

State of California
AIR RESOURCES BOARD

Notice of Public Availability of Modified Text

2011 AMENDMENTS TO THE CALIFORNIA REFORMULATED
GASOLINE REGULATIONS

Public Hearing Date: October 21, 2011
Public Availability Date: May 15, 2012
Deadline for Public Comment: May 30, 2012

At its October 21, 2011, public hearing, the Air Resources Board (ARB or Board) approved the repeal of title 13, California Code of Regulations section 2258; and approved proposed amendments with modifications to sections 2260, 2261, 2264, 2265 (and the incorporated "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model" as last amended August 7, 2008), 2265.1, 2266, 2266.5, and 2271 of title 13, California Code of Regulations. The amendments relate to the California reformulated gasoline (CaRFG) regulations, and would: (1) help preserve the benefits of the Phase 2 CaRFG standards and correct errors of coefficients in the Predictive Model, and (2) include other miscellaneous changes to improve consistency, flexibility, and enforceability.

At the hearing, the staff presented, and the Board approved, modifications to the regulations originally proposed in the Staff Report released on August 31, 2011, in response to comments received since the Staff Report was published. These modifications include restrictions on blending California Reformulated Gasoline Blendstock for Oxygen Blending (CARBOB) with other materials.

Board Resolution 11-36 (Resolution) approved staff's proposed modifications. Appended to the Resolution were the initially noticed regulatory text (as Attachment A) and the staff's suggested modifications to that text for which the staff had not yet developed specific regulatory language (as Attachment B), both of which were made available at the hearing. The Resolution and all other regulatory documents for this rulemaking are available online at the following ARB website:
<http://www.arb.ca.gov/regact/2011/carfg11/carfg11.htm>

In accordance with section 11346.8 of the Government Code, the Board directed the Executive Officer to repeal section 2258 and adopt amendments to sections 2260, 2261, 2264, 2265 (and the incorporated "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model"), 2265.1, 2266, 2266.5, and 2271 of title 13, California Code of Regulations, after making the modified regulatory language available to the public for a supplemental written comment period of 15 days. The Board further provided that the Executive Officer shall consider such written comments as may be submitted during this

period, shall make such modifications to the regulation as may be appropriate in light of the comments received, and shall present the regulations to the Board for further consideration if determined that this is warranted.

Modified Text Being Made Available

Attachment A to this 15-Day Public Notice contains the additional proposed regulatory text changes showing the modifications to the initially proposed regulatory text that was made available at the time of the 45-Day Public Notice. As shown in the 45-Day Public Notice, the existing regulatory language is denoted by plain text, while additions to the existing regulatory text, as initially proposed, were denoted by single underline and deletions by ~~single strikeout~~. The additional proposed changes to the existing regulatory text that are subject to comment in this 15-day comment period are denoted in Attachment A by double underline for additions. No further deletions are proposed.

Summary of Proposed Modifications

The following is a summary of the proposed modifications to the regulation and staff's rationale for proposing those modifications.

Restrictions on blending CARBOB with other materials

1. Added a provision to allow for a mixing of a CARBOB tender with a non-CARBOB tender at the interface in a pipeline to allow for fuel pipeline transportation. However, this mixture must be diverted and may not be offered, sold, or supplied as CARBOB or California gasoline.

RATIONALE: The pipelines that transport CARBOB are typically not dedicated exclusively to CARBOB. Therefore, a tender of CARBOB may, in actual practice, be followed by a tender of a non-CARBOB material such as diesel fuel. However, the basic prohibition of section 2266.5(f)(1), as originally proposed, would prohibit the mixing that occurs at the interface of the CARBOB and non-CARBOB material. The additional proposed modifications acknowledge this practice, but clarify that the resultant mixture may not be offered, sold, or supplied as CARBOB or California gasoline.

2. Added provision to allow for the changeover of a storage tank in a terminal or bulk plant from a non-CARBOB material to CARBOB. If the resultant mixture meets the CARBOB limits, it may be treated as CARBOB. Records must be kept for two years in order for the facility to demonstrate compliance.

RATIONALE: Storage tanks at terminals or bulk plants are typically not dedicated exclusively to CARBOB. Therefore, a tank that previously contained a non-CARBOB material such as diesel fuel may, in practice, be converted for storage of CARBOB. However, the basic prohibition of section 2266.5(f)(1), as originally proposed, would prohibit such conversion. The proposed modifications

acknowledge this practice, but clarify that the resultant mixture may be treated as CARBOB only if it meets the CARBOB limits.

3. Added a provision to allow for the changeover of a storage tank in a terminal or bulk plant from a CARBOB to a non-CARBOB material. No person may offer, sell, or supply the resultant mixture as CARBOB.

RATIONALE: As discussed above, industry practice may involve the conversion of a storage tank from storing CARBOB to a non-CARBOB material. The proposed modifications acknowledge this practice, but prohibit the resultant mixture from being offered, sold, or supplied as CARBOB, since it would be predominantly a non-CARBOB material.

4. Added a provision to allow for the changing of a compartment in a cargo tank truck, marine vessel, rail car, or other vessel from a CARBOB to a non-CARBOB material, or vice versa. If converting from a non-CARBOB material to CARBOB and if the residue of non-CARBOB material does not exceed 0.25 percent of the compartment's safe fill volume, the resultant mixture may be treated as CARBOB. If converting from CARBOB to non-CARBOB, the resultant mixture may not be offered, sold, or supplied as CARBOB.

RATIONALE: Compartments in cargo tank trucks, marine vessels, rail cars, and other vessels are typically not dedicated exclusively to CARBOB. Therefore, industry practice may involve the conversion of such compartments from the storage of CARBOB to a non-CARBOB material, or vice versa. The proposed modifications acknowledge this practice, but prohibit the offer, sale, or supply of the resultant mixture unless certain conditions are met in order to preserve the integrity of the CARBOB supply in California.

5. Added a provision to allow for a protocol for the incidental mixing of non-CARBOB material with CARBOB during the normal and correct operation of a business.

RATIONALE: The CaRFG regulations typically provide for protocols to accommodate unusual or unanticipated situations provided certain findings are made by the Executive Officer. After discussion with stakeholders, the above four situations were discovered. While it is possible other such situations may exist, without a protocol, these situations would be prohibited by the CaRFG regulations. The proposed modifications allow for protocols if certain conditions are met.

Written comments will only be accepted on the modifications identified in this notice and may be submitted by postal mail or electronic mail submittal as follows:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Gov. Code § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

In order to be considered by the Executive Officer, comments must be directed to ARB in one of the two forms described above and received by ARB by 5:00 p.m. on the deadline date for public comment listed at the beginning of this notice. Only comments relating to the above-described modifications to the text of the regulations shall be considered by the Executive Officer.

If you need this document in an alternate format or another language, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 no later than five (5) business days from the release date of this notice. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Si necesita este documento en un formato alternativo u otro idioma, por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de cinco (5) días laborales a partir de la fecha del lanzamiento de este aviso. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

Attachment

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see ARB's website at www.arb.ca.gov.