



Low Carbon Fuel Standard

Frequently Asked Question

REPORTING AND VERIFICATION

Posted: May 26, 2021

INTRODUCTION

The California Air Resources Board's (CARB) LCFS regulation, which appears at sections 95480 to 95503 of title 17, 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 document to address frequently asked questions (FAQ) related annual reporting and verification. These answers may be based in part on case-specific factual circumstances and are offered here only as guidance that does not supplant or alter the requirements of the LCFS regulation. Unlike the regulation itself, this document does not have the force of law. It is not intended to and cannot establish 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.

BACKGROUND

This document addresses common questions related to the reporting and verification of the Annual Fuel Pathway Report submitted in the Alternative Fuel Portal (AFP), and 2020 Quarterly Transactions Report, MCON and Project Reports submitted to the LCFS Reporting Tool (LRT). Verification statements for annual reports are due August 31.

Please see the Reporting and Verification User Guide¹ for detailed instruction on report submission.

¹ [LCFS Reporting and Verification User Guide](#)



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ANNUAL FUEL PATHWAY REPORT

1. Who is required to submit a 2020 Annual Fuel Pathway Report?

Fuel pathway holders of any Tier 1 or Tier 2 CA-GREET3.0 pathway certified through April 1, 2021, and deemed complete for reporting period Q4 2020 or earlier, must submit a 2020 Annual Fuel Pathway Report (due April 1, 2021). Lookup Table fuel pathways with low-CI inputs must submit an Annual Fuel Pathway Report pursuant to section 95488.10(a). Lookup Table fuel pathways submitting an Annual Fuel Pathway Report are not subject to third-party verification requirements specified in section 95500.

a. Are active pathways (not sunset or deactivated at request of fuel pathway holder) that were available for reporting transactions in 2020, required to submit an Annual Fuel Pathway Report even if there were no fuel transactions reported in 2020 associated with those pathways?

Yes. To maintain the certified fuel pathway for current or future quarterly reporting periods, the fuel pathway holder must submit the Annual Fuel Pathway Report even if there were no transactions reported against the fuel pathway for 2020 quarterly reporting periods. If a fuel pathway holder does not wish to maintain a particular fuel pathway which was dormant in 2020 the fuel pathway holder need not submit the Annual Fuel Pathway Report to maintain those pathways and must request to deactivate the fuel pathways.

b. If my fuel pathway was sunset in 2020 do I need to submit an Annual Fuel Pathway Report?

Any fuel pathway that has fuel transactions reported against in a 2020 Quarterly Fuel Transactions Report must submit an Annual Fuel Pathway Report.

2. What is the process of submitting an Annual Fuel Pathway Report– does it replace the original submittal in the pathway application?

Submission of the 2020 Annual Fuel Pathway Report including calculators will occur via the “Annual Fuel Pathway Report” tab in the AFP. Holders of certified Tier 1 or Tier 2 fuel pathways certified under CA-GREET3.0 are required to update site-specific CI data on an annual basis. Entities who applied for separate recognition as a joint applicant and elected to be responsible for separate validation and verification as specified in section 95488(b) are required to submit updated site-specific CI data to CARB on an annual basis. Applicable entities must have the 2020 Annual Fuel Pathway Report containing 2019 and 2020 operating data verified beginning in 2021 for 2020 CI compliance per section 95500(b)(2). Please see the Reporting and Verification User Guide regarding the process of submitting an Annual Fuel Pathway Report.

3. Do all of the supporting records and calculations need to be uploaded similar to the pathway application process or is the calculator sufficient?

The fuel pathway holder must submit their CARB approved CI calculator(s) used at the time of pathway certification, CARB issued CI summaries with operating conditions (CI



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summaries are not updated by the fuel pathway holder, but are submitted as record with each Annual Fuel Pathway Report to document CARB issued operating conditions and carbon intensity evaluation determined at the time of certification), and supplemental information required as part of the certified fuel pathway operating conditions. The CARB approved calculators and CI summaries must be updated to reflect the operational data period specified in the regulation for any one annual fuel pathway report.

Note that any updates to the lifecycle assumptions should be communicated to CARB at the time these occur and fuel pathway holders should not rely on annual fuel pathway reports to inform CARB of process changes or lifecycle modeling updates.

If book-and-claim accounting is used, the fuel pathway holder must submit an updated attestation regarding environmental attributes as specified in section 95488.8(i)(2)(C)2. For Tier 2 pathways, the fuel pathways holder must also submit an LCA report.

4. Does a provisional fuel pathway have its provisional status removed automatically once a positive verification statement is received?

If the annual fuel pathway report has 24 months of data, CARB will remove its provisional status upon completion of the verification process that results in a positive or qualified positive verification statement pursuant to section 95488.9(c)(4).

Note, if the verified operational CI is higher than the provisionally-certified CI, CARB will replace the certified CI with the verified operational CI and will make any necessary credit adjustment in the fuel reporting entity's account using the provisional fuel pathway for transactions reporting pursuant to section 95488.9(c)(3)(A).

