

PREPARING FOR THE 2024 ANNUAL COMPLIANCE OBLIGATION

Note: This document is provided to describe regulatory requirements in a user-friendly format. It does not have the force of law, does not establish new requirements, and in no way supplants, replaces, or amends any of the legal requirements of the Cap-and-Trade Regulation (Regulation). Any omission or truncation of regulatory requirements in this guidance does not relieve entities of their legal obligation to fully comply with all requirements of the Regulation.

The fifth California Cap-and-Trade Program Compliance Period (CP5) began on January 1, 2024, and ends on December 31, 2026. This Compliance Period includes two annual compliance obligation deadlines, November 3, 2025 (for 2024 emissions) and November 2, 2026 (for 2025 emissions), and one Full Compliance Period Compliance Obligation deadline on November 1, 2027 (remaining balance of 2024 and 2025 emissions plus full 2026 emissions).

- The 2024 Annual Compliance Obligation is due no later than: **November 3, 2025, 5:00 PM Pacific Time.**

This document outlines the key actions that the Primary Account Representative (PAR) and/or an Alternate Account Representative (AAR) should undertake to ensure entities have sufficient compliance instruments (eligible allowances and offset credits) in the compliance account to fulfill the 2024 Annual Compliance Obligation. This document provides the following guidance:

1.1	Summary of the 2024 Annual Compliance Obligation	2
1.2	How to Review Facility Information	3
1.3	How to Review Facility Verified Covered Emissions	4
1.4	How to Estimate the 2024 Annual Compliance Obligation.....	5
1.5	Quantitative Usage Limit	6
1.6	Understanding Eligible Compliance Instruments.....	7
1.7	How to Review Compliance Obligation Detail in CITSS	9
1.8	Understanding True-Up	13

CARB staff are available by phone and email to assist with any compliance-related questions.

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1.1 SUMMARY OF THE 2024 ANNUAL COMPLIANCE OBLIGATION

1.1.1 Key Points

- The 2024 Annual Compliance Obligation is due by no later than: **November 3, 2025, 5:00 PM Pacific Time.**
- The 2024 Annual Compliance Obligation is 30 percent of 2024 verified covered emissions. Compliance Instrument Tracking System Service (CITSS) account representatives must transfer eligible instruments to an entity's compliance account (surrender instruments) before the 2024 Annual Compliance Obligation deadline on **November 3, 2025 at 5:00 PM Pacific Time.**
- Eligible Instruments for the 2024 Annual Compliance Obligation are:
 - Allowances with vintage 2024 or earlier
 - Allowances with no vintage (always eligible)
 - Offset credits of any vintage (up to the Quantitative Usage Limit, which is 4% of an entity's compliance obligation for the 2024 Annual Compliance Obligation pursuant to section 95854(c) of the Regulation)
 - Offset credits without the special category designation Direct Environmental Benefits in the State (DEBS) cannot account for more than one-half of the Quantitative Usage Limit (e.g., 2% of an entity's 2024 Annual Compliance Obligation).
 - Entities assigned a true-up quantity in CITSS can use vintage 2025 and/or 2026 allowances up to the specified "Remaining True-up Quantity"
- Failure to fulfill a compliance obligation by the deadline results in an Untimely Surrender Obligation. The Untimely Surrender Obligation is any unfulfilled portion of an entity's Annual or Full Compliance Period Compliance Obligation and is calculated as four times the entity's outstanding emissions.

1.1.2 Discussion

The annual compliance obligation period for 2024 emissions ended on December 31, 2024. Entities were required to report verified 2024 emissions to CARB no later than August 11, 2025. Account representatives must transfer a sufficient number of eligible compliance instruments into an entity's compliance account in CITSS by the November 3, 2025 compliance obligation deadline.

An entity may use offset credits to satisfy a portion of the 2024 Annual Compliance Obligation. The maximum number of offset credits allowed (known as the Quantitative Usage Limit) is 4% of verified covered emissions. Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit. Offset credits of any vintage are eligible.

