

Focus on Fuels

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TM&C Services

Tier 3 is Not Just About Sulfur



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TM&C Services in Fuel Regulations

TM&C provides a full range of services in its fuels regulatory practice. Some of these services are listed below:

- Preparing, reviewing and submitting fuels reports, including CDX submissions.
- Facility audits for compliance with

April 2013

Volume 3, Issue 3

On March 29, 2013, Acting Administrator of the EPA Bob Perciasepe, signed the proposed rule for the Tier 3 Motor Vehicle Emission and Fuel Standards. The official document is yet to be published in the Federal Register. In the meantime, we have reviewed a pre-published document and offer a quick summary of the important points in these newly proposed regulations.

Tier 3 is Not Just About Sulfur

Reading the news reports, one would think that the proposed Tier 3 Gasoline Sulfur Regulations are only about sulfur in gasoline. If you dig deeper, you will discover that there is a lot more to the proposed regulations than sulfur - EPA is also issuing a lot of technical updates. Of course, the major component of the proposed regulations is Subpart O - Gasoline Sulfur. Major points:

- Subpart O will require the annual average gasoline sulfur per facility to be 10.00 ppm for each calendar year beginning January 1, 2017.
- The proposed sulfur cap remains at 80 ppm for the refiner or importer and 95 ppm downstream.
- EPA is considering reducing the sulfur cap to 50 (downstream at 65) ppm beginning January 1, 2020.
- Small refiners and small volume refineries, that obtain approval, will not be subject to the stricter standards until January 1, 2020. EPA is currently planning to use a threshold of 75 MBPD, but wants comments.
- As in the current regulations, there will be a sulfur credit program. Generation of early credits

fuels programs.

- Interaction with EPA to pose fuels related questions.
- Industry specialist assistance for required gasoline attestations.
- Industry specialist assistance for in-line blending audits.
- Assistance in setting up a fuels compliance group/program.
- Personnel reviews of compliance related groups.
- Compliance status reviews and recommendations
- Negotiations/consultation during EPA enforcement actions.
- 3rd Party Engineering reviews.
- Due diligence reviews of facilities and companies in RFS RINs Program.

starts January 1, 2014. The Tier 3 sulfur credit program is separate from the Tier 2 sulfur credit program. For the years 2014 through 2016, the entity generating credits for annual average sulfur less than 30.00 ppm will designate the credits as either Tier 2 credits or early Tier 3 credits.

- RBOB producers must certify the sulfur in the RBOB on the neat gasoline, not the hand blend, and the neat RBOB must meet the gasoline cap.
- Oxygenate added downstream of the refinery or importer must be assumed to contain 10.00 ppm sulfur.
- The sulfur content of denatured fuel ethanol or other oxygenate used in fuel blending must be no greater than 10 ppm.
- Transmix processors must meet the annual average and per-gallon cap standards for the blendstocks they blend with TGP. Gasoline leaving a transmix processing facility must meet the downstream sulfur standards.
- Gasoline additives must not contribute more than 3 ppm sulfur when used at the maximum concentration.
- The sulfur maximum for "commercial" grade and "non-commercial" grade butane drops to 10 ppm January 1, 2017.

The technical corrections include:

- Under "de minimis" conditions, batch volumes incorrectly reported do not have to be resubmitted.
- Beginning November 30, 2014 properties are to be determined on a performance based analytical test method approach instead of using test methods specified by the EPA. Batch reports must specify the test method used.
- RVP does not have to be determined for non-VOC controlled RFG/RBOB.
- API gravity is not required to be measured or reported.
- Non-VOC controlled RFG/RBOB can be composited for determining properties other than benzene, oxygenate, sulfur and RVP. (Yes, RVP is mentioned in the regulation.)
- Reporting Dates have changed:
 - Q1 - June 1
 - Q2 - September 1
 - Q3 - December 1
 - Q4 - March 31
- RFG benzene content averaging report (RFG1000) and toxic emissions performance averaging report (RFG0900) are no longer required beginning January 1, 2014.
- RFG NOx emissions performance averaging report (RFG1200) is not required effective January 1, 2012.

- For benzene determination, blendstock added to PCG can be sampled and tested as a batch instead of using the subtraction method.
- EPA wants all fuels with an ethanol concentration greater than 15 % used in FFVs to comply with the sulfur, benzene, RVP detergency and composition standards that apply to gasoline. Butane and NGLs can be blended into the high ethanol content fuels to maintain RVP. EPA is seeking guidance on regulations to implement this requirement.

We will provide more detailed discussion of individual parts of these new regulations in future articles. Please let Charlie Miller know what regulations you would like to know more about.

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