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Matthew L. Smorch
Chief Executive Officer

October 25, 2024

Mr. Michael S. Regan
Administrator
United States Environmental Protection Agency
Mail Code 6405A, Room 5521D
1200 Pennsylvania Ave. NW
Washington, D.C. 20460
(202) 343-9038

Subject: Petition to Delay the Effective Date to Implement EPA's Proposed Rulemaking, Request from States for Removal of Gasoline Volatility Waiver

Dear Administrator Regan:

I write to express CountryMark's concern that implementing the gasoline volatility standard in 2025 could lead to a gasoline supply shortage in eight petitioning states and other areas using the same fuel infrastructure. The EPA's proposed change¹, based on a request from Midwest governors, would likely cause insufficient gasoline supply if made effective by 2025, as noted in comments by CountryMark and other stakeholders.² CountryMark also believes the EPA lacks adequate controls to enforce the Reid Vapor Pressure (RVP) standards in these states. Therefore, under Clean Air Act Section 211, we request a delay of the effective date beyond the 2025 summer season.

CountryMark operates a 35,000-barrel-per-day refinery in Mt. Vernon, Indiana. As a regional cooperative, we serve over 100,000 farmers in Indiana, Illinois, Michigan, and Ohio, and our Board of Directors is comprised of farmers and local cooperative representatives. Although CountryMark is one of the smallest fuels refineries in the country, its local economic impact is significant, directly employing nearly 500 people whose wages and benefits exceed \$40 million per year. Most of the Company's employees do not have college degrees but support their families and communities through well-paying jobs. CountryMark supplies 70% of agricultural market fuels and 50% of school district fuels in Indiana, using 100% North American crude oil.

We request to further delay eliminating the 1.0 psi RVP waiver for gasoline with 10% ethanol (E10) to prevent a supply shortage. Even though CountryMark primarily sells fuel in Indiana, we also supply our members' businesses in the surrounding states, including Illinois and Ohio. CountryMark has serious concerns about our ability to produce this new gasoline specification by April 2025, which would likely reduce the supply of available gasoline in these markets and prevent us from being able to supply our members in these states.

¹ 88 Federal Register 13,758 (March 6, 2023).

² Comment submitted by CountryMark. Docket ID: EPA-HQ-OAR-2022-0513-0061, submitted April 20, 2023.

CountryMark plans to supply the lower RVP gasoline for the Illinois market but will most likely not be able to supply our members in Ohio. We can use existing infrastructure to segregate gasoline blends by rearranging tank services; however, it will drastically increase our logistical complexity which will make it more difficult to make the lower RVP gasoline. Improving our capability of supplying two RVP grades of gasoline and reducing contamination risk will require the construction of a new gasoline tank at our refinery in Mt. Vernon, Indiana. The current estimate from a third-party engineering firm is the total installed cost of this tank will exceed \$8 million dollars, due to the complexity and location required to integrate this tank into our current system. Due to capital constraints, supply chain constraints, and our rural location, construction of the gasoline tank will not be completed until the third quarter of 2025 and will not be available for most of the 2025 summer season. Therefore, we send this petition to delay the elimination of the RVP waiver until May 2026.

Although the intent is to allow year-round sales of E15, we believe the current request creates market inefficiencies and a patchwork of fuel standards. CountryMark supports ethanol blending and offers E15 in our terminal system and several branded retail outlets. EPA has approved CountryMark's misfueling mitigation plan. These plans should be required in any new regulation that allows E15 to be sold, including the rulemaking associated with this waiver request. This will ensure that proper controls are in place at the wholesale and retail levels.

The governors' request for eliminating the waiver was predicated on reducing emissions associated with gasoline vapor pressure. Their analysis concluded "that a 1-psi RVP reduction would be beneficial to air quality, as emissions of carbon monoxide (CO), oxides of nitrogen (NOx) and volatile organic compounds (VOCs) would be reduced." To ensure this health benefit occurs, the EPA must include additional controls that require higher ethanol blends like E15 be blended with an RVP-controlled blendstock for oxygenate blending (BOB). Many retailers currently sell E15 using a blender pump that combines E10 gasoline with E85 (an 85% ethanol blend). Many ethanol plants sell E85 directly to retail. If this E85 is produced using the typical denaturant of natural gasoline, which has a high RVP, the volatility of the blended E15 would be "uncontrolled," and the resultant blend likely will exceed 9.0 psi RVP. This will defeat the purpose of eliminating the waiver. In this case, a retailer offering E15 for sale must comply with §1090.165(c) and EPA should require that certified blendstocks are used.

In closing, CountryMark stresses the significance of the decision to eliminate the 1-pound waiver in these states and what it means for consumers. The change these states have requested would allow E15 to be sold during the summer without an emergency waiver or change in federal law. Still, it would make all gasoline more expensive and reduce regional supplies. Delaying the elimination of the 1-pound waiver will provide refiners, including CountryMark, the necessary time to make needed modifications to meet this new specification. In addition, a delay will allow the proper controls to be put in place to ensure that the environmental benefits of this change are captured.

Sincerely,



Matthew L. Smorch
President & CEO
CountryMark

cc:

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