

**COMMENTS REGARDING THE
CALIFORNIA AIR RESOURCES BOARD
Agenda Item No. 95-13-2**

Hearing Date - Dec. 14, 1995

**“Amendments to the California Cleaner Burning Gasoline (CaRFG) Regulations
Including Amendments Regarding the Downstream Blending of Oxygenates”**

The California Renewable Fuels Council supports the efforts of the Air Resources Board staff to develop regulations to allow for the downstream blending of oxygenates. It is obvious that staff has put a great deal of time and effort into these amendments which move toward compliance flexibility and fuel neutrality.

The ARB staff has been diligent in getting industry input on the development of these amendments to ensure they are workable while maintaining the overall integrity of the Cleaner Burning Gasoline program. The Council applauds and appreciates these efforts.

However, the issue of the existing RVP allowance for ethanol blends during the month of October has yet to be resolved. Section 2251.5, Title 13, California Code of Regulation currently allows gasoline blends of at least 4.9 volume percent ethanol a 1 pound per square inch (psi) Reid Vapor Pressure (RVP) tolerance during the month of October 1993, 1994 and 1995. The amendments before you do not carry forward the October RVP allowance beyond 1995, which will lock out the use of ethanol as an oxygenate during October.

As recently as August, Chairman Dunlap assured the Legislature of his commitment to this agency’s oxygenate neutral policy. The next step toward total fuel neutrality, which will have the least impact on all affected parties, is to continue the October RVP allowance beyond 1995. The ethanol industry awaits the leadership of the Chairman and this Board to set the policy and direct staff to focus on this issue. It should be stressed that immediate resolution of this issue is important to give clear direction to oxygenate blenders for planning purposes for the 1996 carbon monoxide control season.

Staff has been reluctant to propose extending the existing RVP tolerance during October because of concerns regarding ozone exceedances despite the fact that they have not tested 10% ethanol blends.

At this time, the ARB is developing a test program for a comparative vehicle emissions test of CaRFG with 10% by volume ethanol and 11% by volume MTBE to determine the emissions impacts including the ozone forming potential of these fuels. The vehicle testing is scheduled to begin in April 1996 and be completed in approximately 24 months. The protocol development has been a cooperative effort between the ARB, the California Department of Food and Ag, the California Energy Commission and the oil, automobile, rice and ethanol industries.

It has been the ethanol industry’s long standing position that ethanol blended fuels should be evaluated and judged on their ozone forming potential. The industry feels the proposed tests will demonstrate that 10 percent ethanol by volume fuels provide the maximum carbon monoxide reduction without exacerbating

ozone. We would ask that this Board not set policy that judges ethanol fuels before the results of this test are complete.

For these reasons, the California Renewable Fuels Council urges the Board to direct staff to propose regulations that will continue the existing RVP allowance for gasoline blends of at least 4.9 volume percent ethanol during the month of October.

Ultramar

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December 13, 1995

John D. Dunlap, III, Chairman
STATE OF CALIFORNIA
AIR RESOURCES BOARD
P.O. Box 2813
Sacramento, CA 95812

SUBJECT: Proposed Amendments to Phase II Reformulated Gasoline
Regulation

Dear Chairman Dunlap:

Ultramar Inc, is pleased to support the staff's proposed "housekeeping" changes to the Phase II Reformulated Gasoline Regulation. The December 11 version provides the necessary flexibility to refiners to produce complying California reformulated gasoline while maintaining the integrity and enforceability of the original regulation.

In particular, Ultramar supports the language change which allows leased storage and blending facilities to be included in the refinery boundaries for the purpose of determining refinery compliance with the gasoline specifications. We also support the provision for downstream blending of oxygenates, and we believe this modification will make the regulation oxygenate "neutral."

Ultramar commends the staff for their openness and willingness to work cooperatively with industry to fashion an implementation program that meets both industry's and the agency's needs for certainty. We urge you to approve the staff recommendations.

Thank you for the opportunity to comment on this proposal.

Yours truly,



Steven O. Epperson
Corporate Environmental Director

cc: Board Members



A Member of the Ultramar Group of Companies

BEACON
#1 Quality and Service

November 9, 1995

Board Secretary
Air Resources Board
P.O.Box 2815
Sacramento Ca, 95812

Gentlemen:

With respect to the Amendments to the California reformulated Gasoline Regulations and the hearing scheduled for December 14, 1995, I would like to make a comment or two.

While I am no expert on gasoline or reformulated gasoline, I am fully in favor of reducing the pollution created by automobiles using gasoline for fuel. I note that on Page 2 of the report entitled, "Title 13. California Air Resources Board," it is stated that, "since adding oxygen to gasoline reduces carbon monoxide emissions and ambient concentrations of CO are highest during the wintertime, the CaRFG regulations do not allow alternative formulations with oxygen contents below 1.8 wt.% during specified wintertime oxygenate control periods. In the rest of the year, gasoline formulations meeting the predictive model or vehicle testing criteria are allowed to have less or no oxygen."

My comment is why not continue the oxygen program throughout the spring and summer when most of the driving is done. Why not allow just a 1.8 wt.% of oxygen year round if it is so successful in reducing carbon monoxide emissions?

Also on page 2 is the following: "The CaRFG regulations allow gasoline with less than the required minimum oxygen content to be shipped from a production or import facility, as long as the producer or importer takes appropriate measures to assure that the minimum levels of oxygen will be added before the gasoline is shipped from the final distribution facility."

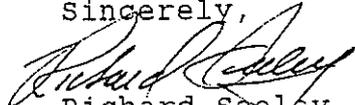
My question here is, how is this factor enforced or who checks on the producer or importer to make sure that minimum levels of oxygen have been added to the gasoline?

