



# LCFS Guidance



## Low Carbon Fuel Standard (LCFS) Guidance 20-02

### Joint Applicants for Fuel Pathway Applications

February 2020

#### INTRODUCTION

The California Air Resources Board's (CARB) Low Carbon Fuel Standard (LCFS) regulation, which appears at sections 95480 to 95503 of title 17, California Code of Regulations, is designed to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. CARB staff has prepared this guidance document to describe the regulatory requirements in a user-friendly format. Unlike the regulation itself, this document does not have the force of law. It is not intended to and cannot establish new mandatory requirements beyond those that are already in the LCFS Regulation, nor can it supplant, replace or amend any of the legal requirements of the regulation. Conversely, any omission or truncation of regulatory requirements does not relieve entities of their legal obligation to fully comply with all requirements of the regulation.

#### BACKGROUND

This guidance document is intended to summarize and describe the LCFS Regulation's requirements relating to joint applicants and the process of jointly applying for fuel pathways.

#### OVERVIEW OF JOINT APPLICANT PROVISION

The majority of entities applying for fuel pathways choose to designate a single entity as the fuel pathway applicant. This entity accepts sole responsibility for meeting all application requirements, such as providing accurate site-specific operational data, which may include data from multiple facilities, and obtaining a validation statement. This entity also accepts responsibility for meeting all maintenance requirements of the fuel pathway holder, such as submitting annual fuel pathway reports<sup>1</sup> and obtaining third-party verification by an LCFS-accredited verifier.<sup>2</sup>

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<sup>1</sup> See LCFS Regulation requirements for maintaining a valid fuel pathway in section 95488.10.

<sup>2</sup> See LCFS Regulation requirements for third-party verification in section 95500(a) and (b).

Alternatively, section 95488(b) of the LCFS Regulation allows multiple entities to supply site-specific data for a fuel pathway. This provides flexibility for each joint applicant to maintain confidential data and take separate responsibility for the portion(s) of the pathway under their control. In addition, becoming a joint applicant can benefit an entity whose facility operational data is included in several different pathway applications; rather than having multiple site visits to the intermediate facility for each new application, registering as a joint applicant allows the entity to separately submit data to CARB and contract for verification services that would meet requirements for all its associated pathways.

Each joint applicant is subject to all fuel pathway application and maintenance requirements for the portion of the pathway they control, including application materials, attestations, validation, ongoing verification, and recordkeeping.

For fuel pathway applications, a joint application is required in two specific cases:

1. Fuel pathways using directly-supplied low-CI process electricity, if the generation equipment is not under the control of the fuel pathway applicant (section 95488.8(h)(1)). A common example of this situation is an ethanol plant utilizing electricity from a co-located combined heat and power (CHP) unit under separate operational control. In this case, the CHP unit owner or operator must be a joint applicant.
2. Fuel pathways utilizing CCS: the capture facility and the storage facility must be joint applicants (section 95490(c)(1)). This pertains to alternative or low carbon fuels that participate in the LCFS under provisions for fuel pathway-based crediting. Project-based crediting for direct air capture and CCS associated with refinery investment or innovative crude projects also requires the capture and storage facilities to be joint applicants.

In most cases, having multiple applicants for a fuel pathway is optional and may simplify annual Fuel Pathway Reports and verification. Three examples of optional joint applicants are listed below:

1. An application for rendered animal fats to biodiesel or renewable diesel includes user-defined rendering energy, and the renderer supplies site-specific CI data (including monthly energy and feedstock consumption and production data) from the rendering facility to determine CI.
2. An application for bio-CNG, bio-LNG, and bio-L-CNG includes site-specific data from the fuel production facility (e.g., gas upgrading facility) as well as a liquefaction facility.
3. A supplier or marketer in a specified-source feedstock supply chain elects to register as a joint applicant and provides chain-of-custody documentation, contracts, and/or mass and energy balance documentation.

In these examples, the renderer and liquefaction plant, respectively, may either provide the necessary data to a single applicant such as the fuel producer, or may elect to be a

joint applicant with the fuel producer. If applying jointly, each entity would separately submit site-specific operational data and supporting documentation to CARB confidentially.

## HOW TO SUBMIT A FUEL PATHWAY APPLICATION WITH JOINT APPLICANTS

Following the instructions in the AFP User Guide,<sup>3</sup> both entities (the fuel pathway applicant and the joint applicant) must establish accounts in the Alternative Fuel Portal (AFP). The fuel pathway holder registers the fuel production facility, and the joint applicant registers its intermediate facility in the AFP.<sup>4</sup> The fuel pathway applicant should register all intermediate facilities, with the exception of the facility associated with the joint applicant.

The fuel pathway applicant then begins a fuel pathway application in the AFP. The fuel pathway applicant should click the “**Add Joint Applicant**” link, depicted in Figure 1 below. This will bring up a list of entities (company names) registered in the AFP, from which the joint applicant must be selected. The fuel pathway applicant should then select the correct facility associated with that joint applicant entity.



