

APPENDIX A

PROPOSED REGULATION ORDER

Amendments Pertaining to the California Phase 3 Gasoline (CaRFG3) Regulations
Postponing Imposition of the CaRFG3 Standards and the Prohibition of
MTBE and Oxygenates Other than Ethanol in California Gasoline from
December 31, 2002 to December 31, 2003

PROPOSED REGULATION ORDER

AMENDMENTS TO THE CALIFORNIA REFORMULATED GASOLINE REGULATIONS TO POSTPONE IMPOSITION OF THE CaRFG3 STANDARDS AND THE PROHIBITION OF MTBE AND OXYGENATES OTHER THAN ETHANOL IN CALIFORNIA GASOLINE FROM DECEMBER 31, 2002 TO DECEMBER 31, 2003

Note: The preexisting regulation text is set forth below in normal type. The proposed amendments are shown in underline to indicate additions and ~~strikeout~~ to indicate deletions. Subsection headings in italics and bold are to be italicized when printed in Barclays California Code of Regulations.

Amend title 13, California Code of Regulations, sections 2261, 2262, 2262.4, 2262.5, 2262.6, 2262.9, 2266.5, 2269, 2271, 2272, and 2296 to read as follows.

Section 2261. Applicability of Standards; Additional Standards.

(a) Applicability of the CaRFG Phase 2 Standards.

(1) (A) Unless otherwise specifically provided, the CaRFG Phase 2 cap limit standards set forth in section 2262, and the CaRFG Phase 2 cap limit compliance requirements in sections 2262.3(a), 2262.4(a), and 2262.5(a) and (b), shall apply:

1. starting April 15, 1996 to all sales, supplies, offers or movements of California gasoline except for transactions directly involving:
 - a. the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, or
 - b. the delivery of gasoline from a bulk plant to a retail outlet or bulk purchaser-consumer facility, and
2. starting June 1, 1996 to all sales, supplies, offers or movements of California gasoline, including transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility.

(B) The remaining CaRFG Phase 2 standards and requirements contained in this subarticle shall apply to all sales, supplies, or offers of California gasoline occurring on or after March 1, 1996.

(2) The CaRFG Phase 2 cap limit standards in section 2262 shall not apply to transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, where the person selling, offering, or supplying the gasoline demonstrates as an affirmative defense that the exceedance of the pertinent standard was caused by gasoline delivered to the retail outlet or bulk purchaser-consumer facility prior

to April 15, 1996, or delivered to the retail outlet or bulk purchaser-consumer facility directly from a bulk plant prior to June 1, 1996.

(b) *Applicability of the CaRFG Phase 3 Standards.*

(1) (A) Unless otherwise specifically provided, the CaRFG Phase 3 cap limit standards set forth in section 2262, and the CaRFG Phase 3 cap limit compliance requirements in 2262.3(a), 2262.4(a), and 2262.5(a) and (b), shall apply starting December 31, ~~2002~~ 2003. The CaRFG Phase 3 benzene and sulfur content cap limit standards in section 2262, and the CaRFG Phase 3 benzene and sulfur content cap limit compliance requirements in 2262.3(a), shall apply:

1. starting December 31, ~~2002~~ 2003 (for the benzene content cap limit and the 60 parts per million sulfur content cap limit) and December 31, 2004 (for the 30 parts per million sulfur content cap limit), to all sales, supplies or offers of California gasoline from the production facility or import facility at which it was produced or imported.
2. starting February 14, ~~2003~~ 2004 (for the benzene content cap limit and the 60 parts per million sulfur content cap limit) and February 14, 2005 (for the 30 parts per million sulfur content cap limit) to all sales, supplies, offers or movements of California gasoline except for transactions directly involving:
 - a. the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, or
 - b. the delivery of gasoline from a bulk plant to a retail outlet or bulk purchaser-consumer facility, and
3. starting March 31, ~~2003~~ 2004 (for the benzene content cap limit and the 60 parts per million sulfur content cap limit) and March 31, 2005 (for the 30 parts per million sulfur content cap limit) to all sales, supplies, offers or movements of California gasoline, including transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility.

(B) The remaining CaRFG Phase 3 standards and compliance requirements contained in this subarticle shall apply to all sales, supplies, or offers of California gasoline occurring on or after December 31, ~~2002~~ 2003.

(2) The CaRFG Phase 3 benzene and sulfur content cap limit standards in section 2262 shall not apply to transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, where the person selling, offering, or supplying the gasoline demonstrates as an affirmative defense that the exceedance of the pertinent standard was caused by gasoline delivered to the retail outlet or bulk purchaser-consumer facility prior to February 14, ~~2003~~ 2004 (for the benzene content limit and the 60 parts

per million sulfur content limit) or February 14, 2005 (for the 30 parts per million sulfur content limit) or delivered to the retail outlet or bulk purchaser-consumer facility directly from a bulk plant prior to March 31, ~~2003~~ 2004 (for the benzene content limit and the 60 parts per million sulfur content limit) or March 31, 2005 (for the 30 parts per million sulfur content limit).

(3) ***Early Compliance with the CaRFG Phase 3 Standards Before December 31, ~~2002~~ 2003.***

- (A) Any producer or importer wishing to supply from its production or import facility, before December 31, ~~2002~~ 2003, 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. The notification shall include all of the following:
1. The approximate date by which it intends to begin supplying from its production or import facility gasoline complying with the CaRFG Phase 3 standards if permitted to do so;
 2. A reasonably detailed demonstration of the producer's or importer's ability and plans to begin supplying from its production or import facility substantial quantities of one or more grades of gasoline meeting the CaRFG Phase 3 standards on or after the date specified;
- (B)1. Within 15 days of receipt of a request under section 2261(b)(3)(A), the executive officer shall notify the producer or importer making the request either that the request is complete, or specifying what additional information is necessary to make the request complete.
2. Within 15 days of notifying the producer or importer that the request is complete, the executive officer shall either grant or deny the request. If the request is granted the executive officer shall specify the date on which producers and importers may start to supply from their production or import facilities final blends that comply with the CaRFG Phase 3 standards. The executive officer shall grant the request if he or she 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 CaRFG Phase 3 standards reasonably soon after the date specified. If the executive officer denies the request, he or she shall provide the producer or importer with a written statement explaining the reason for denial.
 3. Upon granting a request made under section 2261(b)(3)(A), the executive officer shall notify interested parties of the date on which (i) producers and importers will be permitted to start supplying final blends of gasoline complying with the CaRFG Phase 3 standards, and (ii) 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. This notification shall be made by posting the pertinent information on the state board's Internet site, providing electronic mail notification to all persons subscribing to the state board'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.

