

Alternative Diesel Fuels Regulation

Workshop on

Reporting and Recordkeeping Requirements

California Air Resources Board

Sacramento, California

May 23, 2016



Overview

- ADF Regulation Background
- **Reporting** General Requirements
 - Applicable Parties
 - Where and How to Submit the Reports
- **Recordkeeping** General Requirements
 - Applicable Parties
- Example Fuel Supply Streams
- Next Steps
- Q and A



ADF Regulation - Background

- Need for Alternative Diesel Fuels Regulation
 - Need to maintain environmental & public health protections
 - Emerging ADFs need market certainty, clear framework for commercialization in CA
- ADF Regulation adopted in September 2015



ADF Regulation

- General provision
 - Three-stage fuel evaluation process
- Biodiesel provision
 - In-use requirements for \leq B20 blends (Jan 1, 2018)
 - B100 blendstock specifications (Jan 1, 2016)
 - Reporting and recordkeeping requirements (Jan 1, 2016)



Additional ADF Regulation Info.

- Biodiesel Provisions are applicable to blends B20 and below.
- Blends above 20 (B20) need a Stage 1 Executive Order before commercial sale in California.
- Renewable Diesel is not an alternative diesel fuel.



ADF Reporting Requirements



Purpose of Reporting Requirements

- To confirm the use of B20 and below blends without NOx impact
- As of January 2018, confirms biodiesel meeting NOx in-use requirements
- In-use requirements are how biodiesel blend comply with NOx control levels; examples:
 - Testing saturation for high saturation biodiesel
 - Using additives to reduce NOx for B20 blends



Biodiesel Reporting Requirements

- Quarterly Reporting
- Reporting due by the end of the subsequent reporting period

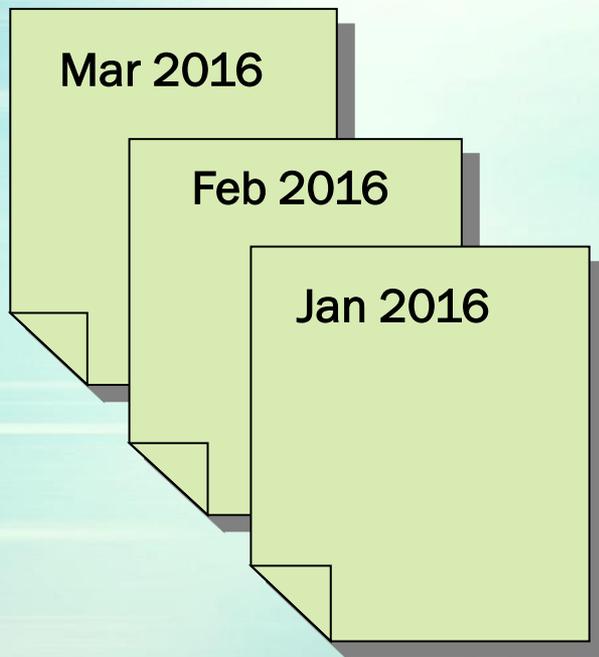
Quarter	Duration	Report Due Date
1st	Jan 1 – Mar 31	June 30
2nd	Apr 1 – June 30	Sept 30
3rd	July 1 – Sept 30	Dec 31
4th	Oct 1 – Dec 31	Mar 31



All Reporting – Monthly Data

Volume aggregated monthly

1st qtr. reports due June 30



Applicable ADF Reporting Parties

B100/B99
Producers



Importers



Blenders



Reporting Form

Reporting form is available at:

- <http://www.arb.ca.gov/fuels/adf/adf.htm>
(under *What's New*)

or at:

- <http://www.arb.ca.gov/fuels/adf/adfdocs.htm>
(Alternative Diesel Fuels Related Documents Webpage)



Producer (of B100/B99)



Definition:

“...with respect to any fuel, the entity that made or prepared the fuel”

- ADF refers to LCFS Regulation CCR, title 17, section 95481(a)

Producers Reporting Requirements

ADF Regulation
Section 2293.8
(b)(2)(A)

- 1) B100/B99 Volume produced
- 2) B100/B99 Volume sold to downstream purchasers
- 3) Transaction information including purchaser information

Do you perform blending? Then Blenders Reporting Requirements apply. See 2293.8(b)(2)(C)



Save Producer Report as :

2016JanNameProducerLocation.xlsx

Feb

Mar



- Enter location (e.g., Fresno) if more than one location.
- Separate reporting data required per production facility.