**NOTE:** Currently, the AFP does not have the capability to automatically notify an entity that has been selected as a joint applicant. Until this functionality is available, fuel pathway applicants should directly notify entities that will be added as a joint applicant to a fuel pathway application.

The screenshot shows the 'LCFS Pathway Application' interface. At the top, there is a navigation bar with links: Home, Producer Profile, FPC, My Facilities, Registered Facilities, Reports, and Correspondence. Below this, a welcome message reads 'Welcome: Christina Tillman for ARB Test2'. The main content area is divided into sections. The 'LCFS Pathway Application' section displays 'Fuel Producer: ARB Test2' and 'Company ID: C1002' on the left, and 'Facility Name: Final Testing Facility' and 'Facility ID: F10009' on the right. Below this is the 'Tier 2 Pathway' section, which includes a sub-section for 'Joint Applicants'. A table with columns for 'Joint Applicant Company ID', 'Joint Applicant Company Name', 'Joint Applicant Facility ID', 'Joint Applicant Facility Name', and 'Joint Applicant Status' is shown, with the text 'No records to display.' below it. A '+ Add Joint Applicant' button is highlighted with a red box. At the bottom of the 'Joint Applicants' section are 'Back' and 'Cancel' buttons. The footer contains links for 'LCFS AFP Home', 'Terms of Use', 'ARB LCFS Page', and 'Back to Top'.

**Figure 1: Adding a Joint Applicant**

<sup>3</sup> For detailed instructions on facility registration and adding joint applicants, please refer to the [AFP User Guide](#).

<sup>4</sup> Pursuant to section 95488.2(a), all facilities from which site-specific operational data is relied upon in determining the CI score for a pathway must be registered; any such facility that is not the fuel production facility is defined as an intermediate facility (LCFS Regulation section 95481(a)(79)).

For more information, refer to LCFS Guidance 20-01: [Fuel Production Facility and Intermediate Facility Registration in the Alternative Fuels Portal](#).

After adding the joint applicant(s), the fuel pathway applicant should proceed with submitting a fuel pathway application. The operational data and supporting documentation submitted by the fuel pathway applicant should cover all required inputs for facilities, processes, or life cycle stages of the fuel pathway, except those represented by the joint applicant. Note that in some cases this may require submission of an incomplete Simplified CI Calculator or CA-GREET3.0 model; the application will not be deemed complete until all required CI data and documentation is submitted.

The entity listed as a joint applicant should use the *Correspondence* tab in the AFP to submit operational data (as a partially completed Simplified CI Calculator, if applicable) and any supporting documentation for the portion of the pathway for which they are responsible. Joint Applicants are also required to submit the fuel pathway applicant attestation letter. The subject line of the correspondence message should state “**Joint Application with [fuel pathway applicant’s application number].**”

Within the application materials, the fuel pathway applicant should provide a list of all intermediate facilities (name, address, and LCFS ID number).

CARB staff will use the combined, complete data and information received from both applicants to evaluate the life cycle analysis and determine the carbon intensity (CI) for the fuel pathway.

## **FUEL PATHWAY CLASSIFICATION FOR JOINT APPLICANTS**

Section 95488.1 describes whether a pathway application falls under the Lookup Table, Tier 1 or Tier 2 classification, which dictates the application method that can be used. The pathway classification, and substantiality requirement<sup>5</sup> if applicable, pertains to all portions of a fuel pathway, regardless of whether or not there are joint applicants. For example, a feedstock supplier applying as a joint applicant for a feedstock that is not included in the Tier 1 classification requires a Tier 2 application, and the complete application must meet all Tier 2 requirements.

## **VERIFICATION CONSIDERATIONS FOR JOINT APPLICANTS**

Each joint applicant is subject to all requirements for validation, verification and recordkeeping for the portion of the pathway they control. Applicants supplying site-specific CI data are subject to validation of fuel pathway applications beginning in 2020, and verification of annual Fuel Pathway Reports beginning in 2021 by third-party verification bodies accredited by CARB. See sections 95488(b)(1), 95500(a) and (b).

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<sup>5</sup> Tier 2 includes pathways that would ordinarily be classified as Tier 1 that are produced using innovative methods. If joint applicants are seeking to apply for a pathway that is subject to the substantiality requirement in section 95488.9(a), the applicant(s) must demonstrate that the proposed pathway meets the substantiality requirement for the entire “source-to-tank” fuel pathway CI, not simply the portion of the fuel pathway application that one joint applicant controls.

Feedstock suppliers should be aware of the chain-of-custody evidence required for specified source feedstocks. Joint Applicants may assume responsibility for different portions of the chain-of-custody evidence, but the requirements must be met to obtain and maintain a valid pathway. See section 95488.8(g).

## **CONTACT**

If you have questions regarding the above information, please visit the LCFS Contacts webpage: <https://www.arb.ca.gov/fuels/lcfs/contact.htm>.