

Regulatory Announcement

Removal of Reformulated Gasoline Oxygen Content Requirement and Revision of Commingling Prohibition to Address Non-Oxygenated Reformulated Gasoline

To provide U.S. oil refiners with greater flexibility in producing clean-burning gasoline, EPA is removing the two percent oxygen content requirement for reformulated gasoline (RFG) nationwide.

Overview

The U.S. Environmental Protection Agency (EPA) is amending the reformulated gasoline (RFG) regulations to remove the oxygen content requirement and associated compliance requirements. Because the 2005 Energy Policy Act provided for different compliance dates for the removal of the RFG oxygen requirement in California and the rest of the country, EPA is implementing the removal of the oxygen requirement in two separate rules. One direct final rule removes the RFG oxygen requirement and related compliance requirements for California gasoline. The effective date for this rule is 60 days from the date of publication of the rule. The other direct final rule removes the oxygen requirement for RFG nationwide. The effective date for this rule is May 5, 2006, (270 days from enactment of the Energy Act), or 60 days from publication of the rule in the *Federal Register*, whichever is later.

These direct final rules also revise the current prohibition against combining volatile organic compound (VOC)-controlled RFG blended with ethanol with VOC-controlled RFG blended with other oxygenates. The revision also prohibits combining VOC-controlled RFG blended with ethanol with non-oxygenated VOC-controlled RFG, except in limited circumstances authorized by the Energy Policy Act of 2005.

Background

Section 211(k) of the 1990 Amendments to the Clean Air Act (CAA) required RFG to contain oxygen in an amount that equals or exceeds 2.0 weight percent. Accordingly, EPA's current regulations require RFG refiners, importers and oxygenate blenders to meet a 2.0 or greater weight percent oxygen content standard. Recently, Congress passed legislation which amended Section 211(k) of the CAA to remove the RFG oxygen requirement. To be consistent with the current CAA Section 211(k), these direct final rules modify the RFG regulations to remove the oxygen standard in Section 80.41. These rules also modify several other sections of the RFG regulations which contain provisions designed to implement and ensure compliance with the oxygen standard.

Under the current regulations at 40 CFR Part 80, there is a prohibition against combining VOC-controlled RFG blended with ethanol with VOC-controlled RFG blended with any other oxygenate during the period January 1 to September 15, because of the volatility increase that results when such blending occurs. With the removal of the oxygen requirement for RFG, in order to maintain the effectiveness of this provision, it is necessary to amend the regulations to have the prohibition apply to combining VOC-controlled RFG blended with ethanol with any non-ethanol VOC-controlled RFG, including non-oxygenated RFG. EPA is making this revision with these rulemakings.

The Energy Act contains a provision which specifically allows retail outlets to sell non-ethanol-blended RFG which has been combined with ethanol-blended RFG under certain conditions and limitations. These rules implement this provision of the Energy Act.

RFG has been required to be used since 1995 in metropolitan areas with the most severe air pollution and in other non-attainment areas that requested the cleaner burning gasoline. Today, about 30 percent of the gas used in the United States is RFG.

Effect on Industry

These rules will remove the burden on industry of having to comply with the oxygen requirement for RFG and associated compliance requirements. It will allow retailers and wholesale purchaser-consumers to combine ethanol-blended VOC-controlled RFG with non-ethanol-blended VOC-controlled RFG under certain conditions and limitations.

Health and Environmental Effects

The emissions benefits of the RFG program are not expected to be reduced as a result of these direct final rules.

Public Participation Opportunities

EPA is issuing these rules without prior proposal because no adverse comments are anticipated. However, in the “Proposed Rules” section of the *Federal Register* publication, EPA is issuing two separate documents that will serve as proposals to adopt the provisions in the direct final rules if EPA receives adverse comments.

You can access these rules and related documents on EPA’s Office of Transportation and Air Quality (OTAQ) EPA web site at:

www.epa.gov/otaq/rfg_regs.htm

For More Information

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