	Ministry of Energy and Climate Solutions <i>Issued: June 26, 2025</i>	<i>Low Carbon Fuels Act</i> Naval distillate fuel Information Bulletin RLCF-031
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Background

The [Low Carbon Fuels Act](#) together with the [Low Carbon Fuels \(General\) Regulation](#) and the [Low Carbon Fuels \(Technical\) Regulation](#) serve as the legal framework for the British Columbia (B.C.) Low Carbon Fuel Standard (LCFS).

The LCFS reduces greenhouse gas emissions and supports the Canadian clean fuels industry by setting renewable fuel requirements and low carbon fuel requirements on fuels marketed in B.C.

Under the LCFS, fuels fall into categories defined by a base fuel and consisting of the base fuel and components of and alternatives to the base fuel. The current categories of fuel defined in the *Low Carbon Fuels Act* are:

- 1) the diesel fuel category,
- 2) the gasoline fuel category, and
- 3) the jet fuel category.

Diesel fuel category

The diesel fuel category consists of fossil-derived diesel fuel, components of fossil-derived diesel fuel, and alternatives to fossil-derived diesel fuel.


Prior to the *Low Carbon Fuels Act* entering into force on January 1, 2024, the LCFS excluded from the diesel fuel category fuel sold to the Department of National Defence (Canada), if the fuel was to be used in military vessels, vehicles, aircraft or equipment for military operations (military use).¹

As of January 1, 2024, there is no exclusion of fuel supplied for military use from the LCFS. Any diesel, gasoline or jet fuel category fuel supplied for military use must be included in a fuel supplier's compliance report.

Naval distillate fuel

Naval distillate fuel is a middle distillate fuel used primarily in naval operations whose product parameters are influenced by the North Atlantic Treaty Organization (NATO) international military standardization agreements. The Canadian General Standards Board (CGSB) defines naval distillate fuel in the standard [CAN/CGSB-3.11-2022](#).

¹ Section 3.1 of the Renewable and Low Carbon Fuel Requirements Regulation under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act*.

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Naval distillate fuel is suitable for use in marine craft with compression-ignition engines and gas turbine engines. The Ministry of Energy and Climate Solutions (Ministry) considers naval distillate fuel to be diesel fuel.

As of January 1, 2024, the supply of naval distillate fuel to military vessels is subject to the requirements of the LCFS, therefore:

- Fossil-derived naval distillate fuel is to be included in a fuel supplier's compliance report as fossil-derived diesel fuel, and subject to the same requirements as diesel fuel; and
- Alternatives to naval distillate fuel, such as hydrogenation-derived renewable diesel (HDRD) supplied in an application where naval distillate fuel would have been used, must also be included in a fuel supplier's compliance report.

Other marine fuels

Fuels that fall outside of the diesel fuel, gasoline fuel, and jet fuel categories may not be reported for compliance with the LCFS.

The Ministry is conducting an analysis of fuels used in marine vessels in B.C. and may consider expanding the LCFS to cover additional fuels in the future.

Reporting requirements

Please see the following [Information Bulletins](#) for guidance on LCFS reporting requirements:

- RLCF-003: Compliance Reporting Requirements
- RLCF-009: Reporting Responsibility for Type B Fuels

Need more information?

Please see the Renewable and Low Carbon Fuels website at www.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*, the 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>.