4. 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~~ 2003, any producer or importer may comply with the CaRFG Phase 3 standards that apply starting December 31, ~~2002~~ 2003 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 this section 2261(b)(3)(B)4., any notification required by sections 2264.2 or 2265(a) shall indicate that the final blend is subject to the CaRFG Phase 3 standards. When it is sold or supplied from the production or import facility, any such final blend is subject to the prohibitions in section 2262.6(a)(1) and 2262.6(c) regarding California gasoline produced with the use of MTBE and oxygenates other than ethanol, but is not subject to the prohibition in section 2262.6(a)(2) imposing limits on the concentration of MTBE in California gasoline.
- (c) California gasoline sold or supplied on or after March 1, 1996, is also subject to section 2253.4 (Lead/Phosphorus in Gasoline), section 2254 (Manganese Additive Content), and section 2257 (Required Additives in Gasoline). California gasoline that is supplied from a small refiner's California refinery prior to March 1, 1998, and that qualifies for treatment under section 2272(a), shall also be subject to section 2250 (Degree of Unsaturation of Gasoline) and section 2252 (Sulfur Content of Gasoline).
- (d) The standards contained in this subarticle shall not apply to a sale, offer for sale, or supply of California gasoline to a refiner if: (1) the refiner further processes the gasoline at the refiner's refinery prior to any subsequent sale, offer for sale, or supply of the gasoline, and (2) in the case of standards applicable only to producers or importers, the refiner to whom the gasoline is sold or supplied is the producer of the gasoline pursuant to section 2260(a)(26)(B).
- (e) The prohibitions in sections 2262.3(b) and (c), 2262.4(b), and 2262.5(c) shall not apply to gasoline which a producer or importer demonstrates was neither produced nor imported by the producer or importer.
- (f) This subarticle 2, section 2253.4 (Lead/Phosphorus in Gasoline), section 2254 (Manganese Additive Content), and section 2257 (Required Additives in Gasoline) shall not apply to gasoline where the person selling, offering or supplying the gasoline demonstrates as an affirmative defense that the person has taken reasonably prudent precautions to assure that the gasoline is used only in racing vehicles.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43101, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2262. The California Reformulated Gasoline Phase 2 and Phase 3 Standards.

The CaRFG Phase 2 and CaRFG Phase 3 standards are set forth in the following table. For all properties but Reid vapor pressure (cap limit only) and oxygen content, the value of the regulated property must be less than or equal to the specified limit. With respect to The Reid vapor pressure cap limit and the oxygen content flat and cap limit, the limits are expressed as a range, and the Reid vapor pressure and oxygen content must be less than or equal to the upper limit, and more than or equal to the lower limit. A qualifying small refiner may comply with the small refiner CaRFG Phase 3 standards, in place of the CaRFG Phase 3 standards in this section, in accordance with section 2272.

The California Reformulated Gasoline Phase 2 and Phase 3 Standards

<i>Property</i>	<i>Flat Limits</i>		<i>Averaging Limits</i>		<i>Cap Limits</i>	
	<i>CaRFG Phase 2</i>	<i>CaRFG Phase 3</i>	<i>CaRFG Phase 2</i>	<i>CaRFG Phase 3</i>	<i>CaRFG Phase 2</i>	<i>CaRFG Phase 3</i>
Reid Vapor Pressure ¹ (pounds per square inch)	7.00	7.00 or 6.90 ²	Not Applicable	Not Applicable	7.00 ³	6.40 - 7.20
Sulfur Content (parts per million by weight)	40	20	30	15	80	60 ⁴ 30 ⁴
Benzene Content (percent by volume)	1.00	0.80	0.80	0.70	1.20	1.10
Aromatics Content (percent by volume)	25.0	25.0	22.0	22.0	30.0 ³	35.0
Olefins Content (percent by volume)	6.0	6.0	4.0	4.0	10.0	10.0
T50 (degrees Fahrenheit)	210	213	200	203	220	220
T90 (degrees Fahrenheit)	300	305	290 ⁵	295	330	330
Oxygen Content (percent by weight)	1.8 - 2.2	1.8 - 2.2	Not Applicable	Not Applicable	1.8 ⁶ - 3.5 0 ⁶ - 3.5	1.8 ⁶ -3.5 ⁷ 0 ⁶ - 3.5 ⁷
Methyl tertiary-butyl ether (MTBE) and oxygenates other than ethanol	Not Applicable	Prohibited as provided in § 2262.6	Not Applicable	Not Applicable	Not Applicable	Prohibited as provided in § 2262.6

¹ The Reid vapor pressure (RVP) standards apply only during the warmer weather months identified in section 2262.4.

² The 6.90 pounds per square inch (psi) ~~standard flat limit~~ applies only when a producer or importer is using the evaporative emissions model element of the CaRFG Phase 3 Predictive Model, in which case all predictions for evaporative emissions increases or decreases made using the evaporative emissions model are made relative to 6.90 psi and the gasoline may not exceed the maximum RVP cap limit of 7.2 psi. Where the evaporative emissions model element of the CaRFG Phase 3 Predictive Model is not used, the RVP of gasoline sold or supplied from the production or import facility may not exceed 7.0 psi.

³ For sales, supplies, or offers of California gasoline downstream of the production or import facility starting on the date on which early compliance with the CaRFG Phase 3 standards is permitted by the executive officer under section 2261(b)(3), the CaRFG Phase 2 cap limits for Reid vapor pressure and aromatics content shall be 7.20 psi and 35.0 percent by volume respectively.

- 4 The CaRFG Phase 3 sulfur content cap limits of 60 and 30 parts per million are phased in starting December 31,
2002 2003, and December 31, 2004, respectively, in accordance with section 2261(b)(1)(A).
5 Designated alternative limit may not exceed 310.
6 The 1.8 percent by weight minimum oxygen content cap only applies during specified winter months in the
areas identified in section 2262.5(a).
7 If the gasoline contains more than 3.5 percent by weight oxygen but no more than 10 volume percent ethanol,
the maximum oxygen content cap is 3.7 percent by weight.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, 43101, and 43830, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43101, 43830, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

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Section 2262.4. Compliance With the CaRFG Phase 2 and CaRFG Phase 3 Standards for Reid Vapor Pressure.

