Fuels Regulatory Streamlining Virtual Workshop

US EPA

December 9-10, 2020

A Live Event Broadcast

Participants are on mute

Ask Questions Via Q&A Chat

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Day 2 Agenda

Time	Topic	Speaker
9:00 am EDT	Welcome	Mary Manners
9:15	Registration	Anne Pastorkovich
10:00	Oxygenate Accounting	Chris McKenna
10:45	*Break*	
11:00	Reporting	Ben Larson
Noon	*Lunch*	
1:00 pm	Reporting (continued)	Ben Larson
2:00	Previously Certified Gasoline (PCG)	Chris McKenna
2:45	*Break*	
3:00	Recordkeeping and Product Transfer Documents (PTDs)	Anne Pastorkovich
3:30	National Fuels Survey Program (NFSP) and National Sampling and Testing Oversight Program (NSTOP)	Mark Spencer
4:00	End of day 2	

About this Presentation

- This presentation is being given in furtherance of discussions over recent months and years with stakeholders on the streamlining of our existing fuel regulations.
- This presentation highlights the differences between 40 C.F.R. Part 80 and 40 C.F.R. Part 1090 and provides examples.
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Registration

Anne Pastorkovich

Agenda

- Basic Overview of Provisions
- Three Scenarios for Discussion
  - Fuel Manufacturer
  - Attest Auditor
  - Third-Party Laboratory
- Summary

Who Must Register? §1090.800(a)

- Fuel manufacturers, including:
  - Gasoline manufacturers.
  - Diesel fuel manufacturers.
- ECA marine fuel manufacturers.
- Certified butane and certified pentane blenders.
- Certified pentane producers.
- Transmix processors.
- Oxygenate blenders.
- Oxygenate producers, including DFE producers.

Who Must Register? §1090.800(a) – Cont'd

- Certified ethanol denaturant producers.
- Distributors, carriers, and pipeline operators that are part of the 500 ppm LM fuel distribution chain under a compliance plan submitted under §1090.515(g).
- Independent surveyors.
- Attest Auditors.
- Third parties that submit reports on behalf of any regulated party – need to be registered and associated with the party for whom they are report.

What Happens to Existing Registrants?

- They stay registered.
- EPA carries registrations over to new terminology.
- Previously issued company and facility numbers stay valid.
- Existing registrants periodically check registrations.
  - There is a requirement to update registration when needed. Registrants should ensure that their registration information is correct.
- System and timing considerations.
  - New terminology, etc., will not be available immediately upon the effective date (January 1, 2021), but will roll out over time.
- The case of third-party laboratories (an example discussed later).

Deadlines for Registration §1090.800(b)

New registrants

- 60 days prior to engaging in activity requiring registration
- Examples of activities

Updates to registration

- Within 30 days of event requiring change to registration
- Changes of ownership discussed separately

Contents of Registration §1090.805

- The following is required for registration:
  - Company information
  - Facility information
  - Activities engaged in
  - Location of Records
  - Additional Information for Certified Pentane Producers
  - CDX account registration

Changes in Ownership

- Under §1090.820(a), when a company or any of its facilities will change ownership, the company must notify EPA within 30 days after the date of the change in ownership.

- § 1090.820(b) describes contents of notification, including information about: effective date and summary of changes to registration, documents demonstrating sale or change in ownership, letter signed by RCO(s), additional information to be provided to EPA.

Cancellation of Registration

Voluntary §1090.810	Involuntary §1090.815
• Initiated by the registrant	• Initiated by EPA
• Provisions provide clarity	• Why it may happen
• Effect of cancelling registration	• Notification process
• Re-Registration	• Effect of cancelling registration
	• Re-Registration

Three Specific Examples of Registration

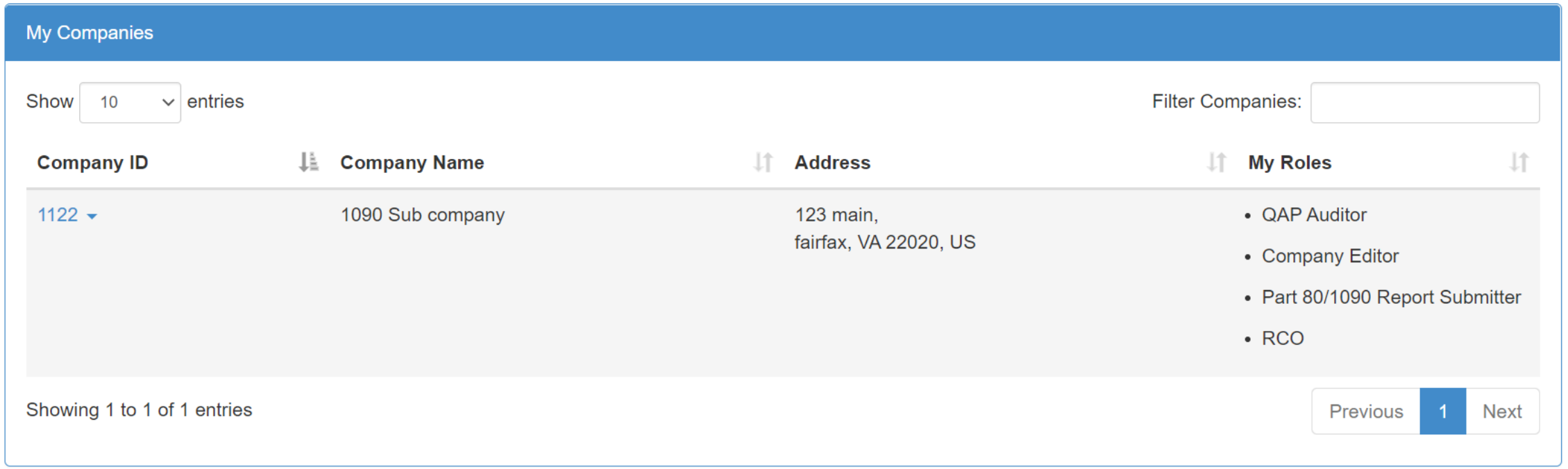
- Fuel Manufacturer
- Attest Auditor
- Third Party Laboratory

Fuel Manufacturer Example

- Steps to register a new company/facility do not change:
  - Register a user with a CDX Account
    - Users that must be registered include Responsible Corporate Officers (RCOs) of companies and users delegated by an RCO to view or submit registration or reporting data within the EPA system
      - Create a CDX Account and Complete an Electronic Signature Agreement
      - Associate your CDX Account to a company in OTAQREG
  - Create a new company in OTAQREG
  - Add a new facility in OTAQREG
  - Like the part 80 instructions at https://www.epa.gov/fuels-registration-reporting-and-compliance-help/how-register-new-company-facility-or-user-part-80
  - Instructions specific to part 1090 will be posted as the registration system is updated
- Update as necessary (as usual) for existing registrant.

Sample OTAQREG Screen

- User role update sample: Existing users with the role “Part 80 Submitter” will see their role updated to "Part 80/1090 Report Submitter"



Attest Auditor Example

- Attest auditors submit an attest engagement to EPA on behalf of a company
- Certified Public Accountant (CPA) must complete CDX and company registration steps
  - CPA must complete association/handshake step with other companies for whom they are doing an attest engagement
    - Audited companies must take an action to complete this association
  - Timing considerations
    - Regulatory (60 days prior; within 30 days of change)
    - Practical (processing time)
- Certified Internal Auditor (CIA) is expected to be registered as a user of the company for whom they are doing the attest engagement; handshake occurs when RCO adds them as a user

Third-Party Laboratory Example

- The “old” registration will still be active in order to allow for resubmissions of laboratory reports under part 80
  - Not for use for part 1090 reporting
  - These registrants do not carry over to part 1090

- Third-party laboratory will need to be associated as a user (“agent”) with any company for which the laboratory will be submitting reports under part 1090
  - The “old” registration under part 80 will not be applicable to part 1090
  - Third-party laboratories do not need to take any action if they will not be submitting reports for client companies under part 1090

Summary

- System roll-out and updates to features will be over time
- Already-registered stay registered
  - But third-party laboratories will need to take action if they will be submitting for a company under part 1090
- EPA will move most existing registrants into new names/roles
- Check your registration periodically

Discussion and Additional Information

- Please submit your questions through the Q&A box

- Resources
  - Guides and Job Aids to be rolled out over time on our website
    - https://www.epa.gov/fuels-registration-reporting-and-compliance-help/registration-fuel-programs (main page)

  - Sign up for EnviroFlash, if you have not already
    - https://enviroflash.epa.gov/enviroflashOTAQPublic/Subscriber.do?method=start (EnviroFlash sign up for fuels registration & reporting)

  - Help Desk
    - To submit a question after the presentation, email fuelsprogramsupport@epa.gov
    - In order to provide you with timely feedback, please submit each question as a separate inquiry to the help desk

  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz

Downstream Oxygenate Accounting (1090.710)

Chris McKenna

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Regulatory Changes

- Downstream oxygenate accounting system for RBOB/RFG expanded to also cover CBOB/CG
  - Allows CBOB producers and importers to more easily include downstream-blended oxygenate in their average compliance calculations for sulfur and benzene
- RFG and CG will be sampled and tested for oxygenate content nationwide through a national fuel survey program (NFSP)
  - Gasoline manufacturers and importers who want to include (in their compliance calculations) oxygenate blended into their BOB at downstream locations must participate in the NFSP
- Added BOB recertification procedure for parties that wish to add type(s) and amount(s) of oxygenates to BOB that are different from those on the BOB PTD

