



Updates to the Renewable Fuel Requirements (February 2025)

On February 27, 2025, the Government of British Columbia announced changes to the renewable fuel requirements for the diesel and gasoline fuel categories. No changes were made to the renewable fuel requirements for the jet fuel category.

Renewable Fuel Target – Diesel Fuel Category

The renewable fuel target for the diesel fuel category is increasing from 4% to 8% for the 2025 compliance period and subsequent compliance periods.

Canadian Production Requirements – Diesel Fuel Category

Starting on April 1, 2025, the eligible renewable fuel required to meet the 8% renewable fuel target in the diesel fuel category must be produced in Canada.

Eligible renewable fuels marketed (supplied) for the diesel fuel category between January 1, 2025, and March 31, 2025, are not subject to the Canadian production requirement. Marketers may rely on eligible renewable fuels marketed during the January to March timeframe to meet the 8% renewable fuel target for 2025.

Eligible renewable fuel that has been notionally retained from the 2024 compliance period can be applied to the renewable fuel target for the 2025 compliance period.

The 8% renewable fuel target for the 2025 compliance period can be met by:

- (1) notionally retaining eligible renewable fuel volumes from the 2024 compliance period,
- (2) marketing eligible renewable fuel between January 1 and March 31, 2025, which can be produced outside of Canada, and
- (3) marketing eligible renewable fuel between April 1 and December 31, 2025, which must be produced in Canada.

Canadian Production Requirements – Gasoline Fuel Category

Starting on January 1, 2026, the eligible renewable fuel required to meet the 5% renewable fuel target in the gasoline category must be produced in Canada.

Eligible renewable fuel that has been notionally retained from the 2025 compliance period can be applied to the renewable fuel target for the 2026 compliance period.

The 5% renewable fuel target for the 2026 compliance period can be met by:

- (1) notionally retaining eligible renewable fuel volumes from the 2025 compliance period, and
- (2) marketing eligible renewable fuel between January 1 and December 31, 2026, which must be produced in Canada.



Background

Compliance with the *Low Carbon Fuels Act* (Act) and its associated regulations is the responsibility of the organization who markets fuel in British Columbia (B.C.). An organization markets fuel if it is reportably supplied, and the organization is responsible for the fuel at the end of the compliance period.

The compliance responsibility for a fuel may be transferred from one organization to another through an “allocation agreement” in accordance with section 7 of the Act (see [Information Bulletin RLCF-015a: Allocation Agreements](#)).

Beginning in the 2024 compliance period:

- Any fuel reportably supplied in B.C. that is later transferred out of B.C. will need to be reported in compliance reports as a reportable export.
- An organization that supplies less than 15,000 kWh of electricity, without supplying other type A or type B fuels, does not file a compliance report.
- Fuel used in cargo handling equipment, ground support equipment and some forklifts are subject to the Act and must be reported (see *Information Bulletin RLCF-022 Prescribed Purposes other than Transportation*).
- Jet fuel must be reported, however negative compliance units (debits) will not be incurred until 2026.

Compliance periods

All organizations responsible for a fuel subject to the Low Carbon Fuels (General) Regulation are required to report to the Ministry of Energy and Climate Solutions (Ministry). The compliance period aligns with the calendar year, and compliance reports are due on or before March 31 following the end of the compliance period. Exemptions are available for supply of base fuels below a threshold in a given compliance period, through the submission of exemption reports (see *Information Bulletin RLCF-005 Exemption Reports*).

Renewable fuel requirements

Marketers of diesel, gasoline and jet fuel must ensure that they have the minimum renewable fuel content, on an annual average basis, in the fuel category they supply during a compliance period. Marketers have the flexibility to vary blend percentages and can choose where in the province they supply renewable fuel blends as long as they meet the annual average requirement for renewable fuel content by fuel category.

The renewable fuel requirement is assessed against the total volume of “tracked fuel” marketed in a compliance period.

Automatic administrative penalty rate for failure to meet renewable fuel requirements.