(a) Compliance with the cap limits for Reid vapor pressure.

- (1) No person shall sell, offer for sale, supply, offer for supply, or transport California gasoline which exceeds the applicable cap limit for Reid vapor pressure within each of the air basins during the regulatory period set forth in section (a)(2).

(2) Regulatory Control Periods.

(A) April 1 through October 31 (May 1 through October 31 in ~~2003~~ 2004):

South Coast Air Basin and Ventura County
San Diego Air Basin
Mojave Desert Air Basin
Salton Sea Air Basin

(B) May 1 through September 30:

Great Basin Valley Air Basin

(C) May 1 through October 31:

San Francisco Bay Area Air Basin
San Joaquin Valley Air Basin
Sacramento Valley Air Basin
Mountain Counties Air Basin
Lake Tahoe Air Basin

(D) *June 1 through September 30:*
North Coast Air Basin
Lake County Air Basin
Northeast Plateau Air Basin

(E) *June 1 through October 31:*
North Central Coast Air Basin
South Central Coast Air Basin (Excluding Ventura County)

(b) *Compliance by producers and importers with the flat limit for Reid vapor pressure.*

(1) ***Reid vapor pressure standard for producers and imports.*** In an air basin during the regulatory control periods specified in section (b)(2), no producer or importer shall sell, offer for sale, supply, or offer for supply from its production facility or import facility California gasoline which has a Reid vapor pressure exceeding the applicable flat limit set forth in section 2262 unless the gasoline is supplied from the production or import facility on or after March 1, ~~2003~~ 2004 and has been reported as a PM alternative gasoline formulation pursuant to section 2265(a).

(2) *Regulatory control periods for production and import facilities.*

(A) *March 1 through October 31 (April 1 through October 31 in ~~2003~~ 2004):*
South Coast Air Basin and Ventura County
San Diego Air Basin
Mojave Desert Air Basin
Salton Sea Air Basin

(B) *April 1 through September 30:*
Great Basin Valley Air Basin

(C) *April 1 through October 31:*
San Francisco Bay Area Air Basin
San Joaquin Valley Air Basin
Sacramento Valley Air Basin
Mountain Counties Air Basin
Lake Tahoe Air Basin

(D) *May 1 through September 30:*
North Coast Air Basin
~~North Central Coast Air Basin~~
Lake County Air Basin
Northeast Plateau Air Basin

- (E) *May 1 through October 31:*
North Central Coast Air Basin
South Central Coast Air Basin (Excluding Ventura County)
~~North Coast Air Basin~~

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NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43101, 43830, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2262.5. Compliance With the Standards for Oxygen Content.

- (a) ***Compliance with the minimum oxygen content cap limit standard in specified areas in the wintertime.***
- (1) Within the areas and periods set forth in section (a)(2), no person shall sell, offer for sale, supply, offer for supply, or transport California gasoline unless it has an oxygen content of not less than the minimum oxygen content cap limit in section 2262.
- (2) (A) *November 1 through February 29:*
South Coast Area
Imperial County
- (B) *October 1 through October 31, (1996 through ~~2002~~ 2003 only):*
South Coast Area
- (b) ***Compliance with the maximum oxygen content cap limit standard.*** No person shall sell, offer for sale, supply, or transport California gasoline which has an oxygen content exceeding the maximum oxygen content cap limit in section 2262, or which has an ethanol content exceeding 10 percent by volume.
- (c) ***Compliance by producers and importers with the flat limits for oxygen content.*** No producer or importer shall sell, offer for sale, supply, or offer for supply from its production or import facility California gasoline which has an oxygen content less than flat limit for minimum oxygen content, or more than flat limit for maximum oxygen content, unless the gasoline has been reported as a PM alternative gasoline formulation pursuant to section 2265(a) or as an alternative gasoline formulation pursuant to section 2266(c), and complies with the standards contained in sections (a) and (b).
- (d) ***Restrictions on adding oxygenates to California gasoline after it has been supplied from the production or import facility.***

(1) ***Basic Restriction.*** No person may add oxygenates to California gasoline after it has been supplied from the production or import facility at which it was produced or imported, except where the person adding the oxygenates demonstrates that: [i] the gasoline to which the oxygenates are added has been reported as a PM alternative gasoline formulation pursuant to section 2265(a), or as an alternative gasoline formulation pursuant to section 2266(c), and has not been commingled with other gasoline, and [ii] both before and after the person adds the oxygenate to the gasoline, the gasoline has an oxygen content within the oxygen content specifications of the applicable PM alternative gasoline formulation or alternative gasoline formulation. Nothing in this section (d) prohibits adding oxygenates to CARBOB.

(2) ***Bringing gasoline into compliance with the minimum oxygen content cap limit.***

Notwithstanding section (d)(1), a person may add an oxygenate that is not prohibited under section 2262.6 to California gasoline that does not comply with an applicable minimum oxygen content cap limit under sections 2262 and 2262.5(a), where the person obtains the prior approval of the executive officer based on a demonstration that adding the oxygenate is necessary to bring the gasoline into compliance with the minimum oxygen content cap limit.

(e) ***Application of prohibitions.***

(1) Section (a) shall not apply to a transaction occurring in the areas and periods shown in (a)(2) where the person selling, supplying, or offering the gasoline demonstrates as an affirmative defense that, prior to the transaction, he or she has taken reasonably prudent precautions to assure that the gasoline will not be delivered to a retail service station or bulk purchaser-consumer's fueling facility in the areas and periods shown in (a)(2).

(2) (A) Section (a) shall not apply to a transaction occurring in the South Coast Area in October 2000, 2001, ~~or 2002~~, or 2003, where the transaction involves the transfer of gasoline from a stationary storage tank to a motor vehicle fuel tank and the person selling, supplying, or offering the gasoline demonstrates as an affirmative defense that the last delivery of gasoline to the stationary storage tank occurred no later than September 16 of that year.

(B) Section (a) shall not apply to a transaction occurring in November either in Imperial County or, starting in ~~2003~~ 2004, in the South Coast Area, where the transaction involves the transfer of gasoline from a stationary storage tank to a motor vehicle fuel tank and the person selling, supplying, or offering the gasoline demonstrates as an affirmative defense that the last delivery of gasoline to the stationary storage tank occurred no later than October 17 of that year.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000,

43013, 43013.1, 43016, 43018, 43101, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2262.6. Prohibition of MTBE and Oxygenates Other Than Ethanol in California Gasoline Starting December 31, ~~2002~~ 2003.