The CITSS Compliance Obligation Detail Report shows past and current compliance obligations. For current compliance obligations, CITSS shows a pending compliance

status to assist account representatives in determining if sufficient eligible compliance instruments are in the compliance account to satisfy the compliance obligation.

The CITSS Compliance Obligation Detail Report does not show current compliance obligations until CARB uploads verified covered emissions and approves the compliance obligation in CITSS. CARB expects the 2024 Annual Compliance Obligation will be available in CITSS by early October 2025. Covered entities will receive an email from CITSS once the annual compliance obligation has been approved.

1.2 HOW TO REVIEW FACILITY INFORMATION

1.2.1 Key Points

Verified facility covered emissions are the basis for compliance obligations. CITSS sums verified facility covered emissions to determine the basis of an entity's compliance obligation.

- An account representative should confirm that:
 - The correct facilities are associated with the entity's CITSS account
 - Each facility has the correct GHG Emissions Reporting ID
 - Each facility has a correct status of active or retired
 - The CITSS GHG Emissions Reporting ID assigned to each facility is the same as the Cal-eGGRT ARB GHG Reporting ID for that facility

1.2.2 Discussion

An entity account can have multiple associated facilities and covered emission sources. CITSS associates each facility or emissions source with an entity account by a unique CITSS Facility ID and the GHG Emissions Reporting ID. The CITSS GHG Emissions Reporting ID is the same as the ARB GHG Reporting ID in the California electronic Greenhouse Gas Reporting Tool (Cal-eGGRT).

Figure 1 is a screenshot of the CITSS Facilities Tab. CITSS lists all facilities ever associated with an entity with its GHG Emissions Reporting ID and Facility Status. Facilities with "Active" status are currently associated with the entity and contribute to a compliance obligation. Account representatives should confirm that the correct facilities are associated with the entity, that each facility is active or retired as appropriate, and that the CITSS GHG Emissions Reporting ID for each facility is the same as the ARB GHG Reporting ID in Cal-eGGRT.

Figure 1: Screenshot of CITSS Facilities Tab

Home > My Account > Facilities Tab

E&N Industries

This page shows information for your account or set of accounts. You may propose changes to the information listed under the General and Contact Information pages by selecting [Edit Information](#) at the bottom of the pages. You can remove or propose changes to Representatives, and Account Viewing Agents under their respective tabs. You can indicate your interest in participating in the next scheduled auction under the Auction Tab.

General Account Compliance Account (g) Annual Allocation Holding Account

General Contact Information Representatives Account Viewing Agents Holding Limits Auction **Facilities**

The Facilities tab shows the facilities managed by the entity identified at the top of the screen. The entity is responsible for managing compliance instruments and compliance obligations for these facilities. Information about each facility is available by selecting the link in the Facility Name column.

An account representative adds a new covered facility by selecting the "Add facility" button. **Warning!** A facility previously operated by another entity is already in CITSS. Adding the facility a second time creates a duplicate. If the facility is already in CITSS, the Registrar will re-assign the existing facility to the new owner or operator.

Any facility changes must be accompanied with signed forms authorizing the changes. CITSS forms can be downloaded from the ARB CITSS website, <http://www.arb.ca.gov/citss>. For guidance on how to change facility information, additional CITSS support is available at: <https://wci-inc.org/citss-support>

Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Status	Effective Date	Retirement Date	Actions
Manufacturing	Plant 02	000002	Active	2022-07-13		No Action
Power Plant	Plant 01	000001	Active	2022-07-13		No Action

[CSV](#) [Excel](#) 2 records

[Add Facility](#)

1.3 HOW TO REVIEW FACILITY VERIFIED COVERED EMISSIONS

1.3.1 Key Points

- CITSS calculates the annual compliance obligation based on verified facility covered emissions for the applicable years.
- CITSS shows verified covered emissions by facility by year.
- An account representative should confirm that:
 - Verified covered emissions are correct
 - Verified covered emissions are associated to the correct facility

1.3.2 Discussion

CITSS calculates compliance obligations based on verified facility covered emissions for the applicable years. Entities report verified covered emissions to CARB by August 11 of the year following the calendar year in which the covered emissions occurred (e.g., entities reported and verified 2024 emissions to CARB by August 11, 2025).

