

## 2025 LCFS Compliance and Credit Clearance Market Information

### **LCFS Compliance Reporting for 2025**

The Low Carbon Fuel Standard (LCFS) achieved 100 percent compliance for the 2025 data year. A total of 598 entities reported under the LCFS program during 2025. Out of those 598 entities, 88 generated deficits. The entities reporting high-carbon fuels generated 31,853,024 deficits during the 2025 data year. A total of 34,992,198 credits were generated in the program over the same period.

### **Summary of 2025 LCFS Compliance Reporting**

Total number of entities actively reporting in 2025 under LCFS program	598
Total number of entities generating deficits during 2025	88
Total number of deficit generating entities that met their 2025 compliance obligation	88

As reported in the [Q4 2025 Quarterly Data Summary](#), cumulatively through 2025, the LCFS program has generated 227.05 million credits and 187.36 million deficits, for a net of about 39.69 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 2025 compliance obligation, CARB has determined that a CCM will not occur in 2026.

If you have any questions regarding this document, please contact Erin Szelagowski, Fuels Section Manager, via email at [Erin.Szelagowski@arb.ca.gov](mailto:Erin.Szelagowski@arb.ca.gov).

## **Program Background**

The LCFS, a regulation to reduce the carbon intensity of fuels sold in California 90 percent by 2045, 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](#).