Importer

Definition:

“...means the person who owns the transportation fuel or blendstock, in the transportation equipment that held or carried the product, at the point the fuel entered California...”



- ADF refers LCFS Regulation CCR, title 17, section 95481(a)

Importers Reporting Requirements

ADF Regulation
Section 2293.8
(b)(2)(B)



- 1) Volume of B100/B99 or any blends imported into California
- 2) Volume of B100/B99 or any blends sold to downstream purchaser
- 3) Transaction information include purchaser information

Do you perform blending? Then Blenders Reporting Requirements apply. See 2293.8(b)(2)(C)



Save Importer Report as :

2016JanNameImporter.xlsx

Feb

Mar



Blender

Definition:

“...means any person who blends an ADF with another fuel.”



- ADF Regulation Section 2293.2 (a)(14)

Blenders Reporting Requirements

ADF Regulation
Section 2293.8
(b)(2)(C)



- 1) Volume of B100/B99 purchased or obtained
- 2) B100/B99 supplier information
- 3) Blend level/ volume produced
- 4) Blends level/ volume offered/supplied/sold

Save Blender Report as :

2016JanNameBlenderLocation.xlsx

Feb

Mar



- Enter location (e.g., Fresno) if more than one location
- Separate reporting data required per blending facility.



Blending Methods



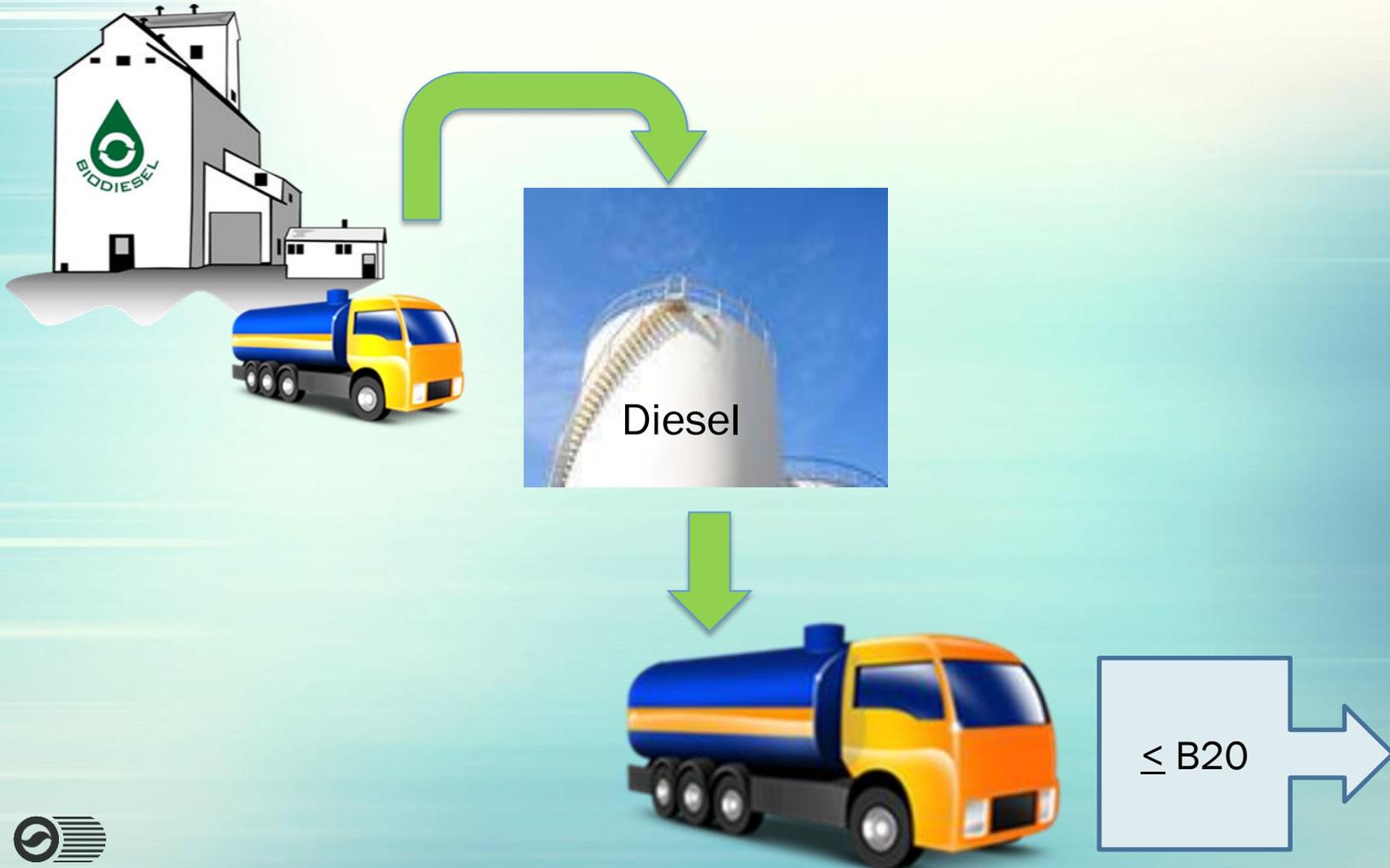
Blending Method 1

In-line Blending



Blending Method 2

Tank blending



Blending Method 3

Splash blending

Diesel



Blender



Blenders Reporting

Q & A



Blenders Reporting Q&A 1

Q) Can a producer and an importer also be a blender?

A) Yes, A producer and an importer who produces or imports and blends on site must report :

- B100/B99 production/imported volume (as a producer or an importer)
- Blend level and volume produced (as a blender)



Blenders Reporting Q&A 2

Q) Can a blender supply their fuel (e.g., B50) to a downstream blender for further blending down (e.g., B5)?

A) Yes, and both blenders must report individually to reflect the applicable fuel blending.



Blenders Reporting Q&A 3

Q) Does each blending terminal report individually, although multiple blending terminals may belong to the same parent entity?

A) **Yes**, each blending terminal is a separate blender, therefore must report separately to reflect blendstock volume obtained and final blends produced at each terminal.



Blenders Reporting: Q&A 4

Q) Does volume obtained/produced have to match volume supplied/sold each month?

A) No, we understand that the entire volume produced/obtained during a month may not be supplied/sold during the production month.



Reporting Examples



Reporting

Example 1



Producer Report:

- B100 volume produced/supplied
- B100 volume sold (title transfer)
- B100 purchaser (**Distributor 1**) information

Blender Report:

