

State of California
AIR RESOURCES BOARD

Notice of Public Availability of Modified Text
and Supporting Documents and Information

**PUBLIC HEARING TO CONSIDER FOLLOW-UP AMENDMENTS TO THE
CALIFORNIA PHASE 3 REFORMULATED GASOLINE REGULATIONS**

Public Hearing Date: November 16, 2000

Internet Posting Date: March 23, 2001

Public Availability Date: March 30, 2001

Last Day for Supplemental Public Comment: April 16, 2001

On November 16, 2000, the Air Resources Board (ARB or Board) conducted a hearing to consider adoption of follow-up amendments to the California Phase 3 Reformulated Gasoline (CaRFG3) regulations. The proposed amendments would establish specifications for denatured ethanol intended for blending into gasoline, establish a CARBOB model and make other changes regarding blending ethanol into gasoline, establish a mechanism under which a small refiner could alter its production of diesel fuel to provide offsets of excess emissions from gasoline subject to the small refiner CaRFG3 standards, and make various other changes. The proposed amendments were described in detail in the Staff Report (Initial Statement of Reasons for Proposed Rulemaking) released on September 29, 2000.

The Board's action. At the conclusion of the hearing, the Board adopted Resolution 00-40, in which it approved the originally proposed amendments with several modifications. All of the modifications had been suggested by staff in a 5-page document entitled "Staff's Suggested Modifications to the Original Proposal" that was distributed at the hearing and was Attachment C to the Resolution. The Resolution and its Attachment C are appended to this Notice as Attachment I. The Resolution directed the Executive Officer to incorporate the modifications into the proposed regulatory text, with such other conforming modifications as may be appropriate, and to make the modified text available for a supplemental comment period.

Subsequent to the hearing, the staff has identified a number of additional, primarily technical, modifications that are appropriate to make the amended regulations work as effectively as possible. The most significant post-hearing modifications are: (1) allowing downstream commingling of different CARBOBs that are designated for blending with identical levels or ranges of oxygen, rather than with identical levels or ranges of oxygenate, in order to maximize fungibility; (2) establishing single sets of CARBOB cap limits for CaRFG2 and CaRFG3 applicable to all oxygenate levels; and (3) assuring that producers and importers do not have to use the Predictive Model compliance mechanism in order to use the CARBOB model.

Modified text being made available. Attachment II to this notice contains the proposed regulatory text showing the Board-approved modifications, along with explanations of the modified language; modifications developed after the hearing are specifically identified. Attachment III contains proposed modifications to portions of the "Procedures for Using the California Model for California Reformulated Gasoline Blendstocks for Oxygenate Blending," to be incorporated by reference in section 2266.5(a). Attachment IV contains proposed modifications to the "California Test Procedures for Evaluating Alternative Specifications for Gasoline" (proposed to be renamed as the "California Procedures for Evaluating Alternative Specifications for Gasoline Using Vehicle Emissions Testing"), which is incorporated by reference in section 2266(a), title 13, California Code of Regulations; the original proposal did not include amendments to this document. Attachment V contains proposed modifications to portions of the "California Procedures for Evaluating Alternative Specifications for Phase 3 Reformulated Gasoline Using the California Predictive Model," which is incorporated by reference in section 2265(a), title 13, California Code of Regulations; the original proposal also did not include amendments to this document.

The regulation text being transmitted with this notice does not show some portions of the California reformulated gasoline regulations that would not be amended in this rulemaking. However, the ARB has also prepared a document containing *all* of the CaRFG regulations, showing the proposed amendments and modifications. Documents showing the complete proposed CARBOB Procedures and complete amended Predictive Model Procedures have additionally been prepared. These complete texts are available at the ARB's Internet site for the CaRFG3 Follow-up rulemaking – <http://www.arb.ca.gov/regact/carfg300/carfg300.htm>. Printed copies are available from Mr. Valentine Montoya, Stationary Source Control Division, telephone (916) 445-5605 or fax (916) 327-7212.

The regulation modifications approved by the Board at the November hearing also included elements specifically applicable to any small refiner operating a small refinery that has been shut down since the start of the Phase 2 CaRFG requirements in March 1996. Resolution 00-40 directed the Executive Officer to prepare a supplemental written analysis of the environmental impacts expected to result from the proposed regulatory modifications pertaining to restarting small refineries, and to make the analysis available for a public comment period of at least 45 days. In order to expedite final action on the amendments pertaining to CARBOB, the modifications made available with this notice do not include the provisions pertaining to restarting small refiners. The modifications affecting restarting small refiners will be made available for comment at a later date, along with the supporting environmental analysis.

Additional supporting documents and information being made available. The staff has added to the rulemaking record the additional documents identified in Attachment VI, which also describes how the public may inspect the documents.

Comments and subsequent action. In accordance with section 11346.8 of the Government Code, the Board directed the Executive Officer to make the modified amendments available to the public for a supplemental written comment period of at least 15 days. He is then directed either to adopt the amendments with such additional modifications as may be appropriate in light of the comments received, or to present the regulations to the Board for further consideration if warranted in light of the comments.

Written comments on the proposed modifications in Attachments II, III, IV and V, and on the information identified in Attachment VI, may be submitted by postal mail, electronic mail, or facsimile as follows.

Postal mail is to be sent to:

Clerk of the Board
Air Resources Board
P.O. Box 2815
Sacramento, California 95812

Electronic mail is to be sent to: crfg300@listserv.arb.ca.gov

Facsimile submissions are to be transmitted to: (916) 322-3928.

In order to be considered by the Executive Officer, comments must be directed to the ARB in one of the three forms described above and received by the ARB by the end of the last day for supplemental comment listed at the beginning of this notice. Only comments relating to the modifications and additional information made available by this notice will be considered by the Executive Officer.

Peter D. Venturini, Chief
Stationary Source Control Division

Attachments

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce energy demand and cut your energy costs, see our web-site at <http://www.arb.ca.gov>