Gasoline Manufacturers and Importers

- For each batch of BOB, gasoline manufacturers and importers prepare a hand blend of BOB (either RBOB or CBOB) and oxygenate, and test the hand blend for sulfur and benzene
  - For summer gasoline, also test CBOB for RVP and RBOB hand blend for RVP
  - BOB has to meet following applicable per-gallon standards prior to oxygenate addition
    - RBOB and CBOB must meet sulfur per-gallon maximum of 80 ppm
    - Summer CBOB must meet RVP per-gallon maximum of 7.8 psi or 9.0 psi
  - Hand blend of summer (RBOB + oxygenate) has to meet RVP per-gallon standard of 7.4 psi
  - Hand blend doesn't need to be tested for oxygenate content, the manufacturer or importer simply reports the volume percentage oxygenate in the hand blend
  - Hand blend is prepared per ASTM D7717, and oxygenate used should be commercially available and reflect the sulfur and benzene contents of the oxygenate actually blended with the BOB
- Must specify (on the BOB PTD) type and amount of oxygenate to be blended with the BOB
- The gasoline manufacturer or importer who first certifies the BOB is the only party who may include the downstream-blended oxygenate in their average compliance calculations for sulfur and benzene
- Must participate in the NFSP and the national sampling and testing oversight program (NSTOP), or have an approved in-line blending exemption

Downstream Provisions

- BOB must ultimately be transferred to an oxygenate blender that is registered with EPA, and who must blend the BOB with the type and amount of oxygenate specified on the PTD
  - May be transferred to an intermediate owner with restriction that is only be transferred to a registered oxygenate blender

- BOB may be recertified for use as gasoline, without the addition of the specified type and amount of oxygenate, if the following provisions in 1090.740 are met:
  - Parties that recertify BOB as gasoline are gasoline manufacturers, and must comply with the applicable provisions for gasoline manufacturers (registration, recordkeeping, reporting, etc.)
  - For each batch of unblended BOB, calculate sulfur and benzene credit deficits incurred from not blending BOB with oxygenate
  - For each year, calculate and report total deficits, and retire sulfur and benzene credits needed to cover deficits
  - Deficits may not be carried forward, they must be offset with credits in the compliance period in which they are incurred
  - Batch volume represents volume of unblended oxygenate, and is reported as a negative value
  - May include up to one month's volume of recertified batches as a single batch for purposes of reporting
  - Gasoline manufacturers that recertify a total annual volume of 1,000,000 gallons of BOB or less at a facility do not need to retire credits for deficits incurred at that facility

- Downstream parties may recertify BOB to contain more oxygenate than specified on the BOB PTD
  - These parties don't incur credit deficits and don't have to report, but do have to register and keep records

Downstream Oxygenate Recertification Calculations

- Example: The PTD for a batch of 1,800,000 gallons CBOB produced in 2021 says it's to be blended with 10% ethanol, but the batch is recertified to gasoline without blending any ethanol.
  - This is the only activity at this facility in 2021

- Sulfur credit deficit calculation:
  - $\mathrm{D_{S\_Oxy\_Batch}} = 11\mathrm{ppm} \cdot \mathrm{V_{Base}} \cdot \left[\frac{1}{(1-(\mathrm{PTD_{Oxy}}-\mathrm{ACTUAL}_{Oxy}))} - 1\right]$
  - $\mathrm{D_{S\_Oxy\_Batch}} = 11\mathrm{ppm} \cdot 1{,}800{,}000 \cdot \left[\frac{1}{(1-(0.1-0.0)} - 1\right]$ = 2,200,000 ppm-gallon sulfur credits

- The compliance sulfur value equation is applied as follows:
  - $\mathrm{CSV_y} = S_{tot,y} + \mathrm{D_{S,(y-1)}} + \mathrm{D_{S\_Oxy\_Total}} - \mathrm{C_S}$
  - First 2 terms on RHS of above equation are zero
  - In order for $\mathrm{CSV_y}$ = 0, $\mathrm{C_S} = \mathrm{D_{S\_Oxy\_Total}}$ = 2,200,000 ppm-gallons

- So the recertifier would need to retire 2,200,000 ppm-gallon sulfur credits during the 2021 compliance period

Downstream Oxygenate Recertification Calculations (continued)

- Benzene credit deficit calculation:
  - $\mathrm{D_{Bz\_Oxy\_Batch}} = 0.0068 \cdot \mathrm{V_{Base}} \cdot \left[\frac{1}{(1-(\mathrm{PTD_{Oxy}}-\mathrm{ACTUAL}_{Oxy}))} - 1\right]$
  - $\mathrm{D_{Bz\_Oxy\_Batch}} = 0.0068 \cdot 1{,}800{,}000 \cdot \left[\frac{1}{(1-(0.1-0.0))} - 1\right]$ = 1,360 gallon benzene credits

- The compliance benzene value equation is applied as follows:
  - $\mathrm{CBV_y} = B_{tot,y} + \mathrm{D_{Bz,(y-1)}} + \mathrm{D_{Bz\_Oxy\_Total}} - \mathrm{C_{Bz}}$
  - First 2 terms on RHS of above equation are zero
  - In order for $\mathrm{CBV_y}$ = 0, $\mathrm{C_{Bz}} = \mathrm{D_{Bz\_Oxy\_Total}}$ = 1,360 gallons

- So the recertifier would need to retire 1,360 gallon benzene credits during the 2021 compliance period

- Recertifier would submit a batch report for a batch with a volume of negative 200,000 gallons (represents volume of unblended ethanol), a sulfur credit deficit of 2,200,000 ppm-gallons, and a benzene credit deficit of 1,360 gallons

- Recertifier would submit annual sulfur and benzene compliance reports documenting retirement of 2,200,000 ppm-gallon sulfur credits and 1,360 gallon benzene credits

Discussion and Additional Information

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  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz

Reporting – Fuel Manufacturers

Ben Larson

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Agenda

- Gasoline and ULSD Batch Reporting
- Annual Reporting for Gasoline Sulfur / Benzene standards
- ABT Credits – generation and use
- Attest Engagements
- ULSD Annual Aggregate Reporting
- Part 79 Fuel Manufacturer Reporting

Batch Reporting – 3 types

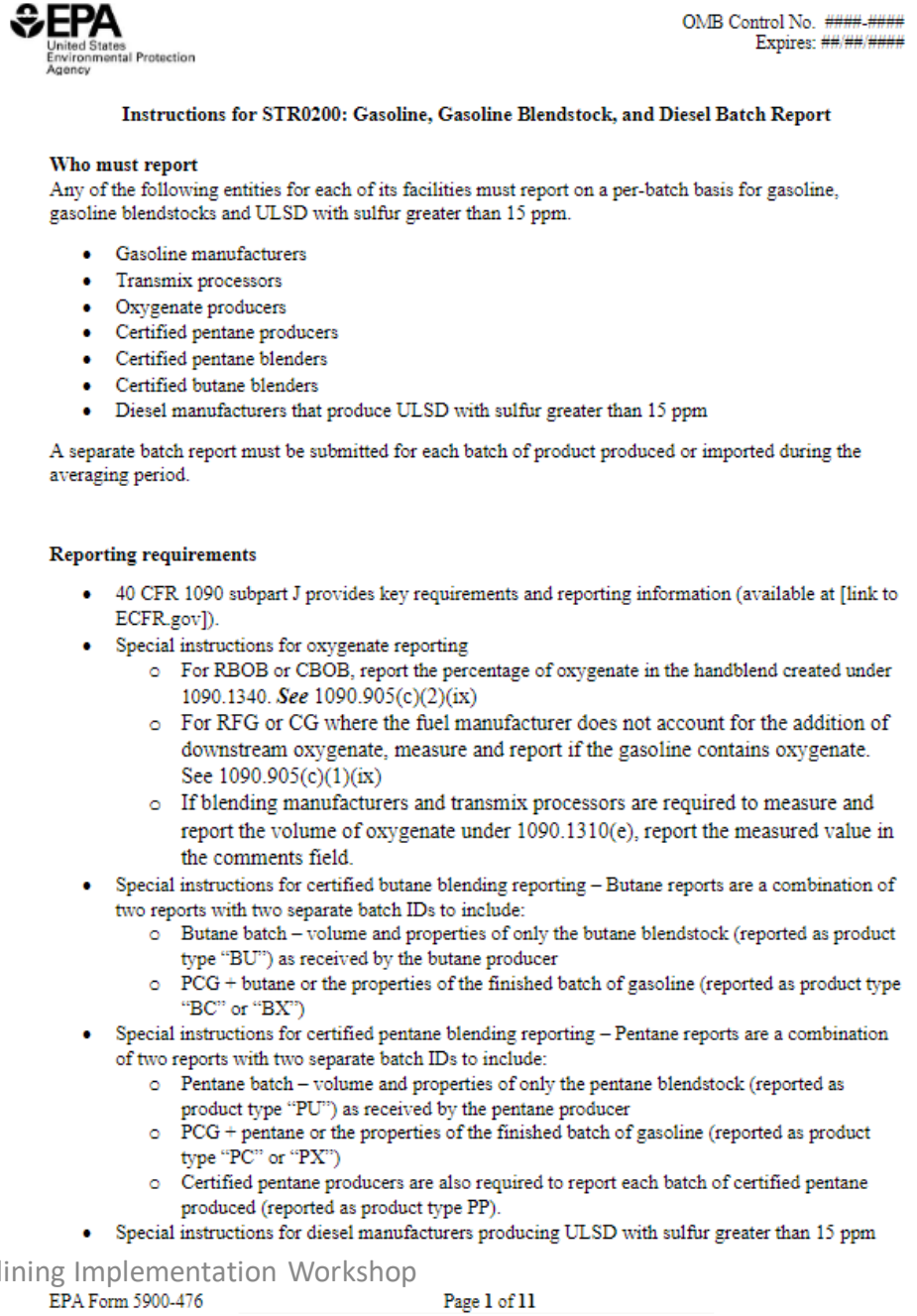
- Reporting by gasoline manufacturers
  - Product types such as RFG, RBOB, CG, CBOB
  - Primary requirements found in 1090.905(c)

