

# Unfinished Business?

## California Air Resource Board

### Postponement of MTBE Phase Out Public Meeting

July 16, 2002



WHITE ENVIRONMENTAL ASSOCIATES

428 EAST STONE CANYON WAY

BREA, CALIFORNIA 92821-2648

714-529-0652

FAX 741-529-3679

[weajsw@aol.com](mailto:weajsw@aol.com)

# CA Governor Executive Order D-52-02

**March 14, 2002 ...**

WHEREAS, strengthened underground storage tank requirements and enforcement have significantly decreased the volume and rate of MTBE discharges since Executive Order D-5-99 was issued in March of 1999 ...

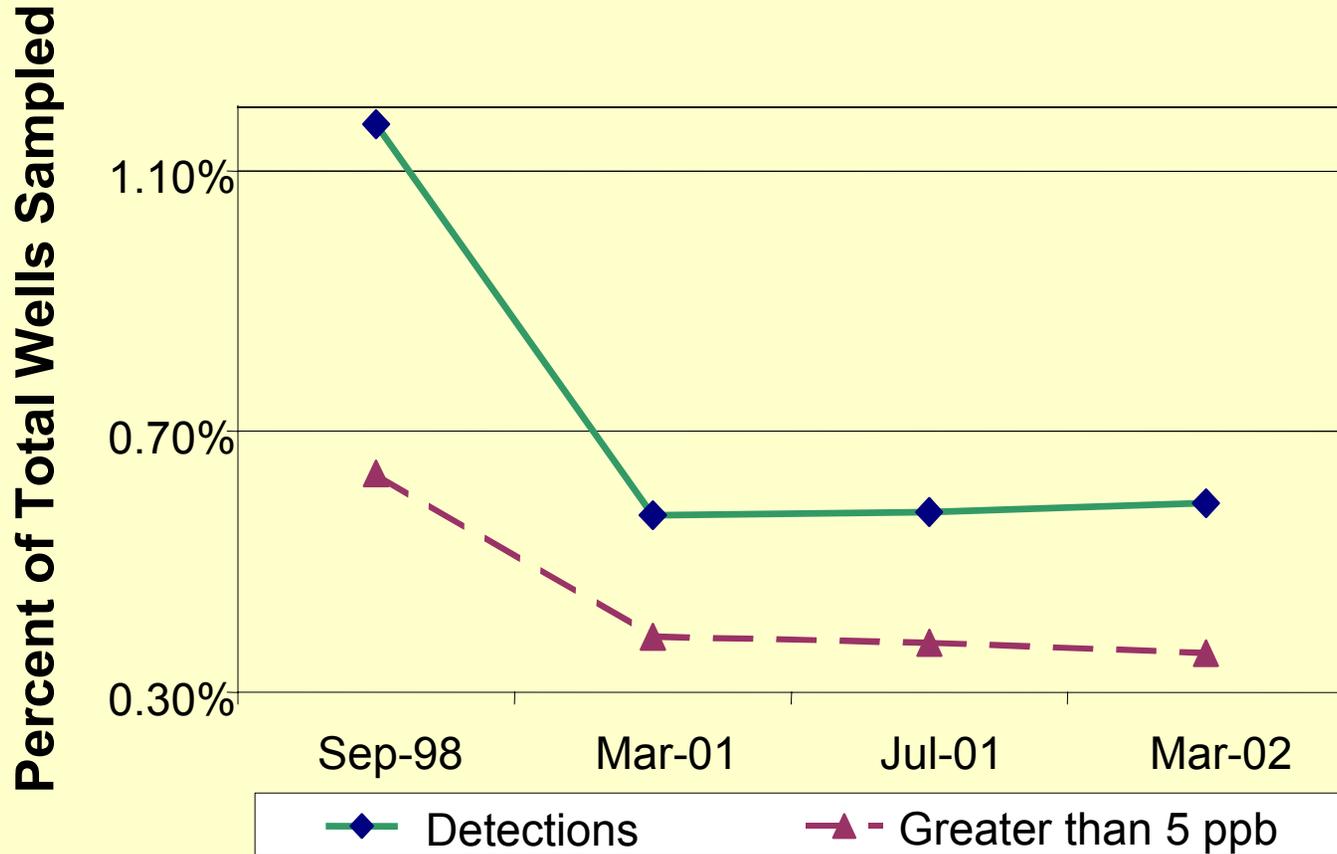
...I FIND that it is not possible to eliminate use of MTBE on January 1, 2003, without significantly risking disruption of the availability of gasoline in California ... would substantially increase prices, harm California's economy and impose an unjustified burden upon our motorists.

... take the necessary actions to postpone for one year the prohibitions of the use of MTBE and other specified oxygenates in California gasoline.

# A Few CA SB 989 UST Provisions ...

- Increased agency **tank site inspections** from once every 3 years to **once a year**.
- Enhanced **protection of vulnerable drinking water sources** from single-walled tank systems.
- Phased-in **installation of under-dispenser containment** at all sites.
- **Increased training requirements** to include tank owners & operators.
- Required **periodic testing of secondary containment systems, leak detection & alarms**.
- **Increased civil penalties** for tampering with or disabling leak detection systems.

