



Environmental Fact Sheet

Reformulated Gasoline Transition Fact Sheet

The Environmental Protection Agency is eliminating the existing blendstock accounting regulations for Reformulated Gasoline (RFG). This action will allow refineries more flexibility to sell gasoline blendstocks and improve refiners' overall ability to supply cleaner gasoline by eliminating significant record-keeping and reporting requirements.

The Agency is taking this action in conjunction with other recent actions to ease the RFG seasonal transition, when refiners and distributors switch from winter-grade to summer-grade RFG. A separate regulatory modification was made in December which allows for greater flexibility in providing additional RFG when supply is tight.

Also, new enforcement guidance will be issued to allow gasoline terminal operators a broader testing tolerance than currently permitted for the initial tank turnover from winter to summer fuel. The guidance outlines EPA's policy on allowing a 2 percent testing tolerance for the volatile organic compound (VOC) performance standard. The 2 percent enforcement tolerance will apply at terminal locations at the time the terminal first classifies the tank as complying with summer standards for federal RFG.

Taken together, these three actions will help ensure a more orderly transition from winter to summer fuel, while maintaining the environmental benefits of cleaner burning RFG.

Background

Under the Clean Air Act, EPA is required to develop emission performance standards for RFG for the ozone season. With the exception of the air toxics standard which is in effect year-round, all other emission performance standards are in effect for the summertime (i.e., the ozone season). Such RFG is referred to as summer gasoline.

In addition, the Clean Air Act required EPA to establish the anti-dumping regulations to prevent increases in oxides of nitrogen (NO_x) and toxics air emissions from conventional gasoline as a result of RFG production. Thus, the anti-dumping regulations prevent a refinery from transferring, or “dumping,” the relatively dirty components that it removes from its RFG (such as benzene) into its conventional gasoline (CG).

Why EPA is Eliminating the Blendstock Accounting Requirements

The blendstock accounting requirements are no longer necessary. When refineries produce more total gasoline than that produced in 1990, the additional gasoline over and above the 1990 baseline volume must meet the statutory baseline for all refineries regardless of the refinery’s individual baseline. The shifting of blendstocks from one refinery to another where both refineries produce more gasoline than they did in 1990 has very little potential to cause any adverse environmental impact. In addition, restrictions placed on refiners by the Mobile Source Air Toxics rule makes refineries much less likely to accept high toxics-emissions gasoline blendstocks from other refineries. Thus, this action should make it easier for refiners to transfer gasoline blendstocks without worsening emissions.

EPA examined individual refinery situations and concluded that, for the very limited number of refineries producing volumes where a transfer could result in some increased emissions, there is little possibility for gaming, since clean/dirty refinery baseline pairs within a specific emission category (NO_x or toxics) are very uncommon.

The blendstock accounting regulations were originally meant to restrict emissions by preventing excessive transfers of “dirty” blendstocks from refineries with “clean” baselines to refineries with “dirty” baselines. These regulations required significant additional reporting by a refinery which transferred more than a certain percentage of its gasoline produc-

tion. However, individual refinery baselines apply only to that volume of conventional gasoline (CG) production equivalent to the individual refinery's 1990 CG production. Any volume of CG produced by a refinery greater than its 1990 CG production must meet the average emissions of all gasoline produced in 1990 (the statutory baseline).

Health and Environmental Impacts

The clean air benefits of the RFG program will continue to be realized. The goal of the RFG program is to reduce motor vehicle emissions of the pollutants that contribute to ozone, or smog, and toxic pollutants, such as benzene. Smog is formed when VOCs, NOx, and other pollutants such as CO react in the presence of sunlight. The RFG program sets limits for these pollutants that refiners must meet, regardless of the oxygenate they choose.

The clean air benefits of the RFG program are significant. The program reduces smog-forming pollutants by 105,000 tons and toxic pollutants by 24,000 tons annually. This is equivalent to eliminating the pollution from 16 million cars every year.

For Further Information

The rule may be downloaded from our web site at <http://www.epa.gov/otaq/rfg.htm> For further information about the rule, contact Chris McKenna at (202) 564-9037.