- Reporting of gasoline regulated blendstocks
  - Butane, pentane, oxygenate, GTAB, etc.
  - Primary requirements found in 1090.905(c), 1090.910, 1090.915, 1090.920

- Reporting by diesel manufacturers
  - Per batch reporting only for ULSD exceeding diesel sulfur standards
  - Primary requirements found in 1090.935

Key Resources

- Starting with compliance year 2021
- Reporting guidance found in form titled "Gasoline, Gasoline Blendstock, and Diesel Batch Report" (short title "STR0200")



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Instructions for STR0200: Gasoline, Gasoline Blendstock, and Diesel Batch Report

Who must report

Any of the following entities for each of its facilities must report on a per-batch basis for gasoline, gasoline blendstocks and ULSD with sulfur greater than 15 ppm.

- Gasoline manufacturers
- Transmix processors
- Oxygenate producers
- Certified pentane producers
- Certified pentane blenders
- Certified butane blenders
- Diesel manufacturers that produce ULSD with sulfur greater than 15 ppm

A separate batch report must be submitted for each batch of product produced or imported during the averaging period.

Reporting requirements

- 40 CFR 1090 subpart J provides key requirements and reporting information (available at [link to ECFR.gov]).
- Special instructions for oxygenate reporting
  - For RBOB or CBOB, report the percentage of oxygenate in the handblend created under 1090.1340. ***See*** 1090.905(c)(2)(ix)
  - For RFG or CG where the fuel manufacturer does not account for the addition of downstream oxygenate, measure and report if the gasoline contains oxygenate. See 1090.905(c)(1)(ix)
  - If blending manufacturers and transmix processors are required to measure and report the volume of oxygenate under 1090.1310(e), report the measured value in the comments field.
- Special instructions for certified butane blending reporting – Butane reports are a combination of two reports with two separate batch IDs to include:
  - Butane batch – volume and properties of only the butane blendstock (reported as product type "BU") as received by the butane producer
  - PCG + butane or the properties of the finished batch of gasoline (reported as product type "BC" or "BX")
- Special instructions for certified pentane blending reporting – Pentane reports are a combination of two reports with two separate batch IDs to include:
  - Pentane batch – volume and properties of only the pentane blendstock (reported as product type "PU") as received by the pentane producer
  - PCG + pentane or the properties of the finished batch of gasoline (reported as product type "PC" or "PX")
  - Certified pentane producers are also required to report each batch of certified pentane produced (reported as product type PP).
- Special instructions for diesel manufacturers producing ULSD with sulfur greater than 15 ppm

EPA Form 5900-476 Page 1 of 11

Volume Types - What are some of the key changes for identifying the batch?

- Volume type fields identify which batches are used for annual compliance calculations for sulfur and benzene
  - Entered as a positive volume – Domestic, Importer, direct blendstock
  - Entered as a negative volume – PCG (comp by subtraction), recertification, exporter

- Volume types not included in compliance calculations for sulfur and benzene
  - Zero – Cancelled batch
  - Other – Gasoline produced with PCG and/or TGP by addition, certified butane blendstocks, certified pentane blendstocks, oxygenate producer batches or gasoline treated as Blendstock (GTAB)
  - Truck or Rail Imports

Product Types - What are some of the key changes for identifying the batch?

- 21 different product types are submitted through the batch reporting form

- New RFG Product Types
  - RU – Gasoline that is not a RBOB but designated as intended for oxy blending
  - RD – RBOB including oxygenate
  - RP – Blendstock added to PCG or TGP when complying by addition

- New CG Product Types
  - CU – Gasoline that is not a CBOB but designated as intended for oxy blending
  - CD – CBOB including oxygenate
  - CP – Blendstock added to PCG or TGP when complying by addition

- Oxygenate Producer Batches

- Other New Product Types
  - TP – Transmix gasoline product treated as PCG that is used when complying by subtraction

What measured/tested values are submitted with the batch?

- The batch reporting structure includes parameters representing:
  - Volume (in gallons)
  - Sulfur content (to the nearest whole ppm)
  - Benzene content (to the nearest 0.01 volume percent)
  - RVP (to the nearest 0.01 psi)
  - Oxygenate (0.01 mass percentage)

- Procedures for precision are found in the sampling and testing subpart at 1090.1350(c)

- When sampling/testing not completed when required, use presumed values under 1090.1710(g) unless EPA approves a different value
  - Sulfur – 339 ppm, 1.64 volume percent Benzene, and 11 psi RVP
  - PCG (complying by subtraction): Sulfur – 0 ppm, Benzene – 0 volume percent

Why are there two fields for sulfur content?

- Compliance with the gasoline sulfur standard is reported for both per-gallon and annual average
  - Per-gallon – Represents values used to demonstrate per-gallon compliance
    - BOB
    - Regulated blendstock
    - Neat gasoline
  - Annual volume weighted average – Represents the following batches used to demonstrate compliance with annual standards:
    - Hand blend
    - Finished gasoline
    - Blendstock for PCG complying by addition or subtraction

What are the new reporting procedures implemented in gasoline batch reporting?

- Adding blendstock to PCG to produce a new batch of gasoline
  - Gasoline manufacturers can utilize either the "compliance by addition" (CBA) or "compliance by subtraction" (CBS) procedure to report blendstock added to PCG
  - Compliance calculation differences:
    - CBA includes each batch of blendstock
    - CBS includes the PCG batch (as a negative vol) and the new batch of gasoline (as a positive vol)
  - Key reporting regulation is 1090.905(c)(3) - (4)

PCG – Compliance by Addition Example

- 100,000 gallons of blendstock is added to 900,000 gallons of previously certified conventional gasoline (PC-CG) to produce 1,000,000 gallons of summer CG

- For batch report 1:
  - Fuel Manufacturer determines through sampling and testing the volume of 100,000 gallons contains 20 ppm sulfur and 0.42 vol% benzene
  - Fuel Manufacturer identifies the batch product type ("CP"), the volume type as Direct Blendstock ("DBS") and the volatility standard as "NA"
  - Include batch 1 sulfur and BZ values along with positive batch volume in annual compliance calculations for ABT

- For batch report 2:
  - Fuel Manufacturer determines through sampling and testing the PCG + blendstock comprised of a positive volume of 1,000,000 gallons, sulfur content of 11 ppm and RVP of 8.8 psi for the final batch (CG + blendstock)
  - Fuel Manufacturer identifies the batch product type ("CG"), the volume type as Other ("OTH") along with the designated volatility standard (V1, V2, V4, etc)
  - Do NOT include batch 2 sulfur and BZ values in annual compliance calculations for ABT

PCG – Compliance by Subtraction Example

- 100,000 gallons of blendstock is added to 900,000 gallons of previously certified conventional gasoline (PC-CG) to produce 1,000,000 gallons of summer CG

- For batch report 1:
  - Fuel Manufacturer reports the supplier provided batch ID and the sampling/testing results showing volume of 900,000 gallons (reported as a NEGATIVE volume), 10 ppm sulfur, 0.62 vol% benzene, and contains no oxygenate (testing not necessary if blender has documentation that oxygenate content is zero)
  - Fuel Manufacturer identifies the batch product type ("CG"), the volume type as PCG and the associated volatility standard ("V1", "V2", etc)
  - Include batch 1 sulfur and BZ values along with negative batch volume in annual compliance calculations for ABT

- For batch report 2:
  - Fuel Manufacturer determines through sampling and testing the PCG + blendstock results in a positive volume of 1,000,000 gallons, sulfur content of 11 ppm, 0.60 vol% benzene, and RVP of 8.8 psi for the final batch (CG + blendstock)
  - Fuel Manufacturer identifies the batch product type ("CG"), the volume type as Domestic ("DOM") along with the designated volatility standard (V1, V2, V4, etc)
  - Include batch 2 sulfur and BZ values along with positive batch volume in annual compliance calculations for ABT

What are the new reporting procedures implemented in batch reporting? (con't)

- Gasoline manufacturers who recertify a BOB with less oxygenate
  - Identified as product type "REC"

