

Frequently Asked Questions on the Alternative Diesel Fuel Regulation California Code of Regulations, title 13, sections 2293-2293.9

Introduction:

The Air Resources Board adopted a regulation on the Commercialization of Alternative Diesel Fuels (ADF), found at California Code of Regulations (CCR), title 13, sections 2293-2293.9 (ADF regulation), which becomes effective January 1, 2016. The regulation establishes a comprehensive, multi-stage process governing the commercialization of new ADFs in California. The regulation also establishes specifications and in-use requirements (such as using a NOx reduction additive) for biodiesel, as the first ADF subject to the ADF regulation.

This document is intended to assist regulated parties with complying with the ADF regulation reporting and recordkeeping requirements. This document is available at: <http://www.arb.ca.gov/fuels/adf/adf.htm>.

For more information on the ADF regulation, please contact Alexander “Lex” Mitchell at Alexander.Mitchell@arb.ca.gov or 916-327-1513, or Susie Chung at Susie.Chung@arb.ca.gov or 916-327-0647.

1. Does the ADF regulation apply to me?

The ADF regulation contains reporting and recordkeeping requirements (section 2293.8) applicable to entities in the biodiesel industry, effective January 1, 2016. Biodiesel producers, importers, and blenders are required to report and keep records concerning biodiesel production, sales, and blending. On the other hand, biodiesel distributors and retailers are only required to keep records. On January 1, 2018, the biodiesel in-use requirements will become effective, but until then, the ADF regulation requires only reporting and recordkeeping for biodiesel. For more information, please see the ADF regulation at: <http://www.arb.ca.gov/regact/2015/adf2015/adffinalregorder.pdf>.

2. Does the ADF regulation apply to both on and off-road vehicle fuel?

Yes, section 2293.1(a) states that the ADF regulation applies to any alternative diesel fuel, including on and off-road fuel.

3. Is renewable diesel subject to the ADF regulation?

No, renewable diesel (also called renewable hydrocarbon diesel) is not subject to the ADF regulation. The ADF regulation defines an ADF as, among other things, a fuel that does not consist solely of hydrocarbons. Renewable diesel consists solely of hydrocarbons, and is therefore considered diesel rather than an ADF. Renewable diesel is subject to the diesel regulations at CCR, title 13, sections 2281-2285.

4. Are biodiesel blends above B20 considered commercial Stage 3 fuels under the ADF regulation?

No, biodiesel blends above B20 are not Stage 3 fuels under the ADF regulation. The ADF regulation contains specifications for B100 blendstocks, but does not contain provisions for biodiesel blends above B20 as a finished fuel. Blends above B20 have not met the requirements of consensus standard adoption, engine manufacturer approval, or development of emissions protective fuel specifications or in-use requirements under the phase-in requirements of section 2293.5. Biodiesel blends above B20 must therefore go through the phase-in requirements of section 2293.5, including applying for a Stage 1 Pilot Program prior to sale.

5. For purposes of reporting and recordkeeping, is the “blender” considered the owner of the fuel at the time of blending, or the operator of the blending equipment?

The blender is the person that operates the equipment that is actually used to perform the blending. This person is responsible for satisfying the reporting and recordkeeping requirements for blenders under section 2293.8. It is ARB’s understanding that, under current blending practices, the blending equipment will likely either be a terminal, in the case of rack blending (including tank, in-line blending, or sequential blending), or a tank trailer, in the case of splash blending.

All fuel blenders are required to keep complete records under the Motor Vehicle Fuels Distributor Certification Program (MVFDCP) and the ADF regulation requires that the record to be submitted by blenders and to keep the record for five years. Please see Question 22 for more information.

6. What are some examples of producers, importers, blenders, distributors, and retailers?

Any particular regulated party may be subject to the reporting and recordkeeping requirements of more than one category in section 2293.8, and therefore is responsible for compliance with the requirements of each applicable category. The following list only provides examples of persons subject to the ADF regulation. To determine whether the regulation applies to a particular person, please consult the ADF regulation.

Producers: An example of a producer is a person who produces vehicular alternative diesel fuel in California.

Importers: An example of an importer is a person who buys an ADF or ADF blend from another state or another country and introduces the ADF or ADF blend into California for use in-State.

Blenders: An example of a blender is a person who blends an ADF with another fuel.

