

2016 LCFS Compliance Information and Credit Clearance Market Information

LCFS Compliance Reporting for 2016

Air Resources Board staff have analyzed the Low Carbon Fuel Standard (LCFS) compliance data for compliance year 2016 and are announcing a 100 percent compliance rate for this period.

A total of 224 parties actively reported under the LCFS program during 2016. Out of those, 54 regulated parties reported deficits. These high carbon fuel parties generated 6,759,595 deficits during this period. Low carbon fuels generated a total of 9,060,949 credits in the program over the same timeframe.

Summary of 2016 LCFS Compliance Reporting

Total number of parties actively reporting in 2016 under LCFS program	224
Total number of parties holding deficits at the end of 2016	54
Total number of parties that met their 2016 compliance obligation	54

As reported in the [Q4 2016 Quarterly Data Summary](#), cumulatively through 2016, the LCFS program has generated 25.6 MT million credits and 15.9 MT million deficits, for a net total over-compliance of about 9.7 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 3, 2017 the Executive Officer (EO) issued a call for credits to be pledged for sale in the CCM. The following parties pledged a total of 8,408 credits for sale in CCM 2017:

Name of the Regulated Party	Number of CCM Credits Pledged
BP Products North America, Inc.	5,000
Long Beach Public Transportation	3,408

As all the entities covered under LCFS met their 2016 compliance, the EO has determined that the CCM will not occur in 2017. All the credits pledged for sale in CCM 2017 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 at Manisha.Singh@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 ten percent by 2020. 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.