(a) *Basic MTBE prohibitions.*

- (1) Starting December 31, ~~2002~~ 2003, no person shall sell, offer for sale, supply or offer for supply California gasoline which has been produced with the use of methyl tertiary-butyl ether (MTBE).
- (2) No person shall sell, offer for sale, supply or offer for supply California gasoline which contains MTBE in concentrations greater than: 0.3 volume percent starting December 31, ~~2002~~ 2003, 0.15 volume starting December 31, ~~2003~~ 2004, and 0.05 volume percent starting December 31, ~~2004~~ 2005.

(b) *Phase-in of MTBE prohibitions.*

(1) In the first year in which a prohibition applies under section 2262.6(a), the prohibition shall be phased in as follows:

- (A) Starting December 31, for all sales, supplies, or offers of California gasoline by a producer or importer from its production facility or import facility.
- (B) Starting the following February 14, for all other sales, supplies, offers or movements of California gasoline except for transactions directly involving:
 1. the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, or
 2. the delivery of gasoline from a bulk plant to a retail outlet or bulk purchaser-consumer facility.
- (C) Starting the following March 31, for all remaining sales, supplies, offers or movements of California gasoline, including transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility.

~~(3)~~(2) ***Phase-in for low-throughput fueling facilities.*** For the first year in which a prohibition applies under section 2262.6(a)(1), the prohibition shall not apply to transactions directly involving the fueling of motor vehicles at a retail outlet or bulk purchaser-consumer facility, where the person selling, offering, or supplying the gasoline demonstrates as an affirmative defense that the exceedance of the standard was caused by gasoline delivered to the retail outlet or bulk purchaser-consumer facility prior to

February 14 of that year, or delivered to the retail outlet or bulk purchaser-consumer facility directly from a bulk plant prior to March 31 of that year.

- (c) ***Use of oxygenates other than ethanol or MTBE in California gasoline on or after December 31, ~~2002~~ 2003.*** Starting December 31, ~~2002~~ 2003, no person shall sell, offer for sale, supply or offer for supply California gasoline which has been produced with the use of any oxygenate other than ethanol or MTBE unless a multimedia evaluation of use of the ~~ether~~ oxygenate in California gasoline has been conducted and the California Environmental Policy Council established by Public Resources Code section 71017 has determined that such use will not cause a significant adverse impact on the public health or the environment.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43101, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2262.9. Requirements Regarding Denatured Ethanol Intended For Use as a Blend Component in California Gasoline

(a) *Standards.*

- (1) ***Standards for denatured ethanol.*** Starting December 31, ~~2002~~ 2003, no person shall sell, offer for sale, supply or offer for supply denatured ethanol intended for blending with CARBOB or California gasoline that fails to comply with the following standards:

(A) *Standards for properties regulated by the CaRFG Phase 3 standards.*

1. A sulfur content not exceeding 10 parts per million;
2. A benzene content not exceeding 0.06 percent by volume; or
3. An olefins content not exceeding 0.5 percent by volume; or
4. An aromatic hydrocarbon content not exceeding 1.7 percent by volume.

- (B) ***Standards based on ASTM D 4806-99.*** All test methods and standards identified in the title and the table below are incorporated herein by reference.

<i>Specification</i>	<i>Value</i>	<i>Test method</i>
Ethanol, vol.%, min.	92.1	ASTM D 5501-94(1998)ε1
Methanol, vol.%, max.	0.5	
Solvent-washed gum, mg/100 ml, max.	5.0	ASTM D 381-00, air jet apparatus
Water content, vol.%, max.	1	ASTM E 203-96 or E 1064-00
Denaturant content, vol.%, min. vol.% max. The only denaturants shall be natural gasoline, gasoline components, or unleaded gasoline.	1.96 4.76	
Inorganic Chloride content, mass ppm (mg/l), max.	40 (32)	Modification of ASTM D512-89(1999), Procedure C ¹
Copper content, mg/kg, max.	0.1	Modification of ASTM D1688-95, Test Method A ²
Acidity (as acetic acid), mass % (mg/l), max.	0.007 (56)	ASTM D 1613-96 (1999)
pHe	6.5 - 9.0	ASTM D 6423-99
Appearance	Visibly free of suspended or precipitated contaminants (clean and bright)	Determined at indoor ambient temperature unless otherwise agreed upon between the supplier and purchaser

Note 1: The modification of ASTM D 512-89(1999), Procedure C consists of using 5 ml of sample diluted with 20 ml of water in place of the 25 ml sample specified in the standard procedure. The water shall meet ASTM D 1193-99, Type II. The volume of the sample prepared by this modification will be slightly larger than 25 ml. To allow for the dilution factor, report the chloride ion present in the fuel ethanol sample as the chloride ion present in the diluted sample multiplied by five.

Note 2: The modification of ASTM D 1688-95, Test Method A (atomic absorption) consists of mixing reagent grade ethanol (which may be denatured according to the U.S. Bureau of Alcohol, Tobacco, and Firearms (BATF) of the U.S. Treasury Department Formula 3A or 30, as set forth in 27 CFR sections 21.35 and 21.57, as in effect April 1,

2001) in place of water as the solvent or diluent for the preparation of reagents and standard solutions. However, this must not be done to prepare the stock copper solution described in 11.1 of ASTM D 1688-95. Because a violent reaction may occur between the acid and the ethanol, use water, as specified, in the acid solution part of the procedure to prepare the stock copper solution. Use ethanol for the rinse and dilution only.

(2) ***Exemption.***

(A) ***Inapplicability of basic standards.*** The standards in section (a)(1)(A) do not apply to a quantity of denatured ethanol sold, offered for sale, supplied, or offered for supply by a person who demonstrates as an affirmative defense that:

1. The person has complied with section (c)(1)(B); and
2. He or she has taken reasonably prudent precautions to assure that the denatured ethanol will only be added to CARBOB which has been designed to be lawfully oxygenated with denatured ethanol having the properties identified in the document provided pursuant to section (c)(1)(B).

