

LCFS Verification services

Keeping **you** ahead of the game, by keeping **you** in-the-know

Low Carbon Fuel Standard (LCFS) Implementation Series #11

This is the eleventh in a series of updates that Christianson will be providing on the current status of the regulation. If you missed the previous newsletters, you can find them on our website [here](#).

As we noted in our last series, CARB has begun the summer workshops as they work to finalize the proposed rule. The first workshop was held on June 11, 2018 and covered the first changes that CARB has made to the proposed rule. These changes were made after the first board review and its review and consideration of public comments on the initial proposed rule.

Below is a summary of the proposed changes related to the verification portion of the regulations. Currently, there is a public comment period open for the updated proposed rule. The comment period will close on July 5, 2018.

Verification Rule Changes

1. Language was added to clarify and allow the option of verification procedures to be completed on a quarterly basis. This is not a mandatory quarterly requirement. The change also clarifies that no verification work can be done until after any required quarterly reports have been filed and that a corrections log must be kept for these procedures.
2. In our previous [webinar](#) that summarized the initial proposed rule, we discussed a waiver period for certain high conflict of interest items that would reduce the conflict level to moderate which can then be mitigated. This waiver period has been extended by one year to January 1, 2023.
3. Also in the conflict of interest section, they have modified the language on two of the high conflict services.
 - o Providing accounting software has been removed from a high conflict item. The service could still be considered a moderate risk, but as a moderate risk the conflict can be mitigated so that the verifier could still perform verification services.
 - o The high risk item that restricted verifiers from providing bookkeeping and other accounting services pertaining to the financial statements has been modified to exclude attest services (audits, reviews, RIN attests, etc.) and any services not directly related to the LCFS (tax preparation, depreciation schedule maintenance, etc).
4. Clarified the requirements for an entity that is below the reporting thresholds and deferring its verification.
5. Provided deadlines for verification statements on Project Reports which include refinery investment projects, innovative crude projects, renewable hydrogen projects and direct air capture projects.

Once again, we encourage you to make your voice heard and submit additional concern before the end of the public comment period on July 5, 2018. Following the public comment period there will likely be additional workshops and there will be a second board review of the rule. The regulation will tentatively go into effect on January 1, 2019.

Please feel free to reach out to Kari Battenhoff at 320-235-5937 for additional information on the LCFS and other changes that were made to the proposed rule and covered in the June 11, 2018 workshop. Have a safe and happy Fourth of July and watch for our next email in the [LCFS Implementation series](#) next month!

[Call or Contact Us](#) today with any questions.

Contact Us

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