

LCFS User Guide for Reporting Denatured Ethanol

May 30, 2013

This document provides guidance for reporting, in the LCFS Reporting Tool (LRT), transactions involving ethanol that is denatured in California (e.g., this typically can apply to sugarcane or molasses-based ethanol but can also apply to other ethanol that is denatured in California).

Pursuant to section 95484(a) of the LCFS regulation, the entity that owns the ethanol when denatured in California is the initial regulated party that is subject to LCFS reporting requirements. This would be the case even if the entity that owns the ethanol when denatured in California did *not* own the ethanol on the vessel or other transportation equipment used to deliver the product to California. The compliance obligation may be transferred by contract or as otherwise provided under the regulation.

The initial regulated party should report the following parameters in the LRT as follows:

- Transaction Type: Select “Import” unless the neat ethanol was produced in California, in which case select “Production”
- Biofuel Production Facility: Select the ethanol production facility (name of facility, address, etc.) from the Biofuel Producers listing in the LRT.
- Fuel Pathway Code: Select applicable Fuel Pathway Code. Note that the lifecycle carbon intensity that supports these fuel pathways includes the GHG emissions from the denaturant added to the neat ethanol.
- Volume: Specify the volume of finished ethanol involved in the transaction (i.e. volume of the ethanol plus volume of denaturant).
- Physical Pathway Code: Specify the physical pathway code associated with the ethanol production facility identified under “Biofuel Production Facility,” which should have an approved physical pathway code shown in the Biofuel Producers listing in the LRT. If the biofuel facility does not have an approved initial demonstration of the physical pathway, the physical pathway code is PHY10. In accordance with section 95484(c)(2), a regulated party may not generate LCFS credits until there is an approved physical pathway demonstration.

The regulated party should retain records for at least 3 years in accordance with section 95484(c)(1) for each transaction. A regulated party must provide documentation, upon request, to support the reported information in the LRT. The regulated party should request and retain product transfer documents, other chain of custody records as appropriate, and records pertaining to methods of production/ harvest to ensure confidence that the selection of biofuel production facility, fuel pathway (CI value) and volumes are correct for each transaction.

Please consult the LCFS regulation for the most complete and current information regarding reporting requirements: http://www.arb.ca.gov/fuels/lcfs/CleanFinalRegOrder_02012011.pdf