(B) ***Substitute standards.*** Starting December 31, ~~2002~~ 2003, no person shall sell, offer for sale, supply or offer for supply denatured ethanol that is intended for blending with CARBOB or California gasoline and is exempt pursuant to section (a)(2)(A), if the denatured ethanol fails to comply with any of the properties identified in the document provided pursuant to section (c)(1)(B).

(3) ***Standards for products represented as appropriate for use as a denaturant in ethanol.***

(A) Except as otherwise provided in section (a)(3)(B), starting December 31, ~~2002~~ 2003, no person shall sell, offer for sale, supply or offer for supply a product represented as appropriate for use as a denaturant in ethanol intended for blending with CARBOB or California gasoline, if the denaturant has:

1. A benzene content exceeding 1.1 percent by volume; or
2. An olefins content exceeding 10 percent by volume; or
3. An aromatic hydrocarbon content exceeding 35 percent by volume.

(B) A person may sell, offer for sale, supply or offer for supply a product that is represented as only suitable for use as an ethanol denaturant in ethanol intended for blending with CARBOB or California gasoline if the denatured ethanol contains no more than a specified percentage of the denaturant that is less than 4.76 percent. In this case, the product must be prominently labeled as only lawful for use as a denaturant where the denatured ethanol contains no more than the specified percentage of the denaturant, and the seller, supplier or offeror must take reasonably prudent precautions to assure that the denaturant will not be used in concentrations

greater than the specified percentage in ethanol intended for blending with CARBOB or California gasoline. If these conditions are met, the standards in section (a)(3)(A) for the denaturant will be adjusted by multiplying the stated values by (4.76 / max.%), where "max.%" is the maximum percentage of denaturant specified for the denatured ethanol.

(b) Test Methods.

(1) In determining compliance with the denatured ethanol standards in section (a)(1)(A):

(A) The sulfur content of denatured ethanol shall be determined by ASTM D 5453-93, which is incorporated herein by reference.

(B) The aromatic hydrocarbon, benzene and olefins content of denatured ethanol shall be determined by sampling the denaturant and using the methods specified in section 2263 to determine the content of those compounds in the denaturant. The result will then be multiplied by 0.0476, except that where it is demonstrated that the denatured ethanol contains less than 4.76 percent denaturant, the result will be multiplied by the decimal fraction representing the percent denaturant.

(2) In determining compliance with the denaturant standards in section (a)(3), the aromatic hydrocarbon, benzene and olefins content of the denaturant shall be determined by the methods specified in section 2263 for determining the content of those compounds in gasoline.

(c) Documentation required for the transfer of denatured ethanol intended for use as a blend component in California gasoline.

(1) (A) Starting December 31, ~~2002~~ 2003, and except as provided in section (c)(1)(B), on each occasion that any person transfers custody or title of denatured ethanol intended for use as a blend component in California gasoline, the transferor shall provide the transferee a document that prominently states that the denatured ethanol complies with the standards for denatured ethanol intended for use as a blend component in California gasoline.

(B) Starting December 31, ~~2002~~ 2003, on each occasion that any person transfers custody or title of denatured ethanol that is intended to be added to CARBOB designated for blending with denatured ethanol exceeding any of the standards in section (a)(1)(A), the transferor shall provide the transferee a document that prominently identifies the maximum sulfur, benzene, olefin and aromatic hydrocarbon content of the denatured ethanol, and states that the denatured ethanol may only be lawfully added to CARBOB that is designated for blending with denatured ethanol having such properties.

(2) Starting December 31, ~~2002~~ 2003, any person who sells or supplies denatured ethanol intended for use as a blend component in California gasoline from the California facility at which it was imported or produced shall provide the purchaser or recipient a document that identifies:

(A) The name and address of the person selling or supplying the denatured ethanol, and

(B) The name, location and operator of the facility(ies) at which the ethanol was produced and at which the denaturant was added to the ethanol.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43101, and 43830.8, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2266.5. Requirements Pertaining to California Reformulated Gasoline Blendstock for Oxygen Blending (CARBOB) and Downstream Blending.

(a) *Application of the California gasoline standards to CARBOB.* [No changes]

(1) *Applicability of standards and requirements to CARBOB.* [No changes]

(2) **Determining whether a final blend of CARBOB complies with the standards for California gasoline.**

(A) **General.** [No changes]

(B) **Determining whether a final blend of CARBOB complies with the standards for California gasoline by use of the CARBOB Model.** [No changes]

(C) **Determining whether a final blend of CARBOB complies with the standards for California gasoline by oxygenate blending and testing.** Except as otherwise provided in section (a)(2)(B), the properties of a final blend of CARBOB shall be determined for purposes of compliance with sections 2262, 2262.3, 2262.4, 2262.5, 2262.6, 2265 and 2266 by adding the specified type and amount of oxygenate to a representative sample of the CARBOB and determining the properties and characteristics of the resulting gasoline in accordance with an applicable test method identified in section 2263(b) or permitted under section 2263(c). Where the producer or importer has in accordance with section (b)(1)(E) designated a range for oxygen from denatured ethanol of 1.8 wt.% to 2.2 wt.% (or a range that is within 1.8 wt.% and 2.2 wt.% and includes 2.0 wt.%), denatured ethanol equal to 5.7 vol.% of the blended volume shall be added; where the designated range for oxygen from denatured ethanol is 2.5 wt.% to 2.9 wt.% (or is within 2.5 wt.% and 2.9% and includes 2.7 wt.%), denatured ethanol equal to 7.7 vol.% of the blended volume shall be added; and where the designated range for oxygen from denatured ethanol is 3.3 wt.% to 3.7 wt.% (or is within 3.3 wt.% and 3.7 wt.% and includes 3.5 wt.%), denatured ethanol equal to 10.0 vol.% of the blended volume shall be added. In all other cases where the designated range for oxygen from denatured ethanol ~~that~~ is no greater than 0.4 wt.% ~~and denatured ethanol as the oxygenate~~, the amount of denatured ethanol added shall be the volume percent that results in an oxygen content at the midpoint of the range of oxygen, based on the following equation:

$$\text{Vol.\% Denatured Ethanol} = \frac{59.86}{(21.88/\text{wt.\% oxygen}) - 0.0604} \\ 620 \div [(218.8 \div \text{wt.\% oxygen}) - 0.40]$$

Where the producer or importer has in accordance with section (b)(1)(E) designated a range of amounts of oxygen that is greater than 0.4 wt.%, or an oxygenate other than denatured ethanol, the oxygenate shall be added in an amount that results in an oxygen content within 0.2 wt.% of the designated minimum oxygen level.

