

State of California
AIR RESOURCES BOARD

EXECUTIVE ORDER G-01-012

Relating to the Adoption of the California Phase 3 Reformulated Gasoline Follow-Up Amendments to Sections 2260 et seq., Title 13, California Code of Regulations

WHEREAS, on November 16, 2000, the Air Resources Board (the Board or ARB) conducted a public hearing to consider follow-up amendments to the California Phase 3 Reformulated Gasoline (CaRFG3) regulations; the proposed amendments would establish specifications for denatured ethanol intended for blending into gasoline, establish a CARBOB model and make other changes regarding blending ethanol into gasoline, establish a mechanism under which a small refiner could alter its production of diesel fuel to provide offsets of excess emissions from gasoline subject to the small refiner CaRFG3 standards, and make various other changes;

WHEREAS, following the public hearing on November 16, 2000, the Board adopted Resolution 00-40, in which the Board (1) approved the proposed amendments to sections 2260, 2261, 2262.3, 2262.5, 2263, 2264, 2265, 2266, 2266.5, 2270, 2272, 2273, 2282, 2296 and 2297, and adoption of new section 2262.9, title 13, California Code of Regulations (CCR), as set forth in Attachment A thereto, with the modifications set forth in Attachment C thereto; (2) approved the adoption of the "Procedures for Using the California Model for California Reformulated Blendstock for Oxygenate Blending (CARBOB)" – incorporated by reference in section 2266.5(a)(2)(B)1 – as set forth in Attachment B thereto, with the modifications set forth in Attachment C thereto; and (3) approved the amendments to the "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model" – incorporated by reference in section 2265(a) – as set forth in Attachment C thereto;

WHEREAS, Resolution 00-40 directed the Executive Officer (1) to incorporate into the approved regulations and incorporated documents the modifications described in Attachment C thereto and such other conforming modifications as may be appropriate; (2) to make the modified regulations and incorporated documents, with the modifications clearly indicated, available for public comment for a period of at least 15 days; (3) to consider any comments on the modifications received during the supplemental comment period; and then (4) consistent with the Resolution, either to adopt the regulations as made available with any appropriate additional nonsubstantial modifications, to make additional modifications available for public comment for an additional period of at least 15 days, or to present the regulations to the Board for further consideration if he determines that this is warranted;

WHEREAS, subsequent to the hearing, ARB staff identified a number of additional, primarily technical, conforming modifications that are appropriate to make the amended

regulations work as effectively as possible; the most significant post-hearing modifications were: (1) allowing downstream commingling of different CARBOBs that are designated for blending with identical levels or ranges of oxygen, rather than with identical levels or ranges of oxygenate, in order to maximize CARBOB fungibility; (2) establishing single sets of CARBOB cap limits for and CaRFG3 and California Phase 2 Reformulated Gasoline (CaRFG2) applicable to all oxygenate levels; and (3) assuring that producers and importers do not have to use the Predictive Model compliance mechanism in order to use the CARBOB model;

WHEREAS, the modifications approved by the Board included amendments to another document that is incorporated by reference in the CaRFG regulations but was not affected by the original proposal – the "California Test Procedures for Evaluating Alternative Specifications for Gasoline" (proposed to be renamed as the "California Procedures for Evaluating Alternative Specifications for Gasoline Using Vehicle Emissions Testing"), which is incorporated by reference in section 2266(a), title 13, CCR;

WHEREAS, the texts of modified versions of the proposed regulations and the three affected incorporated documents, reflecting the Board-approved modifications and the conforming modifications identified by staff after the hearing except as indicated below, were made available for a supplemental 15-day comment period starting March 30, 2001, in accordance with the provisions of section 44, title 1, CCR, with the modifications clearly indicated;

WHEREAS, the regulation modifications approved by the Board at the November hearing also included elements specifically applicable to any small refiner operating a small refinery that has been shut down since the start of the CaRFG2 requirements in March 1996, and Resolution 00-40 directed the Executive Officer to prepare a supplemental written analysis of the environmental impacts expected to result from the proposed regulatory modifications pertaining to restarting small refineries and to make the analysis available for a public comment period of at least 45 days; in order to expedite final action on the amendments pertaining to CARBOB, the modifications made available by March 30, 2001, did not include the provisions pertaining to restarting small refiners;

WHEREAS, three written comments were received during the supplemental 15-day comment period and those comments have been considered by the Executive Officer; and

WHEREAS, Attachment 1 hereto contains amendments to sections 2260, 2261, 2262.3, 2262.5, 2263, 2264, 2265, 2266, 2266.5, 2270, 2272, 2273, 2282, 2296 and 2297, and adoption of new section 2262.9, title 13, CCR, reflecting the modified regulatory text made available for the 15-day comment period with additional nonsubstantial revisions, and Attachments 2, 3 and 4 hereto contain respectively the new "Procedures for Using the California Model for California Reformulated Blendstock for Oxygenate Blending

(CARBOB)," the amended "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model," and the amended "California Test Procedures for Evaluating Alternative Specifications for Gasoline" (renamed as the "California Procedures for Evaluating Alternative Specifications for Gasoline Using Vehicle Emissions Testing"), each reflecting the modified texts made available for the 15-day comment period with additional nonsubstantial revisions.

NOW, THEREFORE, IT IS ORDERED that the recitals and findings contained in Resolution 00-40 are incorporated herein.

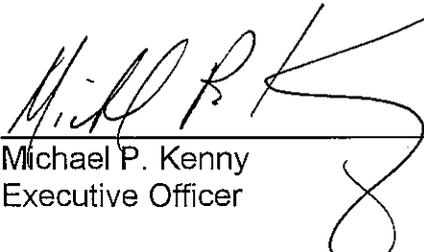
IT IS FURTHER ORDERED, in accordance with Resolution 00-40 and Health and Safety Code sections 39515 and 39516, that the amendments to sections 2260, 2261, 2262.3, 2262.5, 2263, 2264, 2265, 2266, 2266.5, 2270, 2272, 2273, 2282, 2296 and 2297, and adoption of new section 2262.9, title 13, CCR, are hereby adopted as set forth in Attachment 1 hereto, the new "Procedures for Using the California Model for California Reformulated Blendstock for Oxygenate Blending (CARBOB)" is hereby adopted as set forth in Attachment 2 hereto, the "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model," is hereby amended as set forth in Attachment 3 hereto, and the renamed "California Procedures for Evaluating Alternative Specifications for Gasoline Using Vehicle Emissions Testing" is amended as set forth in Attachment 4 hereto.

IT IS FURTHER ORDERED that the regulatory modifications affecting restarting small refiners will be made available for comment at a later date, along with the supporting environmental analysis.

Executed this 25th day of April, 2001, at Sacramento, California.

Rec'd By
Office of the Secretary

JUL - 9 2001



Michael P. Kenny
Executive Officer

Resources Agency of California
Attachments