

2017 LCFS Compliance Information and Credit Clearance Market Information

LCFS Compliance Reporting for 2017

California Air Resources Board staff have analyzed the Low Carbon Fuel Standard (LCFS) compliance data for compliance year 2017 and are announcing a 100 percent compliance rate for this period.

A total of 262 parties actively reported under the LCFS program during 2017. Out of those, 55 regulated parties reported deficits. The entities reporting high-carbon fuels generated 10,014,348 deficits during this period. Low-carbon fuels generated a total of 9,912,199 credits in the program over the same time period. This does not include 2017 credits for low complexity and low energy use in refineries.

Summary of 2017 LCFS Compliance Reporting

Total number of parties actively reporting in 2017 under LCFS program	262
Total number of parties holding deficits at the end of 2017	55
Total number of parties that met their 2017 compliance obligation	55

As reported in the [Q4 2017 Quarterly Data Summary](#), cumulatively through 2017, the LCFS program has generated 35.8 million MT credits and 26.1 million MT deficits, for a net total over-compliance of about 9.8 million MT 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 parties who have not met their previous year-end obligation.

On April 2, 2018 the Executive Officer (EO) issued a call for credits to be pledged for sale in the CCM. The following parties pledged a total of 21,008 credits for sale in CCM 2018:

Name of the Regulated Party	Number of CCM Credits Pledged
BP Products North America, Inc	5,000
Long Beach Public Transportation	1,008
Neste US, Inc	15,000

As all the entities covered under LCFS met their 2017 compliance, the EO has determined that the CCM will not occur in 2018. All the credits pledged for sale in CCM 2018 will be released effective immediately.

If you have any questions regarding this document, please contact Ms. Manisha Singh, Manager, Fuels Section, at (916) 327-1501 or via email Manisha.Singh@arb.ca.gov, or Jing Yuan at (916) 322-8875 or via email at Jing.Yuan@arb.ca.gov.

Program Background

The Low Carbon Fuel Standard is one of the measures adopted by ARB, pursuant to Health and Safety Code Sections 38500-38599 (AB 32) to reduce greenhouse gases in California. The Program's goal is to reduce the carbon intensity of fuels sold in California. It is designed to help clean the air, protect the environment, and drive the development of clean, low-carbon fuels to improve California's energy security and energy independence.

The Credit Clearance Market portion of the LCFS increases market certainty regarding maximum compliance costs, strengthens incentives to invest in and produce low-CI fuels, and reduces the probability of credit shortfalls and price spikes.