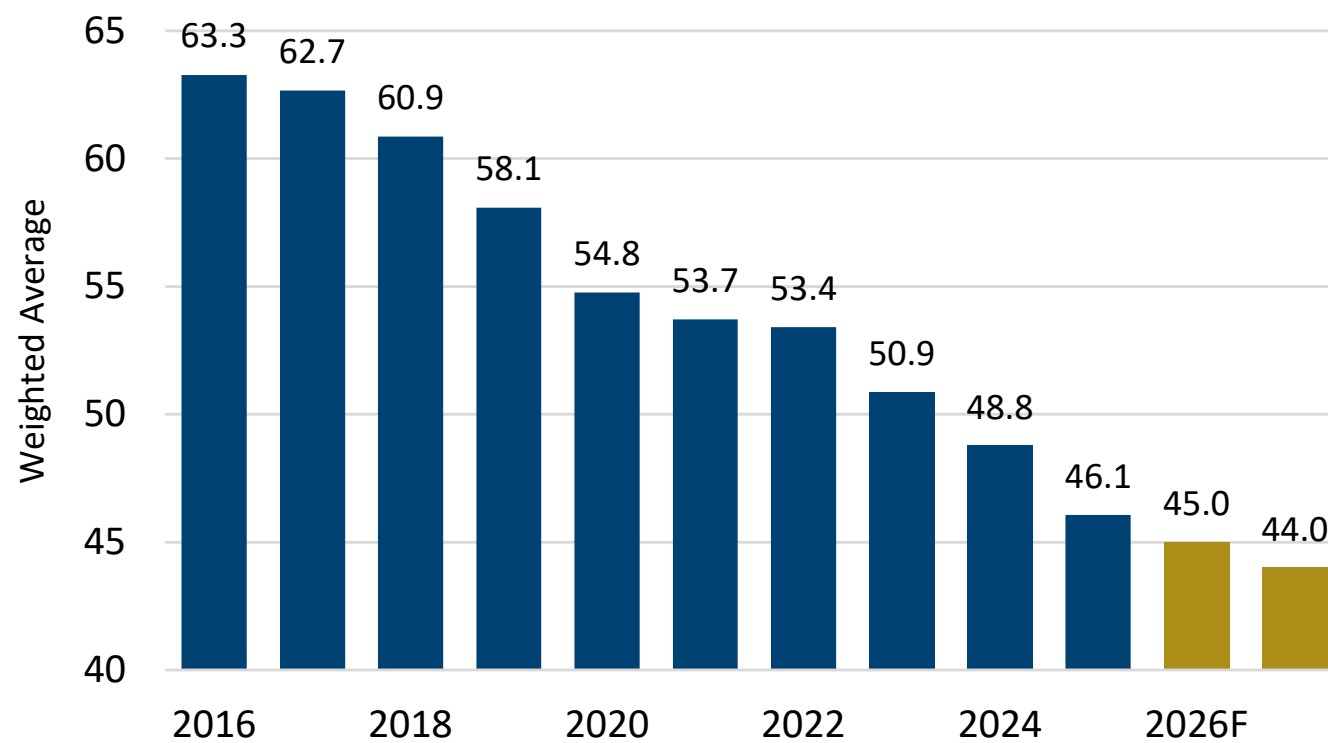
Electricity and Natural Gas denoted in gasoline gallon equivalents.

On-road electricity includes a calculation for residential charging.