Distributors: An example of a distributor would be a person who transports an ADF or ADF blend without changing its blend level or composition.

Retailers: An example of a retailer would be a person who sells an ADF or ADF blend to end users.

7. When reporting feedstock, may the Low Carbon Fuel Standard (LCFS) mixed feedstock guidance be used?

No, the ADF regulation requires that biodiesel producers, importers, and blenders report the monthly volume of neat ADFs produced, imported or obtained by feedstock. The reported biodiesel feedstock must match the actual feedstock rather than environmental attributes of the fuel being reported. In order to satisfy this requirement, cetane number or saturation level of a batch should be used as shown in Table A.2 and below.

Biodiesel Saturation Level	Unadditized Cetane Number	Test Method
Low Saturation	<56	ASTM D613-14; or ASTM D6890-13be1
High Saturation	≥56	ASTM D613-14; or ASTM D6890-13be1

8. What should be reported if the saturation level of the feedstock is unknown?

If the saturation level (e.g., high or low) of the feedstock is unknown, low saturation level may be used as the default saturation level in lieu of the required testing to determine the actual cetane number.

9. Does Carbon Intensity (CI) pathway information need to be added to product transfer documents (PTD) in response to the ADF regulation?

No, the ADF regulation does not require adding CI pathway information to PTDs. The ADF regulation *reporting provisions* do not require submission of any CI pathway information. However, the ADF regulation *recordkeeping provisions for Stage 3A fuels*, which includes biodiesel, requires that producers, importers, blenders, distributors, and retailers keep PTDs for a minimum of five years and requires retention of CI pathway information that may be included on those PTDs. A PTD prepared to comply with the LCFS recordkeeping requirement should contain most or all of the information required under the ADF regulation.

10. Do blenders of B5 need to report their B5 blending?

Yes, the ADF regulation requires that *all* biodiesel blends of B20 and below are subject to the reporting requirements in section 2293.8 and Appendix 1 of the ADF regulation. It is important for enforcement purposes that all blends of biodiesel be reported. Please see Questions 16 and 17 for more information.

11. Can blenders report their biodiesel blend levels as ranges?

Yes, the most strict compliance option for the ADF regulation is to use an additive for blends B6 to B20 in accordance with Table A.5 in Appendix 1. This table includes blend ranges for additive use, and blenders may report their blends as ranges consistent with the ranges in this table. However, biodiesel that is reported as a blend range will subsequently be treated as having a blend level at the top of the range, unless the fuel is tested to determine its exact blend level. Please see Question 12.

Biodiesel Saturation Level	Biodiesel Blend Level
Low Saturation	≤ B5
	>B5 to <B10
	B10 to <B15
	B15 to B20
High Saturation	≤ B5
	>B5 to <B10
	B10 to <B15
	B15 to B20

12. Are blenders responsible for accurate blending and reporting of biodiesel that they blend?

Yes, it is each blender’s responsibility to confirm the blended amount and accuracy of the blend levels that are reported. For example, if a blender wishes to add biodiesel to fuel that may already contain up to five percent biodiesel, but the precise blend level is not known, the blender must either test the fuel to determine its actual blend level or assume the fuel contains five percent biodiesel prior to blending.

13. Is there a specific form available for reporting?

Yes, staff developed a reporting form to help regulated parties with organizing and reporting the information to comply with the ADF reporting requirements. It is available at: <http://www.arb.ca.gov/fuels/adf/adf.htm>.

14. When are quarterly reports due?

Under section 2293.8(a)(1), quarterly reports must be submitted by the end of the subsequent reporting period. For example, first quarter reports (January 1 through March 31) are due by June 30.

15. To whom should ADF reports be submitted, and is email or paper preferred?

Please send quarterly reports electronically (preferred) to: adf@arb.ca.gov; or by mail to:

Oil and Gas and GHG Mitigation Branch Chief
 1001 I St. P.O. Box 2815
 Sacramento, California 95812

Additional FAQs (May 2016)

Staff developed and posted a reporting form on-line in March 2016 to assist regulated parties with organizing and reporting the information to comply with the ADF reporting requirements. Since the form was posted, staff has received feedback on the reporting form and the FAQs was expanded with the questions below.