Figure 2 shows a screenshot of a CITSS Emissions Report displaying all verified covered emissions by budget year and facility.

Figure 2: Screenshot of a CITSS Emissions Report

Home > Representative Reports > Compliance – Emissions Report

Emissions

This page allows a user to produce an Emissions Report. The search function allows searching by Budget Year, CITSS Entity ID, Entity Legal Name, Facility Name, and GHG Emissions Reporting ID. Selecting the "Search" button generates the Emissions Report for the selected criteria. The search results are presented in tabular form in the bottom half of the screen and may be more than one page in length. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Budget Year: 2013, 2014, 2015

CITSS Entity ID:

Entity Legal Name: E&N Industries

Facility Name:

GHG Emissions Reporting ID:

Results per page: 10

[Search](#) [Clear](#)

Budget Year	CITSS Entity ID	Entity Legal Name	Facility Name	GHG Emissions Reporting ID	Emissions (metric tons CO ₂ e)
2024	CA4382	E&N Industries	Manufacturing	000002	50,000
2024	CA4382	E&N Industries	Power Plant	000001	50,000
2023	CA4382	E&N Industries	Manufacturing	000002	52,000
2023	CA4382	E&N Industries	Power Plant	000001	48,000
2022	CA4382	E&N Industries	Manufacturing	000002	48,000
2022	CA4382	E&N Industries	Power Plant	000001	52,000

1.4 HOW TO ESTIMATE THE 2024 ANNUAL COMPLIANCE OBLIGATION

1.4.1 Key Points

- The 2024 Annual Compliance Obligation is 30 percent of 2024 verified covered emissions.
- Representatives can preview their 2024 Annual Compliance Obligation on the CITSS Compliance Obligation Detail Report by early October 2025. Covered entities will receive an email from CITSS once the Annual Compliance Obligation has been approved.

1.4.2 Discussion

Using preliminary reported emissions, entities can estimate their Annual Compliance Obligation before CITSS shows the current compliance obligation.

Cal-eGGRT stores emission values in decimal format. CITSS stores emission values as whole numbers. CARB uses conventional rounding (less than 0.5 round down, 0.5 and greater round up) when uploading Cal-eGGRT emissions into CITSS.

CITSS calculates the annual compliance obligation as 30 percent of verified covered emissions. CARB always rounds down the calculated annual compliance obligation to the nearest whole number regardless of the value after the decimal.

The example in Table 1 demonstrates calculation of the 2024 Annual Compliance Obligation for an entity with 2024 verified covered emissions of 100,001.79 metric tons of carbon dioxide equivalent (MTCO_{2e}).

Table 1: Example Calculation of a 2024 Annual Compliance Obligation

Description	Value
Verified 2024 emissions in Cal-eGGRT	100,001.79 MTCO _{2e}
Verified emissions (conventional rounding) in CITSS	100,002 MTCO _{2e}
Calculated 30% of verified emissions	30,000.6 MTCO _{2e}
2024 Annual Compliance Obligation (30% of verified emissions, rounded down)	30,000 MTCO _{2e}

In the Table 1 example, verified annual emissions in Cal-eGGRT are 100,001.79 MTCO_{2e}. CARB uses conventional rounding to determine verified emissions uploaded into CITSS, resulting in rounding up the verified emissions from Cal-eGGRT to 100,002 MTCO_{2e}. Thirty percent of the verified emissions is $0.3 \times 100,002$ which equals 30,000.6 MTCO_{2e}. CARB rounds the calculated value down to the nearest whole number, resulting in an annual compliance obligation of 30,000 MTCO_{2e}. The remaining facility emissions of 70,002 MTCO_{2e} will be included in the Full Compliance Period Compliance Obligation at the end of the fifth compliance period.

