



LCFS Guidance

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Low Carbon Fuel Standard (LCFS) Guidance 22-02

Carbon Intensity and Credit Adjustments Associated with 2024 Annual Fuel Pathway Reports

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A. Introduction

The California Air Resources Board's (CARB) Low Carbon Fuel Standard regulation (LCFS), title 17 sections 95480 to 95503 of the California Code of Regulations, is designed to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. CARB staff has prepared this guidance document to describe the regulatory requirements in a user-friendly format. Unlike the regulation itself, this document does not have the force of law. It is not intended to and cannot establish new mandatory requirements beyond those that are already in the LCFS Regulation, nor can it supplant, replace or amend any of the legal requirements of the regulation. Conversely, any omission or truncation of regulatory requirements does not relieve entities of their legal obligation to fully comply with all requirements of the regulation.

This document describes the process for carbon intensity and credit adjustments associated with the submission and verification of 2024 Annual Fuel Pathway Reports (AFPRs).

Non-provisional fuel pathways were certified with 24 months of operational data in the carbon intensity (CI) calculator submitted. AFPRs associated with these pathways also contain 24 months of operational data.

AFPRs associated with provisional fuel pathways may or may not include the full 24 months of operational data.

B. Contacts

For questions about the CI and credit invalidation or issuance communication based on verification of Annual Fuel Pathway Reports, please email LCFSAnnualReport@arb.ca.gov or the contact provided in the Notice of Initial Determination of Credit Invalidation.

C. CI Process for Non-provisional Fuel Pathway Holders

Upon completion of verification of AFPRs, CARB will contact fuel pathway holders with a notice of verification outcomes and follow-up action items regarding CI and credit invalidation (Figure 1). CARB will initiate the implementation of the CI changes after the conclusion of verification with a positive or qualified positive verification statement.

