

Myth vs. Fact

Low Carbon Fuel Standard (LCFS)

Myth	Fact
<i>The LCFS is responsible for high gas prices in California.</i>	FALSE. Over 80% of gas price increases over the past 5 years are due to oil refiners' pricing policies, while state and local taxes and environmental regulations account for only a small fraction. In fact, LCFS compliance costs are estimated to pass through at around \$0.08 to \$0.10 per gallon—a small part of the total price.
<i>LCFS credit prices are driving up the cost of gasoline.</i>	FALSE. There is no direct relationship between LCFS credit prices and retail gasoline prices. The fluctuations in LCFS credit prices are independent of retail fuel prices, meaning the LCFS program does not directly influence pump prices.
<i>The amended LCFS will cause major gas price hikes.</i>	FALSE. None of the scenarios in the Standardized Regulatory Impact Assessment (SRIA) that have been analyzed are expected to result in significant gas price increases and are more stringent than the proposal going to the Board on November 8th. Third-party data shows that LCFS-related costs add only about \$0.08 to \$0.10 per gallon at most, and new amendments include measures such as price caps to prevent unchecked cost increases.
<i>The LCFS amendments will lead to fuel shortages and restrict supply.</i>	FALSE. The LCFS encourages the diversification of fuel sources, ensuring that supply becomes more resilient by incentivizing cleaner fuels like biofuels, hydrogen, and electricity. This reduces reliance on volatile petroleum markets and strengthens California's energy security.

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<i>The LCFS does not benefit consumers and is just an environmental policy.</i>	FALSE. The LCFS is designed to save consumers money in the long run. Californians are expected to see a 42% reduction in fuel costs per mile by 2045, particularly benefiting the light-duty vehicle sector. This shift from petroleum-based fuels to cleaner alternatives will lead to significant long-term savings.
<i>The LCFS will hurt California's economy.</i>	FALSE. Far from hurting the economy, the LCFS is expected to supercharge investment in clean fuels and infrastructure, driving economic growth. By supporting clean energy innovation, the LCFS helps California stay at the forefront of the global clean energy economy.
<i>The clean fuels incentivized by LCFS doesn't help reduce pollution or spur innovation.</i>	FALSE. LCFS has helped spur innovation, driving competition and investment in alternatives like renewable diesel, hydrogen, and sustainable aviation fuel. These fuels, once considered niche or expensive, are now becoming mainstream and fast. With cleaner fuels, less pollution is emitted into our air.