1.5 QUANTITATIVE USAGE LIMIT

1.5.1 Key Points

- An entity may use offset credits to satisfy a portion of the 2024 Annual Compliance Obligation.
- The Quantitative Usage Limit sets the maximum number of offset credits an entity can use.
- The Quantitative Usage Limit for the 2024 Annual Compliance Obligation is 4% of 2024 verified covered emissions.
- Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit.

1.5.2 Discussion

In CITSS, verified covered emissions are uploaded as a whole number. Multiplication of verified covered emissions as a whole number by 0.04 (4%) usually results in a decimal value. To avoid exceeding the Quantitative Usage Limit, CARB rounds the calculated maximum number of offset credits down to the nearest whole number.

Table 2 shows an example calculation of the maximum number of offset credits an entity may use for the 2024 Annual Compliance Obligation. In Table 2, verified annual emissions are 100,002 MTCO₂e. Four percent of the verified emissions ($0.04 \times 100,002$) is 4,000.08 MTCO₂e. To avoid exceeding the Quantitative Usage Limit, CARB rounds down the calculated value to the nearest whole number, resulting in 4,000 offset credits as the maximum number of offset credits allowed for this compliance obligation. Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit (rounded down). For this example, a maximum of 2,000 offset credits that do not have a DEBS designation can be used for this compliance obligation.

Table 2: Example Calculation of Maximum Offset Credits for 2024 Annual Compliance Obligation

Description	Value
Verified annual emissions in CITSS	100,002 MTCO ₂ e
Quantitative Usage Limit	4 percent
4% of verified annual emissions	4,000.08 MTCO ₂ e
Maximum number of offset credits that can be used for compliance obligation (rounded down)	4,000
Limit on offset credits surrendered from non-DEBS projects	50 percent of Quantitative Usage Limit
Maximum number of offset credits surrendered from non-DEBS projects (rounded down)	2,000

1.6 UNDERSTANDING ELIGIBLE COMPLIANCE INSTRUMENTS

1.6.1 Key Points

- An entity must use eligible instruments to fulfill a compliance obligation.
- Eligible Instruments for the 2024 Annual Compliance Obligation are:
 - Allowances with vintage 2024 or earlier
 - Allowances with no vintage (always eligible)
 - Offset credits of any vintage (up to the 4% Quantitative Usage Limit)
 - Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit.

- Entities assigned a true-up quantity can use a limited number of vintage 2025 and/or 2026 allowances as specified by the “Assigned Vintage” associated with the entity’s Remaining True-up Quantity. Section 1.8 of this document provides further explanation of “Assigned True-Up Quantity.”

1.6.2 Discussion

Eligible allowances for the 2024 Annual Compliance Obligation include allowances with a vintage 2024 or earlier. Offset credits of any vintage are eligible. The number of offset credits is subject to the Quantitative Usage Limit of 4% of 2024 verified covered emissions. Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit. Price Containment Reserve Allowances (PCRAs) and other allowances without a vintage are always eligible. An entity with Remaining True-up Quantity may also use the specified number of vintage 2025 and/or 2026 allowances.

CITSS will only retire the number of instruments from the compliance account necessary to fulfill the compliance obligation. CITSS leaves any excess instruments in the compliance account.

Figure 3 shows the CITSS Eligible Instruments for Retirement screen, which lists eligible instruments and the order that instruments are retired during compliance. The eligible instruments retirement order for the 2024 Annual Compliance Obligation is:

- 1) Offset credits
 - a) Oldest vintages retired first
 - b) Limited to Quantitative Usage Limit of 4% of total covered emissions with a compliance obligation
 - c) Offset credits without the DEBS special category designation cannot account for more than one-half of the Quantitative Usage Limit
- 2) Price Containment Reserve Allowances
- 3) Other nonvintage allowances
- 4) Allowances of vintage equal to the compliance obligation budget year or earlier
 - a) Oldest vintages retired first
- 5) Allowances allocated for the purpose of true-up and transferred to the compliance account
 - a) Oldest vintages retired first

Figure 3: Screenshot of CITSS Eligible Instruments for Retirement Report
 Home > Representative Reports > Compliance – Eligible Instruments for Retirement

Eligible Instruments for Retirement

This page allows users to view a list of eligible instruments with the retirement order for an obligation period. Enter the Jurisdiction, Budget Year(s) and Obligation Type, then select the "Submit" button to generate the list. If a California jurisdiction entity that you represent has been assigned a True-Up Quantity, entering the entity ID will show the remaining True-up Quantity that can be used to satisfy a compliance obligation for the selected Budget Year(s) and Obligation Type.