- Includes a sulfur and benzene deficit calculation
  - Sulfur deficit – Calculate and enter deficit found at 1090.740(b)(1)
  - Benzene deficit – Calculate and enter deficit found at 1090.740(b)(2)

- Default values for sulfur and benzene
  - Enter default values of 11ppm for sulfur and 0.68 vol % for benzene

- Key reporting regulation is 1090.910

Simplified example of oxygenate recertification

- The PTD for a batch of 1,800,000 gallons CBOB produced in 2021 says it's to be blended with 10% ethanol, but the batch is recertified to gasoline without blending any ethanol.
- Calculate sulfur and benzene credit deficits:
  - $D_{S\_Oxy\_Batch} = 11\text{ppm} \cdot V_{Base} \cdot \left[\frac{1}{(1-(PTD_{Oxy}-ACTUAL_{Oxy}))} - 1\right]$
  - $D_{S\_Oxy\_Batch} = 11\text{ppm} \cdot 1{,}800{,}000 \cdot \left[\frac{1}{(1-(0.1-0.0)} - 1\right]$ = 2,200,000 ppm-gallon sulfur credits
  - $D_{Bz\_Oxy\_Batch} = 0.0068 \cdot V_{Base} \cdot \left[\frac{1}{(1-(PTD_{Oxy}-ACTUAL_{Oxy}))} - 1\right]$
  - $D_{Bz\_Oxy\_Batch} = 0.0068 \cdot 1{,}800{,}000 \cdot \left[\frac{1}{(1-(0.1-0.0))} - 1\right]$ = 1,360 gallon benzene credits
- Identify the volume type as "REC" or recertification of the BOB with less oxygenate
- Enter the unblended oxygenate as the batch volume, or 200,000 gallons, as a negative value
- Enter the type and amount of the oxygenate
- Enter the calculated benzene and sulfur deficits in fields 26 and 27 of the batch report
- Enter the default values of 11 ppm for sulfur and .68 vol % benzene

What are the changes for oxygenate reporting?

- The previous batch reporting form had each type of oxygenate broken out into separate fields. The new batch report has only one set of fields for oxygenate reporting
  - This includes the volume percent, test method, and oxygenate type

- If reporting more than one type of oxygenate, enter the first set of values in the oxygenate fields. Enter the second set (or more) in the comments field

Reporting test methods – what are the major categories?

- Six different categories of test methods
  - ASTM test methods – Provide ASTM method number
  - PBMS – Provide descriptive title name
  - Supplier provided – If ASTM method is unavailable from supplier, state "supplier tested"
  - Default value provided in part 1090 – state "Default" for BOB recertification under 1090.740
  - Presumed value provided in part 1090 – Used when reporting any of the presumed values provided in 1090.1710(g)
  - Reporting Oxygenate for BOB batches - "Handblend" for reporting volume percentage oxygenate specific to BOB batches under 1090.1340

When is a ULSD batch reported?

- An individual ULSD batch is only reported when it exceeds the per-gallon sulfur standard in 1090.305(b)
- Report the batch number, production date, batch volume, and sulfur content (using sulfur per-gallon field)
- Enter any corrective action taken in comments field

What is the new comments field for?

- Use the comments field to provide additional detail for batch types of "zero", ULSD exceeding sulfur standard, etc
- Butane and Pentane batches – Enter statement here affirming that the reported batch meets or does not meet all applicable standards in subpart C of part 1090
- Comments field can also be used to support other recordkeeping as needed, such as providing additional information on report resubmissions
- Character limit for now is 1,024 characters

When are batch reports submitted?

- All batch reports regardless of product type are submitted on an annual basis
- The annual report deadline remains March 31 for the previous compliance year

What is the procedure for resubmitting reports for compliance periods 2020 and before?

- Use the same reporting form for that specific compliance period
  - Gasoline batches – Reformulated Gasoline and Anti-Dumping Batch Report (or RFG030#)
  - Oxygenate or composite sampling batches – Oxygenate Sulfur Batch Report (GSF040#)
  - Blended Pentane/Butane batches – Pentane and Butane batches blended with RFG/CG batch report (RFG1800)
  - Pentane batches – Reporting requirements for Producers and Importers of Pentane for Use by Pentane Blenders (RFG2600)

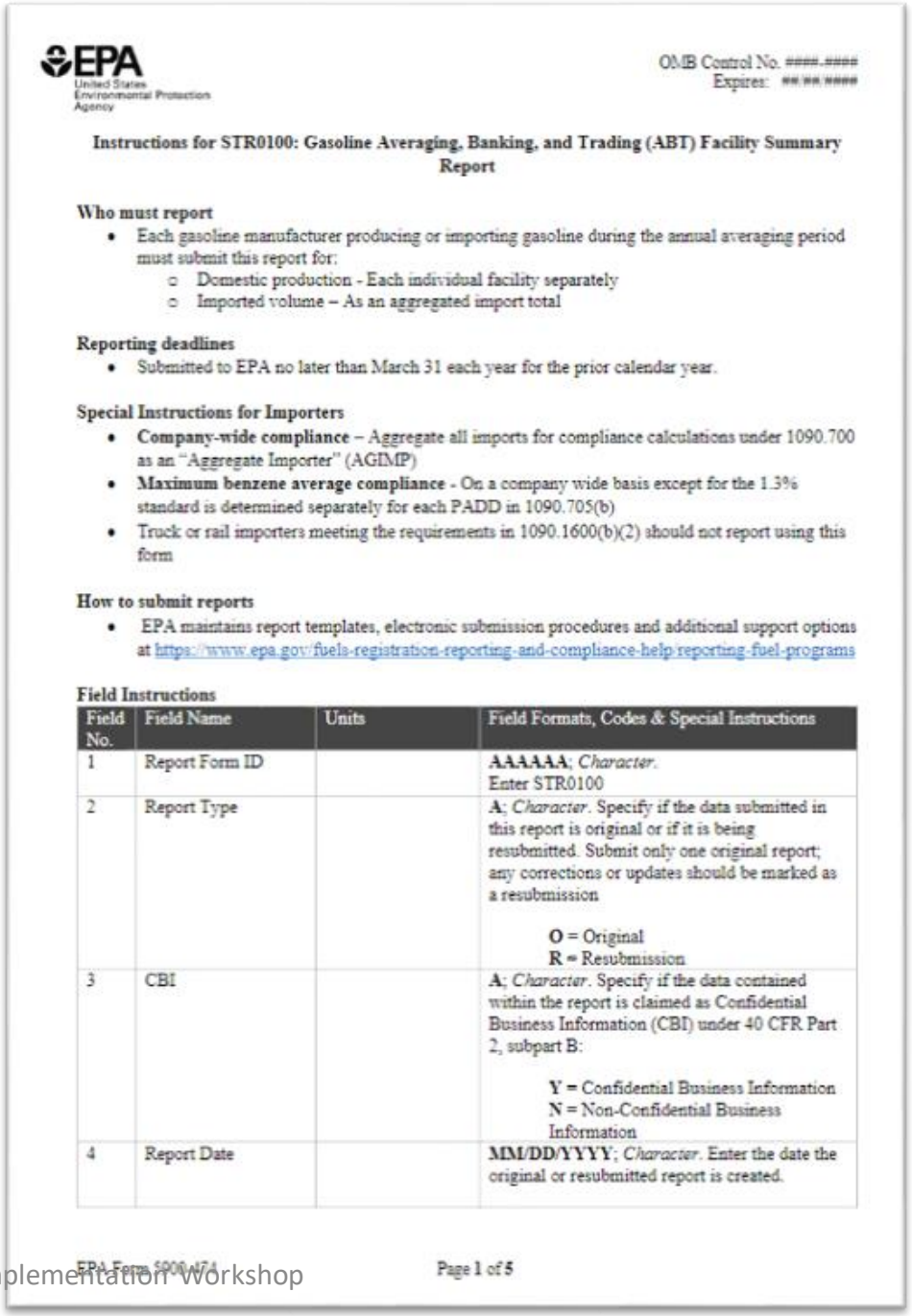
- These reporting forms will continue to be posted on EPA's website

Annual Standards – Two Averaging, Banking, and Trading (ABT) Reporting Requirements

- Gasoline Sulfur ABT
  - Primary requirements found at 1090.905(a)
- Gasoline Benzene ABT
  - Primary requirements found at 1090.905(b)

Key Resources

- Both Annual requirements are reported using the format found in the "Gasoline Averaging, Banking, and Trading (ABT) Facility Summary Report" (or "STR0100")



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Instructions for STR0100: Gasoline Averaging, Banking, and Trading (ABT) Facility Summary Report

Who must report

- Each gasoline manufacturer producing or importing gasoline during the annual averaging period must submit this report for:
  - Domestic production - Each individual facility separately
  - Imported volume – As an aggregated import total

Reporting deadlines

- Submitted to EPA no later than March 31 each year for the prior calendar year.

