



Regulatory Guidance

March 2018



Low Carbon Fuel Standard (LCFS) Regulatory Guidance 18-01

Update to Guidance 17-03 on Implementation Implications of Court Ruling on LCFS

BACKGROUND

The California Air Resources Board (CARB) is issuing an updated regulatory guidance to clarify the Modified Writ issued by Superior Court of California, County of Fresno, on October 18, 2017, in the case of Poet, LLC et al. vs CARB et al. (No. 09 CECG 04659 JYH). The Regulatory Guidance 18-01 issued today provides updates to, and replaces Low Carbon Fuel Standard Regulatory Guidance 17-03 (Regulatory Guidance 17-03). Please disregard Regulatory Guidance 17-03; it is out of date.

SCOPE

The court order directs CARB to preserve the status quo relating to conventional diesel fuel and its substitutes by continuing to adhere to the standards in effect during 2017 for those fuels until the corrective action is complete and approved by the court in an order discharging the writ. The other LCFS fuels are not impacted by this ruling.

While the diesel targets are frozen, the following shall apply:

- (a) 2017 standard will be applicable for transactions in Q1, Q2, Q3, and Q4 2018;
- (b) any change to the standard will be assessed on a quarterly going-forward basis and will not have retroactive impacts on any quarter in 2018 or any other quarter until, at the earliest, the quarter after the writ is discharged.

CARB will publish a similar guidance notifying the market of the change back to the 2019 or other applicable standard at least 30 days before the change takes effect. CARB is working expeditiously to complete the corrective action.

MARCH 2018 UPDATE

CARB's analysis developed in response to the court's direction is included as [Appendix G](#) of the LCFS and Alternative Diesel Fuels (ADF) [regulatory amendment package](#) released March 6, 2018. The amendment package includes a specific amendment to the ADF regulation based on this analysis. Following the initial April 2018 CARB hearing on the amendment package, CARB staff will continue work to finalize the amendments and propose that the Board adopt them at a second hearing later in 2018. CARB will ask the court to discharge the writ after the Board

takes its final action on the amendment package. On this anticipated timeline, Q1 2019 is likely to be the earliest that the standards for diesel and diesel substitutes would revert to the schedule specified in the LCFS regulation.

CONTACT INFORMATION

For any questions regarding this regulatory guidance, please contact Sam Wade, Chief, Transportation Fuels Branch at (916) 322-8263 or via email at sam.wade@arb.ca.gov.