(D) **Characteristics of denatured ethanol used in determining whether a final blend of CARBOB complies with the standards for California gasoline.**

1. **Default denatured ethanol characteristics on or after December 31, 2002 2003 when the CARBOB Model is used.** Except as provided in section (a)(2)(D)3., where a producer or importer has elected to use the CARBOB Model for a final

blend of CARBOB supplied from its production or import facility on or after December 31, ~~2002~~ 2003, the following default denatured ethanol specifications shall be specified for the CARBOB Model:

Sulfur content:	10 parts per million
Benzene content:	0.06 volume percent
Olefin content:	0.5 volume percent
Aromatic hydrocarbon content:	1.7 volume percent

2. ***Default denatured ethanol characteristics on or after December 31, ~~2002~~ 2003 when the CARBOB Model is not used.*** Except as provided in section (a)(2)(D)3., where a producer or importer has not elected to use the CARBOB Model, denatured ethanol used as the oxygenate must have the following properties in determining whether CARBOB complies with the standards applicable to California gasoline when it is supplied from the production facility or import facility on or after December 31, ~~2002~~ 2003:

Sulfur content:	3 - 10 parts per million
Benzene content:	0 - 0.06 volume percent
Olefin content:	0 - 0.5 volume percent
Aromatic hydrocarbon content:	0 - 1.7 volume percent

3. ***Producer- or importer-specified characteristics of denatured ethanol used in determining whether a final blend of CARBOB complies with the standards for California gasoline.***
- a. With respect to a final blend of CARBOB supplied from its production or import facility prior to December 31, ~~2002~~ 2003, the producer or importer must specify the properties of the oxygenate used in determining whether the final blend of CARBOB complies with the applicable California gasoline standards, by providing the notice in section (b)(1)(D). With respect to a final blend of CARBOB supplied from its production or import facility on or after December 31, ~~2002~~ 2003, the producer or importer may elect to specify the properties of the oxygenate in accordance with the preceding sentence. Where the producer or importer has elected to use the CARBOB model in connection with the final blend, the maximum value for each property identified in the section (b)(1)(D) notification shall be used for the CARBOB Model. Where the producer or importer has not elected to use the CARBOB model in connection with the final blend, the oxygenate used in oxygenate blending and testing in accordance with section (a)(2)(C)1. must not exceed the maximum value for each property identified in the section (b)(1)(D) notification; that oxygenate's specifications for each property may be under the maximum value for each property identified in the section (b)(1)(D) notification by no more than the following:

Sulfur content:	5 parts per million
Benzene content:	0.06 volume percent
Olefin content:	0.1 volume percent
Aromatic hydrocarbon content:	1.0 volume percent

- b. ***Maintaining oxygenate samples for use in compliance testing.*** A producer or importer who is specifying the properties of the oxygenate used in a final blend of CARBOB in accordance with the preceding section (a)(2)(D)3.a. must maintain at the production or import facility, while the final blend is at the facility, oxygenate meeting the required specifications in quantities that are sufficient to enable state board inspectors to use the oxygenate in compliance determinations.

(E) ***Protocol for determining whether a final blend of CARBOB complies with the standards for California gasoline.*** The executive officer may enter into a written protocol with any individual producer or importer for the purpose of specifying an alternative method for determining whether a final blend of CARBOB complies with the standards for California gasoline, as long as the executive officer reasonably determines that application of the protocol is not less stringent or enforceable than application of the express terms of section (a)(2)(A)-(D). Any such protocol shall include the producer's or importer's agreement to be bound by the terms of the protocol.

(3) ***Calculating the volume of a final blend of CARBOB.*** [No changes]

(4) ***Specifications for a final blend of CARBOB when the CARBOB model is not being used.*** [No changes]

(5) ***Assignment of designated alternative limits for CARBOB and for the oxygenated California gasoline where the producer or importer has elected to use the CARBOB model.*** [No changes]

(6) ***Determining whether downstream CARBOB complies with the cap limits for California gasoline.***

(A) ***Determining whether downstream CARBOB complies with the cap limits for California gasoline through the use of CARBOB cap limits derived from the CARBOB Model.*** Whenever downstream CARBOB designated for ethanol blending has already been supplied from its production or import facility, the CARBOB's compliance with the cap limits for California gasoline may be determined by applying the CARBOB cap limits in the following table:

<i>Property</i>	<i>CARBOB Cap Limits</i>	
	<i>CaRFG2</i>	<i>CaRFG3</i>
Reid Vapor Pressure ¹ (pounds per square inch)	5.78	5.99
Sulfur Content (parts per million by weight)	89	66 ²
		32 ²
Benzene Content (percent by volume)	1.33	1.22
Aromatics Content (percent by volume)	33.1	38.7
Olefins Content (percent by volume)	11.1	11.1
T50 (degrees Fahrenheit)	232 ³	232 ³
	237 ³	237 ³
T90 (degrees Fahrenheit)	335	335

- ¹ The Reid vapor pressure standards apply only during the warmer weather months identified in section 2262.4.
- ² The CaRFG Phase 3 CARBOB cap limits for sulfur are phased in starting December 31, 2002, 2003, and December 31, 2004, in accordance with section 2261(b)(1)(A).
- ³ The first number applies to CARBOB that is subject to the Reid vapor pressure standard pursuant to section 2262.4, and the second number applies to CARBOB that is not subject to the Reid vapor pressure standard.

