

# 2022 LCFS Compliance Information and Credit Clearance Market Information

## LCFS Compliance Reporting for 2022

The Low Carbon Fuel Standard (LCFS) achieved 100 percent compliance for the 2022 data year. A total of 520 entities reported under the LCFS program during 2022. Out of those 520 entities, 67 generated deficits. The entities reporting high-carbon fuels generated 21,225,967 deficits during this period. A total of 26,712,553 credits were generated in the program over the same time period.

### Summary of 2022 LCFS Compliance Reporting

Total number of entities actively reporting in 2022 under LCFS program	520
Total number of entities generating deficits during 2022	67
Total number of deficit generating entities that met their 2022 compliance obligation	67

As reported in the [Q4 2022 Quarterly Data Summary](#), cumulatively through 2022, the LCFS program has generated 124.7 million credits and 109.6 million deficits, for a net of about 15.1 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 3, 2023 the California Air Resources Board (CARB) issued a call for credits to be pledged for sale in the CCM. A total of 200,000 credits were pledged for sale in the 2023 CCM.

As all LCFS deficit-generating entities met their 2022 compliance obligation, CARB has determined that a CCM will not occur in 2023. 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](mailto:Cheryl.Laskowski@arb.ca.gov).

## **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](#).