

Arizona Administrative Register
Notices of Exempt Rulemaking

In order to address the air quality problems, Governor Symington issued Executive Order (EO) 96-6 on May 24, 1996. EO 96-6 created a Task Force charged with evaluating and recommending measures that could be implemented to reduce the formation of ozone, particulate matter, and carbon monoxide. During the time period of August through September of 1996, the Task Force considered hundreds of suggestions by the general public, private businesses, and governmental entities. Additionally, the Task Force collected and evaluated information related to dozens of ozone control measures adopted by jurisdictions in every area of the country. Based on the evaluation of the information presented to them, on December 2, 1996, the Task Force released their report containing 35 recommended air pollution control measures.

Of the 35 control measures recommended by the Task Force, 2 measures ranked above the rest in their ability to reduce emissions of ozone-forming pollutants and their ability to be implemented in a short time period:

- Opt into the Federal Reformulated Gasoline (RFG) program beginning in the 1997 ozone season; and
- Selection of a gasoline formulation by 1999 for long-term use. Gasoline formulations recommended by the Task Force included: 1) a performance-based gasoline capable of a 10% volatile organic compound (VOC) reduction; 2) Federal Phase II RFG; and 3) California Air Resources Board (CARB) Phase 2 RFG.

Governor Symington acted on the Task Force recommendation by sending a letter to the Environmental Protection Agency (EPA) on January 17, 1997, requesting that the Maricopa County ozone nonattainment area be included in the Federal RFG program beginning June 1, 1997. Opting into the Federal RFG program enabled the implementation of a control measure that had immediate air quality benefits for the 1997 ozone season.

The request by Governor Symington to opt into the Federal RFG program was contingent on the USEPA's assurance that Arizona would be able to exit the program in 1998 and implement their own state-enforced program. The state program, if approved by EPA, would mandate the use of a long-term gasoline recommended by the Task Force. This was an important decision that allowed the state the flexibility to implement a program with greater environmental benefits at an earlier time period than would be achieved if Arizona were to remain in the Federal program.

During the 1997 regular legislative session, the choice of a long-term gasoline for the Maricopa County area was debated. Many issues played a key role in the decision of the type of gasoline to require, such as cost of production, cost to consumer, supply and transport issues, and environmental benefits. In order to provide gasoline producers the maximum flexibility and still achieve the greatest environmental benefit possible, the State Legislature passed House Bill (HB) 2307. This bill provides for increasing environmental benefits by requiring gasoline dispensed for use in motor vehicles within Maricopa County to meet the following formulations during the specified time periods:

- From June 1, 1998, through September 30, 1998, gasoline must meet either CARB Phase 2 or Federal Phase I gasoline standards.
- From and after May 1, 1999, gasoline must meet either CARB Phase 2 or Federal Phase II gasoline standards.

Additionally, the gasoline must meet the maximum 7.0 psi summertime vapor pressure requirements contained in A.R.S. § 41-2083(F), and wintertime oxygenate requirements as provided in A.R.S. § 41-2123.

To ensure that a state-enforced gasoline program was in place for the 1998 ozone season, HB 2307 was passed as an emergency measure, operative immediately. The bill required ADEQ, in consultation with the Arizona Department of Weights and Measures (ADWM), to adopt interim rules reflecting the 1998 and 1999 fuel requirements by September 15, 1997.

In order to meet the mandated deadline, ADEQ and ADWM held a series of 10 public workshops with interested parties from May 22, 1997, through July 15, 1997, to develop a proposed interim rule that would achieve the following requirements: 1) provide the maximum flexibility for producers and transporters of gasoline minimize costs and to ensure that the supply of gasoline would not be disrupted; 2) meet the requirements of HB 2307; and 3) contain an enforceable program that meets the USEPA criteria for approval.

Arizona Cleaner Burning Gasoline (CBG) is the name chosen for the Arizona version of "reformulated gasoline". The Arizona CBG interim rule was proposed by publishing a notice in the newspaper on July, 15, 1997. A public hearing was held on the proposed interim rule at ADEQ on August 15, 1997, the date of close of the public comment period.

The Arizona CBG interim rule was adopted by ADEQ on September 12, 1997, and is being submitted to USEPA as a State Implementation Plan (SIP) revision. USEPA currently intends to publish a notice of proposed rulemaking (NPRM) regarding the approvability of the rules by November 15, 1997, and a notice of final rulemaking (NFRM) by February 1, 1998. The interim rules apply to gasoline distributed for use in motor vehicles in Maricopa County after June 1, 1998, and will remain in effect until a permanent rule is adopted.

The rule contains requirements for every person in the gasoline distribution system to insure that Maricopa County will receive gasoline that meets the requirements mandated by HB 2307 and provides significant benefits to the air quality. The provisions of the interim rule will be enforced by the Department of Weights and Measures.

In this issue of the *Arizona Administrative Register*, ADEQ is also publishing a notice of docket opening for permanent rules to replace these interim ones. The notice of proposed rulemaking for the permanent rule, addressing the years 1999 and later, will appear in the *Arizona Administrative Register* approximately 1 month from this issue. A detailed explanation of the issues involved in this program will appear at that time.

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7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable.
8. The summary of the economic, small business, and consumer impact:
Not applicable. See 1997 Laws, Ch. 117, § 3.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
See Section 10 below.

