

Recordkeeping & Reporting for Non-Road Diesel Fuel



U.S. EPA
Office of Transportation
and Air Quality

Designate & Track, Record-keeping, Reporting, and PTDs

- Designate & Track
- Revised Compliance Period
- Who Keeps Records and Submits Reports
- Entity and Facility Registration
- Recordkeeping Requirements
- Product Transfer Documents (PTDs)
- Pre-compliance Reporting
- Designate & Track Reporting
- Annual Reporting



Designate & Track

■ Report Architecture

- Electronic Reporting

- Reports Will Be Text or Spreadsheet Based

- Does Not Require Special Software

- Expansion of Existing Reporting System

 - Tier 2 Gasoline Sulfur

 - <http://www.epa.gov/otaq/regs/fuels/t2forms.htm>

- Protecting CBI Through Encryption



Designate & Track (continued)

■ Report Submission

■ Today's System

- | Electronic File; CD, Diskette, or E-mail Attachment
- | "Wet Ink" Signature
- | US Mail or Commercial Delivery

■ D&T System

- | EPA's Central Data Exchange (CDX)
- | Electronic Signature – Digital Certificates
- | Similar to Sending E-mail With Attachment
- | Existing Fuels Programs Will Break-in System



Designate & Track (continued)

■ OTAQ Processing

- Populate Compliance Database
- Check Hand-Offs
 - | Identify Non-Reporters
 - | Identify Volume and Designation Discrepancies Between Transferors and Transferees
- Check Truck Loading Terminal Calculations
- Check Annual Compliance Calculations
- Resolution of Problems Identified
 - | Contact Entities with Discrepancies
 - | Notify OECA of Unresolved Problems



Revised Compliance Periods

- For the Sake of Simplifying Compliance and Record Keeping, the Compliance Periods for the Highway Final Rule Have Been Adjusted to Match the Non-road Rule
 - Annual; July 1 – June 30
 - First Quarter; July 1 – September 30
 - Second Quarter; October 1 – December 31
 - Third Quarter; January 1 – March 31
 - Fourth Quarter; April 1 – June 30
 - Start and End Periods for the Program Are Extended and Shortened Respectively



Who Keeps Records and Submits Reports?

- Refiners
- Importers
- Pipelines
- Barge & Rail
- Terminals
- Distributors
- End Users



Entity & Facility Registration

- Entity
- Facility
- Aggregated Facility
- Registration Needed for Early Credit Generation PTDs
- Registration System Will Piggyback on RFG & Anti-dumping
- Registration Is Assigned by Activity
 - Facilities That Conduct More Than One Activity (e.g. Importer and Truck Terminal) Must Report Separately for Each Activity and Therefore Shall Apply for and Will Receive Separate Facility ID Numbers.
- Updated Forms and Addendums to Forms Will Be Posted on the OTAQ Website by the End of This Year



Entity & Facility Registration

(continued)

■ Entity

- For D&T Purposes: This Is the Equivalent of Company Registration and Is Responsible for Custody of Distillate Fuel at a Facility

■ Facility

- A Place or Series of Places Where Distillate Fuel Is Produced, Imported or Custody Is Maintained
 - Refinery/importer
 - Pipeline (Includes Pipeline, Rail, Barge, Trucks)
 - Terminals



Entity & Facility Registration

(continued)

- Aggregated Facility
 - A Series of Facilities, All Owned by the Same Entity, Where Custody of a Batch Is Maintained – a Virtual Facility
 - An Individual Refinery or Contiguous Pipeline May Not Be Subdivided Without Administrator Approval
 - Aggregation Locked-in for a Given Compliance Period



Entity & Facility Registration

(continued)

■ Aggregation Restrictions

- Refinery: Aggregated Facility Contains a Refinery
- Truck Terminal: Truck Terminal and Anything but a Refinery
- Cannot Aggregate a Refinery With Facilities That Receive Fuel From Other Refineries
- Cannot Aggregate Retail Outlets or Wholesale Purchaser Consumers
- Mobile Components May Be Aggregated, but Not With Both a Facility From Which They Receive Fuel and To Which They Deliver Fuel