Carbon Intensities for Biofuels

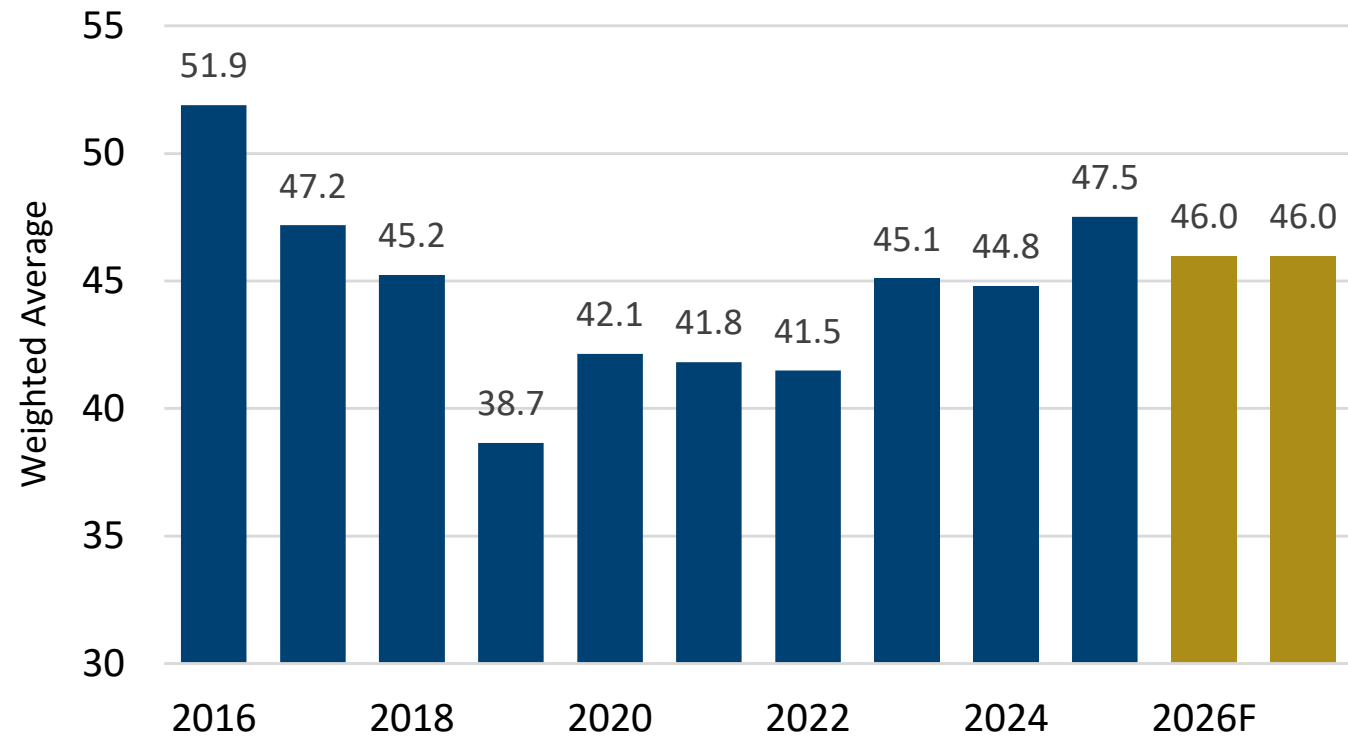
- Ethanol
- Biodiesel
- Renewable Diesel

