

# E. SCOTT PRUITT Administrator

August 31, 2017

The Honorable Kay Ivey Governor of Alabama State Capitol 600 Dexter Avenue Montgomery, Alabama 36130

The Honorable Nathan Deal Governor of Georgia 206 Washington Street 111 State Capitol Atlanta, Georgia 30334

The Honorable Larry Hogan Governor of Maryland 100 State Circle Annapolis, Maryland 21401

The Honorable Phil Bryant Governor of Mississippi P.O. Box 139 Jackson, Mississippi 39205

The Honorable Roy Cooper Governor of North Carolina Office of the Governor 20301 Mail Service Center Raleigh, North Carolina 27699

The Honorable Henry McMaster Governor of South Carolina 1205 Pendleton Street Columbia, South Carolina 29201 The Honorable Bill Haslam Governor of Tennessee Tennessee State Capitol Nashville, Tennessee 37243

The Honorable Terry McAuliffe Governor of the Commonwealth of Virginia State Capitol Third Floor Richmond, Virginia 23219

The Honorable Greg Abbott Governor of Texas Office of the Governor P.O. Box 12428 Austin, Texas 78711-2428

The Honorable John Bel Edwards Governor of Louisiana Office of the Governor P.O. Box 94004 Baton Rouge, Louisiana 70804

The Honorable Rick Scott Governor of Florida PL 05 The Capitol 400 South Monroe Street Tallahassee, Florida 32399-0001

The Honorable Bruce Rauner Governor of Illinois State Capitol 207 Statehouse Springfield, Illinois 62706

The Honorable Muriel Bowser Mayor of the District of Columbia 1350 Pennsylvania Avenue, NW Suite 316 Washington, D.C. 20004

The Honorable Eric Holcomb Governor of Indiana State House, Room 206 Indianapolis, Indiana 46204-2797

The Honorable Sam Brownback Governor of Kansas Capitol 300 Southwest 10th Avenue, Suite 212S Topeka, Kansas 66612-1590

The Honorable Matt Bevin Governor of Kentucky 700 Capitol Avenue, Suite 100 Frankfort, Kentucky 40601

The Honorable Rick Snyder Governor of Michigan P.O. Box 30013 Lansing, Michigan 48909

The Honorable Mark Dayton Governor of Minnesota 130 State Capitol 75 Rev. Dr. Martin Luther King, Jr. Boulevard St. Paul, Minnesota 55155

The Honorable Eric Greitens Governor of Missouri Capitol Building, Room 216 P.O. Box 720 Jefferson City, Missouri 65102

The Honorable Pete Ricketts Governor of Nebraska P.O. Box 94848 Lincoln, Nebraska 68509-4848 The Honorable John Kasich Governor of Ohio 30th Floor 77 South High Street Columbus, Ohio 43215

The Honorable Mary Fallin Governor of Oklahoma Capitol Building, Room 212 2300 Lincoln Boulevard Oklahoma City, Oklahoma 73105

The Honorable Dennis Daugaard Governor of South Dakota 500 East Capitol Street Pierre, South Dakota 57501

The Honorable Scott Walker Governor of Wisconsin 115 East State Capitol Madison, Wisconsin 53707

The Honorable Dan Malloy Governor of Connecticut 210 Capitol Avenue Hartford, Connecticut 06106

The Honorable Paul LePage Governor of Maine 1 State House Station Augusta, Maine 04333

The Honorable Charlie Baker Governor of Massachusetts Office of the Governor State House, Room 360 Boston, Massachusetts 02133

The Honorable Chris Sununu Governor of New Hampshire Office of the Governor 107 North Main Street, Room 208 Concord, New Hampshire 03301 The Honorable Gina Raimondo Governor of Rhode Island State House Providence, Rhode Island 02903

The Honorable Phil Scott Governor of Vermont 109 State Street Pavilion Office Building Montpelier, Vermont 05609

The Honorable John Carney Governor of Delaware Legislative Hall Dover, Delaware 19901

The Honorable Chris Christie Governor of New Jersey The State House P.O. Box 001 Trenton, New Jersey 08625

The Honorable Andrew Cuomo Governor of New York State Capitol Albany, New York 12224

The Honorable Tom Wolf Governor of Pennsylvania Main Capitol Building, Room 225 Harrisburg, Pennsylvania 17120 The Honorable Jim Justice Governor of West Virginia 1900 Kanawha Street Charleston, West Virginia 25305

The Honorable Asa Hutchinson Governor of Arkansas State Capitol, Room 250 Little Rock, Arkansas 72201

The Honorable Kim Reynolds Governor of Iowa State Capitol Des Moines, Iowa 50319-0001