If the verified operational CI is lower than the provisionally-certified CI, CARB will certify the pathway with the lower CI, adding a conservative margin of safety at the fuel pathway holder's request pursuant to section 95488.9(c)(3)(B). The fuel reporting entity will not be eligible for any retroactive credit generation for any quarter for which the reporting deadline has passed, but the revised CI will be valid for future reporting periods.

5. What happens if the verified operational CI is greater than the certified CI?

If the verified operational CI is greater than the certified CI, the fuel pathway holder is out of compliance and subject to CI and credit adjustments, and possible enforcement action pursuant to section 95488.10(a)(7).

a. What reporting period will be subject to credit adjustment?

The verified operational CI will be evaluated for compliance beginning with the report data year. For example, 2020 Annual Fuel Pathway Report submitted by March 31, 2021, will be evaluated for CI and credit adjustment beginning with Q1 2020 Quarterly Fuel Transactions Reports.



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b. What is the CI effective date if the verified operational CI is higher than the certified CI?

When an operational CI is higher than the certified CI, the CI is adjusted to the verified operational CI for the current and subsequent reporting periods.

c. Will there be a credit adjustment if verified operational CI is slightly higher than application CI value (less than 5% as allowed during verification)?

Yes. The proposed scenario would result in a credit adjustment. The certified CI is a cap value that includes the operational CI and the margin of safety included by the fuel pathway applicant pursuant to 95488.4(a). There is no "5% allowance" during verification of operational CIs calculated in the Annual Fuel Pathway Reports.

6. What happens if my verified operational CI, as calculated from production data covering the 24 months of operations, is found to be lower than my certified CI, and a positive verification statement is issued for this period?

The fuel pathway holder may request to use a new CI if the following are true pursuant to section 95488.10(a)(6):

- The verified operational CI as calculated from 24 months of production data is found to be lower than the certified CI; and
- A positive verification statement is issued for this period.

a. When and how do I request to replace the certified CI?

The fuel pathway holder may request to replace the certified CI with the verified operational CI, adding a margin of safety. The fuel pathway holders requesting to replace the certified CI must submit an attestation that the new CI can be maintained through the next reporting period, and acknowledging that exceeding the newly certified CI in a subsequent verifications will constitute noncompliance pursuant to section 95488.10(a)(6)(B).

This request may be executed via AFP correspondence functionality after the verification body (VB) has submitted a positive verification statement by August 31, for the fuel pathway.

CARB may provide additional instruction as necessary after it has reviewed verification statements submitted by August 31, 2021.

b. When is the new CI effective?

The new, lower certified CI will become effective for Q1 reporting (beginning with fuel transactions that take place on January 1) of the next compliance period (i.e., the following year). A CI certified in 2021 using 2019-2020 data from annual reporting could begin to generate credits under the new CI in 2022. The CI may be adjusted annually based on historical data as reported through annual reporting.

c. Do I need to request any action to CARB if I wish to keep my originally certified CI?

No action is required to keep the certified CI.



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7. How do I report when data or a billing period does not coincide with the monthly for the CI Calculator, or quarterly for transactions report, end dates?

The fuel pathway holder or fuel reporting entity may split or subdivide data for the reporting period. The entity must apply a consistent approach from reporting period to reporting period, and the approach must be documented in the monitoring plan for verifier's review.

8. What happens if I submit my 2020 Annual Fuel Pathway Report after the April 1, 2021, deadline?

The 2020 Annual Fuel Pathway Report is due April 1, 2021 pursuant to section 95488.10(a) (March 31 is a state holiday). If the fuel pathway holder misses the April 1, 2021 deadline, the fuel pathway holder is still required to submit the Annual Fuel Pathway Report and have it verified pursuant to requirements in section 95500(b). If the fuel pathway holder does not submit the Annual Fuel Pathway Report by April 1, they are out of compliance with LCFS and subject to CARB investigation and possible fuel pathway suspension or credit invalidation pursuant to section 95495.

9. What is the process of removing the provisional status of a certified fuel pathway?

CARB will remove the provisional status upon receiving a positive or qualified positive verification statement for the annual fuel report covering 24 months of operation data per section 95488.9(c)(4) of the LCFS regulation. If the current annual fuel pathway report contains less than 24 months of operational data, the provisional status will be removed following the receipt of a positive/qualified positive verification statement for the next year's annual fuel pathway report that covers 24 months of operational data.

QUARTERLY FUEL TRANSACTIONS REPORT

1. Who is subject to Quarterly Fuel Transactions Report verification?

Fuel reporting entities who have submitted Quarterly Fuel Transactions Report to the LRT that include the following transactions types must obtain verification services of a verification body accredited by CARB for the purposes of conducting verification services, including site visit(s) pursuant to section 95500(c). The scope of verification services is limited to the following transaction types:

- For liquid fuels: Production in California, Production for Import, Import, Export, Gain of Inventory, Loss of Inventory, and Not Used for Transportation
- For non-liquid fuels: NGV Fueling, Propane Fueling, FCV Fueling for hydrogen produced from book-and-claim biomethane.