Ethanol Carbon Intensity



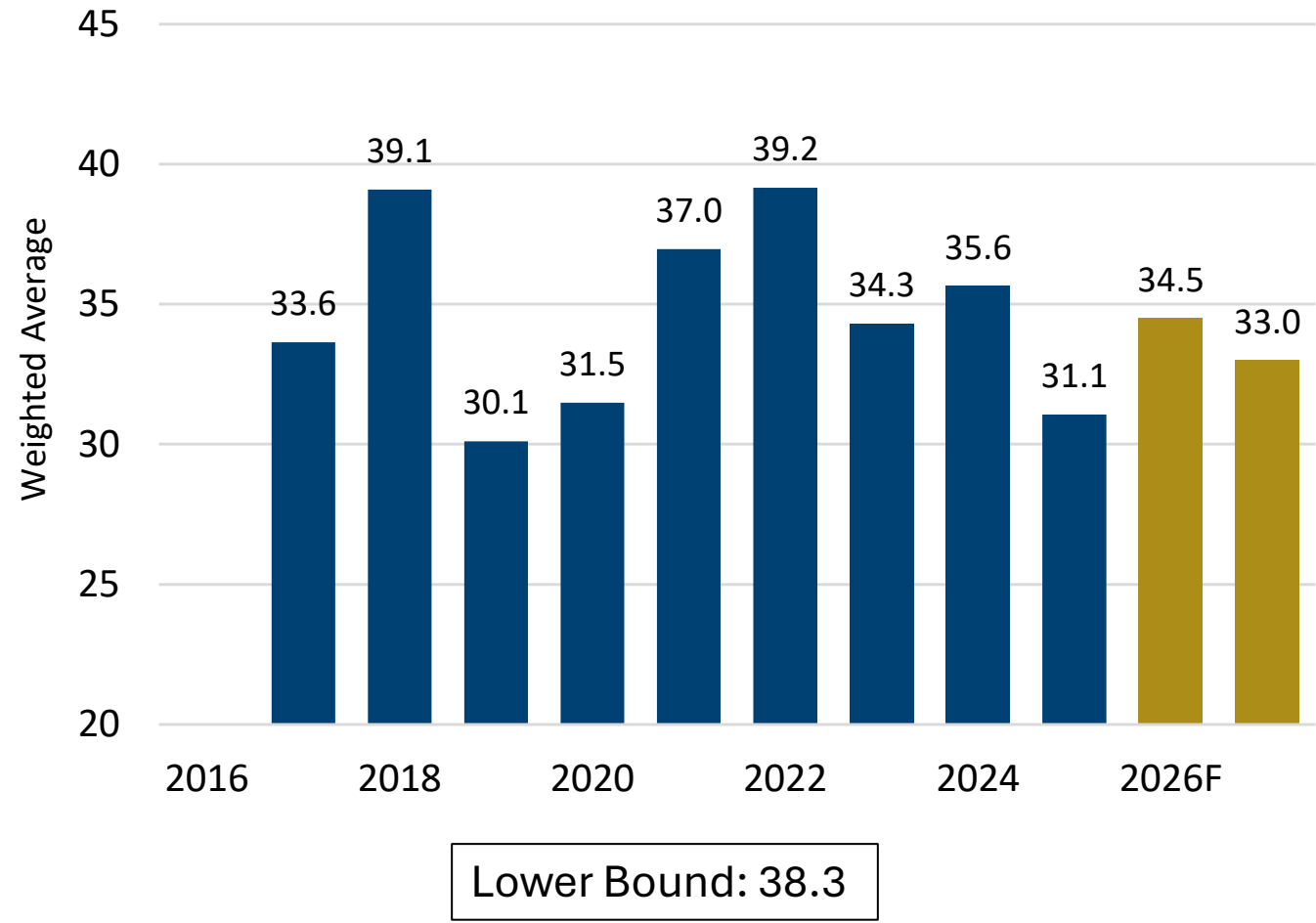
Lower Bound: 36.6

Biodiesel Carbon Intensity



Lower Bound: 27.2

Renewable Diesel Carbon Intensity



Parameters for 2027:

Table 2: Parameters for Clean Fuels Forecast

	Energy Density	Carbon Intensity Target	Carbon Intensity Assumption		
			2025 Actual	2026 Proj.	2027 Proj.
Gasoline	122.48	82.99	100.14	98.12	98.12
Ethanol	81.51	82.99	46.07	45.00	44.00
Diesel	134.48	88.34	100.74	104.92	104.92
Biodiesel	126.13	88.34	47.51	46.00	46.00
Renewable Diesel	129.65	88.34	31.07	34.50	33.00
Electricity	3.60	82.99	-18.81	-15.00	-15.00
KWh/vehicle (res)	3103				
EERelect	3.40				
EER_NG	0.90				
Natural Gas	134.48	88.34	79.98	81.89	81.89
Biogas	134.48	88.34	-172.73	-200.00	-200.00
Liq. Petroleum Gas	89.63	82.99	45.00	15.00	15.00

