



Credit Market Overview

Under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* (Act), Part 3 fuel suppliers may purchase validated credits in order to achieve compliance with the low carbon fuel requirements. For more information regarding credit transfers please consult *Information Bulletin RLCF-013 – Validation and Transfer of Credits* at gov.bc.ca/lowcarbonfuels. The table below provides a summary of the low carbon fuel credit market.

Summary of Credit Market ¹			
Year	2016	2017	Last 12 months ²
Transfers (number)	15	31	38
Total Volume (credits)	198,705	240,164	310,615
Average Price (\$ per credit)	\$170.93	\$164.30	\$163.95
Total Value (\$)	\$33,964,850.00	\$39,460,021.74	\$50,924,156.04

¹Excludes credit transfers reported with a zero or near-zero price.

²July 1, 2017 to June 30, 2018.

Credit Transfer Activity ¹

Time Period	Transfers (number)	Total Volume (credits)	Average Price (\$ per credit)	Minimum Price (\$ per credit)	Maximum Price (\$ per credit)
Q4 2015	2	14,354	\$169.95	\$20.00	\$170.00
Q1 2016	4	57,000	\$163.42	\$155.00	\$170.00
Q2 2016	5	18,705	\$171.07	\$160.00	\$190.00
Q3 2016	6	123,000	\$174.39	\$100.00	\$185.00
Q4 2016	0	-	-	-	-
Q1 2017	1	382	\$60.00	\$60.00	\$60.00
Q2 2017	1	3,000	\$100.00	\$100.00	\$100.00
Q3 2017	17	173,059	\$166.69	\$91.00	\$185.00
Q4 2017	12	63,723	\$161.47	\$150.00	\$170.00
Q1 2018	7	71,092	\$159.23	\$55.00	\$176.00
Q2 2018	2	2,741	\$170.30	\$165.00	\$172.00

¹Excludes credit transfers reported with a zero or near-zero price.



Credit Market Scope

Under section 6 of the Act, Part 3 fuel suppliers generate credits by supplying a fuel with a carbon intensity below the prescribed carbon intensity limit, and incur debits when supplying a fuel with a carbon intensity above the limit (e.g. petroleum-based gasoline and diesel). In addition, Part 3 fuel suppliers may also enter into Part 3 Agreements with the Director under the Act to take actions that would have a reasonable possibility of reducing GHG emissions through the use of Part 3 fuels sooner than would occur without the agreed-upon action. The table below shows the quantity of debits incurred and credits generated each year. All values are subject to adjustment as a result of compliance and verification activities.

Time Period	Debits Incurred From Fuel Supply	Credits Generated From Fuel Supply	Credits Awarded from Part 3 Agreements	Net Surplus Credits
2013	161,293	513,389	-	352,096
2014	322,587	1,026,778	-	704,191
2015	643,140	1,101,998	66,380	525,238
2016	918,776	1,067,105	166,618	314,947

The credits awarded from Part 3 Agreements are for the completion of project milestones during a given compliance period. For the 2013 and 2014 time periods, the quantities of debits and credits represent 1/3 and 2/3 respectively of the 18th month compliance period ending December 31, 2014. In comparison to the April 2018 Low Carbon Fuel Credit Market Report, minor adjustments have been made to the quantity of debits and credits generated from fuel supply as a result of revised compliance reporting.

Need more information?

Please visit the Low Carbon Fuels website at gov.bc.ca/lowcarbonfuels or email us at lcfr@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 Part 3 Fuel Supplier review the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* and the Renewable and Low Carbon Fuel Requirements Regulation seek independent legal advice to confirm their status, legal obligations and opportunities. The *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act* and the Renewable and Low Carbon Fuel Requirements Regulation can be found on the internet at: <http://www.bclaws.ca>.