

State of California
AIR RESOURCES BOARD

Notice of Decision and Response to Significant Environmental Issues

Item: AMENDMENTS TO THE CALIFORNIA REFORMULATED GASOLINE REGULATIONS TO POSTPONE IMPOSITION OF THE CaRFG3 STANDARDS AND THE PROHIBITION OF MTBE AND OXYGENATES OTHER THAN ETHANOL IN CALIFORNIA GASOLINE FROM DECEMBER 31, 2002 TO DECEMBER 31, 2003

Approved by: Resolution 02-25

Adopted by: Executive Order G-02-072

Agenda Item: 02-6-2

Public Hearing Date: July 25, 2002

Issuing Authority: Air Resources Board

Comment: The amendments implement Governor Davis's March 14, 2002 Executive Order D-52-02 by postponing the prohibition of the use of methyl tertiary butyl ether (MTBE) and other oxygenates other than ethanol in California gasoline supplied by refiners and importers from December 31, 2002 to December 31, 2003, postponing the schedule for reducing residual levels of MTBE in CaRFG3 by one year, postponing the imposition of the CaRFG3 standards for gasoline properties for one year, and making various other changes.

The Staff Report identified adverse water quality impacts that could result from the proposed amendments. A one-year extension to complete the phase-out of MTBE from gasoline will likely result in some additional contamination of groundwater and surface water with MTBE. However, the magnitude of this impact is difficult to determine. Continued use of MTBE as a fuel oxygenate for an additional year may also add to the cleanup needs the state will face over the next decade as a result of leaking underground storage tanks, and could extend the risk of further closures of public drinking water supply. It is not expected that the occurrence of leaks of gasoline containing MTBE in the proposed additional year would add significantly to the amount of existing contamination. For example, preliminary results of field

tests currently being conducted by the State Water Resources Control Board indicate that the strengthened underground storage tank requirements and enforcement have been very successful in reducing liquid releases of gasoline.

With the one-year delay of the MTBE ban, other sources of MTBE releases will continue to have impacts on the water environment. These include deposition of MTBE from the air, surface spills, underground pipelines, above-ground storage tanks, marinas, watercraft, and vehicle accidents. Although the impact of these sources cannot be estimated at this time, historically their impact has been small compared to the impact from MTBE in gasoline leaks from underground storage tanks. Except to the extent that refiners elect to phase-out MTBE early, a delay in the phase out would result in another year of contamination at the present level.

The Staff Report also addressed potential air quality impacts and concluded that the proposed amendments should have no significant negative impacts on air quality.

In oral and written comments, several water agencies and members of the public raised concerns about potential significant adverse environmental impacts from the postponement of the MTBE prohibition. These included additional leakage of MTBE from underground storage tanks, additional ground and surface water contamination, additional environmental and public health risks.

Response:

The Board seriously considered all of these issues, which are summarized and responded to in the Final Statement of Reasons, which is incorporated herein.

Resolution 02-25, which is also incorporated herein, included the following findings:

Results of field tests conducted by the State Water Resources Control Board indicate that the strengthened underground storage tank requirements and enforcement have been very successful in reducing liquid releases of gasoline;

MTBE will continue to be in any remaining liquid and vapor leaks of gasoline from underground storage tanks during the additional year, but this impact is expected to be small compared to existing contamination;

The primary neighborhood impacts of the proposed delay of the MTBE ban would be the continued risk of contamination of groundwater and drinking water;

The neighborhood impact is mitigated to the extent that refiners remove MTBE from gasoline and change to ethanol before the mandated deadline;

Without a delay, gasoline supply shortages are likely, and with a significant reduction in supply, prices could be expected to increase by 50 percent or more;

Continued use of MTBE as a fuel oxygenate for an additional year may also add to the cleanup needs the state will face over the next decade, and could extend the risk of further contamination of groundwater and drinking water;

There are no feasible mitigation measures or alternatives available to the Board which would further substantially reduce the potential adverse impacts of the proposed regulations herein, while at the same time providing the substantial overall public health and economic benefits as noted herein.

Certified:

W. Thomas Jennings
Senior Staff Counsel

Date:

November 8, 2001