State of California
AIR RESOURCES BOARD

EXECUTIVE ORDER G-01-007

WHEREAS, the Air Resources Board (ARB or Board) administers the Phase 2 California reformulated gasoline (CaRFG Phase 2) regulations, which became applicable March 1, 1996 and currently include the following elements:

Standards for eight gasoline properties – summertime Reid Vapor Pressure (RVP), T50 (50 percent distillation temperature), T90 (90 percent distillation temperature), and aromatic hydrocarbon, benzene, sulfur, olefin, and oxygen contents;

Establishment of an absolute "cap" limit for each specification, applicable throughout the gasoline distribution system;

Establishment of additional, more stringent "refinery" limits applicable to gasoline when it is initially supplied from the production or import facility for all specifications but RVP, and provisions authorizing compliance through a form of averaging T50, T90, and sulfur, aromatic hydrocarbon, benzene and olefin contents;

An alternative compliance mechanism under which a producer or importer may use the CaRFG Phase 2 Predictive Model to identify alternative flat and averaging refinery limits, up to the cap limits, that will result in essentially no increase in emissions of exhaust hydrocarbons, NOx, and potency weighted toxics;

WHEREAS, following a hearing in December 1999, the Board adopted the California Phase 3 Reformulated Gasoline (CaRFG3) standards, which will apply to all gasoline supplied from California production or import facilities starting December 31, 2002, will prohibit the use of methyl tertiary-butyl ether (MTBE), and have been determined to maintain or improve upon emissions and air quality benefits achieved by CaRFG Phase 2 gasoline as of January 1, 1999;

WHEREAS, the CaRFG Phase 3 cap limits for sulfur and benzene content are more stringent than the CaRFG Phase 2 cap limits for those properties, while the CaRFG Phase 3 cap limits for RVP and aromatics content are less stringent than the comparable CaRFG Phase 2 cap limits (7.20 vs. 7.00 pounds per square inch RVP and 35.0 vs. 30.0 percent by volume aromatics);

WHEREAS, section 2261(b)(3)(A) provides that a gasoline producer or importer wishing to supply from its production or import facility before December 31, 2002, any final blends of gasoline subject to the CaRFG Phase 3 standards instead of the CaRFG Phase 2 standards may notify the Executive Officer of its wish to do so, and identifies the information that must be included in the notification;

WHEREAS, section 2261(b)(3)(B)2. directs the Executive Officer to grant the request, and to specify the date on which producers may start to supply from their production or import facilities final blends that comply with the CaRFG3 standards, if the Executive Officer determines it is reasonably likely that the producer or importer making the request will start supplying substantial quantities of one or more grades of gasoline complying with the CaRFG3 standards reasonably soon after the date specified;

WHEREAS, section 2261(b)(3)(B)4. provides that, with respect to all final blends supplied from a production or import facility from the day specified by the Executive Officer in granting a request made under section 2261(b)(3)(A) through December 30, 2002, any producer or importer may comply with the CaRFG3 standards that apply starting December 31, 2002 as an alternative to the CaRFG Phase 2 standards; whenever a producer or importer is supplying a final blend subject to the CaRFG Phase 3 standards pursuant to section 2261(b)(3)(B)4., any notification required by sections 2264.2 or 2265(a) must indicate that the final blend is subject to the CaRFG3 standards;

WHEREAS, on March 19, 2001, the owner and operator (the "Refiner") of a California refinery (the "Refinery") at which California gasoline is produced submitted to the ARB a revised written notification and request (the "Notification and Request") to begin supplying gasoline subject to the CaRFG3 standards from the Refinery;

WHEREAS, the Refiner has, pursuant to section 91011, title 17, California Code of Regulations, designated the Notification and Request to be confidential on the ground it contains sensitive trade secret information; and

WHEREAS, I find that:

> The Notification and Request contains all of the information required under section 2261(b)(3)(A);
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> The Refiner is presently capable of producing substantial quantities of gasoline meeting the CaRFG3 standards at the Refinery; and
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> It is reasonably likely that the Refiner will start supplying substantial quantities of one or more grades of gasoline complying with the CaRFG3 standards reasonably soon after issuance of this Executive Order.

NOW, THEREFORE, BE IT ORDERED that, as of seven days following issuance of this order, (1) producers and importers of California gasoline may start to supply from their production or import facilities final blends that comply with the CaRFG3 standards, and (2) the CaRFG Phase 2 cap limits for RVP and aromatics will become 7.20 psi and 35.0 volume percent respectively for gasoline downstream of the production or import facility.

BE IT FURTHER ORDERED that the Chief of the Stationary Source Division shall cause notification of this action to be made by posting the pertinent information on the ARB's Internet site, providing electronic mail notification to all persons subscribing to the ARB's Fuels-General Internet electronic mail list, and mailing notice to all persons registered as motor vehicle fuel distributors under Health and Safety Code section 43026.

Executed this 9th day of April, 2001, at Sacramento, California.

Michael P. Kenny
Executive Officer