Table 4: Credit and Deficit Summary

Credit / Deficit Summary

		2024	2025	2026F	2027F
Deficits	Gasoline	-1,675,295	-1,983,406	-2,121,524	-2,385,632
	Diesel	-808,550	-982,684	-905,139	-966,194
Deficit Total		-2,483,845	-2,966,090	-3,026,663	-3,351,826
Credits	Ethanol	523,143	507,264	482,373	462,180
	Biodiesel	463,600	324,027	391,777	390,700
	Renewable Diesel	1,229,217	764,643	1,577,007	1,749,706
	Electricity, on-road	396,579	521,736	597,000	660,976
	Electricity, off-road	70,938	90,337	115,997	140,437
	Natural Gas	38,790	134,383	149,944	157,580
	Liquified Petroleum Gas	1,116	2,595	9,206	13,988
Credit Total		2,723,383	2,344,985	3,323,304	3,575,567
Net Credits/Deficits		239,538	-621,105	296,641	223,742
Beginning Banked Credits		1,120,983	1,360,521	739,416	1,036,057
Total Net Credits/Deficits		1,360,521	739,416	1,036,057	1,259,799

Bio-Fuel Supply

Statutory directive regarding supply:

The fuel supply forecast shall include, but need not be limited to, the following with reference to the next compliance period of the clean fuels program:

- a) An estimate of the **potential** volumes of gasoline, gasoline substitutes and gasoline alternatives and diesel, diesel fuel substitutes and diesel alternatives available to Oregon;

In developing the estimate required under subsection (1)(a) of this section, the division shall consider, but need not be limited to considering:

- a) Constraints that may be preventing access to available and cost-effective low carbon fuels by Oregon, such as geographic and logistical factors, and alleviating factors to the constraints; and
- b) The existing and future vehicle fleet in Oregon.

EPA Renewable Fuel Standard Program - Reported Production

(millions of gallons)		2020	2021	2022	2023	2024	2025	2026 Est.
Ethanol	Domestic	12,870.7	14,138.5	14,439.9	14,700.6	14,937.2	14,780.5	15,053.2
	Importer	197.2	72.9	94.6	35.8	14.5	14.2	15.2
Total Ethanol		13,067.9	14,211.4	14,534.6	14,736.4	14,951.7	14,794.7	15,068.5
Y/Y change		-12.6%	8.8%	2.3%	1.4%	1.5%	-1.0%	1.9%
Biodiesel	Domestic	1,824.9	1,704.6	1,620.2	1,675.6	1,672.1	1,106.6	1,409.1
	Importer	209.5	208.5	240.4	511.4	407.7	34.0	4.7
Total Biodiesel		2,034.4	1,913.1	1,860.6	2,187.0	2,079.8	1,140.6	1,413.8
Y/Y change		7.2%	-6.0%	-2.7%	17.5%	-4.9%	-45.2%	23.9%
Renewable Diesel	Domestic	533.5	845.4	1,455.3	2,428.0	3,142.3	2,868.8	3,020.5
	Foreign	435.5	471.0	446.4	480.8	430.1	104.5	34.2
Total Renewable Diesel		969.0	1,316.4	1,901.8	2,908.8	3,572.5	2,973.4	3,054.7
Y/Y change		6.2%	35.9%	44.5%	53.0%	22.8%	-16.8%	2.7%
Renewable Natural Gas	Domestic	469.0	533.4	631.2	731.7	928.4	1,163.0	1,141.4
	Importer	34.9	36.1	37.1	43.3	46.2	44.0	19.8
Total Natural Gas		503.9	569.5	668.3	775.0	974.7	1,207.0	1,161.2
Y/Y change		24.6%	13.0%	17.3%	16.0%	25.8%	23.8%	-3.8%
Propane	Domestic	4.3	4.6	4.5	4.7	0.9	3.3	3.6
Y/Y change		2.3%	6.6%	-2.3%	5.2%	-80.3%	252.7%	10.9%

Note: 2026 estimates based on year-over-year growth through first five months, except propane which extrapolates the first five months of data through the rest of the year.

Next Steps

- Distribute draft forecast by September 4.
- Comments due: September 18 by 5 p.m.
- **If necessary**, follow-up meeting scheduled for September 25, 1:30-3:00 p.m.



Michael Kennedy

Senior Economist

971-446-1379

Michael.Kennedy@DAS.oregon.gov

Hari Vellaipandian

Economist

971-707-1131

Hari.Vellaipandian@DAS.Oregon.gov