Jurisdiction:
 Budget Year(s):
 Obligation Type:
 CITSS Entity ID:

The following information is provided as guidance. Users should consult the Regulation for specific retirement order requirements. The CITSS instrument retirement order for this obligation is:

- Offset credits.
 - Oldest retired first.
 - Limited to the quantitative usage limit of the annual emissions with a compliance obligation – refer to table below.
 - The number of offsets that are non-DEBS cannot be more than one-half of the offset limit.
- Price Containment Reserve Allowances.
- Other non-vintage Allowances.
- Allowances of vintage equal to the obligation budget year or earlier.
 - Oldest retired first.
- Allowances allocated for the purpose of True-up and transferred to the compliance account.
 - Oldest retired first.
- Price Ceiling Units.

Offset Limit %	
Obligation Period	Offset Limit %
2024 Annual	4.00

1.7 HOW TO REVIEW COMPLIANCE OBLIGATION DETAIL IN CITSS

1.7.1 Key Points

- The Compliance Obligation Detail Report shows all relevant information for a selected compliance obligation.
- The Compliance Obligation Detail Report cannot show current compliance obligations until CARB uploads verified covered emissions, which happens by early October.
- CITSS evaluates instruments in the compliance account and calculates if there are enough eligible instruments to fulfill the compliance obligation. This evaluation informs the Compliance Status.

1.7.2 Discussion

The CITSS Compliance Obligations Detail Report presents detailed information about an individual compliance obligation. To access the Compliance Obligations Detail Report, choose the desired obligation from the CITSS Compliance Obligation Report. Figure 4 is a screenshot of the CITSS Compliance Obligations Report. The screenshot shows the search fields for the 2024 budget year, and the resulting 2024 Annual Compliance Obligation identified for the fictional E&N Industries.

On the Compliance Obligations Report shown in Figure 4, the Current Tab is the default page with filters to view current or future compliance obligations. The Past Tab must be selected to review the information for past compliance obligations. This screen provides general information about the compliance obligation, including the Obligation Period, Compliance Deadline, Obligation Period Status, CITSS Entity ID, Entity Legal Name, and the amount of the Compliance Obligation. To view the details of an individual compliance obligation, select the "CITSS Entity ID (hyperlink)" to open the Compliance Obligation Detail Report for the selected obligation.

Figure 4: Screenshot of the CITSS Compliance Obligations Report

[Home](#) > [Representative Reports](#) > [Compliance Obligations – Current Tab](#)

Compliance Obligations

This page allows users to view information regarding current or past Compliance Obligations by selecting the appropriate tab at the top of the page. The Obligation Period column identifies the Budget Year(s) and the type of Compliance Obligation. Selecting the hyperlink in the CITSS Entity ID column switches to the Compliance Obligation Detail page which presents additional information about the selected Compliance Obligation. If the Compliance Obligation status is In Progress or Not Processed, the hyperlink is unavailable.

The search function allows searching by Budget Year(s), Obligation Type, CITSS Entity ID, and Entity Legal Name. The search results are presented in tabular form in the bottom half of the screen and may be more than one page in length. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Current **Past**

Budget Year(s)
2021
2022
2021-2023
2024

Obligation Type
Annual
Triennial
Quadrennial

CITSS Entity ID

Entity Legal Name

Results per page
10

Search **Clear**

Obligation Period	Compliance Deadline	Obligation Period Status	CITSS Entity ID	Entity Legal Name	Compliance Obligation	Updated Date/Time
2024 Annual	2025-11-03 20:00:00 EDT	Open	CA4380	E&N Industries	3,000	2025-07-13 17:47:48 EDT

[CSV](#) [Excel](#) 1 record

Figure 5 is a screenshot of the CITSS Compliance Obligation Detail Report of E&N Industries. Some features may not be available to some entities depending on the entity and whether it receives allocation.

