

State of Oregon Department of Environmental Quality

Clean Fuels Program First Quarter 2022 Data

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DEQ staff are pleased to issue this quarterly data summary for the Clean Fuels Program. The aggregated quarterly data for the program is also posted on our <u>website</u> in an Excel spreadsheet.

Special topic: Introduction of Third-Party Verification

DEQ is implementing its new third-party verification requirements that require certain 2021 fuel reports to be verified by an independent third party. Responsible entities (RE) are required to contract with an approved verification body (VB) and ensure that a verification statement is received by DEQ by August 31st of the following calendar year. This additional layer of interaction between a VB and the RE has required the immediate attention of DEQ staff to ensure that corrections to 2021 reports are made in a manner to ensure the timely submission of verification statements. Specifically, corrections to errors in 2021 reports that are identified through verification must be corrected in the second half of August and that has affected the timing of auditing quarterly data and has led to the delayed publication of this Q1 2022 data summary.

Because the changes as a result of verification are not completed at this time, we are not reflecting any of the verification changes to 2021 data in the Q1 2022 data summary. Any changes to 2021 data will be reflected in the Q2 2022 data summary.

Credits and Deficits

Figure 1 shows the number of credits and deficits generated from Q1 2016 through Q1 2022. Credits are generated by fuels that have a carbon intensity which falls below this year's target, while deficits are generated by fuels whose carbon intensity is higher than this year's target. The green line indicates banked credits which is the difference between all credits and deficits generated.

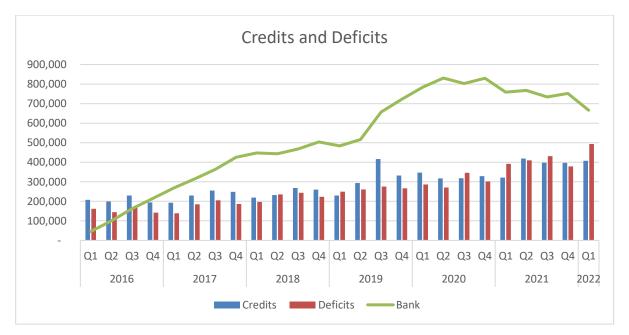


Figure 1. Credits and deficits, Q1 2016 - Q1 2022

*Note: DEQ calculates the number of base and incremental residential EV credits on a semi-annual basis and distributes them among electric utilities that have opted into the program as well as for the Backstop Aggregator. This chart does not yet include the residential EV credits for Q1 of 2022. When credits are calculated, they are divided between the previous two quarters and retroactively reported in the Second and Fourth Quarter Data Summaries. When the Second Quarter Data Summary is released, the Q1 credits will be updated with the residential EV credits.

Credits generated by fuel type

Figure 2 shows the breakdown of credit generation by fuel type from Q1 2016 through Q1 2022. The majority of credits have come from ethanol (which is blended into gasoline) and biodiesel (which is blended into diesel). Credits from electricity are increasing steadily. The Others category includes fossil and renewable natural gas, propane, and hydrogen.

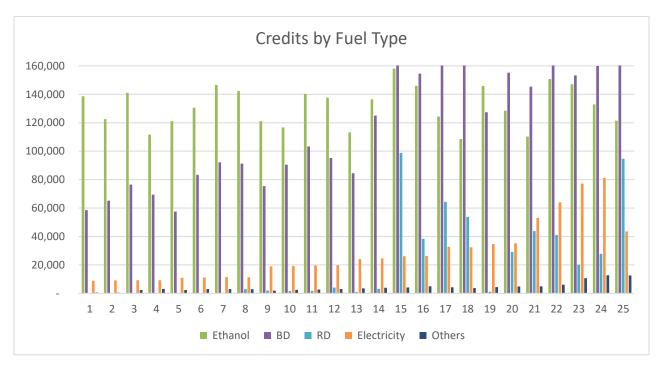


Figure 2. Credits by Fuel Type, Q1 2016 - Q1 2022

Gasoline and diesel demand

Figure 3 shows gasoline and diesel demand from Q1 2016 through Q1 2022. In Q1 2022, gasoline demand (the sum of gasoline, ethanol, and E10 blends) and diesel demand (the sum of diesel, biodiesel, renewable diesel, and blends thereof) both declined slightly from the previous quarter. Data from the <u>US</u> Energy Information Administration confirms these trends for this time period.

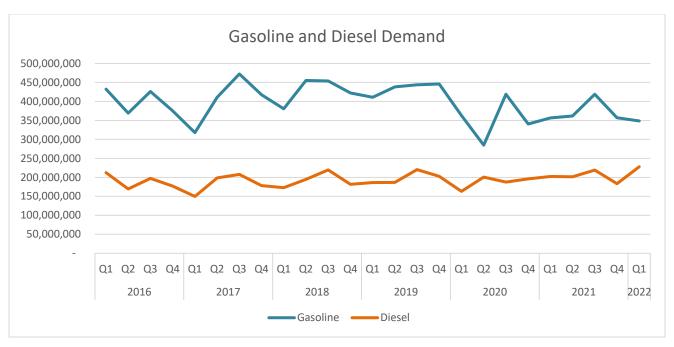


Figure 3. Gasoline and diesel demand, Q1 2016 - Q1 2022

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deq.oregon.gov.