16. Is the Blenders2 sheet of the ADF reporting form necessary for B5 blenders?

Yes, although the information in the Blenders1 and Blenders2 sheets appear similar, they are different and apply to all biodiesel blenders. For example, the Blenders1 sheet includes the volume of blends *produced*, whereas Blenders2 includes the volume of blends *supplied*. This information is needed to track the blendstock and all blends of finished fuel volume produced and supplied during each month. If the entire volume of blends produced was supplied during the same month, it may be as simple as entering the same information on both the Blenders1 and Blenders2 sheets for that month.

The Blenders1 and Blenders2 sheets apply to all blenders including B5 and below blenders. However, B5 blenders may omit parts of Blenders2 sheet. Please see Question 17 for more information.

17. Is the purchaser's information for blends B5 and below in the Blenders2 sheet required to be reported?

No, downstream purchaser's (e.g., end users and retailers) information for biodiesel blends B5 and below is not required to be reported. In addition, blends that do not include NOx control (B5 year round, B10 November through March) are not required to report the downstream purchaser information. The revised reporting form has clear notation of when this information is needed.

18. Is the purchaser's information for blends above B5 in the Blenders2 sheet currently required to be reported?

No, downstream purchaser's information for biodiesel blends above B5 is not required to be reported until January 1, 2018. The reporting form will have a clear notation that this information is not required until January 1, 2018 in the next version. Effective January 1, 2018, biodiesel blends above B5 are subject to in-use requirements depending on the feedstock and month, and the downstream purchaser's information will need to be tracked and reported at that time.

19. We have multiple facilities where we blend up to B5. Can we report the total aggregate B5 produced from all the blending facilities instead of by facility?

No, an operator of multiple blending facilities may not report the total aggregate blend (e.g., B5) produced from all blending facilities. Each blending facility is considered an individual blender, and each blender must report separately.

20. Is producing B99 from B100 considered blending?

No, the ADF regulation treats B99 and B100 the same and does not consider this blending. Reporting of this action is not necessary.

21. Can a person in the state still purchase and sell B100 or B99?

Yes, purchase and sale of biodiesel *blendstocks* higher than B20 is allowed. However, those sales may not be retail sales for end use in engines, unless the selling entity has applied for and received an approved Executive Order as part of the 3 stage phase in process.

22. Are biodiesel blenders still required to register under the Motor Vehicle Fuels Distributor Certification Program (MVFDCP)?

Yes, biodiesel blenders must continue to comply with the MVFDCP. The MVFDCP is required by statute and requires that any motor vehicle fuels distributor who conducts business within the State of California must register with the ARB as a fuel distributor (Health and Safety Code Section 43025-43031.5). The MVFDCP's distributor definition largely overlaps with the blenders and distributors under the ADF regulation.

The MVFDCP requires that all vehicle fuel distributors maintain complete records of each purchase, delivery, or supply of motor vehicle fuel for a period of no less than two years in the physical locations reported pursuant to the subdivision. A complete record for each delivery is required to consist of no less than a copy, or the information contained therein, of the bills of lading from the refiner or bulk terminal from which the fuel is received, the delivery ticket or receipt showing the location of the fuel at the time of sales, and the invoice showing the purchaser of the fuel. The recordkeeping provisions of the ADF regulation largely overlap with the MVFDCP, however the ADF regulation requires records retention for 5 years.

23. Who are distributors and are they required to report?

Distributors in the ADF regulation include those known in the industry as traders, common carriers, and jobbers that may or may not own the fuel title. Distributors generally transport fuels from upstream suppliers to the next downstream purchasers from the refinery or bulk terminal or import facility to motor vehicle fuel retailers. Distributors do not change a fuels formulation, composition, or blend level (other than producing B99 from B100). Distributors are not required to report but are required to

keep records (generally the product transfer document or bills of lading) for a minimum of 5 years. The ADF regulation section 2293.8(c)(3)(D) contains the Stage 3A ADF recordkeeping requirements applicable to biodiesel.

24. How is the saturation level of a biodiesel blend determined when high and low saturation fuels are blended in a tank?

When high and low saturation fuels are blended, the mixture must be tested for saturation level if it is still to be labelled as high saturation. Otherwise it may be downgraded to low saturation without testing. High saturation biodiesel blends up to B10 do not need in-use requirements to address NOx once the NOx control levels become effective in January 2018.