(B) Determining whether downstream CARBOB complies with the cap limits for California gasoline by oxygenate blending and testing. Whenever downstream CARBOB designated for ~~ethanol~~ oxygenate blending has already been supplied from its production or import facility, the CARBOB's compliance with the cap limits for California gasoline may be determined by adding the specified type and amount of oxygenate to a representative sample of the CARBOB and determining the properties and characteristics of the resulting gasoline in accordance with an applicable test method identified in section 2263(b) or permitted under section 2263(c). Denatured ethanol used as the oxygenate must have the properties set forth in section (a)(2)(D)2. ~~Where the CARBOB has been designated for a range of amounts of oxygenate, or more than one oxygenate type, to be added, the minimum designated amount of the oxygenate having the smallest designated volume is to be added to the CARBOB when determining the properties and characteristics of the final blend. However,~~ where the designated range for oxygen from denatured ethanol is 1.8 wt.% to 2.2 wt.% (or is within between 1.8 wt.% and 2.2 wt.% and includes 2.0 wt.%), denatured ethanol equal to 5.7 vol.% ethanol of the blended volume shall be added; ~~and~~ where the designated range for oxygen from denatured ethanol is 2.5 wt.% to 2.9 wt.% (or is within between 2.5 wt.% and 2.9 wt.% and includes 2.7 wt.%),

denatured ethanol equal to 7.7 vol.% ethanol of the blended volume shall be added; and where the designated range for oxygen from denatured ethanol is 3.3 wt.% to 3.7 wt.% (or is within 3.3 wt.% and 3.7 wt.% and includes 3.5 wt.%), denatured ethanol equal to 10.0 vol.% of the blended volume shall be added. In all other cases where the designated range for oxygen from denatured ethanol is no greater than 0.4 wt.%, the amount of denatured ethanol added shall be the volume percent that results in an oxygen content at the midpoint of the range of oxygen, based on the following equation:

$$\text{Vol.\% Denatured Ethanol} = 620 \div [(218.8 \div \text{wt.\% oxygen}) - 0.40]$$

Where the designated a range of amounts of oxygen is greater than 0.4 wt.%, or an oxygenate other than denatured ethanol is designated, the oxygenate shall be added in an amount that results in an oxygen content within 0.2 wt.% of the designated minimum oxygen level. Denatured ethanol used as the oxygenate must have the properties set forth in section (a)(2)(D)2.

- (C) **Protocols.** A person may enter into a protocol with the executive officer for the purpose of identifying more stringent specifications for the denatured ethanol used pursuant to section (a)(6)(B), or different CARBOB cap limits under section (a)(6)(A), if the executive officer reasonably determines that the specifications or cap limits are reasonably premised on the person's program to assure that the denatured ethanol added to the CARBOB by oxygenate blenders will meet the more stringent specifications.

[No changes to the rest of the section]

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, 43021, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

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Section 2269. Submittal of Compliance Plans

- (a) Each producer shall, by September 1, 2000, submit to the executive officer a plan showing the producer's schedule for achieving compliance with the CaRFG Phase 3 standards set forth in this subarticle. Each producer shall, by September 1, 2001, ~~and~~ September 1, 2002, and September 1, 2003 submit an update of the plan. Each compliance plan and update shall include the projected sequence and dates of all key events pertaining to planning, financing, and construction of necessary refinery modifications.

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr.

249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013.1, 43016, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2270. Testing and Recordkeeping.

- (a) (1) The requirements of this section (a) shall apply to each producer and importer that has elected to be subject to an averaging limit in section 2262, or to a PM averaging limit. The references to sulfur content shall apply to each producer or importer that has elected to be subject to the section 2262-2(e) averaging limit for sulfur, or to a PM averaging limit for sulfur. The references to benzene content shall apply to each producer or importer that has elected to be subject to the section 2262-3(e) averaging limit for benzene, or to a PM averaging limit for benzene. The references to olefin content shall apply to each producer or importer that has elected to be subject to the section 2262 averaging limit for olefin content, or to a PM averaging limit for olefin content. The references to T90 shall apply to each producer or importer that has elected to be subject to the section 2262 averaging limit for T90, or to a PM averaging limit for T90. The references to T50 shall apply to each producer or importer that has elected to be subject to the section 2262 averaging limit for T50, or to a PM averaging limit for T50. The references to aromatic hydrocarbon content shall apply to each producer or importer that has elected to be subject to the section 2262 averaging limit for aromatic hydrocarbon content, or to a PM averaging limit for aromatic hydrocarbon content.

* * * * *

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 41511, 43000, 43013, 43013.1, 43016, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2271. Variances.

[No changes to subsections (a)-(c)]

- (d) ***Necessary findings for granting variances.*** The decision to grant or deny a variance shall be based solely upon substantial evidence in the record of the variance proceeding. No variance shall be granted unless the executive officer makes all of the following findings:
- (1) That, because of reasons beyond the reasonable control of the applicant, requiring compliance with the applicable section(s) would result in an extraordinary economic hardship.

- (2) That the public interest in mitigating the extraordinary hardship by issuing the variance outweighs the public interest in avoiding any increased emissions of air contaminants which would result from issuing the variance; and
- (3) That the compliance plan proposed by the applicant can reasonably be implemented and will achieve compliance as expeditiously as possible.

(e) ***Factors to be considered in making the necessary findings for granting variances.***

In making the findings specified in section (d), the factors set forth below shall be considered. It is the responsibility of the applicant to provide the information necessary to adequately evaluate these factors.

[No changes to subsections (e)(1)-(2)]

- (3) Regarding the finding specified in section (d)(3):

The applicant shall demonstrate why the proposed compliance plan is the most expeditious way to achieve compliance, and the applicant shall demonstrate sufficient control over the implementation of the plan to make the plan practical. In the case of a proposed variance that would begin on December 31, ~~2002~~ 2003, the compliance plan shall identify and provide a date for each key step that remains to be accomplished for attaining compliance. As applicable, these steps shall include financing, engineering plans, ordering and contracts, receipt of major equipment, commencement and completion of construction, and testing.

[No changes to the rest of the section]

NOTE: Authority cited: sections 39600, 39601, 43013, 43013.1, 43013.2, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 40000, 41511, 43000, 43013, 43013.1, 43013.2, 43016, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

Section 2272. CaRFG Phase 3 Standards for Qualifying Small Refiners.

- (a) ***CaRFG Phase 3 standards for qualifying small refiners.*** In place of the CaRFG Phase 3 standards set forth in section 2262, a qualifying small refiner may elect to have a final blend of California gasoline supplied from the small refiner's refinery subject to the "small refiner CaRFG Phase 3 standards," which are identical to the CaRFG Phase 3 standards in section 2262 except that: (i) the flat limit for benzene content is 1.00 percent by volume (vol.%) instead of 0.80 vol.%, (ii) the flat limit for aromatics content is 35.0 vol.% instead of 25.0 vol.%, (iii) the flat limit for T50 is 220° F. instead of 213° F, and (iv) the flat limit for T90 is 312° F. instead of 305° F. This election may only be made if the small refiner has been

issued a currently effective certification pursuant to section (b) and the gasoline qualifies for treatment under section (c).

(b) Certification of small refiners.