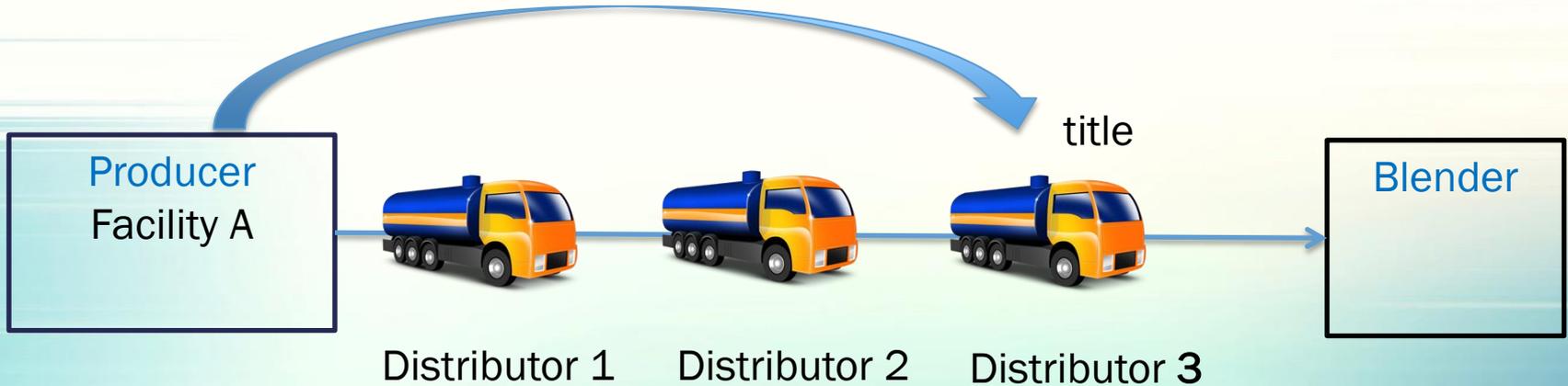
- B100 volume purchased or obtained from **Distributor 3**
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.



Reporting

Example 2



Producer Report:

- B100 volume produced/supplied
- B100 volume sold (title transfer)
- B100 purchaser (**Distributor 3**) information

Blender Report:

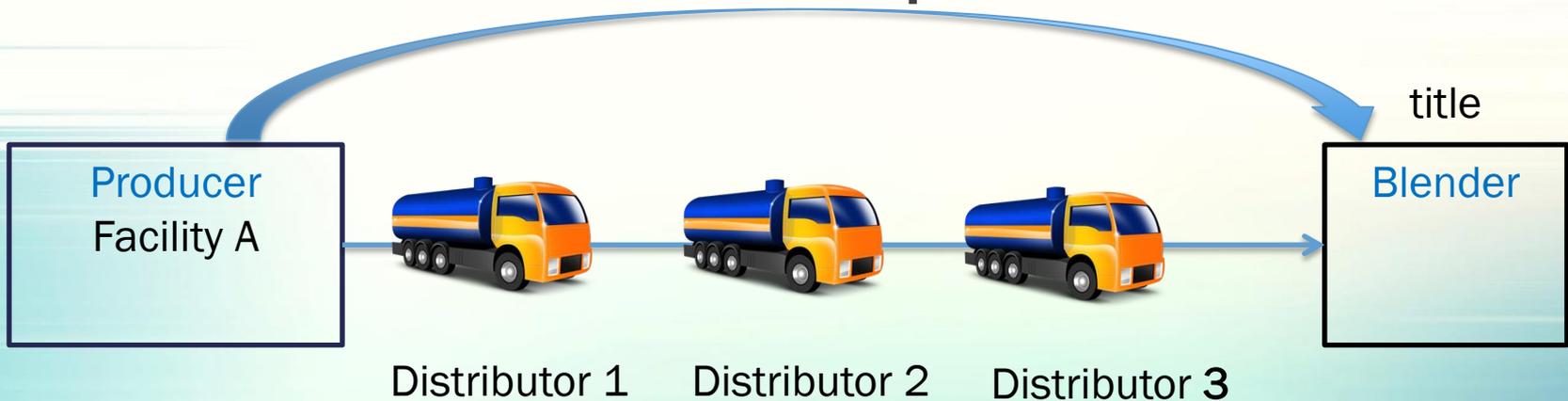
- B100/B99 volume purchased or obtained from **Distributor 3**
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.