Recordkeeping Requirements

- Entities in the MVNRLM Diesel Fuel and Diesel Fuel Additive Production, Importation and Distribution System
 - PTDs
 - MVNRLM Sampling or Testing Information for Sulfur, Cetane Index, Aromatics, and Additives
 - NRLM Sampling or Testing Information for Marker Solvent Yellow 124, Dye Solvent Red 164, and Heating Oil
 - Handling of Non-compliant MVNRLM



Recordkeeping Requirements

(continued)

- Additional Records for Refiners and Importers of MVNRLM Diesel Fuel
 - Batch Information
 - Foreign Refiner and Importers of DFR Fuel
 - Credit Information
 - Baseline and Compliance Calculations
 - Credit Calculations
 - Copy of Reports Submitted to EPA
- Additional Records Importers Must Keep
 - Records on Each Batch of Certified DFR-diesel and Non-certified DFR-diesel Imported and Demonstrate Compliance



Recordkeeping Requirements

(continued)

■ Designate and Track Records (Additional Recordkeeping Requirements)

■ Refiners and Importers by Batch

- | Designation
- | Compliance Category
- | Transferee
- | Custody Transfer Documentation
- | Tax and Dye Information
- | PTDs
- | Reports Submitted to EPA
- | Compliance Calculations
- | For MVDF; Tax Information
- | For NRLM; IRS Dye Information
- | For Heating Oil; Marker Information
- | For LM Diesel; Marker Information



Recordkeeping Requirements

(continued)

■ Designate and Track Records (Additional Recordkeeping Requirements - Continued)

■ Distributors, for Each Facility, by Batch Received or Delivered, Designation, Compliance Category

- | Custody Transfer Documentation
- | Tax and Dye Information
- | PTDs
- | Reports Submitted to EPA
- | Compliance Calculations
- | For MVDF; Tax Information
- | For NRLM; IRS Dye Information
- | For Heating Oil; Marker Information
- | For LM Diesel; Marker Information



Recordkeeping Requirements

(continued)

■ Designate and Track Records (Additional Recordkeeping Requirements - Continued)

- Exemptions by Definition or Geography
- Ultimate Consumers



Recordkeeping Requirements

(continued)

- Retain Required Records 5 Years
- Special Case for Credit Transfers
 - Transferor (Seller); 5 Years From the Date the Credits Were Transferred
 - Transferee (Buyer); 5 Years From the Date the Credits Were Transferred, Used , or Terminated – Whichever Is Later



Product Transfer Documents

- PTD Requirements for Motor Vehicle Diesel Fuel, NRLM Diesel Fuel, Heating Oil, and Other Distillates
 - Names & Addresses of Transferor/transferee
 - Date of Transfer
 - Volume of Diesel or Distillate Being Transferred
 - Location of Diesel or Distillate at Time of Transfer
 - MVNRLM Diesel Fuel Sulfur Content Standard
 - Facility ID
 - Accurate Statement of Designation or Classification



Product Transfer Documents

(continued)

■ PTD Requirements for Diesel and Other Distillates

(Continued)

■ Transfers of Title or Custody

- | Undyed 15 ppm Sulfur Diesel Fuel
- | Dyed 15 ppm Sulfur Diesel Fuel
- | Undyed 500 ppm Sulfur Diesel Fuel
- | Dyed 500 ppm Sulfur Diesel Fuel
 - 500 ppm Sulfur (Maximum)dyed Low Sulfur Nonroad Locomotive or Marine Diesel Fuel
 - 500 ppm Sulfur (Maximum)dyed Low Sulfur Nonroad Diesel Fuel
 - 500 ppm Sulfur (Maximum)dyed Low Sulfur Locomotive or Marine Diesel Fuel
- | Dyed High Sulfur NRLM Fuel
- | Heating Oil



Product Transfer Documents

(continued)

■ PTD Requirements for Diesel and Other Distillates (Continued)

- Generation of New PTD
- Product Codes
- Early Credit Compliance
- Mobile Refuelers



Product Transfer Documents

(continued)