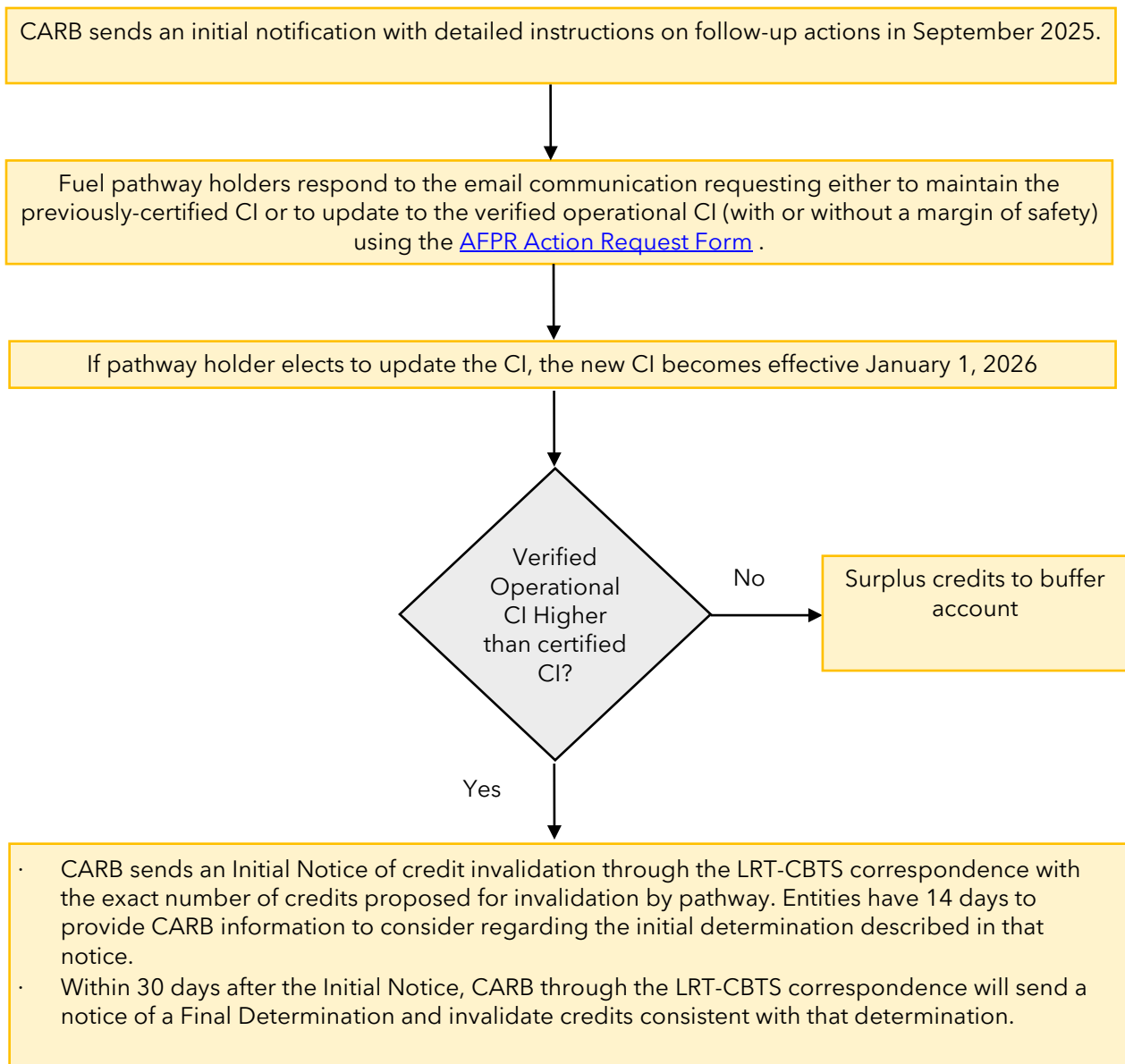


Figure 1. AFPR Post-Verification Steps for Non-Provisional Pathway

CI adjustment:

Non-provisional fuel pathway holders with a verified operational CI lower than the certified CI may elect to keep the previous certified CI or may request that the CARB replace their certified CI with the verified operational CI, with an option to request adding a conservative margin of safety, pursuant to section 95488.10(a)(6) of the LCFS regulation.

If a verified operational CI was higher than the certified CI, the fuel pathway holder was out of compliance for the specific reporting year (e.g., 2024).

Note that any historic noncompliance may be subject to CARB investigation, which may result in enforcement action depending on the associated facts.

CARB will ask all non-provisional fuel pathway holders to provide a response regarding whether to replace the previously certified CI with the verified CI and/or add a margin of safety using the [AFPR Action Request Form](#)¹ by September 30, 2025. If the non-provisional fuel pathway holders do not provide a response, the previously certified CI will continue to remain active in the LRT-CBTS. If fuel pathway holder wishes to request an extension to decide the margin of safety, please submit the request to LCFSAnnualReport@arb.ca.gov.

The effective date for a new CI associated with a non-provisional fuel pathway is January 1, 2026. Accordingly, the new CI will be eligible for Q1 2026 transaction reporting.

D. CI Process for Provisional Fuel Pathway Holders

Upon completion of verification of AFPRs, CARB will ask provisional fuel pathway holders interested in adding a conservative margin of safety to provide a response using the [AFPR Request Action form](#) by September 30, 2025. If fuel pathway holder wishes to request an extension to decide the margin of safety, please submit the request to LCFSAnnualReport@arb.ca.gov.

¹ The AFPR Action Request Form can also be used by the fuel pathway holder to:

- Select a margin of safety (MOS) and request CARB to recertify a pathway
- Request to retire a certified pathway that is no longer needed
- Request to reflect ownership transfer of an AFP registered account asset
- Report a Force Majeure event and
- Flag other requests that require CARB attention