Reporting

Example 3



Producer Report:

- B100 volume produced/supplied
- B100 volume sold
- B100 purchaser information
(Blender)

Blender Report:

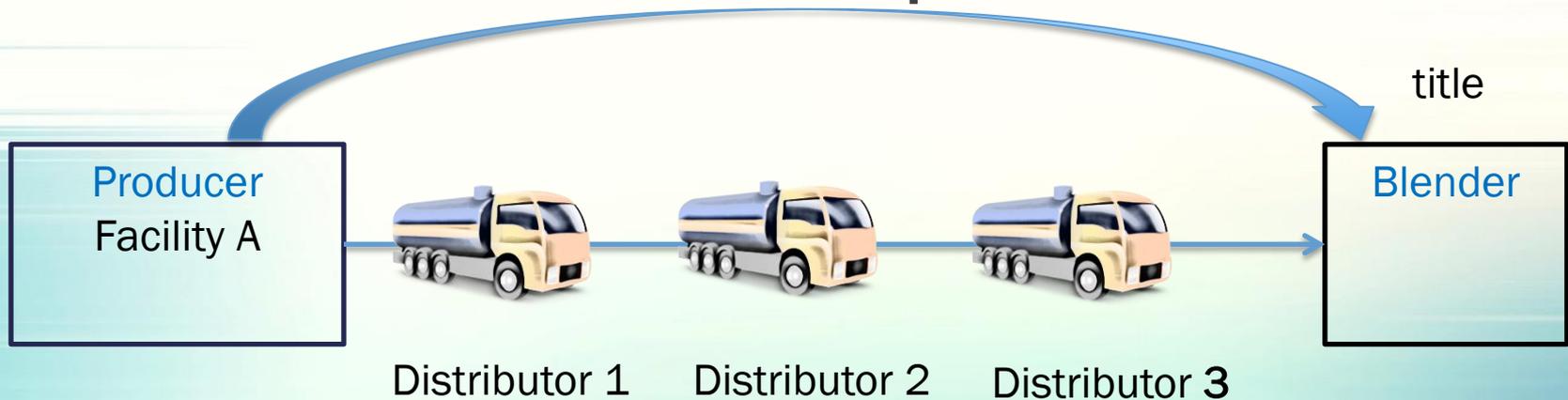
- B100/B99 volume purchased or obtained from **Distributor 3**
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.



Reporting

Example 4



Producer Report:

- B100 volume produced/supplied
- B100 purchaser information
(Blender)

Blender Report:

- B100/B99 volume purchased or obtained from a **Producer**
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

Report Submittal

Electronic submittals are preferred.

Please e-mail to:

adf@arb.ca.gov

Or mail in:

Oil and Gas and GHG Mitigation Branch Chief

1001 I St. P.O. Box 2815

Sacramento CA 95812



Recordkeeping Requirements



Applicable Recordkeeping Parties

- Applicable Regulation Section:
2293.8 (c)(3)(A), (B), (C), (D) and (E)



Distributor



Retailer



Recordkeeping Requirements

Records must be kept for 5 years and made available within 15 business days upon request by ARB or its designee

- Effective January 1, 2016
 - Product Transfer Document/Quarterly Reports
- Effective January 1, 2018
 - Product Transfer Document/Quarterly Reports
 - Method of NO_x control or exemption notice
(ADF Regulation Section 2293.8(c)(1))



Product Transfer Document

- PTD may include bill of lading, invoices, contract and other substantiating document that authenticates the product transfer
- Generally contains:
 - Seller/Supplier information
 - Purchaser/Receiver information
 - Transaction Date
 - Volume in transaction
 - Carbon Intensity pathway info, if available



Distributors

- Syn: Traders, Common Carriers, Jobbers
- May or may not hold title of the blendstock or finished fuel
- Do not blend or change the fuel composition. If you do, then you are a blender.
- Only recordkeeping requirements