■ Diesel Fuel Additive PTD Requirements

- Transferee/Transferor Identification
- Additives, Having a Sulfur Content That Does Not Exceed 15 ppm, for Use Downstream of the Diesel Refiner
- Additives, Having a Sulfur Content That May Exceed 15 ppm, for Use Downstream of the Diesel Refiner
- Use of Product Codes
- Labeling of Additives Sold in Containers for Use by the Ultimate Consumer of Diesel Fuel



Pre-Compliance Reporting

- Refiners & Importers Submit Pre-compliance Reports
 - Due June 1st of 2005 Through 2011
 - Update Corporate/Facility Registration Information
 - Fuel Volume Estimates
 - Credit Generation/Use Estimates
 - Information RE Engineering Plans, Permit Status, Capital Commitments, and Actual Construction Progress



Designate & Track Reporting

■ Quarterly Reports (November 30, 2007 - August 31, 2010)

■ For Each Facility:

- | Separately by Designation and Custody Received
 - Identify Transferor by Company & Facility ID
 - Total Volume (Gallons) Received From the Transferor

- | Separately by Designation and Custody Delivered
 - Identify Transferee by Company & Facility ID
 - Total Volume (Gallons) Delivered to the Transferee



Designate & Track Reporting

(continued)

■ Quarterly Reports; For Each Facility (Continued)

■ Receipt of Batches From Facilities Without ID

- | Marked Per 80.510 (d) or (f); Designate As Heating Oil
- | Marked Per 80.510 (e); Designate As Heating Oil or LM
- | Taxes Paid Per IRS Code (26 U.S.C. 4082); Designate As MVDF
- | 500 ppm Diesel Fuel, Dyed Per 80.520(b), Unmarked Per 80.510 (d) or (f); Designate NRLM
- | 500 ppm Diesel Fuel, Dyed Per 80.520(b), Unmarked Per 80.510 (e); Designate NR



Designate & Track Reporting

(continued)

■ Quarterly Reports; For Each Facility (Continued)

■ Truck Loading Terminals

- | Compliance Calculation Results (§ 80.599)
- | Total Volumes Received of Each Fuel Designation
- | Total Volumes Delivered of Each Fuel Designation
- | Beginning and Ending Inventories of Each Fuel Designation
- | Volume Balance MVDF
- | Volume Balance High Sulfur NRLM and Heating Oil



Designate & Track Reporting

(continued)

■ Annual Reports (Beginning August 31, 2007)

■ For Each Facility:

| Separate by Designation and Custody Received

- Transferor Company and Facility ID
- Volume Received (Gallons)

| Separate by Designation and Custody Delivered

- Transferee Company and Facility ID
- Volume Delivered (Gallons)

| Compliance Calculation Results (§ 80.599), and

- Total Volumes Received by Designation
- Total Volumes Delivered by Designation
- Beginning and Ending Inventories by Designation
- Small Refiner Compliance Option Requirements
- Volume Balance Calculation Results by Designation
- Additional Information
- Exclusions



Annual Reporting

- All Refiners/importers
 - Refiner Company Id/facility ID
 - Credit Generation and Use
 - | Generated
 - | Used
 - | Transferred
 - | Retired
 - | Beginning and Ending Balances
 - Batch Reports
 - | Designation
 - | Volume (Gallons)
 - | Company, Facility and Batch Ids, Production/import Date
 - | Sulfur Content, Cetane and Aromatics Are NOT Required
 - | Dye & Marker Status
 - Additional Requirements for Importers



Annual Reporting (continued)

■ Small Refiner Requirements

- Statement of Compliance Option
- By Refinery and As Appropriate by Compliance Period and Compliance Option
 - | Total Volumes (Gallons) by Designation
 - | Applicable Baselines
 - | Percentage of NRLM Produced (Option 4)
 - | Any Deficit (Option 4)
 - | Any Credit Usage (Option 4)
 - | Gasoline Standards Compliance Progress Report (Option 4)



Guidance & Report Forms

- EPA Will Issue Guidance and Reports Similar to Those for Tier 2 Gasoline Sulfur Reporting
- Guidance and Report Templates Will Be Posted on Epa's Website
 - Guidance:
www.epa.gov/otaq/regs/fuels/diesel/diesel.htm
 - Reports:
www.epa.gov/otaq/regs/fuels/forms.htm



Reporting Questions?

- E-mail Reporting Questions and Comments to:

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