

## 2021 LCFS Compliance Information and Credit Clearance Market Information

### LCFS Compliance Reporting for 2021

The Low Carbon Fuel Standard (LCFS) achieved 99 percent compliance for the 2021 data year. A total of 497 entities reported under the LCFS program during 2021. Out of those 497 entities, 60 generated deficits. The entities reporting high-carbon fuels generated 18,848,688 deficits during this period. A total of 20,197,339 credits were generated in the program over the same time period.

#### Summary of 2021 LCFS Compliance Reporting

Total number of entities actively reporting in 2021 under LCFS program	497
Total number of entities generating deficits during 2021	60
Total number of deficit generating entities that met their 2021 compliance obligation	55

As reported in the [Q4 2021 Quarterly Data Summary](#), cumulatively through 2021, the LCFS program has generated 97.7 million credits and 88.3 million deficits, for a net of about 9.4 million credits banked in the program.

### Credit Clearance Market

There were five parties that did not retire sufficient credits for 2021.

Name of the Regulated Party	Number of CCM Deficits
Ag Environmental Products LLC	4
American Biodiesel, Inc. dba Community Fuels	510
BB Energy USA LLC	8,595
Biodico Westside, LLC	206
Mutual Propane	127
Sun Valley Energy, Inc.	779

The LCFS includes a provision for holding a Credit Clearance Market (CCM) that provides additional compliance flexibility to regulated entities who have not met their previous year-end obligation.

On April 4, 2022, the California Air Resources Board (CARB) issued a call for credits to be pledged for sale in the CCM. The following parties pledged a total of 24,467 credits for sale in the 2021 CCM:

Name of the Regulated Party	Number of CCM Credits
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City of Fresno Department of Transportation	5,513
City of Fullerton	500
City of Lodi Electric Utility	1,379
EVmatch, Inc.	5
Foothill Transit	695
Imperial Irrigation District	3,623
Long Beach Public Transportation	2,749
Neste US, Inc.	10,000
San Francisco Estuary Institute	3

The EO has determined that the CCM will occur in 2022 to allow the five reporting entities the additional opportunity to meet its obligation. The CCM will be operational from June 1 to August 30, 2022. During this period, this regulated party must acquire credits pledged into the CCM from the parties listed above.

The maximum price set for credits to be sold in the 2021 CCM is \$239.18 per credit. Regulated parties that have pledged credits to sell into the CCM cannot reject an offer to purchase pledged credits at the maximum price but may accept an offer to purchase at a lower price if they prefer to do so.

If you have any questions regarding this document, please contact Cheryl Laskowski, Transportation Fuels Branch Chief at (916) 621-9068 or via email [Cheryl.Laskowski@arb.ca.gov](mailto:Cheryl.Laskowski@arb.ca.gov).

## **Program Background**

The LCFS, a regulation to reduce the carbon intensity of fuels sold in California 20 percent by 2030, is one of the measures adopted by CARB, pursuant to Health and Safety Code Sections 38500-38599 (AB 32) to reduce California's greenhouse gas emissions. It is designed to help clean the air, protect the environment, and drive the development of clean, low-carbon fuels.

The Credit Clearance Market provision increases market certainty regarding maximum compliance costs, strengthens incentives to invest in and produce low-carbon fuels, and reduces the probability of credit shortfalls and price spikes. For more information see the LCFS Credit Clearance Market [webpage](#).