Special Instructions for Importers

- **Company-wide compliance** – Aggregate all imports for compliance calculations under 1090.700 as an "Aggregate Importer" (AGIMP)
- **Maximum benzene average compliance** - On a company wide basis except for the 1.3% standard is determined separately for each PADD in 1090.705(b)
- Truck or rail importers meeting the requirements in 1090.1600(b)(2) should not report using this form

How to submit reports

- EPA maintains report templates, electronic submission procedures and additional support options at https://www.epa.gov/fuels-registration-reporting-and-compliance-help/reporting-fuel-programs

Field Instructions

Field No.	Field Name	Units	Field Formats, Codes & Special Instructions
1	Report Form ID		**AAAAAA**; *Character*. Enter STR0100
2	Report Type		**A**; *Character*. Specify if the data submitted in this report is original or if it is being resubmitted. Submit only one original report; any corrections or updates should be marked as a resubmission **O** = Original **R** = Resubmission
3	CBI		**A**; *Character*. Specify if the data contained within the report is claimed as Confidential Business Information (CBI) under 40 CFR Part 2, subpart B: **Y** = Confidential Business Information **N** = Non-Confidential Business Information
4	Report Date		**MM/DD/YYYY**; *Character*. Enter the date the original or resubmitted report is created.

EPA Form 5900-###

Page 1 of 5

How is a refinery's or importer's compliance with gasoline benzene/sulfur determined?

- Fuel Manufacturers report compliance using "compliance sulfur value" or "compliance benzene value" on annual STR0100

- Compliance Sulfur/Benzene Value includes four inputs
  - Total sulfur / benzene
  - Any deficit from previous compliance period
  - Any deficit from BOB recertification during current compliance period
  - Credits used for compliance

- Report the compliance value and associated inputs using the format provided on the STR0100

Key Changes for gasoline imports

- Compliance with imports is done at two levels
  - Compliance with maximum benzene average standard is done by aggregation of all import facilities within a PADD as a single facility under at 1090.705(b)
  - Compliance with the benzene average standards found at 1090.700(b) is done by aggregating all import facilities at the company level

Example - Gasoline Importers Compliance with Benzene ABT

- During 2021, a Fuel Manufacturer imports 100 batches of gasoline into 10 registered facilities contained within three separate PADDs.

- The Fuel Manufacturer identifies each batch as an imported volume using the volume type "IMP" on the batch reporting form

- Compliance with the max benzene average
  - Calculate for each of the three PADDs the maximum benzene average. Report each of the three maximum averages by PADD ID
  - Enter the averaging standard as "Benzene Max Average"

- Compliance with the annual average
  - Aggregate together all 100 batches marked as "IMP" and calculate the compliance benzene value. Report the compliance benzene values and associated inputs as "Aggregate Importer" (or "AGIMP")
  - Enter the averaging standard as "Benzene"

What are the other key changes for reporting?

- Gasoline manufacturers who recertify BOBs with less oxygenate
  - The total sulfur/benzene deficit – Enter the total sulfur/benzene deficit from each compiled batch report using the field titled "downstream oxygenate recertification"

- Report end of year benzene deficits – If the compliance benzene value is not met, report the resulting deficit (as a positive value) in field 16

Example calculations for sulfur compliance demonstration

- A fuel manufacturer produces five batches each at 100 gallons with a test result of 5 ppm sulfur for each batch. The manufacturer is also carrying over a deficit of 50 credits from the prior compliance period.
  - Unadjusted volume weighted average level (field 12) = 5 ppm
  - Total Sulfur Produced (field 13) = 2,500
  - Compliance Sulfur Value (field 14) = 2,550 (total sulfur plus prior year deficit)
  - Informational net annual average level (field 15) = 5 ppm (no credits used)

- Credits generated:
  - Baseline is 5,000 (500 gallons multiplied by 10)
  - 5,000 minus 2,550 or 2,450 sulfur credits generated

Example calculations for benzene compliance demonstration

- A fuel manufacturer produces five batches each at 100,000 gallons with a test result of 0.63 % vol benzene for each batch. The manufacturer is also carrying over a deficit of 50 credits from the prior compliance period.
  - 1090.700(b)(3) Avg benzene concentration (field 12) = .63%
  - 1090.700(b)(1) Total Benzene Produced (field 13) = 3,150
  - Compliance Benzene Value before credits = 3,200 (total benzene plus prior year deficit of 50 credits)

- Credits Retired:
  - Baseline is 3,100 (500,000 total gallons multiplied by 0.0062)
  - 100 credits needed to retire (3,200 minus 3,100)

- Compliance Benzene Value with credits
  - 1090.700(b) CBV (field 14) = 3,100 (3,150 + 50 + 0 – 100)
  - Informational net annual average level (field 15) = .62% (3,100 / 500,000)

ABT Credit Generation & Use – key changes

- Streamlining updated the formula used to generate credits for sulfur and benzene.

- Inputs into the generate formula include the compliance sulfur value or compliance benzene value which include:
  - Credit deficit from previous compliance period
  - Total deficit from BOB recertification

ABT Credit Use – What happens to credits from compliance period 2020 and before?

- Sulfur
  - Tier 3 standard credits carry into 2021 for up to five compliance periods
  - Tier 3 small volume refinery credits expired in compliance period 2019
  - Tier 2 credits expired in compliance period 2019

- Benzene
  - Standard credits carry into 2021 for up to five compliance periods

- Remedial Actions – will be processed through EMTS for credits created prior to 2021 and after

What is the procedure for resubmitting reports for compliance periods 2020 and before?

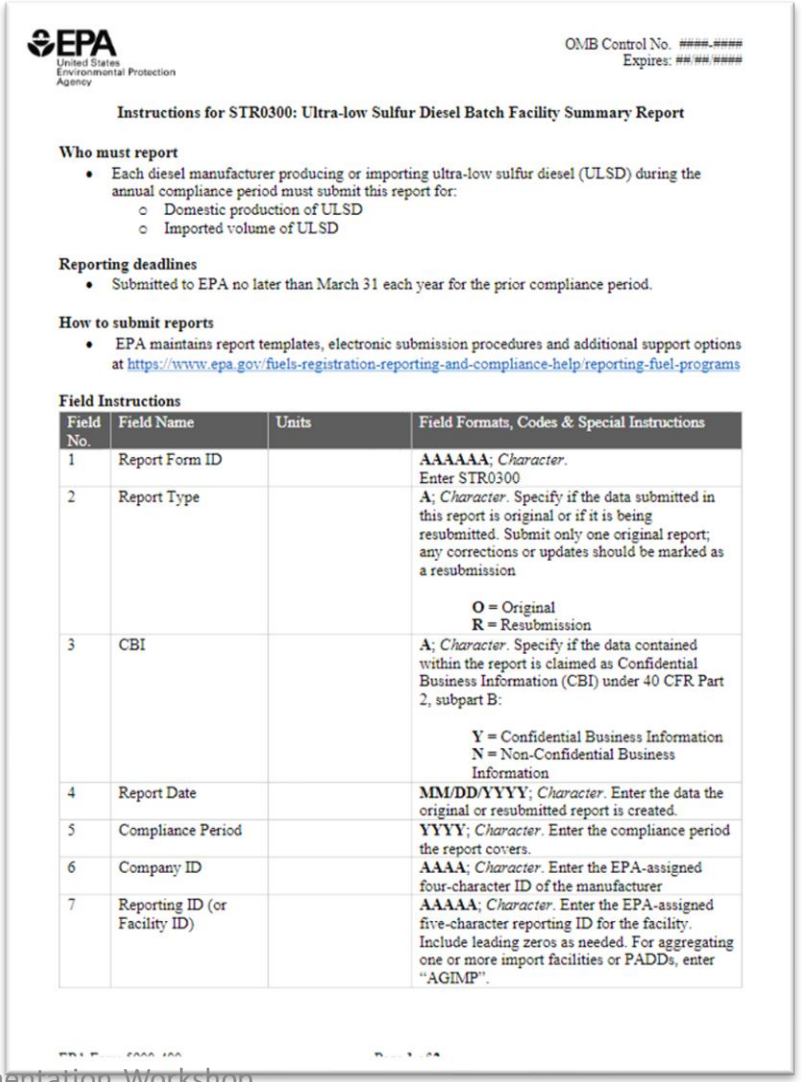
- Use the same reporting form under that specific compliance period
  - Sulfur ABT – Gasoline Facility Sulfur Report (or GSF030#)
  - Benzene ABT – RFG & Anti-dumping Annual Benzene Report (or RFG2000)

- These reporting forms will continue to be posted on EPA's website

ULSD Annual Aggregate Reporting

- Report ULSD by facility:
  - annual volume
  - max sulfur
  - average sulfur

- Key Resource
  - Submit reports using the format found in Ultra-low Sulfur Diesel Batch Facility Summary Report (or "STR0300")



EPA United States Environmental Protection Agency

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Instructions for STR0300: Ultra-low Sulfur Diesel Batch Facility Summary Report

Who must report

- Each diesel manufacturer producing or importing ultra-low sulfur diesel (ULSD) during the annual compliance period must submit this report for:
  - Domestic production of ULSD
  - Imported volume of ULSD

Reporting deadlines

- Submitted to EPA no later than March 31 each year for the prior compliance period.

