SCB Fuel Emissions Report

Friday, February 14, 2020

- LCFS markets saw values move lower as offers remained strong throughout the curve. The day opened with sellers targeting near last done levels, starting at $213/MT, $212/MT, and $211/MT for April '20, Q2 '20, and Q1 '21 respectively. Bids however, pulled back to begin the day, targeting $208/MT in the back half of 2020. With buyers holding steady, offers moved lower, hitting $208/MT for Q4 2020 transfer by midday while further deferred markets also caught activity with $206/MT trading for Q4 2022 shortly thereafter. Into the afternoon buyers continued to move lower, targeting $206/MT for Q1 2021 but failed to find sellers stepping that low.

- Ethanol RINs yesterday were active as the 2020 D6s have increased in value for the past fifteen consecutive sessions. The 2020 D6s received strong support with values topping out at $0.33 by mid-session, but as the day wore on bid interest cooled with support backing up to $0.32 towards the close. The 2019 D6s followed a similar trajectory and traded through $0.27, but edged slightly lower and fell to $0.265 by day's end. Despite the BOHO spread narrowing, the 2020 D4s continue to attract interest in the upper $0.40s, while the 2019 D4s remain well supported for a nearby transfer.

SCB Fuel Emissions

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LOW CARBON FUELS COALITION

Full data sets are available at RENW on Bloomberg, or contact marketing@starcb.com

SCB Carbon

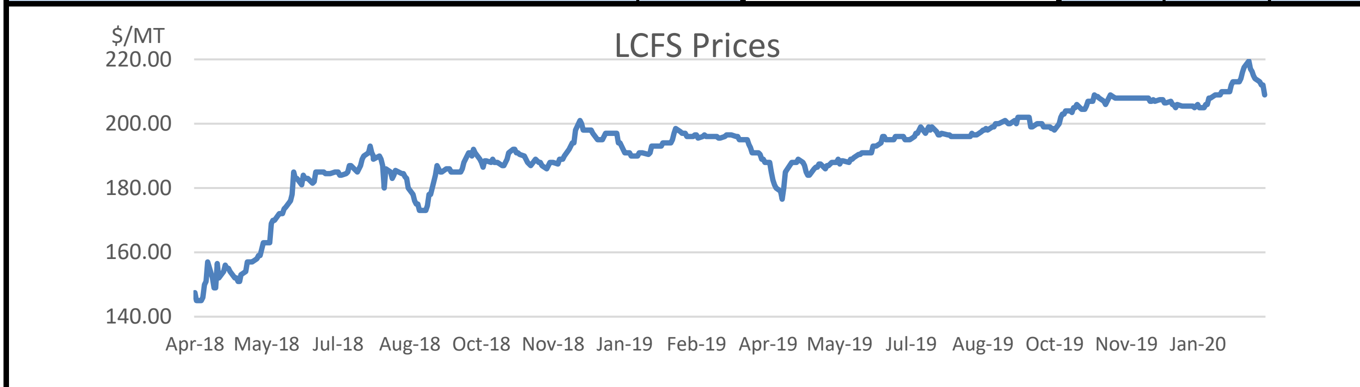
February 14, 2020

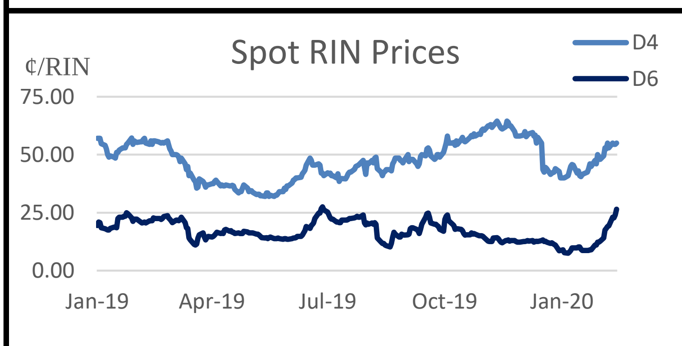
LCFS Credit Price ($/MT)					
	Bid	Ask	Spread	Bid	Ask
Prompt	208.0	210.0	Spot/Q1	-1.00	1.00
Q1 2020	208.0	210.0	Q1/Q2	1.00	3.00
Q2 2020	206.0	208.0	Q2/Q3	-0.50	0.50
Q3 2020	206.0	208.0	Q3/Q4	-0.50	0.50

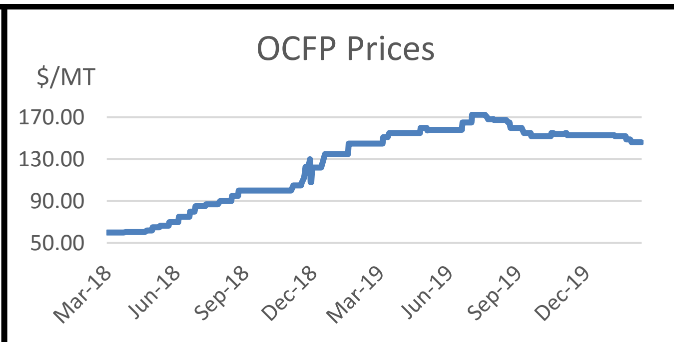
OCFP Credit Price ($/MT)					
	Bid	Ask	Spread	Bid	Ask
Prompt	143.0	150.0	Spot/Q4	-1.00	1.00
Q1 2020	143.0	150.0	Q4/Q1	-1.00	1.00
Q2 2020	143.0	150.0	Q1/Q2	-1.00	1.00
Q3 2020	143.0	150.0	Q2/Q3	-1.00	1.00

CI Value vs LCFS Target* ($/MT)		DDP CA[a]	Fair Value[b]
Midwest SME Biodiesel (50.85)	1.109	2.310	2.310
Midwest Corn Oil Bio (29.46)	1.673	2.589	2.874
Imported CME (51.33)	1.096	2.012	2.297
Imported Renewable Diesel (36.83)[c]	1.520	2.386	2.831
Imported UCOME Bio (25.61)	1.774	2.690	2.975
$/USG per point CI (biodiesel)	0.026		
CI Value vs LCFS Target* ($/MT)		**DDP Ca[e]**	**Fair Value[d]**
Midwest Corn Ethanol (70)[e]	0.374	1.50	1.503
Brazil Sugar Ethanol (45.9)[e]	0.785	2.212	2.196
$/USG per point CI (ethanol)	0.017		

RINs Prices ($)		
	Bid	Ask
2018 D4	0.5250	0.5350
2019 D4	0.5450	0.5550
2020 D4	0.4750	0.4850
2018 D5	0.5250	0.5300
2019 D5	0.5450	0.5500
2020 D5	0.4750	0.4800
2018 D6	0.2350	0.2400
2019 D6	0.2600	0.2700
2020 D6	0.3200	0.3300







*2020 LCFS Target Diesel 91.98, 2020 LCFS Target Gasoline 92.92

a Jan arrival, Full Pass B99 and RINs For Buyer

[b] Fair value = SME + differences from LCFS and RINs

[c] RINs multiplier for Renewable Diesel 1.7 vs 1.5 for Biodiesel

[d] Fair value =MW Corn Ethanol + LCFS + 2019 D5/D6 RINs spread

[e] June 2020 arrival