



**James P. Uihlein**  
Fuels Technology  
Advisor

**Products Technology**  
Chevron Products Company  
6001 Bollinger Canyon Road,  
L2269  
San Ramon, CA 94583-2324  
Tel (760) 731-0361  
juih@chevron.com

March 24, 2008

Clerk of the Board  
Air Resources Board  
1001 I Street, 23<sup>rd</sup> Floor  
Sacramento, CA 95814

RE: Notice of Public Availability of Modified Text and Availability of Additional Documents,  
Public Hearing to Consider 2007 Amendments to the Phase 3 California Reformulated  
Gasoline Regulations

On the behalf of Chevron, I am pleased to provide comments on the proposed modifications to the amendments to the Phase 3 California Reformulated Gasoline Regulations approved by the Board on June 14, 2007. These comments pertain to the proposed modifications as described in the 15 day changes, released on March 7, 2007. We appreciate the ARB's efforts to update the regulations to improve the implementation of the amendments to the program.

Chevron supports the ARB's objectives in the proposed modifications, particularly the efforts to provide flexibility to blend higher levels of ethanol before December 31, 2009. As described in 2261(b)(7), the ARB proposal:

1. Enables blending higher levels of ethanol while maintaining compatibility with the current fungible distribution system;
2. Ensures that NO<sub>x</sub> emissions benefits are at least maintained and very likely increased;
3. Provides a net hydrocarbon emissions benefit to the state; and
4. Permits California refiners to efficiently satisfy a portion of their Federal RFS requirement in their California production.

We applaud the ARB's efforts in crafting the proposal to enable increased ethanol blending while providing an emissions benefit. We encourage the ARB to complete this rulemaking as soon as possible so that refiners can begin to utilize this new flexibility.

While the proposed modifications address near-term needs for blending higher levels of ethanol, we have concerns about language contained in two locations:

March 24, 2008

Page 2

1. Paragraph 2261(b)(4)C: The last sentence appears to tie use of the two compliance options to dates, rather than to the product produced for sale during those time periods. This would be problematic during transitions into and out of the RVP regulatory control period and would be inconsistent with the current regulations.
2. Paragraph 2261(b)(4)F4: The last sentence appears to be in conflict with paragraph 2261(b)(4)C that describes how the revised predictive model is to be used in the period before December 31, 2009.

We are disappointed that producers and oxygenate blenders were not given a more straightforward option to offset emissions resulting from early ethanol blending using non-fuel measures. Similar in concept to the Carl Moyer program, such an option would give parties that do not have the ability to mitigate the emissions impact using their fuel formulation another avenue to blend increased volumes of ethanol into current CARBOBs while maintaining or improving emissions benefits.

Chevron is working to provide reliable, affordable energy, produced in a safe and environmentally responsible manner. We regard the California Reformulated Gasoline program to be an important part of ensuring protection of the environment.

We recognize the competing considerations that staff has had to deal with in formulating the proposed modifications, and we appreciate their efforts. We look forward to working with ARB Staff in the implementation of these modifications.

We appreciate your consideration of our comments. Please contact me at (760) 731-0361 if you have any questions or would like more information.

Sincerely,

A handwritten signature in black ink, appearing to read "James P. Uihlein", is written over a thin vertical red line.

James P. Uihlein

cc: James Goldstene  
Michael Scheible  
Robert Fletcher  
Dean Simeroth