How to submit reports

- EPA maintains report templates, electronic submission procedures and additional support options at https://www.epa.gov/fuels-registration-reporting-and-compliance-help/reporting-fuel-programs

Field Instructions

Field No.	Field Name	Units	Field Formats, Codes & Special Instructions
1	Report Form ID		**AAAAAA**; *Character*. Enter STR0300
2	Report Type		**A**; *Character*. Specify if the data submitted in this report is original or if it is being resubmitted. Submit only one original report; any corrections or updates should be marked as a resubmission **O** = Original **R** = Resubmission
3	CBI		**A**; *Character*. Specify if the data contained within the report is claimed as Confidential Business Information (CBI) under 40 CFR Part 2, subpart B: **Y** = Confidential Business Information **N** = Non-Confidential Business Information
4	Report Date		**MM/DD/YYYY**; *Character*. Enter the data the original or resubmitted report is created.
5	Compliance Period		**YYYY**; *Character*. Enter the compliance period the report covers.
6	Company ID		**AAAA**; *Character*. Enter the EPA-assigned four-character ID of the manufacturer
7	Reporting ID (or Facility ID)		**AAAAA**; *Character*. Enter the EPA-assigned five-character reporting ID for the facility. Include leading zeros as needed. For aggregating one or more import facilities or PADDs, enter "AGIMP".

How are Attest Engagements reported?

- Key Changes are in how the report is submitted
  - The attest auditor directly submits their findings to EPA after first providing a copy to the Fuel Manufacturer
  - Starting with the 2021 compliance period (due June 1, 2022)
  - More info found at 1090.930

- The findings are submitted along with the elements found in the “Attest Engagement Reporting for Fuels Programs” (or “ATT0100”) format

What does the new attest engagement submission include?

- Auditor clearly identifies company, compliance level (facility), time period, and program scope using the format found in the ATT0100

- Auditor must submit written acknowledgement from the RCO that the gasoline manufacturer has reviewed the attest engagement

- If any exceptions are found, the auditor lists each regulation where an exception was noted

What are the major activities covered in Attest Engagements?

- Procedures for activity types:
  - Gasoline manufacturers
  - Importers
  - GTAB
  - PCG used to produce gasoline
  - Butane blenders
  - Pentane blenders

Attest Audit - Procedures for special topics

- Compliance with gasoline average standards
- Credit reconciliation
- Performance-based measurement and statistical quality control for test methods (PBMS)
- In-line blending waivers
- Gasoline manufacturers that recertify BOB

Additional procedures related to compliance with gasoline average standards

- Attest Auditor review of annual compliance demonstration for sulfur and benzene includes:
  - Obtaining reports
  - Comparing gasoline produced volumes to inventory reconciliation analysis or imported volumes
  - Recalculating the compliance sulfur value and compliance benzene value and associated average concentrations
  - Number of credits generated or needed to meet standards during compliance period
  - Net sulfur / benzene concentrations (after any credits are applied)
  - Compare calculations with submitted reports and report any exceptions

- Procedures found in 1090.1840

Attest Audit - Procedures related to In-Line Blending Waivers

- Procedures for In-line blending waiver include:
  - Confirmation of sampling procedures and composite calculations
  - Review procedures for defining batches and available test data
  - Corrections to operations because of previous audits
  - Confirmation that equipment and procedures are not materially changed

- 1090.1850 contains procedures related to in-line blending waivers

Attest Audit - Procedures related to PBMS and SQC

- General Procedures
  - An auditor must conduct procedures specified in this section for a gasoline manufacturer
- Non-referee method qualification review – Confirm lab has qualified the test method by meeting the precision and accuracy criteria specified under 1090.1365
- Reference installation review – Confirm completion of qualification procedures
- Instrument control review – Review to determine if the instrumentation were in control
- Key Resource – 1090.1845 contains procedures for PBMS and SQC

Procedures related to Credit Transaction & BOB Recertification Review

- Attest Auditor review of credit transactions
  - Comparison of credit transactions with credit transfer documentation, including intracompany transfers
  - Company and facility-level credit reconciliation

- Attest Auditor review of BOB Recertification
  - Recalculate the deficits in accordance with 1090.740
  - Confirm that the deficits are included in the annual compliance demonstration calculations

Can the attest engagement submission include RFS related information?

- Submissions related to RFS
  - The submission may include requirements found under the RFS program (40 CFR part 80, subpart M) in one overall submission
  - The Fuel Manufacturer can also choose to comply with RFS requirements through a second submission that is specific only to RFS

Any changes to reporting under part 79?

- Fuel Manufacturer Reporting under 79.5(a)(1) has been changed from a quarterly submission to an annual submission

- Part 79 parameter reporting for Fuel Manufacturers found in 79.32(c) and 79.33(c) submitted through part 1090 forms
  - Transitions the diesel fuel property reporting from part 79 to part 1090 subpart J using form STR0300
  - Transitions the gasoline fuel property reporting from part 79 to part 1090 subpart J using form STR0200

To be determined

- When testing for batch e-Reporting will be released
- EMTS credit generation
- Additional compliance assistance tools for batch reporting

Discussion and Additional Information

- Please submit your questions through the Q&A box

- Resources
  - Guides and Job Aids to be rolled out over time on our website
    - https://www.epa.gov/fuels-registration-reporting-and-compliance-help/registration-fuel-programs (main page)
  - Sign up for EnviroFlash, if you have not already
    - https://enviroflash.epa.gov/enviroflashOTAQPublic/Subscriber.do?method=start (EnviroFlash sign up for fuels registration & reporting)
  - Help Desk
    - To submit a question after the presentation, email fuelsprogramsupport@epa.gov
    - In order to provide you with timely feedback, please submit each question as a separate inquiry to the help desk
  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz

Previously Certified Gasoline (1090.1320)

Chris McKenna

About this Presentation

- This presentation is being given in furtherance of discussions over recent months and years with stakeholders on the streamlining of our existing fuel regulations.
- This presentation highlights the differences between 40 C.F.R. Part 80 and 40 C.F.R. Part 1090 and provides examples.
- To the extent participants provide questions, advice, or materials during or after this meeting, they should do so in their individual capacity.
- The topics in this presentation do not represent decisions, policies, or future action by EPA and do not bind EPA to any particular decision, policy, or future action.

PCG Blending Scenarios

- Blending any blendstock into PCG
  - Compliance by subtraction
    - Report PCG batch with negative volume and positive properties, and (PCG + blendstock) batch with positive volume and positive properties
    - Both batches used in annual average compliance calculations for sulfur and benzene
    - (PCG+blendstock) batch properties used to demonstrate compliance with sulfur and RVP per-gallon standards
    - Testing needed for fewer properties (sulfur, benzene, RVP, oxygenate)
  - Compliance by addition
    - Report blendstock batch with positive volume, and (PCG + blendstock) batch with positive volume
    - Blendstock batch used in annual average compliance calculations for sulfur and benzene
    - (PCG + blendstock) batch properties used to demonstrate compliance with sulfur and RVP per-gallon standards

- Blending regulated blendstocks
  - Certified butane
  - Certified pentane

Compliance by Subtraction (1090.1320(a)(1))

- PCG only: determine the volume, sulfur content, benzene content, RVP (summer gasoline only) and oxygenate content of the PCG batch prior to addition of blendstocks
  - Oxygenate testing not necessary if blender has documentation that PCG doesn't contain any oxygenate
  - If the PCG is a BOB, prepare a hand blend of PCG and oxygenate and test the hand blend (instead of the PCG) for sulfur and benzene
  - Report the volume of the PCG batch as a negative value, and the sulfur, benzene, and oxygenate contents, and RVP (summer gasoline only) as positive values
    - If the PCG is a BOB, the reported oxygenate content is the volume percent oxygenate in the prepared hand blend

- 1) If the (PCG + blendstock) batch is CG or RFG, determine the batch volume, sulfur content, benzene content, oxygenate content and RVP (summer gasoline only)
  - Report the volume and properties of the batch of (PCG + blendstock) as positive values

- 2) If the (PCG + blendstock) batch is RBOB, determine the volume of RBOB, test the RBOB for sulfur, and;
  - Prepare a hand blend of (PCG + blendstock) and oxygenate and test the hand blend for sulfur, benzene and RVP (summer gasoline only)
  - Report the volume of the batch of (PCG + blendstock) plus downstream-added oxygenate, percentage of oxygenate in hand blend, and tested properties of the neat RBOB and hand blend as positive values

- 3) If the (PCG + blendstock) batch is CBOB, determine the volume of CBOB, test the CBOB for sulfur and RVP (summer gasoline only), and;
  - Prepare a hand blend of (PCG + blendstock) and oxygenate and test the hand blend for sulfur and benzene
  - Report the volume of the batch of (PCG + blendstock) plus downstream-added oxygenate, percentage of oxygenate in hand blend, and tested properties of the neat CBOB and hand blend as positive values

CBS Example (Non-oxygenated CG)

- 100,000 gallons of blendstock is added to 900,000 gallons of previously certified summer CG to produce 1,000,000 gallons of summer CG

- Blender would determine the following properties through sampling and testing of the PCG and (PCG + blendstock)
  - PCG contains 10 ppm sulfur, 0.62 vol% benzene, contains no oxygenate (testing not necessary if blender has documentation that PCG contains no oxygenate), and has an RVP of 8.5 psi
  - Blend of (PCG + blendstock) contains 11 ppm sulfur, 0.60 vol% benzene, no oxygenate and has an RVP of 8.8 psi