# Presence of MTBE in Public Wells



Based on data from California Department of Health Services

**Graph from Gordon Schremp, CEC, 03/02**

**California Energy Commission Study  
re: California Strategic Fuel Reserve?**

**California is Short on Gasoline**

- CA already a net importer of gasoline components
- Difficult to import CA gasoline ready for sale
- MTBE phase out would create a 5% - 10% shortfall
- Blending EtOH will further reduce base gasoline
- EtOH case = \$300MM to \$450MM/yr in additional gasoline costs
- Refinery upsets & gasoline shortages = Spikes up to \$3/gal

Source: Stillwater Associates

# Something is Missing from this Rulemaking

- Multimedia Evaluation
- No “Anti-Backsliding” Assurance
  - Commingling Impacts?
  - Permeability Impacts?

# Multimedia Evaluation

**Health and Safety Code §43830.8.** (a) The state board may not adopt any regulation that establishes a specification for motor vehicle fuel unless that regulation, and a multimedia evaluation conducted by affected agencies and coordinated by the state board, are reviewed by the California Environmental Policy Council established pursuant to subdivision (b) of Section 71017 of the Public Resources Code.

(b) As used in this section, “multimedia evaluation” means the identification and evaluation of any significant adverse impact on public health or the environment, including air, water, or soil, that may result from the production, use, or disposal of the motor vehicle fuel that may be used to meet the state board’s motor vehicle fuel specifications.

... etc. ...

**OPINION:** The “environmental fate and transport analyses” performed on ethanol and alkylates do not meet the specific requirements of this law.

# Executive Order D-5-99

**March 25, 1999** ... CARB and the SWRCB shall conduct an environmental fate and transport analysis of **ethanol** in air, surface water, and groundwater. OEHHA shall prepare an analysis of the health risks of **ethanol** in gasoline, the products of incomplete combustion of **ethanol** in gasoline, and any resulting secondary transformation products. These reports are to be peer reviewed and presented to the Environmental Policy Council by December 31, 1999 for its consideration.

**Not the same requirements as in  
Health and Safety Code §43830.8.**

# Anti-Backsliding Law

**Health & Safety Code §43013.1.** (b) The state board shall ensure that regulations for California Phase 3 Reformulated Gasoline (CaRFG3) adopted pursuant to Executive Order D-5-99 meet all of the following conditions:

(1) Maintain or improve upon emissions and air quality benefits achieved by California Phase 2 Reformulated Gasoline in California as of January 1, 1999, including emission reductions for all pollutants, including precursors, identified in the State Implementation Plan for ozone, and emission reductions in potency-weighted air toxics compounds.

**OBSERVATION:** There are unresolved matters that could increase emissions and there is a lack of demonstrated air quality maintenance with RFG3.

# Proposed Section 2262.6 – “MTBE Prohibition” Needs to Be Renumbered

## Section 2262.6. Prohibition of MTBE and Oxygenates Other Than Ethanol in California Gasoline Starting December 31, 2003.

### EXISTING

- (a) Basic MTBE prohibitions.
  - (1) Starting December 31, 2003 ...
  - (2) No person shall sell, offer for sale, supply ...
- (b) Phase-in of MTBE prohibitions ...
  - (A) Starting December ...
  - (B) Starting the following February 14 ...
    - 1. the fueling of motor vehicles at a retail outlet ...
    - 2. the delivery of gasoline from a bulk plant ...
  - (C) Starting the following March 31 ...
- (3) Phase-in for low-throughput fueling facilities ...**
- (c) Use of oxygenates other than ethanol or MTBE ...

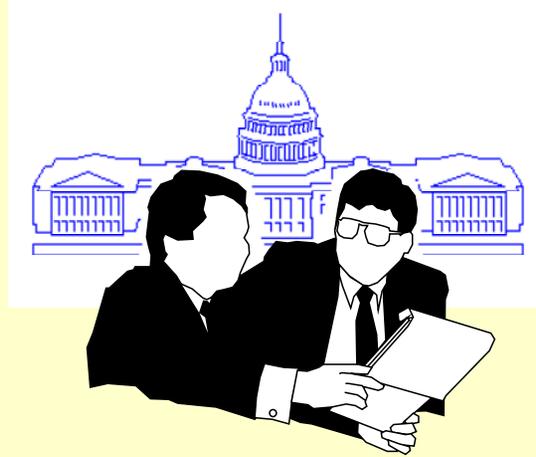
### SUGGESTED AMENDMENT

- (a) Basic MTBE prohibitions.
  - (1) Starting December 31, 2003...
  - (2) No person shall sell, offer for sale, supply ...
- (b) Phase-in of MTBE prohibitions ...
  - (A) Starting December 31 ...
  - (B) Starting the following February 14 ...
    - 1. the fueling of motor vehicles ...
    - 2. the delivery of gasoline ...
  - (C) Starting the following March 31 ...
- (c) Phase-in for low-throughput fueling facilities ...**
- (d) Use of oxygenates other than ethanol or MTBE ...

**... for more information regarding  
MTBE ...**

<http://www.CalGasoline.com>

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