



RFS Registration for Renewable Fuel Producers

Webinar III – VRINs and Frequent Questions

September 24, 2015



Introduction

- The goals of this webinar are to:
 - Provide guidance to renewable fuel producers and third-party engineers about VRINs
 - Answer questions submitted to EPA about engineering reviews



What is VRIN?

From 40 CFR 80.1426(f):

$$V_{RIN} = EV * V_s$$

Where:

V_{RIN} = RIN volume, in gallons, for use in determining the number of gallon-RINs that shall be generated for the batch.

EV = Equivalence value for the batch of renewable fuel per § 80.1415.

V_s = Standardized volume of the batch of renewable fuel at 60°F, in gallons, calculated in accordance with (f)(8) of this section



Why is VRIN Verification important?

- The correct generation of RINs is dependent on correct VRIN calculations.
- The professional engineer is acting as EPA's eyes in determining whether the renewable fuel producer has properly generated RINs.



Who is required to submit VRIN information?

- All registered renewable fuel producers that generate RINs in EMTS and are submitting their three-year engineering review update per § 80.1450(d)(3)
- Foreign producers that do not generate RINs on their fuel do **not** need to submit a VRIN calculation review from the third-party independent professional engineer



VRIN Regulations

- 80.1450(d)(3)(iii): “In addition to conducting the engineering review and written report and verification required by paragraph (b)(2) of this section, the updated independent third-party engineering review shall include a detailed review of the renewable fuel producer's calculations used to determine VRIN of a representative sample of batches of each type of renewable fuel produced since the last registration. The representative sample shall be selected in accordance with the sample size guidelines set forth at § 80.127.”



Required Elements of the VRIN Discussion

- Volumes
 - How does the renewable fuel producer record the volumes? Flow meters? Are they calibrated according to manufacturer's recommendations?
 - Has the temperature correction to 60°F been applied correctly?
 - For ethanol, the PE should be looking at denaturant records: how are denaturant volumes recorded (flow meters? Are they properly calibrated?), what is the percentage of denaturant in each batch sample?



Required Elements of the VRIN Discussion

- Equivalence Value
 - Was the correct EV used for the feedstocks/pathway?
 - A properly conducted site visit should serve as the basis for EV verification.



Required Elements of the VRIN Discussion

- Total RINs generated
 - Ensuring that the math is correct for the volume of fuel, volume of denaturant (if applicable), and EV.
 - All calculations should be shown, for example in a spreadsheet. All discrepancies should be noted. It is not enough to say that 21 of 29 were good, the eight that had issues should be specifically noted.



Required Elements of the VRIN Discussion

- Sample size
 - How many batches were there and what was the sample size?
 - How were the samples chosen?
 - All samples and calculations should be submitted with the engineering review.



Questions and Answers



Question 1

- Is there any permit that is equivalent to an air permit for foreign renewable fuel producers such as those from Indonesia and Malaysia? Can an AMDAL or EIA (Environmental Impact Assessment) issued by local government authorities be accepted?



Answer 1

- Under § 80.1450(b)(1)(v), only air permits may be used to demonstrate that a facility may be grandfathered. Since each country may issue air permits in a variety of formats from agencies particular to that country, EPA staff must evaluate whether a particular document qualifies as an air permit on a case-by-case basis. Therefore, EPA staff will consider documents specific to each foreign facility at the time of registration.



Question 2

- If there is a facility producing 4 different renewable fuels and there are production records from 2008 – 2014 but they only produce all types of renewable fuel in 2013 (and it is also known that 2013 was the highest annual production within the other years). How should baseline volume be calculated?



Answer 2

- As stated in § 80.1401, actual peak capacity is 105% of the maximum annual volume of renewable fuels produced from a specific renewable fuel production facility on a calendar year basis.
- For a facility that commenced construction prior to December 19, 2007, the actual peak capacity is based on the last five calendar years prior to 2008. If there was no production prior to 2008, then actual peak capacity is based on any calendar year after startup during the first three years of operation. In this case, assuming that the facility commenced construction prior to December 19, 2007, and started production in 2008, actual peak capacity would be based on any year during the first three years of production (2008, 2009, or 2010).



Question 3

- What are the benefits of getting a facility registered as a Grandfathered facility? Are these only noticeable for facilities that produce a renewable fuel which has no existing pathway or for all kinds of facilities? Are all fuel types produced from grandfathered facilities D6 coded?



Answer 3

- Per § 80.1403, grandfathered facilities do not have to meet the lifecycle greenhouse gas emission reduction thresholds for their fuel to qualify as renewable fuel. Facilities that produce renewable fuel under the § 80.1403 exemption must generate D6 RINs for that fuel per § 80.1426(d). Facilities that are not exempted under § 80.1403 must register under an EPA-approved pathway. A grandfathered facility may have non-grandfathered pathways for renewable fuels that qualify for different D-codes.



Question 4

- For separated food waste plans, how is metropolitan area defined? Why does EPA require this?



Answer 4

- A metropolitan area consists of a city or town and its surrounding community. The regulations for Separated Food Waste Plans require the name and address of each supplier of separated food waste. EPA staff believes that “aggregators” (companies that collect separated food waste from multiple point sources) are acceptable as suppliers. Producers may list aggregator-suppliers to help satisfy the SFWP requirements, as long as the producer also provides the region of collection for each aggregator-supplier. If producers do not wish to provide a region of collection for an aggregator-supplier, they can list the name and address of the individual suppliers (e.g., restaurants) that the aggregator-supplier collects from instead.



Question 5

- When are Company Requests (CRs) in the OTAQ Registration system "pushed back" and what is the process for this?



Answer 5

- Companies that need to edit a pending New Company Request or a Company Update Request may send an e-mail to the support line requesting that EPA “push-back” this request to allow the requestor to make further edits before resubmitting the paperwork to EPA.



Question 6

- How early can a PE complete a site visit to fulfill a three-year ER update?



Answer 6

- The independent third-party professional engineer may conduct the three-year engineering review site visit up to 120 days prior to the deadline.



Question 7

- Do foreign producers that have a separate importer generate RINs for them have to fulfill the VRIN calculation verification? If not, why are they exempt from this requirement?



Answer 7

- Foreign producers that do not generate RINs do not need to submit a VRIN calculation verification as part of the three-year engineering review from the PE. Since these foreign producers do not generate RINs, there is no way for a third-party engineer to verify VRIN calculations.



Send Feedback and Questions to:

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