- Blender would report the following information for the 2 batches
  - For PCG only: negative volume of 900,000 gallons, sulfur content of 10 ppm (average), benzene content of 0.62 vol%, and RVP of 8.5 psi
  - For (PCG + blendstock): positive volume of 1,000,000 gallons, sulfur content of 11 ppm (average), benzene content of 0.60 vol%, and RVP of 8.8 psi

CBS Example (CBOB)

- 200,000 gallons of blendstock is added to 900,000 gallons of previously certified summer CBOB (PC-CBOB PTD said to blend CBOB with 10 vol% ethanol) to produce 1,100,000 gallons of summer CBOB (to be blended with 10 vol% ethanol)

- Blender would determine the following properties through sampling and testing of PC-CBOB, hand blend of PC-CBOB/ethanol, (PC-CBOB + blendstock), and hand blend of (PC-CBOB + blendstock)/ethanol
  - PC-CBOB has an RVP of 8.5 psi
  - Hand blend of PC-CBOB/ethanol contains 10 ppm sulfur, 0.62 vol% benzene, and 10 vol% ethanol (oxygenate testing not necessary if blender has documentation that PC-CBOB contains no oxygenate)
  - (PC-CBOB + blendstock) contains 12 ppm sulfur and has an RVP of 8.8 psi
  - Hand blend of (PC-CBOB + blendstock)/ethanol contains 11 ppm sulfur, 0.60 vol% benzene

- Blender would report the following information for the 2 batches
  - For (PC-CBOB + 10 vol% ethanol) only: negative volume of 1,000,000 gallons, sulfur content of 10 ppm (average), benzene content of 0.62 vol%, ethanol content of 10 vol%, and RVP of 8.5 psi
  - For (PC-CBOB + blendstock + 10% ethanol): positive volume of 1,222,222 gallons, sulfur content of 12 ppm (per-gallon), sulfur content of 11 ppm (average), benzene content of 0.60 vol%, ethanol content of 10 vol%, and RVP of 8.8 psi

Compliance by Addition (1090.1320(a)(2))

- Determine the volume, sulfur content and benzene content of each batch of blendstock added to PCG
  - This data is used in average compliance calculations for sulfur and benzene
  - Report the volume, sulfur content and benzene content of the batch of blendstock

- Determine the volume, sulfur content and RVP (summer gasoline only) for each batch of (PCG + blendstock)
  - Sulfur test not needed if both PCG and blendstock contain 80 ppm sulfur or less
  - If the (PCG + blendstock) batch is RBOB, prepare a hand blend of (PCG + blendstock) and oxygenate and test the hand blend (instead of the PCG + blendstock) for RVP
  - Measured sulfur and RVP are used to demonstrate compliance with per-gallon standards for sulfur and RVP
  - Report the volume, sulfur and RVP of the batch of (PCG + blendstock)
    - If (PCG + blendstock) is summer RBOB, report the RVP of the hand blend, instead of the RVP of the (PCG + blendstock)

CBA Example (Non-oxygenated CG)

- 100,000 gallons of blendstock is added to 900,000 gallons of previously certified CG to produce 1,000,000 gallons of summer CG

- Blender would determine the following properties through sampling and testing of the PCG and blendstock
  - Blendstock contains 20 ppm sulfur, 0.42 vol% benzene and no oxygenate
  - Blend of (PCG + blendstock) contains 11 ppm sulfur, no oxygenate, and has an RVP of 8.8 psi
    - Since blendstock contains less than 80 ppm sulfur, testing for sulfur not necessary if blender has documentation that PCG sulfur is also less than 80 ppm
    - Testing for oxygenate not necessary if blender has documentation that PCG contains no oxygenate

- Blender would report the following information for the 2 batches
  - For blendstock only: positive volume of 100,000 gallons, sulfur content of 20 ppm (average), benzene content of 0.42 vol%
  - For (PCG + blendstock): positive volume of 1,000,000 gallons, sulfur content of 11 ppm (per-gallon), and RVP of 8.8 psi

CBA Example (RBOB)

- 100,000 gallons of blendstock is added to 900,000 gallons of previously certified RBOB to produce 1,000,000 gallons of summer RBOB (to be blended with 10 vol% ethanol)

- Blender would determine the following properties through sampling and testing of the blendstock, (PC-RBOB + blendstock), and hand blend of (PC-RBOB + blendstock)/ethanol
  - Blendstock contains 20 ppm sulfur and 0.42 vol% benzene
  - Blend of (PC-RBOB + blendstock) contains 11 ppm sulfur, no oxygenate
    - Since blendstock contains less than 80 ppm sulfur, testing blend for sulfur not necessary if blender has documentation that PC-RBOB sulfur is also less than 80 ppm
    - Testing blend for oxygenate not necessary if blender has documentation that PC-RBOB contains no oxygenate
  - Hand blend of (PC-RBOB + blendstock)/ethanol has an RVP of 7.2 psi

- Blender would report the following information for the 2 batches
  - For blendstock only: positive volume of 100,000 gallons, sulfur content of 20 ppm (average), benzene content of 0.42 vol%
  - For (PC-RBOB + blendstock): positive volume of 1,000,000 gallons, sulfur content of 11 ppm (per-gallon), and RVP of 7.2 psi

Certified Butane Blending (1090.1320(b))

- Fuel manufacturers who blend certified butane into PCG may rely on sulfur and benzene test results from a certified butane producer, in lieu of testing the butane
  - Fuel manufacturer must have test results from certified butane producer before blending certified butane into PCG
- If the (PCG + butane) blend is summer gasoline, the fuel manufacturer must test the (PCG + butane) blend for RVP to ensure it meets the applicable RVP standard
  - Fuel manufacturers may not use the certified butane provisions for blending of butane into summer RFG or summer RBOB
- Certified butane blenders must conduct a QA program to demonstrate that the certified butane meets the standards in 1090.250
  - QA program must be based on sampling butane every 90 days or 500,000 gallons butane received, whichever is more frequent
- Certified butane blender separately reports batches of butane, and batches of butane-blended PCG
  - Butane batch reports include volume, and butane, sulfur and benzene contents
  - (PCG + butane) batch reports include volume and RVP (summer gasoline only)

Certified Pentane Blending (1090.1320(b))

- Fuel manufacturers who blend certified pentane into PCG may rely on sulfur and benzene test results from a certified pentane producer, in lieu of testing the pentane
  - Fuel manufacturer must have test results from certified pentane producer before blending certified pentane into PCG
- If the (PCG + pentane) blend is summer gasoline, the fuel manufacturer must test the (PCG + pentane) blend for RVP to ensure it meets the applicable RVP standard
  - Fuel manufacturers may not use the certified pentane provisions for blending of pentane into summer RFG or summer RBOB
- Certified pentane blender must have a contract with a certified pentane producer to verify that the producer has a QA program ensuring pentane isn't contaminated in transit
- Certified pentane blenders must also conduct a QA program to demonstrate that the certified pentane meets the standards in 1090.255
  - QA program must be based on sampling pentane every 90 days or 500,000 gallons pentane received, whichever is more frequent
- Certified pentane blender separately reports batches of pentane, and batches of pentane-blended PCG
  - Pentane batch reports include volume, and pentane, sulfur and benzene contents
  - (PCG + pentane) batch reports include volume and RVP (summer gasoline only)

Discussion and Additional Information

- Please submit your questions through the Q&A box

- Resources
  - Guides and Job Aids to be rolled out over time on our website
    - https://www.epa.gov/fuels-registration-reporting-and-compliance-help/registration-fuel-programs (main page)
  - Sign up for EnviroFlash, if you have not already
    - https://enviroflash.epa.gov/enviroflashOTAQPublic/Subscriber.do?method=start (EnviroFlash sign up for fuels registration & reporting)
  - Help Desk
    - To submit a question after the presentation, email fuelsprogramsupport@epa.gov
    - In order to provide you with timely feedback, please submit each question as a separate inquiry to the help desk
  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz

Product Transfer Documents and General Recordkeeping Requirements

Anne Pastorkovich

About this Presentation

- This presentation is being given in furtherance of discussions over recent months and years with stakeholders on the streamlining of our existing fuel regulations.
- This presentation highlights the differences between 40 C.F.R. Part 80 and 40 C.F.R. Part 1090 and provides examples.
- To the extent participants provide questions, advice, or materials during or after this meeting, they should do so in their individual capacity.
- The topics in this presentation do not represent decisions, policies, or future action by EPA and do not bind EPA to any particular decision, policy, or future action.

Product Transfer Documents (Subpart L)

- PTDs are documents generated in the normal course of business (“customary business practice” or “CBP”) that provide a clear description of the product being transferred.
- Part 1090 PTD requirements are required on May 1, 2021.
- Until then, either part 80 or part 1090 PTD requirements may be used.

PTDs (Subpart L)

Generally:

- What is the same in part 1090?
  - The general purpose and requirements for PTDs have not changed from part 80.
  - Still generated in normal course of business.
  - Still contain basic information about the product being transferred.
  - Upstream parties can still use programmable codes.