Figure 5: Screenshot of CITSS Compliance Obligation Detail Report

Home > Representative Reports > Compliance Obligations – Current Tab > CITSS Entity ID (hyperlink)

Compliance Obligation Information

Obligation Period	2024 Annual
CITSS Entity ID	CA4380
Entity Legal Name	E&N Industries
Entity Operating Name	E&N Industries
Compliance Account Number	CA4380-5559
Compliance Status	Pending Unfulfilled ?
Compliance Deadline	2025-11-03 20:00:00 EDT?
Updated Date/Time	2025-07-13 17:47:48 EDT?

Compliance Obligation	3,000
Instruments Retired	0
Balance to Fulfill Obligation	3,000 ?

Offset Limit	400 ?
Non-Direct Environmental Benefit (Non-DEB) Offset Limit	200 ?

Instruments in Compliance Account to be Retired	2,000 ?
Additional Instruments Needed in Compliance Account	1,000 ?

Instruments in Compliance Account to be Retired ?

Vintage	Jurisdiction	Type	Sub-Type	Offset Type	Offset Project ID	Quantity	Receiving Account
2024		Allowance				2,000	Retirement

Remaining True-up Quantity ?

Eligible True-up Vintages	Remaining Quantity
2025	600
2026	906

Facility Emissions ?

Budget Year	Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Emissions (metric tons CO ₂ e)
2024	Manufacturing	Plant 02	000002	5,000
2024	Power Plant	Plant 01	000001	5,000

[CSV](#) [Excel](#) 2 records

Assigned True-up Quantity ?

Budget Year	Facility Operating Name	GHG Emissions Reporting ID	Assigned Vintage	Assigned Quantity
2023	Plant 02	000002	2025	500
2023	Plant 01	000001	2025	100
2024	Plant 02	000002	2026	562
2024	Plant 01	000001	2026	314

[CSV](#) [Excel](#) 4 records

1.7.3 Description of the CITSS Compliance Obligation Detail Report

The Compliance Obligation Detail Report presents all the information needed to review an entity's compliance obligation information. Each section of the Compliance Obligation Detail Report contains a purple question mark "?." Hover the mouse over the purple question mark to view an explanation of the topic.

Compliance Obligation Information.

The "Compliance Obligation Information" section of the Compliance Obligation Detail Report is the most important part of the report. The format is like a math equation.

- "Compliance Obligation" minus "Instruments Retired" equals "Balance to Fulfill Obligation."
- "Balance to Fulfill Obligation" minus "Instruments in Compliance Account to be Retired" equals "Additional Instruments Needed in Compliance Account" to fulfill the obligation.

To assist account representatives, CITSS evaluates the compliance obligation information and determines a Compliance Status. **"Pending Unfulfilled"** indicates there are not sufficient instruments in the compliance account to satisfy the obligation. **"Pending Fulfilled"** indicates there are sufficient instruments in the compliance account to satisfy the obligation.

Instruments in Compliance Account to be Retired

The "Instruments in Compliance Account to be Retired" section lists the type and number of instruments that CITSS will retire at the compliance deadline.

Remaining True-up Quantity

"Remaining True-up Quantity" is the balance of unused true-up quantity. "Remaining True-up Quantity" is the maximum number of allowances of the Assigned Vintage that an entity can use as eligible allowances toward fulfillment of the current obligation. "Remaining True-up Quantity" remains useable until the Assigned Vintage becomes current vintage, and the true-up value is no longer required for the allowances to be eligible for use. True-up value is described in more detail in Section 1.8.