The Honorable Doug Burgum Governor of North Dakota Dept. 101 600 East Boulevard Avenue Bismarck, North Dakota 58505-0001

The Honorable Susana Martinez Governor of New Mexico State Capitol Fourth Floor Santa Fe, New Mexico 87501 Re: August 31, 2017 Fuel Waiver Concerning Conventional and Reformulated Gasoline in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, New York, Pennsylvania, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Wisconsin, Alabama, Arkansas, Louisiana, Mississippi, New Mexico, Texas, and the District of Columbia

## Dear Governors and Mayor Bowser:

On August 30, 2017, following damage caused by Hurricane Harvey, I waived certain requirements of the Clean Air Act (CAA) relating to the sale, distribution and use of reformulated gasoline (RFG) and low volatility conventional gasoline during the summer season in a number of states to address fuel supply emergencies caused by Hurricane Harvey. I have received additional requests by some of you or on your behalf to expand the waiver to cover your states. In response to these requests, and based on our evaluation of the continuing effects of Hurricane Harvey on the nation's fuel supply system, the U.S. Environmental Protection Agency has determined, and the U.S. Department of Energy concurs, that it is necessary to take further action to minimize or prevent the disruption of an adequate supply of gasoline in Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Delaware, Maryland, New Jersey, New York, Pennsylvania, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Wisconsin, Alabama, Arkansas, Louisiana, Mississippi, New Mexico, Texas, and the District of Columbia. ("designated states and D.C.").

As you know, regulations promulgated under the CAA require the use of low volatility gasoline during the summer months in order to limit the formation of ozone pollution. The regulations requiring the use of low volatility conventional gasoline (CG) during the summer season are found at 40 C.F.R. § 80.27 and in certain State Implementation Plans (SIPs). See 40 C.F.R. § 80.27 and <a href="https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure#table">https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure#table</a>. The regulations requiring the use of low volatility RFG are found at 40 C.F.R. § 80.78. The RFG regulations at 40 C.F.R. § 80.78(a)(7) also prohibit any person from combining any reformulated blendstock for oxygenate blending (RBOB) with any other gasoline, blendstock, or oxygenate, except for the oxygenate of the type and amount specified by the refiner that produced the RBOB. RBOB is combined with its specified oxygenate to produce RFG.

Ten refineries remain shut-down, restarts of approximately a half dozen previously shut-down refineries will take several days (or possibly weeks, depending on damage), and several other refineries are operating at reduced capacity. In addition, port closures are limiting the supply of crude oil to a number of Gulf-area refineries, all of which has continued to limit the production and availability of fuel to areas both within and outside of the Gulf-area. In addition, pipelines originating in the Gulf-area that serve the south, southeast, mid-Atlantic, and mid-west states, have

<sup>&</sup>lt;sup>1</sup> These areas are located in Petroleum Administration for Defense Districts 1-3.

been disrupted due to storm damage, are down or operating at a reduced capacity. The designated states and D.C. receive a significant percentage of their gasoline supplies from the Gulf-area refineries and through the pipelines originating in the Gulf-area. Consequently, the refinery shut-downs, production curtailments, limited shipments of fuel by barge in the Gulf area, and pipeline limitations caused by Hurricane Harvey are creating a shortage of compliant fuel for the designated states and D.C. These supply shortages can be reduced by waiving the requirements to sell low volatility summer gasoline and by waiving provisions at 40 C.F.R. § 80.78(a)(7) that prohibit any person from combining any RFG blendstock for oxygenate blending with any other gasoline, blendstock, or oxygenate, unless certain conditions are met.

I have determined that an "extreme and unusual fuel [] supply circumstance" exists that will prevent the distribution of an adequate supply of gasoline to consumers. CAA § 211(c)(4)(C)(ii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(I). This extreme and unusual fuel circumstance is the result of Hurricane Harvey, an event that could not reasonably have been foreseen or prevented, and is not attributable to a lack of prudent planning on the part of suppliers of the fuel to these areas. CAA § 211(c)(4)(C)(ii)(II), 42 U.S.C. § 7545(c)(4)(C)(ii)(II). Furthermore, I have determined that it is in the public interest to grant this waiver and that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances. CAA § 211(c)(4)(C)(ii)(III) and (iii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(III) and (iii)(I).

The EPA, in consultation with DOE, has evaluated the impact of disruption of the fuel production and distribution system on fuel supply in the designated states and D.C. Based on this evaluation, the EPA has determined, and DOE concurs, that it is necessary to take the following action to minimize or prevent further disruption of an adequate supply of gasoline to consumers in these areas.