- What has changed in part 1090?
  - Removes some language no longer needed (e.g. EPA-issued registration IDs for transfers of ECA marine fuel)
  - Some consolidation and standardization of existing PTD requirements (e.g. Research & Development exemption, racing exemption)
  - Specific circumstances (e.g. IMO marine fuel dispensed into marine vessel)
  - Allow for additional or substitute language to comply with state RVP fuel programs

PTDs – Alternative Language

- Parties may request alternative PTD language.

- Why allow requests for alternative PTD language?
  - During the rule development process, several stakeholders highlighted that instances exist where our PTD requirements may conflict with other federal, state, or local PTD or identification requirements.
  - In such cases, fuels, fuel additives, or regulated blendstocks could be identified with contradictory language that makes it difficult for parties in the fuel distribution system to comply with all requirements.
  - Important to note that approval for alternative PTD language to comply with state RVP programs are not needed per 1090.1010(c)(1)(ii).

- We do not anticipate many requests for alternative PTDs.

Recordkeeping – Subpart M

- The basic recordkeeping requirements from part 80 have not changed.
- The record retention period remains five (5) years.
- In general, the records that must be kept, include:
  - Information supporting your registration and reports
  - Information related to waivers (e.g. Research & Development)
  - Copies of your PTDs
  - Sampling & testing results and laboratory documentation
  - Credit transaction information
  - Information related to compliance calculations
- Relationship to attest engagements (making records available to auditor)

Summary

- PTDs are already in use and are CBP
- Some changes to PTDs to better standardize them
- Alternative PTD language provisions
- Recordkeeping requirements are like part 80

Discussion and Additional Information

- Please submit your questions through the Q&A box

- Resources
  - Guides and Job Aids to be rolled out over time on our website
    - https://www.epa.gov/fuels-registration-reporting-and-compliance-help/registration-fuel-programs (main page)
  - Sign up for EnviroFlash, if you have not already
    - https://enviroflash.epa.gov/enviroflashOTAQPublic/Subscriber.do?method=start (EnviroFlash sign up for fuels registration & reporting)
  - Help Desk
    - To submit a question after the presentation, email fuelsprogramsupport@epa.gov
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  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz

National Fuel Survey Program (NSFP) and National Sampling and Testing Oversight Program (NSTOP)

Mark Spencer

About this Presentation

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Agenda

- National Fuel Survey Program (NFSP)
  - Background
  - Overview
  - Participation
- National Sampling and Testing Oversight Program (NSTOP)
  - Background
  - Overview
  - Participation
- Implementation
- Questions

NFSP – Background

- What is it?
  - A nationwide survey of in-use gasoline and diesel fuel that is intended to ensure that gasoline and diesel fuel meet EPA's applicable fuel quality standards
- Where did it come from?
  - Historically, the part 80 compliance oversight surveys have focused on
    - Refiners that manufacture fuels at crude oil refineries
    - RFG and RFG ethanol content (in RFG areas) , E15 labeling and ULSD sulfur levels (nationally)
  - It has become more important to also receive information from the retail level to ensure fuel quality standards are met as parties downstream of refiners are increasingly engaged in producing finished fuels
  - As a result, EPA is extending the retail survey that has been applicable for over 20 years in RFG areas to all gasoline nationwide
- Why is it important?
  - Ensures that compliant fuels are used in vehicles and engines as the survey scope is extended to regulated fuel parameters for all fuel nationwide
  - Provides flexibility and reduces overall costs of survey programs for stakeholders
  - Satisfies one of the elements of an affirmative defense against downstream fuel quality and E15 misfueling violations for refiners and importers that participate in the survey program

NFSP – Overview

- What is the program?
  - The National Fuel Survey Program consolidates the four independent surveys under part 80 into one nationwide survey
    - This will reduce the number of samples from 18,000 under Part 80 to a maximum of 7,000 samples per year (5,000 gasoline; 2,000 diesel)

- What are the requirements? (§1090.1405(b))
  - Program must be planned and conducted by an independent surveyor that meets the independence requirements in §1090.55 and the requirements specified in §1090.1410
  - Program must be conducted by collecting gasoline and diesel fuel samples at retail outlets in the United States as specified in §1090.1415.

- What is sampled? (§1090.1410(c))
  - Gasoline samples tested for sulfur, benzene, RVP (in the summer), and ethanol content (oxygenates)
  - Random sampling of about 1 in 5 to also measure distillation parameters, aromatics, and olefins in lieu of batch testing
    - The point is to spot check for downstream dumping
    - Incremental costs of running additional analysis is minimal as largest cost is sending someone out to collect and ship the sample
  - Diesel samples tested for sulfur content only
  - Fuel dispensers that offer E15 will be evaluated for E15 labeling requirements

NFSP – Participation (§1090.1405(a))

- Who must participate in the survey?
  - Generally, participation in the survey is voluntary
  - Manufacturers that want to account for oxygenate added downstream must participate
    - If a manufacturer doesn't want to account for oxygenate added downstream, they don't have to participate in the survey (unless otherwise required, see next bullet)
  - This is different for E15, where the survey is mandatory:
    - §1090.1420(a) "Any gasoline manufacturer, oxygenate blender, or oxygenate producer that manufactures, introduces into commerce, sells, or offers for sale E15, gasoline, BOB, DFE, or gasoline-ethanol blended fuel that is intended for use in or as E15 must comply with either survey program…"
    - Not changing part 80 practice where refiners/importers making BOB/gasoline don't have to participate in E15 survey if they don't design the BOB/gasoline for E15
  - Any party can participate in the survey program as an element of their affirmative defense as specified in §1090.1720.

NSTOP – Background

- What is it?
  - An oversight program to help ensure that fuel manufacturers are sampling and testing in a manner consistent with the required procedures
- Where did it come from?
  - Replaces the RFG independent lab requirement with a voluntary national sampling oversight program
- Why is it important?
  - Reduces overall cost of independent sampling and provides flexibility while still providing the necessary oversight

NSTOP – Overview

- Program requirements: (1090.1450(b))
  - This program must be planned and conducted by an independent surveyor that meets the independence requirements in §1090.55 and the requirements in §1090.1450(c)
  - This program must be conducted at each gasoline manufacturing facility from all participating gasoline manufacturers.

- The independent surveyor will: ((§1090.1450(c)(2))
  - Obtain at least one sample representing summer gasoline and one sample representing winter gasoline for each participating gasoline manufacturing facility
  - Observe the gasoline manufacturer collect at least one sample representing each gasoline required under §1090.1450(c)(2)(i) for each participating gasoline manufacturing facility and evaluate whether the gasoline manufacturer collected representative sample(s) in accordance with applicable sampling procedures specified in §1090.1335

- The independent surveyor will visit each refinery and import facility at least twice a year (summer/winter)
  - For the 2021 compliance period: (§1090.5(c))
    - This program will begin June 1, 2021.
    - The independent surveyor may collect only one summer or winter gasoline sample for each participating fuel manufacturing facility

NSTOP – Overview

- What happens with the samples? (§1090.1450(c)(2))
  - Samples collected by the surveyor will be analyzed by EPA, the surveyor, and the manufacturer
    - Only a random sample of the samples collected will be analyzed by EPA (§1090.1450(c)(2)(v))

- What fuel is tested, hand blend or base gasoline?
  - Base gasoline (no hand blends)
  - Especially since reproducibility is what is being compared

- Who tests what? (§1090.1450(c)(3))
  - Manufacturer: Benzene, sulfur, and RVP
  - Surveyor: Benzene, sulfur, RVP, aromatics, olefins, distillation
  - EPA lab: Benzene, sulfur, RVP and will potentially test aromatics, olefins, and distillation

- What happens with the results?
  - Results from the tests will be collected by the independent surveyor and compared (§1090.1450(c)(6))
    - EPA will receive quarterly reports of results (§1090.1450(c)(7))
    - EPA and the manufacturer will be notified when results fall outside of reproducibility of the method

NSTOP – Participation (§1090.1450(a))

- Who must participate in the program?
  - Participation in the program is voluntary
  - Manufacturers wanting to account for oxygenate blending downstream under §1090.710 would need to participate in this program
    - Except for gasoline manufacturers that have an approved in-line blending waiver under §1090.1315
  - Manufacturers can participate in the oversight program for the purpose of establishing an affirmative defense under §1090.1720
    - Not needed for gasoline manufacturers that have an approved in-line blending waiver under §1090.1315

Implementation

- RFG Survey Association (RFGSA) is seeking to register as an independent third-party surveyor
- If approved, parties that elect to participate in the NSFP or NSTOP would register with RFGSA
- To register, visit www.rfgsa.org
- For questions regarding registration, contact Frank C. Lenski

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RFG Survey Association
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Discussion and Additional Information

- Please submit your questions through the Q&A box

- Resources
  - Guides and Job Aids to be rolled out over time on our website
    - https://www.epa.gov/fuels-registration-reporting-and-compliance-help/registration-fuel-programs (main page)
  - Sign up for EnviroFlash, if you have not already
    - https://enviroflash.epa.gov/enviroflashOTAQPublic/Subscriber.do?method=start (EnviroFlash sign up for fuels registration & reporting)
  - Help Desk
    - To submit a question after the presentation, email fuelsprogramsupport@epa.gov
    - In order to provide you with timely feedback, please submit each question as a separate inquiry to the help desk
  - Part 1090 eCFR
    - https://bit.ly/3qEnBrz