- (1) A small refiner wishing to produce gasoline subject to this section shall submit to the executive officer an application for certification on the Air Resources Board's ARB/SSD/CPB Form 00-3-1, for each of the small refiner's California refineries. The application shall be executed by a responsible corporate officer under penalty of perjury.
- (2) The small refiner's application shall set forth: [A] the crude oil capacity of the refinery since January 1, 1978; [B] the crude oil capacities of all the refineries in California and the United States which are owned or controlled by, or under common ownership or control with, the small refiner since September 1, 1988; [C] data demonstrating that the refinery has the capacity to produce liquid fuels by distilling petroleum; and [D] a demonstration that the small refiner's California refinery was used in 1998 and 1999 to produce and supply California gasoline meeting the CaRFG Phase 2 standards.
- (3) Within 30 days of receipt of the application, the executive officer shall grant or deny it in writing. The executive officer shall grant the application if he or she determines that: [A] the application contains all of the information identified in sections (b)(1) and (2) above, and [B] the applicant meets the definition of small refiner. Any denial of an application shall include a statement of the reasons for denial.

(c) Criteria for qualifying gasoline. Gasoline shall only be subject to treatment under this section if the small refiner demonstrates all of the following:

- (1) The gasoline was produced by the small refiner at the small refiner's California refinery.
- (2) The gasoline was supplied from the small refiner's California refinery in a calendar quarter in which 25 percent or more of the gasoline that was produced by the small refiner and that was supplied from the refinery in the calendar quarter was refined at the small refinery from crude oil. The volume of oxygenates in the gasoline shall not be counted in making this calculation. The period from December 31, ~~2002~~ 2003 through March 31, ~~2003~~ 2004 shall be treated as a calendar quarter under this section (c)(2).
- (3) For the period December 31, ~~2002~~ 2003, through December 31, ~~2003~~ 2004, and for each subsequent calendar year, the gasoline was supplied from the small refiner's California refinery before the full qualifying volume of gasoline produced by the small refiner had been supplied from the refinery during that period or year. In calculating the volume of gasoline supplied from the refinery, the volume of oxygenates in the gasoline shall not be counted. Gasoline that is designated by the small refiner as subject to all of the CaRFG Phase 3 standards in section 2262, and is reported to the executive officer pursuant to a protocol entered into by the small refiner and the executive officer, shall not be counted against the qualifying volume.

(4) At the time the gasoline was supplied from the small refiner's refinery, the small refiner met the definition of a small refiner.

(5) The excess emissions of hydrocarbons, oxides of nitrogen, and potency-weighted toxics are offset pursuant to section 2282, title 13, California Code of Regulations. The excess emissions from gasoline subject to the small refiner CaRFG Phase 3 standards are: 0.0206 pounds of exhaust hydrocarbons per barrel, 0.0322 pounds of oxides of nitrogen per barrel, and the potency-weighted toxic emissions equivalent of 0.0105 pounds of benzene per barrel.

(d) ***Compliance with applicable federal RFG requirements.*** Any small refiner subject to this section shall comply with all applicable requirements of the federal reformulated gasoline regulations in 40 CFR Part 80 Subpart D, commencing with § 80.40.

(e) ***Additional reporting requirements for small refiners.***

(1) In addition to the requirements of section 2270, each small refiner who qualifies for treatment under this section shall submit to the executive officer reports containing the information set forth below for each of the small refiner's California refineries, starting on the date on which a qualifying small refiner supplies from its refinery gasoline subject to the small refiner CaRFG Phase 3 standards. The reports shall be executed in California under penalty of perjury, and must be received within the time indicated below. December 31, ~~2002~~ 2003 through January 31, ~~2003~~ 2004 shall be treated as a month.

(A) The quantity of all gasoline, produced by the small refiner, that is supplied from the small refinery in each month, within 15 days after the end of the month, the quantity of all such gasoline that is California gasoline subject to the small refiner CaRFG3 standards, and the quantity of all such gasoline that is California gasoline not subject to the small refiner CaRFG3 standards;

(B) The identity and volume of each oxygenate contained in the gasoline described in section (d)(1)(A) above, within 15 days after the end of the month;

(C) For each calendar quarter, a statement whether 25 percent or more of the gasoline that was produced by the small refinery and that was supplied from the refinery in the calendar quarter was refined at the small refinery from crude oil, within 15 days after the close of such quarter;

(D) The date, if any, on which the small refiner completes transfer from its small refinery in the period December 31, ~~2002~~ 2003 through December 31, ~~2003~~ 2004, and in each subsequent calendar year, of the small refiner's qualifying volume of gasoline produced by the small refiner, calculated as described in section (c)(3), within 5 days after such date;

(E) Within 10 days after project completion, any refinery addition or modification which would affect the qualification of the refiner as a small refiner pursuant to the definition in section 2260(a)(22); and

(F) Any change of ownership of the small refiner or the small refiner's refinery, within 10 days after such change of ownership.

NOTE: Authority cited: sections 39600, 39601, 43013, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975). Reference: sections 39000, 39001, 39002, 39003, 39010, 39500, 39515, 39516, 40000, 41511, 43016, 43018, and 43101, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County Air Pollution Control District*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).

§ 2296. Motor Fuel Sampling Procedures.

* * * *

(k) ~~“Sampling procedures.”~~ Sampling procedures.

* * * *

(2) “Tap sampling.” The tap sampling procedure is applicable for sampling liquids of 26 pounds (1.83 kgf/cm²) RVP or less in tanks which are equipped with suitable sampling taps or lines. This procedure is recommended for volatile stocks in tanks of the breather and balloon roof type, spheroids, etc. (Samples may be taken from the drain cocks of gage glasses, if the tank is not equipped with sampling taps.) When obtaining a sample for ~~other than~~ RVP or distillation analysis, use the assembly as shown in Figure 3. When obtaining a sample for other than RVP or distillation analysis, the assembly as shown in Figure 3 need not be used.

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NOTE: Authority cited: sections 39600, 39601, 43013, 43018, 43101 and 43830, Health and Safety Code. Reference: sections 39000~~0~~, 39001, 39002, 39003, 39500, 41511, 43000, 43013, 43018, 43101, and 43830, Health and Safety Code; and *Western Oil and Gas Ass'n. v. Orange County APCD*, 14 Cal.3d 411, 121 Cal.Rptr. 249 (1975).