## Federal RVP Standards

I am issuing this waiver of the federal Reid vapor pressure (RVP) requirements at 40 C.F.R. § 80.27 in the designated states to minimize or prevent problems with the supply of gasoline to these areas. Under this temporary waiver, regulated parties may produce, sell or distribute winter gasoline (including gasoline blendstocks for oxygenate blending (BOBs)) with an RVP of 11.5 pounds per square inch (psi) before the addition of any ethanol in CG areas within the designated states. This waiver is effective immediately and will continue through September 15, 2017. Since the waiver will be in effect until the end of the high ozone season, this waiver does not address downstream standards under the federal RVP requirements at 40 C.F.R. § 80.27 that apply after September 15, 2017.

#### Federally-Enforceable SIP Covered Areas

Some of the designated states have federally-enforceable SIPs that require the use of low-volatility gasoline. I am issuing this waiver of all low volatility gasoline requirements in any SIP that applies in the designated states to minimize or prevent problems with the supply of gasoline to these areas. Except for the low RVP requirements set forth in the Texas SIP that apply in El

Paso, Texas, this waiver is effective immediately and will continue through September 15, 2017. The waiver of the low RVP requirements in the El Paso SIP are effective immediately and will continue through September 16, 2017.<sup>2</sup>

Gasoline that does not meet the low RVP standards required by any SIP in the designated states may not be introduced into the fuel distribution system for distribution by refiners or importers into the areas covered by the SIPs after the end of the waiver period. Any gasoline meeting the conditions of this waiver that is already in the fuel distribution system before the waiver period ends, may be distributed and sold in the areas covered by the low volatility gasoline SIPs until the supply is depleted.<sup>3</sup>

### Reformulated Gasoline

I am issuing this waiver of the federal RFG requirements in the designated states and D.C. Under this waiver, the EPA will allow regulated parties to produce, sell or distribute conventional winter gasoline (including BOBs) with an RVP of 11.5 psi before the addition of any ethanol in any RFG covered area within the designated states and D.C. Additionally, I am waiving the provisions at 40 C.F.R. § 80.78(a)(7) that prohibit any person from combining any RFG blendstock for oxygenate blending with any other gasoline, blendstock, or oxygenate, unless certain conditions are met. This waiver covers the prohibitions at 40 C.F.R. § 80.78(a)(7), and applies to all designated states and D.C.

This waiver is effective immediately and will continue through September 15, 2017. Gasoline that does not meet the RFG requirements may not be introduced into terminal storage tanks from which gasoline is dispensed into trucks for distribution to retail outlets in RFG Covered Areas in the designated states and D.C. after September 15, 2017. Any gasoline meeting the conditions of this waiver that is stored in terminal storage tanks for distribution to retail outlets and wholesale purchaser-consumers in these areas after September 15, 2017, may be distributed and sold in RFG Covered Areas in the designated states and D.C. until the supply is depleted. Likewise, retailers and wholesale purchaser-consumers in these areas may continue selling or dispensing gasoline that meets the conditions of this waiver after September 15, 2017, until their supplies are depleted.

This waiver supersedes my August 30, 2017 waiver, and only applies to the applicable federal requirements cited above for the designated states and D.C. Other state or local

<sup>&</sup>lt;sup>2</sup> The El Paso SIP requires the use of low RVP gasoline through September 16, 2017.

<sup>&</sup>lt;sup>3</sup> There are 95 eastern Texas counties that have a 7.8 psi RVP requirement through October 1, 2017. EPA will continue to evaluate the conditions in Texas to evaluate whether an additional waiver may be required past September 15, 2017.

<sup>&</sup>lt;sup>4</sup> Since I have waived the RVP requirements in 40 C.F.R. § 80.27 and in low RVP SIPs in the designated states, parties who blend butane into previously certified conventional gasoline during the waiver period do not need to conduct the sampling and testing at 40 C.F.R. § 80.82(e)(1). Since I have waived the requirement to sell RFG in the designated states and D.C. during the waiver period, the prohibitions at 40 C.F.R. § 80.82(e)(2) also do not apply during this time period.

requirements or restrictions related to this matter may need to be addressed by the appropriate authorities. Should conditions warrant, this waiver may be modified, terminated or extended, as appropriate. If you have questions you may call me, or your staff may call Phillip Brooks at (202) 564-0652.

Respectfully yours,

E. Scott Pruitt

cc: The Honorable Rick Perry, Secretary of Energy

Richard Hyde, P.E., Executive Director, Texas Commission on Environmental Quality Dr. Chuck Carr Brown, Secretary, Louisiana Department of Environmental Quality Richard E. Dunn, Director, Georgia Environmental Protection Division Jeffery F. Koerner, Director, Florida Division of Air Resource Management Molly Joseph Ward, Virginia Secretary of Natural Resources Michael J. Teague, Oklahoma Secretary of Energy and Environment Becky W. Keogh, Director, Arkansas Department of Environmental Quality