

Low Carbon Fuel Standard: Aviation Fuel Regulation Update

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1 Introduction

The [Greenhouse Gas Reduction \(Renewable and Low Carbon Fuel Requirements\) Act](#) (Current Act) and the [Renewable and Low Carbon Fuel Requirements Regulation](#) (Current Regulation) are known collectively as the B.C. Low Carbon Fuel Standard (LCFS). The Ministry of Energy, Mines and Low Carbon Innovation (Ministry) intends to include aviation fuel in the LCFS starting in 2024.

In Spring 2022, the Ministry passed Bill 15, the [Low Carbon Fuels Act](#) (LCFA), to replace the Current Act. The LCFA is intended to enable more greenhouse gas reductions, broaden the scope of the LCFS and make the LCFS easier to understand, administer, and enforce.

The LCFA allows the LCFS to apply to the aviation sector by defining a jet fuel category and introducing “fossil-derived jet fuel” as a base fuel. The LCFA also enables the

creation of regulations regarding the use of jet fuel and its characteristics. The new regulations are intended to bring the LCFA into force January 1, 2024.

On April 6, 2023, the Ministry published an [Aviation Fuel Regulation Intentions Paper](#) that identified jet fuel characteristics and outlined the proposed renewable and low carbon fuel requirements for jet fuel.

Since publishing the proposed requirements, the Ministry has held in-person and virtual meetings and responded to questions and concerns brought forward by interested parties. After considering the feedback received, the Ministry has incorporated changes to the carbon intensity reduction schedule and exemption threshold.

The following sections elaborate in further detail the changes made to the intended jet fuel regulations.

2 Aviation fuel regulation

2.1 Low Carbon Fuel Requirements

The Ministry intends to require suppliers of fuel in the jet fuel category to meet annual carbon intensity reduction targets that progress linearly towards a 10% carbon intensity reduction in 2030, beginning January 1, 2024.

Table 1 below shows the percent reduction from a 2010 baseline and the associated target carbon intensity for the jet fuel category in each year from 2024 to 2030 and subsequent compliance periods.

The target carbon intensities shown in Table 1 are presented for illustrative purposes only and will not be prescribed in the new regulations; only the percent reduction values, and baseline carbon intensity will be prescribed.

Table 1: Carbon intensity reduction targets and values for 2024 and beyond

Compliance Period	Percent Reduction for fuel in jet fuel category	Target carbon intensity for jet fuel category (gCO₂e/MJ)
2024	0%	88.83
2025	0%	88.83
2026	2%	87.05

2027	4%	85.28
2028	6%	83.50
2029	8%	81.72
2030 and subsequent compliance periods	10%	79.95

In 2024 and 2025, the carbon intensity reduction requirement for jet fuel is intended to be set to 0%. In these years, suppliers of fossil-derived jet fuel must report their supply of jet fuel to the Ministry in a compliance report but will not incur debits. From January 1, 2024, onward, suppliers of low carbon alternatives to jet fuel may generate credits for their supply of low carbon fuel in the jet fuel category.

Starting in 2026, suppliers of fossil-derived jet fuel will incur debits calculated according to the quantity of fossil-derived jet fuel supplied and its carbon intensity relative to the annual target carbon intensity.

2.2 Supplier Eligibility

2.2.1 Exemption Threshold

The Current Regulation allows individuals who supply 200,000 litres of fuel or less to apply for exemption from the renewable or low carbon fuel requirements. This volume includes the total supply of fuel in the gasoline and diesel fuel categories.

Under the new regulations, the Ministry intends to allow an individual to apply for exemption from the renewable and low carbon fuel requirements for jet fuel if their annual supply does not exceed 100 million litres in the jet fuel category until 2027 and 10 million litres in the jet fuel category until 2029. In 2030 and subsequent compliance periods, the limit will be reduced to 4 million litres.

Table 2: Exemption threshold for 2024 and beyond

Compliance Period	Jet fuel supply volume (L)
2024	100,000,000
2025	100,000,000
2026	100,000,000
2027	100,000,000
2028	10,000,000
2029	10,000,000
2030 and subsequent compliance periods	4,000,000

The Ministry intends for an individual to be able to apply for exemption from the New Regulations for jet fuel, even if they are not exempt from the new regulations for gasoline and diesel class fuels. Individuals who do not apply for exemption by the reporting deadline are subject to the renewable and low carbon fuel requirements regardless of the volume of fuel supplied.

A supplier of low carbon jet fuel who intends to generate credits from the supply of the fuel can not be exempt from the new regulations. However, if not applying for exemption, this supplier will also incur debits for any supply of fossil-derived jet fuel in the compliance period.

3 Review of Targets

The Ministry intends to conduct ongoing review and analysis of the aviation sector and the new regulations. The renewable fuel targets, low carbon fuel targets and exemption thresholds introduced in the new regulations are considered to be conservative and will be revisited in 2026 after a reassessment of the sector.