Retailers

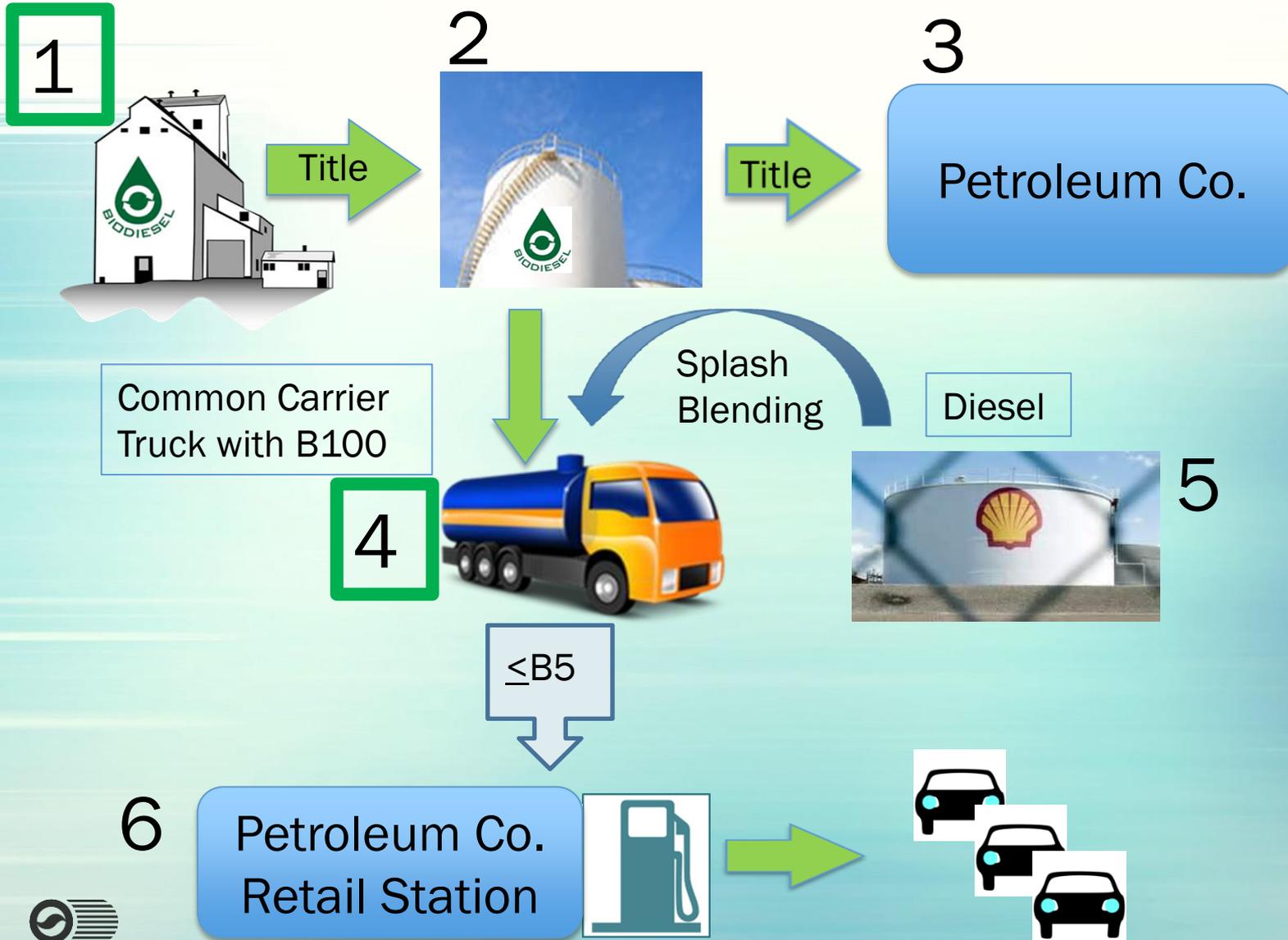
- Retailers provide fuels to the end users.
- Only recordkeeping requirements.
- On-site blenders may both be a blender and a retailer.
 - They would need to report as a blender and keep records as a blender and a retailer.