A law or regulation is worthless if unenforceable! If such is the case here then regulations mandating the addition of oxygen should be added being sure that those regulations can and will be enforced.

Thank you for allowing me to comment.

3924 El Caminito Street
La Crescenta Ca, 91214

Sincerely,


Richard Seeley

STATE OF CALIFORNIA
AIR RESOURCES BOARD
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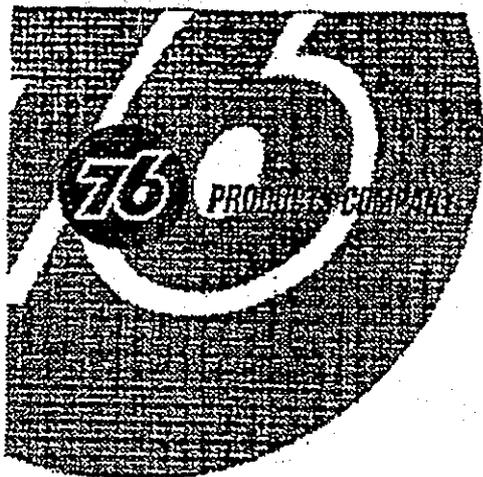
BY BOARD SECRETARY

XC: Board members

JDD MHS
JB Legal
SSD

95-13-2
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WFS



76 PRODUCTS COMPANY

FUELS PLANNING

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DATE: DEC. 14, 1995

TO:

Mr. Dean Simeroth
CARB

FAX NO:

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FROM:

Steve Smith / 76 Products Co.

PHONE NO:

(213) 977-6848

COMMENTS: We were unable to attend today's Board
Hearing due to heavy fog that cancelled flights in to Sacramento.
The attached comments are for your use in CARFG "housekeeping."
I was planning to only make a few brief comments to
the Board on the Predictive Model Flexibility as noted
in our letter.

TOTAL PAGES INCLUDING COVER: 3



76 PRODUCTS COMPANY

December 13, 1995

Board Members
California Air Resources Board
c/o Board Secretary
P.O. Box 2815
Sacramento, California 95812

→ MR. DEAN SIMERDIT

DENNIS W. LAMB
General Manager
Fuel Planning & Technology

Comments on 95-13-2; Proposed Amendments to the CaRFG Regulations, Including Amendments Regarding the Downstream Blending of Oxygenates

Dear CARB Board Members. →

Dean

76 Products Company, an operating group of Union Oil Company of California (d.b.a. Unocal), is pleased to submit the following comments on the California Air Resources Board's (CARB's) proposed amendments to the California Phase 2 RFG (CaRFG) regulations sections 2260 through 2272, title 13, California Code of Regulations. We have actively participated in the various meetings with staff on this issue over recent months and appreciate this opportunity to provide additional input.

We first would like to thank staff for their diligent work in initially soliciting comments from industry, crafting these suggestions into proposed amendments, and then hosting a series of meetings and workshops where all issues could be discussed and resolved. As a result, we support the draft amendments as proposed December 11, 1995 by staff. We provide the following related comments.

Designated Alternative Limits

Section 2264(j) refers to the offsetting of "exceedances". We suggest replacing the term "exceedances" with "DAL's above averaging limits" or something similar. The term "exceedance" is inappropriate in this section because it implies that the blend does not meet specifications. In fact, this reference refers to a blend with a DAL that is above the averaging limit but below the cap limit for a specific property.

Predictive Model Flexibility

We appreciate staff's inclusion of additional Predictive Model (PM) flexibility in Section 2265(c)(2)(A). This section allows refiners the flexibility to change from PM flat limits to PM averaging limits and vice versa, with certain restrictions. One of these restrictions

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is the requirement that "the new PM alternative formulation meets the criteria for approval in the Predictive Model Procedures". In simple terms, the PM must yield a "pass" result. We agree with this requirement.

As refiners gain experience in blending CaRFG, we anticipate that we will identify other areas in the Predictive Model regulations and other CaRFG regulations where additional flexibility would be useful.

The Predictive Model is a gasoline certification tool that compares the emissions of a gasoline formula against a uniform emission benchmark "target" established by CARB. Any gasoline formula that meets the PM requirements and cap limits also meets CARB's emission benchmark target and is "environmentally neutral". If we see areas where greater PM flexibility is useful and "environmentally neutral", we will forward these proposals to you for your consideration.

Downstream Blending

Section 2266.5(i)(3) adds new flexibility to downstream blending. It allows the addition of a nonoxygenate blendstock to California gasoline that does not comply with one or more of the cap limits to specifically bring the gasoline into compliance with the cap limits. The amendments require the prior approval of the executive officer before this downstream blend "correction" can occur. We appreciate this added flexibility. We do ask that CARB review such requests in as prompt a manner as possible.

Distribution of Protocols

The CARB Phase 2 RFG regulations currently identify numerous areas where companies can enter into written protocols with CARB to clarify compliance issues for that company. There have been significant recent discussions between staff and industry on whether these protocols should be made available to other companies and interested parties. We understand that staff is developing a policy that addresses the sharing of all non-confidential CARB protocols with other companies and interested parties. We look forward to receiving and reviewing the policy.

If you have any questions or would like any additional information, please contact me at (213)-977-5974 or Steve Smith at (213)-977-6848.

Sincerely,

Dennis W. Lamb for D.W. Lamb

Dennis W. Lamb
General Manager,
Fuels Planning & Technology

SDS

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cc: Mr. Dean Simeroth, CARB
Mr. Peter Venturini, CARB

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