 <p>BRITISH COLUMBIA</p>	<p>Ministry of Energy and Climate Solutions</p> <p><i>Issued: January 2011 Revised: February 2025</i></p>	<p><i>Low Carbon Fuels Act</i></p> <p>Exemption Reports</p> <p>Information Bulletin RLCF-005</p>
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Background

Exemptions from the renewable and/or low carbon fuel requirements under the *Low Carbon Fuels Act* (Act) and its associated regulations are available for organizations who supply a volume of fuel below the exemption threshold in a given compliance period. Until 2020, the exemption threshold was 75 million litres per year for diesel category and gasoline category fuels. The threshold was reduced to 25 million litres for the 2021 compliance period, and 200,000 litres in 2022 and subsequent compliance periods.

The exemption thresholds apply to the total volume of fuels marketed by an organization and their associates. An associate means an affiliate of the organization as defined in section 1 (1) of the *Business Corporations Act* or a partner of the organization. Associated companies who collectively supply more than the exemption threshold of fuels will not qualify for the exemption.

Exemption from renewable fuel requirements for diesel and gasoline fuel categories

Fuel suppliers may apply for exemption from renewable fuel requirements for supplying less than the annual exemption threshold. Exemptions from the renewable fuel requirement will not be approved if the fuel supply is notionally transferred during the compliance period.

Exemption from low carbon fuel requirements for diesel and gasoline fuel categories

Fuel suppliers may apply to be exempted from low carbon fuel requirements if they supply less than the annual exemption threshold. Organizations who do not supply any base fuels may not apply for exemption. Exemptions from the low carbon requirement will not be approved for an organization that has had positive compliance units (credits) issued, entered into an Initiative Agreement, or was allocated responsibility in the compliance period.

Suppliers of base fuels who transfer or acquire compliance units during a compliance period may still apply to be exempted from renewable and low carbon fuel requirements at the end of the same compliance period. This provides organizations with the ability to engage in credit trading, such as by selling compliance units that were earned in a previous compliance period, or buying compliance units as they prepare to grow their business beyond the exemption threshold (see [Information Bulletin RLCF-013 Validation and Transfer of Compliance Units](#)).


Exemption for jet fuel category

Beginning in 2024, jet fuel is covered under the Act. Under the Low Carbon Fuels (General) Regulation (LCFGR), suppliers of jet fuel may apply for exemption from the renewable and/or low carbon fuel requirements for volumes not exceeding 100 million litres for compliance periods 2024 to 2027, and 10 million litres for compliance periods 2028 and 2029. In 2030 and subsequent compliance periods, the exemption threshold will be reduced to 4 million litres.

The LCFGR enables an organization to apply for exemption from the renewable and/or low carbon fuel requirements for jet fuel, even if they are not exempt for gasoline and diesel class fuels.

Applying for exemption

To apply for exemption, an exemption report must be submitted by March 31 directly following the compliance period. Once an exemption is granted by the director, the exemption report replaces a compliance report.

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Need more information?

Please see the Renewable and Low Carbon Fuels website at <http://gov.bc.ca/lowcarbonfuels> or email us at lcs@gov.bc.ca

This information is for your convenience and guidance only and does not replace or constitute legal advice. It is recommended that parties who may be a fuel supplier review the *Low Carbon Fuels Act*, Low Carbon Fuels (General) Regulation and the Low Carbon Fuels (Technical) Regulation and seek independent legal advice to confirm their status, legal obligations and opportunities. The *Low Carbon Fuels Act*, Low Carbon Fuels (General) Regulation and the Low Carbon Fuels (Technical) Regulation can be found at: <http://www.bclaws.ca>.