Facility Emissions

The "Facility Emissions" section identifies the facilities and verified facility covered emissions that contribute to the compliance obligation.

Assigned True-up Quantity

"Assigned True-up Quantity" is the true-up value assigned to adjust for a change in production or required allocation.

1.8 UNDERSTANDING TRUE-UP

1.8.1 Key Points

- CARB allocates allowances to adjust for verified covered product data and changes in required allocation not reflected in prior allocations for a given year.
- “True-up Quantity” is a value, not a type of allowance.
- Remaining True-up Quantity is the number of allowances with a future vintage (i.e., later than the year in which the covered emissions that generated the compliance obligation occurred) that an entity can use to fulfill the current compliance obligation (e.g., an entity assigned a true-up quantity may use a specified True-up Quantity of 2025 and/or 2026 vintage allowances for the 2024 Annual Compliance Obligation).

1.8.2 Discussion

Understanding true-up requires understanding related terminology and timing of activities. The budget year is the year the emissions occurred. By October 24 each year, CARB provides initial allowance allocation with a vintage that is the same year as the upcoming budget year (e.g., CARB will provide vintage 2026 allowance allocation by October 24, 2025; see the timeline example below). Entities report verified covered emissions and verified covered product data to CARB following each budget year. If verified covered emissions and verified covered product data require a greater number of allocated allowances than the initial allowance allocation, then after the budget year CARB provides additional allowances of a later vintage to adjust the initial allowance allocation to the appropriate final value for the budget year. CARB refers to this allowance allocation as “true-up allocation.”

When CARB receives verified covered emissions for a budget year, allowances with the vintage equal to the budget year are no longer available to allocate. As a result, allowances allocated for true-up are of the vintage two years later than the budget year. Allowances allocated for true-up are included in the annual allocation each October. A general example of the true-up allocation timeline is as follows:

2024 Jan-Dec.....2024 budget year emissions occur.

2024 AugVerified covered emissions for the previous budget year (2023) are reported.

2024 Sept.....The Assigned True-up Quantity for 2023 emissions is calculated.

2024 OctAnnual allocations of vintage 2025 allowances are transferred to Annual Allocation Holding Accounts (AAHA). Consistent with standard annual allocation practice, the annual allocation includes an initial allocation of vintage 2025 allowances, which is an estimate for the upcoming budget year (2025), and a true-up allocation of vintage 2025 allowances to adjust the initial allocation of vintage 2023 allowances that were provided in October 2022. The true-up

allocation can be positive or negative. If the true-up allocation is positive, the Assigned True-up Quantity for 2023 emissions is designated in CITSS with an Assigned Vintage of 2025 allowances.

2025 Aug Verified covered emissions for the previous budget year (2024) are reported.

2025 Sept..... The Assigned True-up Quantity for 2024 emissions is calculated.

2025 Oct Annual allocations of vintage 2026 allowances are transferred to Annual Allocation Holding Accounts (AAHA). Consistent with standard annual allocation practice, the annual allocation includes an initial allocation of vintage 2026 allowances, which is an estimate for the upcoming budget year (2026), and a true-up allocation of vintage 2026 allowances to adjust the initial allocation of vintage 2024 allowances that were provided in October 2023. The true-up allocation can be positive or negative. If the true-up allocation is positive, the Assigned True-up Quantity for 2024 emissions is designated in CITSS with an Assigned Vintage of 2026 allowances.

2025 Nov..... The Annual Compliance Obligation for 2024 emissions is processed. Entities with Remaining True-up Quantity for vintages 2025 and 2026 may use the allowed number of those future vintage allowances for compliance.

Per the above description, the true-up process allows for the use of the specified number (i.e., the “Assigned True-up Quantity”) of vintage 2025 and 2026 allowances to fulfill the 2024 Annual Compliance Obligation or any later compliance obligation.

