

2020 LCFS Compliance Information and Credit Clearance Market Information

LCFS Compliance Reporting for 2020

The Low Carbon Fuel Standard (LCFS) achieved 100 percent compliance for the 2020 data year. A total of 430 entities reported under the LCFS program during 2020. Out of those 430 entities, 58 generated deficits. The entities reporting high-carbon fuels generated 15,515,821 deficits during this period. A total of 15,340,945 credits were generated in the program over the same time period.

Summary of 2020 LCFS Compliance Reporting

Total number of entities actively reporting in 2020 under LCFS program	430
Total number of entities generating deficits during 2020	58 ¹
Total number of deficit generating entities that met their 2020 compliance obligation	57

As reported in the [Q4 2020 Quarterly Data Summary](#), cumulatively through 2020, the LCFS program has generated 77.5 million credits and 69.4 million deficits, for a net total over-compliance of about 8.1 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.

On April 5, 2021 the California Air Resources Board (CARB) issued a call for credits to be pledged for sale in the CCM. A total of 13,161 credits were pledged for sale in the 2021 CCM.

As all LCFS deficit-generating entities met their 2020 compliance obligation, CARB has determined that a CCM will not occur in 2021. All the credits pledged for sale in the CCM will be released to the pledging parties, effective immediately.

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.

¹ One credit-generating reporting party that had credits removed from their account through an administrative pathway carbon intensity adjustment is unable to purchase credits, but must purchase and retire those credits with interest per section 95485(c)(5).

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](#).