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2. Is there a report submission requirement to CARB for the annual summary of Quarterly Fuel Transactions Report subject to verification?

There are no additional report submission requirements for fuel reporting entities subject to transactions verification per section 95500(c). CARB requests that entities submit the following message stating their elected VB via LRT correspondence. This process is described in the [Reporting and Verification User Guide](#).

SUBJECT:

Election of VB for [\[Quarterly Fuel Transactions/MCON\]](#) Report, [date](#) 2021.

COMMENTS:

I, [\[LRT account representative\]](#) am submitting this message to CARB on behalf of [\[Reporting Entity\]](#), that [\[MCON/Quarterly Fuel Transactions\]](#) report(s) will be provided to [\[CARB-accredited Verification Body\]](#) for 2021 verification with no modifications, errors, or omissions.

3. Who is eligible to defer verification of their Quarterly Fuel Transactions Reports?

Fuel pathway holders producing alternative fuels may defer annual verification for each production facility up to two years if the quantity of fuel produced at the production facility and reported by any entity does not result in 6,000 or more credits or deficits generated in the LRT during the prior calendar year pursuant to section 95500(c)(2)(B).

Fuel reporting entities only reporting alternative fuel quantities using Lookup Table pathways may defer annual verification of their Quarterly Fuel Transactions Report up to two years if they do not generate 6,000 or more credits or deficits during the prior calendar year.

Any fuel quantity reported under a pathway with biomethane supplied using book-and-claim accounting pursuant to section 95488.8(i)(2) is not eligible for deferred verification pursuant to section 95500(c)(2)(B).

Please email LCFSVerify@arb.ca.gov if you believe you are eligible for deferral of transactions verification.

4. Who is exempt from verification of their Quarterly Fuel Transactions Report?

Pursuant to section 95500(c)(2)(C), entities reporting fuel transactions as Export, Gain of Inventory, Loss of Inventory, and Not Used for Transportation, which do not result in 6,000 or more credits or deficits generated in the calendar year are exempt from verification of the Quarterly Fuel Transactions Report if all the following conditions are met:

- The entity did not report any liquid fuel using the transaction types Production in California, Production for Import or Import; and
- The entity did not report any transactions for NGV Fueling or Propane Fueling.



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Please email LCFSVerify@arb.ca.gov if you believe you are eligible for exemption from transactions verification.

5. How do I report when data or a billing period does not coincide with the monthly for the CI Calculator, or quarterly for transactions report, end dates?

The fuel pathway holder or fuel reporting entity may split or subdivide data for the reporting period. The entity must apply a consistent approach from reporting period to reporting period, and the approach must be documented in the monitoring plan for verifier's review.

MARKETABLE CRUDE OIL VOLUME REPORT (MCON)

1. Who is subject to verification of the MCON report?

Entities submitting MCON reports, containing crude oil volume data must obtain the services of a verification body accredited by CARB for the purposes of conducting verification services, including required site visit(s) pursuant to section 95500(d).

2. Am I required to submit any additional documentation to CARB for verification of my MCON report?

There are no additional report submission requirements for fuel reporting entities subject to MCON verification per section 95500(d). CARB requests that entities submit the following message stating their elected VB via LRT correspondence. This process is described in the [Reproving and Verification User Guide](#).

SUBJECT:

Election of VB for [[Quarterly Fuel Transactions/MCON](#)] Report, [date](#) 2021.

COMMENTS:

I, [[LRT account representative](#)], am submitting this message to CARB on behalf of [[Reporting Entity](#)], that [[MCON/Quarterly Fuel Transactions](#)] report(s) will be provided to [[CARB-accredited Verification Body](#)] for 2021 verification with no modifications, errors, or omissions.

PROJECT REPORTS

1. Who is subject to verification of their Project Report?

The project operators and joint applicants for the following projects must obtain the services of a verification body accredited by CARB for the purposes of conducting verification services, including site visits, pursuant to section 95500(e)(1):

- Refinery Investment Credit Report described in section 95489(e)
- Innovative Crude Report described in section 95489(c)
- Renewable Hydrogen Refinery Report described in section 95489(f)



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- Direct Air Capture Project Report described in section 95490(f)

LOW-COMPLEXITY/LOW-ENERGY-USE REPORT (LC/LEU)

1. Who is subject to verification of their LC/LEU Report?

Entities submitting LC/LEU refinery data must obtain verification services of a CARB accredited VB for purposes of conducting verification related services including required site visit(s).

CONTACT CARB

If you have reporting questions, please email LCFS2020Report@arb.ca.gov.

If you have verification questions, please email LCFSVerify@arb.ca.gov.