- 45¢/L for renewable content deficit in diesel fuel category
- 30¢/L for renewable content deficit in gasoline fuel category
- 50¢/L for renewable content deficit in the jet fuel category beginning in 2028



Tracked fuel is defined as:

- the base fuel for the fuel category (e.g., fossil-derived diesel, gasoline, or jet fuel),
- any fossil-derived components of that base fuel (e.g., fossil-derived naphtha, kerosene, etc.), and
- any eligible renewable fuel in the fuel category.

The renewable fuel target must be met with eligible renewable fuels. Eligible renewable fuels are prescribed under section 4 of the Low Carbon Fuels (Technical) Regulation as:

- Diesel fuel category: Biomass-derived diesel and biodiesel (until March 31, 2025); biomass-derived diesel and biodiesel *produced in Canada* (effective April 1, 2025).
- Gasoline fuel category: Biomass-derived gasoline, biomass-derived ethanol, and biomass-derived naphtha (until December 31, 2025); biomass-derived gasoline, biomass-derived ethanol, and biomass-derived naphtha *produced in Canada* (effective January 1, 2026).
- Jet fuel category: Biomass-derived jet fuel.

The renewable fuel requirement is 5% for gasoline. The renewable fuel requirement is 4% for diesel in 2024 and increases to 8% in 2025 and subsequent compliance periods. The renewable fuel requirement for the jet fuel category is 0% up to and including 2027, then increases to 1% in 2028, 2% in 2029 and 3% in 2030 and subsequent compliance periods.

Notional transfers of renewable fuel

Records of excess renewable fuel by fuel category may be transferred from one organization to another who may need additional renewable fuel to meet its obligations. This transfer of records does not require a physical transfer of the fuel itself and is referred to as a notional transfer. Notional transfers must occur on or before the reporting deadline to be used for compliance within a compliance period.

Retention of renewable fuel

An organization subject to the renewable fuel target in a compliance period may notionally retain a certain amount of eligible renewable fuel. The amount that can be retained is up to 5% of the amount of eligible renewable fuel required. Only those that are in compliance with the target have the option to retain excess renewable volumes.

Deferral of renewable fuel

An organization subject to the renewable fuel target in a compliance period that fails to meet that target, may defer a portion of the target. This deferral cannot exceed the lesser of the deficiency and 5% of the amount of eligible renewable fuel required. The deferred portion is added to the target for the next compliance period.



Low carbon fuel requirements

Starting in 2024, credits and debits are referred to as positive and negative compliance units respectively. An organization subject to the low carbon fuel requirements must ensure that they do not have a negative balance of compliance units for each compliance period, otherwise they will incur a penalty.

Automatic administrative penalty for failure to meet low carbon fuel requirements.

\$600 for each negative compliance unit (debit) at the end of a compliance period 2023 and onwards.

Positive compliance units can be generated through the supply of low carbon fuels whose carbon intensity has been determined in accordance with the Low Carbon Fuels (Technical) Regulation (see *Information Bulletin RLCF-006:Carbon Intensity Records*). Positive compliance units may also be acquired from other organizations registered to participate in the compliance unit market (see *Information Bulletin RLCF-013 Transfer of Compliance Units*), or through an Initiative Agreement.

Positive compliance units for jet fuel may be generated beginning in 2024, however negative compliance units, for fossil-derived jet fuel will not be incurred until the 2026 compliance period.

Compliance reporting

Compliance reporting is managed through the [Low Carbon Fuel Standard \(LCFS\) Portal](#). Instructions for obtaining a LCFS Portal account and the User Manual, which includes detailed guidance for filing compliance reports, can be found on the LCFS Reporting System page of the Renewable and Low Carbon Fuels website.

For electricity supply compliance reporting, visit the [Electricity](#) page for additional submission requirements.

The Ministry will not accept compliance reports with inconsistent data. Paper copies of compliance reports will not be reviewed or accepted.

Responsible parties who wish to submit or update fuel supply information for past compliance periods should contact the Low Carbon Fuels Branch at lcfs@gov.bc.ca.

All reports submitted to the Ministry are held in confidence. Reported information is compiled in a confidential database and all information is held in a secure records management system.



**Ministry of Energy
and Climate Solutions**

*Issued: January 2011
Revised: March 2025*

Low Carbon Fuels Act

**Compliance Reporting Requirements
Information Bulletin RLCF-003**

Need more information?

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