

# 2023 LCFS Compliance Information and Credit Clearance Market Information

## LCFS Compliance Reporting for 2023

The Low Carbon Fuel Standard (LCFS) achieved 100 percent compliance for the 2023 data year. A total of 531 entities reported under the LCFS program during 2023. Out of those 531 entities, 64 generated deficits. The entities reporting high-carbon fuels generated 22,424,118 deficits during this period. A total of 30,656,520 credits were generated in the program over the same period.

### Summary of 2023 LCFS Compliance Reporting

Total number of entities actively reporting in 2023 under LCFS program	531
Total number of entities generating deficits during 2023	64
Total number of deficit generating entities that met their 2023 compliance obligation	64

As reported in the [Q4 2023 Quarterly Data Summary](#), cumulatively through 2023, the LCFS program has generated 155.58 million credits and 132.03 million deficits, for a net of about 23.55 million credits banked in the program.

### Credit Clearance Market

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.

As all LCFS deficit-generating entities met their 2023 compliance obligation, CARB has determined that a CCM will not occur in 2024.

If you have any questions regarding this document, please contact Matt Botill, ISD Chief, at (916) 324-0934 or via email [Matthew.Botill@arb.ca.gov](mailto:Matthew.Botill@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](#).