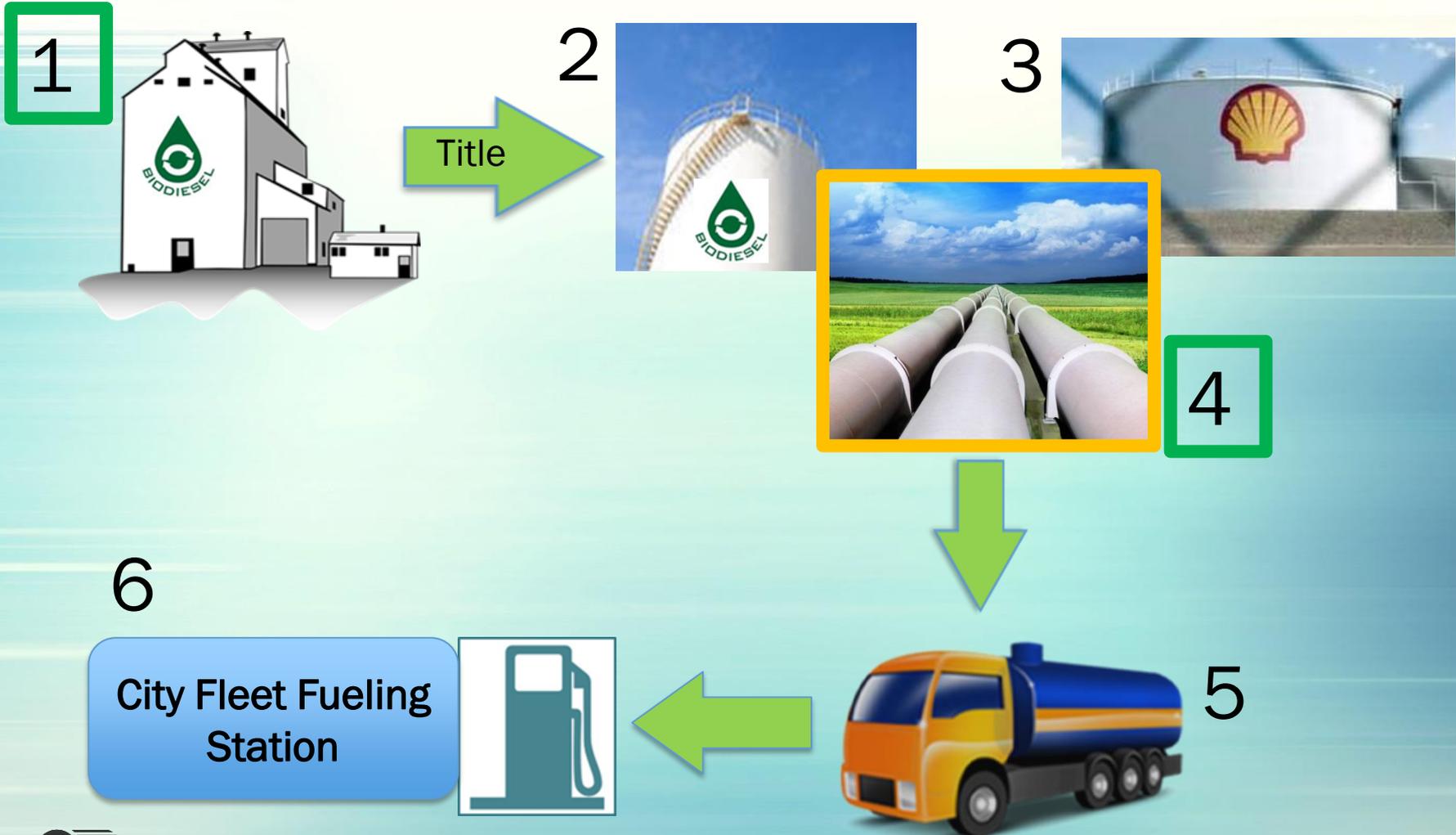
Example Reporting and Recordkeeping Schemes



Example 1



Example 2



Next Steps

- Post Reporting Form Revision
- Post FAQs Revision



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ADF Webpage:

<http://www.arb.ca.gov/fuels/adf/adf.htm>

End of the presentation