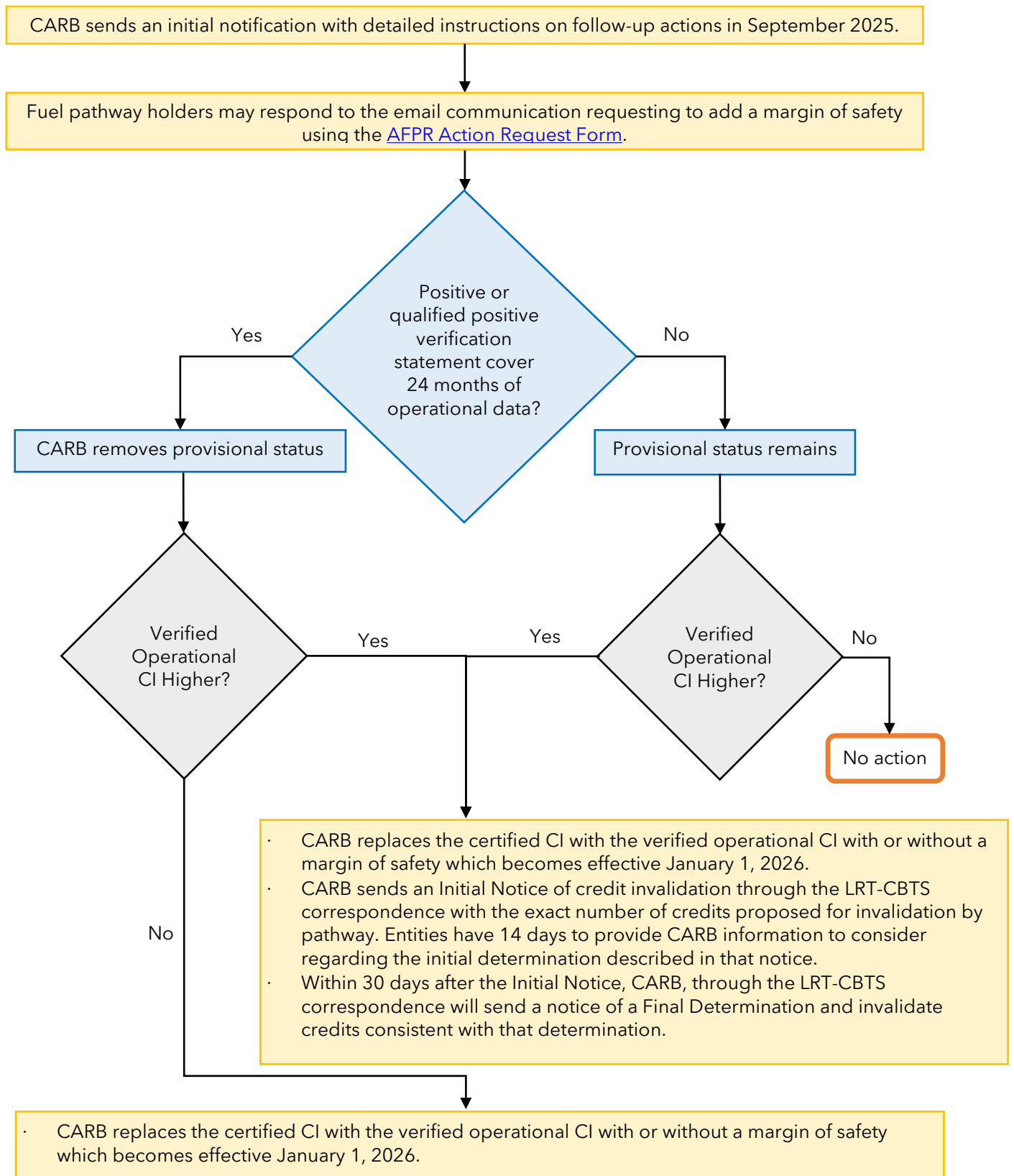


Figure 2. AFPR Post-Verification Steps for Provisional Pathway

D.1. Removal of Provisional Status

CI adjustment:

For a provisional fuel pathway with at least 24 months of operational data by the end of the compliance year (December 31, 2024), upon receiving positive or qualified positive verification statements from 2024 AFPR, CARB will remove the provisional status when CARB replaces the previously certified CI with the verified operational CI with or without a margin of safety in the Fall of 2025 with the effective date of January 1, 2026 pursuant to section 95488.9(c)(3).

For pathways with verified operational CIs higher than the provisionally certified CIs, CARB will replace the certified CIs with the verified operational CIs.

For pathways with verified operational CIs lower than the provisionally certified CIs, CARB will certify the pathway with the lower CIs, adding an optional conservative margin of safety upon request from the fuel pathway holder.

D.2. Continuing Provisional Pathways

CI adjustment:

For a provisional fuel pathway with less than 24 months of operational data by the end of the compliance year (December 31, 2024), CARB will replace the provisionally certified CI with the verified operational CI only if the verified operational CI is higher than the previous provisionally certified CI with the effective date of January 1, 2026.

If the verified operational CI is lower than the previous provisionally certified CI, CARB will not adjust the pathway CI until the provisional status is removed or requested by the fuel pathway holder.

E. Credit Invalidation Due to CI Exceedance

The 2024 LCFS credits generated under a non-provisional, provisional, or continuing provisional fuel pathway CI will be invalidated if the verified operational CI was found to be higher than the certified CI used for 2024 reporting.

The quantity of credits invalidated for CI exceedance is calculated as the difference between the number of credits generated with the certified CI and the number of credits that would have been generated using the verified operational CI. CARB invalidates credits in the account of the upstream credit generator where applicable pursuant to section 95495(b)(5)(A) of the LCFS regulation. This means the calculation of invalidated credits will not incorporate transactions that pass along the credit or deficit generation status to another fuel reporting entity through transaction types such as "Sold with Obligation."

Entities receiving credit invalidations for CI exceedance will have 60 days from the final determination of credit invalidation to acquire any credits (i.e., purchase credits or report credit generating fuel) needed to account for any negative credit balance (deficits) created for a past compliance period by the invalidation per section 95495(b)(4) of the LCFS regulation. Credit invalidation notices will be sent to individual fuel reporting entities and will follow the procedure in section 95495 of the LCFS regulation.