

State of California
AIR RESOURCES BOARD

Resolution 95-48

December 14, 1995

Agenda Item No.: 95-13-2

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (the Board or ARB) to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, sections 43018(a) and (b) of the Health and Safety Code direct the Board to endeavor to achieve the maximum degree of emission reduction possible from vehicular and other mobile sources in order to accomplish the attainment of the state ambient air quality standards at the earliest practicable date, and to take whatever actions are necessary, cost-effective, and technologically feasible in order to achieve, by December 31, 2000, specified reductions in the emissions of reactive organic gases, oxides of nitrogen, particulates, carbon monoxide, and toxic air contaminants from vehicular sources;

WHEREAS, section 43018(c) of the Health and Safety Code provides that in carrying out section 43018, the Board shall adopt standards and regulations which will result in the most cost-effective combination of control measures on all classes of motor vehicles and motor vehicle fuel, including but not limited to specification of vehicular fuel composition;

WHEREAS, Health and Safety Code section 43013 authorizes the Board to adopt and implement motor vehicle fuel specifications for the control of air contaminants and sources of air pollution which the Board has found to be necessary, cost-effective, and technologically feasible to carry out the purposes of Division 26 of the Health and Safety Code;

WHEREAS, following a hearing in November 1991, the Board adopted regulations for California reformulated gasoline (CaRFG), applicable beginning March 1, 1996; these regulations include a comprehensive set of specifications affecting eight different gasoline properties and are designed to ensure that commercial gasoline is a significantly cleaner-burning fuel;

WHEREAS, the CaRFG regulations require that, for each of the eight regulated properties, producers and importers meet either "flat" or, if available, "averaging" limits when their gasoline is supplied from the production or import facility, and require that gasoline at any point in the distribution system not exceed "cap" limits for the properties;

WHEREAS, the CaRFG standards include minimum and maximum oxygen content standards, and allow gasoline with less than the required minimum oxygen content to be shipped from a refinery as long as the gasoline meets all other CaRFG standards and the refiner takes appropriate measures to assure that the required minimum level of oxygen will be added before the gasoline is shipped from the final distribution facility;

WHEREAS, following a hearing in June 1994, the Board adopted several amendments to the CaRFG regulations, including adding a mechanism that provides gasoline producers and importers the option of using the "California Predictive Model" to establish alternative CaRFG specifications that could be met in lieu of the specifications set forth in the regulations, and extending the dates for compliance with the cap limits so that they apply starting April 15, 1996, to sales of gasoline from all facilities except for bulk plants, retail outlets, or bulk purchaser-consumer facilities, and apply throughout the distribution system starting June 1, 1996;

WHEREAS, over the last year the staff has consulted refiners and other interested parties to identify areas where amendments to the CaRFG regulations could be made to afford additional compliance flexibility and to correct oversights without changing the basic requirements, the emissions reduction benefits, and the enforceability of the regulations;

WHEREAS, as a result of these consultations and an ongoing review of the CaRFG program, the staff has proposed "housekeeping" amendments to the CaRFG regulations covering a number of different areas, including adding provisions--patterned after provisions in the federal reformulated gasoline regulations--that allow oxygenates to be added downstream from the refinery to a specially formulated "California reformulated gasoline blendstock for oxygen blending" ("CARBOB"), and specify that compliance of the CARBOB with the CaRFG flat or averaging refinery standards is to be determined after adding the specified type and amount of oxygenate;

WHEREAS, the California Environmental Quality Act and Board regulations require that an action not be adopted as proposed where it will have significant adverse environmental impacts if feasible alternatives or mitigation measures are available which would substantially reduce or avoid such impacts;

WHEREAS, the Board has considered the impact of the proposed amendments on the economy of the state;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of Chapter 3.5 (commencing with section 11340), Part 1, Division 3, Title 2 of the Government Code; and

WHEREAS, the Board finds that:

The amendments approved herein regarding the downstream blending of oxygenates will make it more practical to use oxygenates such as ethanol that are typically added to gasoline downstream from the refinery, because the amendments allow refiners to take advantage of the contribution the oxygenates can make to meeting the CaRFG specifications for properties other than oxygen content;

The amendments approved herein pertaining to administration of the averaging provisions during the start-up of the CaRFG program will afford refiners with additional flexibility by assuring they have a 180-day offset period during the first three months of the program;

The amendments approved herein regarding the downstream blending of CaRFG with nonoxygenate blendstocks will help assure that all California gasoline meets the applicable refinery limits when it is first produced;

The other amendments approved herein, with the modifications set forth in Attachment B, will provide refiners with greater flexibility to efficiently manage refinery operations, and will help assure the CaRFG regulations are implemented in an effective and predictable manner;

Public and private entities that would be significantly impacted by the amendments approved herein have been consulted in their development;

While the CaRFG regulations approved herein are different from the reformulated gasoline regulations contained in the Federal Code of Regulations, the regulations approved herein are authorized by state law;

The CaRFG regulations, as revised by the amendments approved herein, remain technologically feasible; the amendments enhance the technological feasibility of the CaRFG regulations by providing additional compliance feasibility;

The amendments approved herein improve the cost-effectiveness of the CaRFG regulations, while leaving the CaRFG standards and basic requirements intact;

The amendments approved herein will not have any adverse impact on the economy of the state; and

The amendments approved herein will not result in any significant adverse environmental impacts.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendments to sections 2260, 2262.1, 2262.5, 2264, 2265, and 2272, and the adoption of sections 2263.7 and 2266.5, in Title 13, California Code of Regulations, as set forth in Attachment A hereto, with the modifications set forth in Attachment B hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to make the approved amendments set forth in Attachment B, with such other conforming modifications as may be appropriate, available to the public for a supplemental written comment period of 15 days, and thereafter either to adopt the amendments with such additional modifications as may be appropriate in light of supplemental comments received, or to present the amendments to the Board for further consideration if warranted in light of supplemental written comments received.

I hereby certify that the above is a true and correct copy of Resolution 95-48, as adopted by the Air Resources Board.


Pat Hutchens, Board Secretary

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JAN 16 1996

RESOURCES AGENCY OF CALIFORNIA

State of California
Environmental Protection Agency
AIR RESOURCES BOARD

Notice of Decision and
Response to Significant Environmental Issues

Item: PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE
CALIFORNIA REFORMULATED GASOLINE REGULATIONS,
INCLUDING AMENDMENTS REGARDING THE DOWNSTREAM
BLENDING OF OXYGENATES

Approved by: Resolution 95-48

Adopted by: Executive Order G-96-002
Dated: January 10, 1996

Agenda Item No.: 95-13-2

Public Hearing Date: December 14, 1995

Issuing Authority: Air Resources Board

Comment: No comments were received identifying any significant environmental issues
pertaining to this item. The staff report identified no adverse environmental
effects.

Response: N/A

Certified:



Artavia M. Edwards
Regulations Coordinator

Date:

16 Jan 96

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