True-up Quantity Terminology

- “Assigned True-up Quantity” is the number of allowances of a given future vintage that are eligible to fulfill a current compliance obligation.
 - “Remaining True-up Quantity” is the balance of unused True-up Quantity and is the maximum number of allowances of the specified future vintage that an entity can use toward fulfillment of the current compliance obligation.
 - “Remaining True-up Quantity” remains useable until the assigned vintage becomes current, when the true-up process is no longer needed for the allowances to be eligible for compliance use.

Figure 6 is a screenshot of the CITSS True-Up Quantity Report for budget years 2023 and 2024 for the fictional entity E&N Industries. The figure shows that CARB assigned a True-up Quantity of 500 allowances to E&N Industries Plant 02 for budget year 2023 and 592 allowances for budget year 2024.

Figure 6: Screenshot of CITSS True-Up Quantity Report

Home > Representative Reports > Compliance – True-Up Quantity

True-Up Quantity

This page allows a user to produce a True-Up Quantity Report. The search function allows searching by Budget Year, CITSS Entity ID, Entity Legal Name, Facility Name, and GHG Emissions Reporting ID. Selecting the "Search" button generates the True-Up Quantity Report for the selected criteria. The search results are presented in tabular form. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Budget Year: 2013, 2014, 2015

CITSS Entity ID:

Entity Legal Name:

Facility Name:

GHG Emissions Reporting ID:

Results per page: 10

[Search](#) [Clear](#)

Budget Year	CITSS Entity ID	Entity Legal Name	Facility Name	GHG Emissions Reporting ID	Assigned True-Up Quantity	Updated Date/Time
2024	CA4380	E&N Industries	Plant 02	000002	592	2025-07-13 20:00:00 EDT
2024	CA4380	E&N Industries	Plant 01	000001	314	2025-07-13 20:00:00 EDT
2023	CA4380	E&N Industries	Plant 02	000002	500	2025-07-13 20:00:00 EDT
2023	CA4380	E&N Industries	Plant 01	000001	100	2025-07-13 20:00:00 EDT

[CSV](#) [Excel](#) 4 records

An entity can sell allocated allowances once those allowances are in its General Holding Account, but the Assigned True-up Quantity remains with the entity that received the true-up allocation. The purchasing entity cannot use allowances with a future vintage for compliance unless that entity has a Remaining True-up Quantity due to receiving a true-up allocation of its own. An entity that sells its allocated allowances may no longer have allowances of an Assigned Vintage. In such a situation, the entity can purchase other future vintage allowances of the Assigned Vintage and surrender those future vintage allowances for compliance up to the "Remaining True-up Quantity."

CITSS provides information about Assigned True-up Quantity and Remaining True-up Quantity by Assigned Vintage in the Compliance Obligations Details Report (described in Section 1.7 of this document). Figure 7 is an excerpt from that report for the fictional entity E&N Industries, and it shows that CARB allocated 600 vintage 2025 allowances and 906 vintage 2026 allowances in total for both Plant 01 and Plant 02 to adjust the initial allocation for budget years 2023 and 2024, respectively. The "Remaining True-up Quantity" for budget year 2023 is 600 (same as the Assigned True-up Quantity) because the entity has not yet used any 2025 allowances for compliance. Likewise, the "Remaining True-up Quantity" for budget year 2024 is 906 (same as the Assigned True-up Quantity) because the entity has not yet used any 2026 allowances for compliance. To summarize, E&N Industries can surrender up to 600 vintage 2025 allowances and 906 vintage 2026 allowances toward its 2024 annual compliance obligation.

Figure 7: Screenshot of CITSS Assigned and Remaining True-up Quantity

Home > Representative Reports > Compliance Obligations – Current Tab

Assigned True-up Quantity ?				
Budget Year	Facility Operating Name	GHG Emissions Reporting ID	Assigned Vintage	Assigned Quantity
2023	Plant 02	000002	2025	500
2023	Plant 01	000001	2025	100
2024	Plant 02	000002	2026	592
2024	Plant 01	000001	2026	314
				CSV Excel 4 records

Remaining True-up Quantity ?	
Eligible True-up Vintages	Remaining Quantity
2025	600
2026	906