10. A summary of the principal comments and the agency response to them:

The Arizona Department of Environmental Quality (ADEQ) received comments regarding the proposed interim Arizona Cleaner Burning Gasoline (CBG) rule from 10 interested parties during the public comment period of July 15, 1997, through August 15, 1997. Additionally, 2 oral comments were received at the public hearing held in the ADEQ Public Meeting room on August 15, 1997. Each of the written and oral comments received have been addressed by ADEQ in consultation with the Arizona Department of Weights and Measures (ADWM) and are summarized in the following paragraphs. Finally, ADEQ and ADWM have made changes to the rule for which no formal comment was received. A summary of these changes is provided at the end of this section.

Comment: The Type 2 gasoline standards listed in Table 2 does not include the minimum oxygen requirements stated in CARB regulations, Section 2262.5(c).

Response: The minimum oxygen content of 1.8% by weight will be included in Table 2, Column C.

Comment: Both the federal and California reformulated gasoline regulations recognize the need for the granting of exceptions or variances in extreme or unusual circumstances. The long and arduous development of both regulations identified many situations where the public, industry, and regulators would benefit from some flexibility. The present Arizona CBG rule does not provide a similar mechanism.

Response: Prior to developing the proposed rule, ADEQ and ADWM reviewed the provisions for exceptions and variances contained in the federal and California reformulated gasoline regulations to evaluate if they would be appropriate for inclusion in an Arizona program. Our review indicated that both of these programs allowed exceptions, however, the facility granted the exception was required to pay a fee or penalty. The fees appeared to be a deterrent for facilities to apply for exceptions. For example, the federal regulation, 40 CFR 80.73(e), requires that the facility granted an exception pay to the U.S. Treasury an amount equal to the economic benefit of the nonconformity minus the amount expended in making up the air quality detriment. Under the California regulation, Section 2271, variances may be granted after the applicant pays an application fee, completes a public hearing process, and pays a per-gallon fee for gasoline sold or released for sale under the variance.

ADWM does not have statutory authority to charge fees. Additionally, when the budget for the Arizona CBG program was developed, processing costs for variances were not included. Therefore, the work required to process variances would decrease ADWN's ability to enforce other provisions of the rule.

Prior to issuance of the proposed interim rule, ADEQ and ADWM prepared an initial Draft Strawman rule that was reviewed and discussed with interested parties during 10 public stakeholder meetings held between May 22, 1997 and July 15, 1997. The initial Strawman Draft that was presented in these public meetings did contain a section entitled "Exceptions". This section allowed an exemption from the requirements for a duration not to exceed 120 days if it could be demonstrated that Arizona CBG or AZRBOB could not be produced or imported due to a physical catastrophe. To be granted an exception, the requesting facility had to notify ADWM at least 12 hours prior to transport of noncomplying gasoline to area A. No fees were required to be granted an exception.

The issue of allowing exceptions without assessing a penalty or fee was discussed during the public stakeholder meetings. It was decided by the vast majority of stakeholders that there may be an unfair advantage to facilities that apply for and receive an exception if the rules did not contain a monetary disincentive. In order to create a "level" playing field, the stakeholders agreed that market forces should take care of emergency situations that develop with a single gasoline producer (for example, a refinery unit breaks down rendering that 1 refiner unable to produce gasoline) and exceptions should only be granted if there was a catastrophe that effected the entire distribution system (for example, a train crash that damages the supply pipeline). The majority of stakeholders, ADEQ and ADWM agreed to delete the section of the strawman draft rule related to exceptions since a catastrophe that severely impacts the supply of gasoline to Maricopa County could be declared as an emergency by the Governor, and therefore exceptions would not require specific rule language.

Comment: Section 753 requires 3rd-party terminals to take and retain samples of incoming CBG, report any oversight test results that exceed the standards, develop a quality assurance/quality control (QA/QC) plan, and obtain State of Arizona approval of the plan. These requirements were discussed extensively with 3rd-party terminals who unanimously agreed that the requirements were unnecessary. The state was unable to provide consistent and definitive reasoning as to why these requirements are needed.

The reporting of oversight test results does not provide the State of Arizona with any additional level of compliance. The common-carrier pipeline sampling, testing, and reporting provides the state with actual data on the fuel being shipped into the state. The agreement by 3rd-party terminals to take and retain samples provides a path for enforcement action. Conversely, the reporting of spot oversight test results adds nothing to the program other than another chance for the 3rd-party terminal to be out of

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compliance with a reporting requirement. Gasoline with off-spec test results is not shipped to the pipeline because they will not accept the shipment. Therefore, although an off-test incident can occur and must be dealt with properly by the terminal, it would not impact the Arizona CBG program.

Likewise, obtaining State of Arizona approval for a terminal QA/QC plan does not add anything but paperwork. Section 761, Liability for Noncompliant Gasoline, provides the state with a mechanism for assigning liability and provides the incentive for the industry to have QA/QC programs as defense.

Response: As a result of the discussion with industry representatives referred to in the comment, the proposed rule was changed to eliminate 3rd-party requirements for non-fungible gasoline, testing requirements for incoming gasoline, and monthly reporting requirements. In a conference call before the interim rule was proposed, some 3rd-party terminals questioned the need for certain 3rd-party terminal requirements. During the public comment period, however, ADEQ and ADWM received verbal and/or written comments concerning the 3rd-party terminal requirements contained in the proposed interim rule from only 2 interested parties.

Both during the public stakeholder process and again in the conference call with industry representatives, ADEQ and ADWM stressed the importance of implementing an enforceable program in order to receive approval from the Environmental Protection Agency (EPA). Two issues exist that make it difficult to create an enforceable program:

- All of the gasoline currently produced for use in Maricopa County comes from outside of the Arizona state boundaries. This makes it difficult for enforcement of the gasoline standards by Arizona officials since it is both time consuming and costly to travel out of state for the purpose of collecting and analyzing gasoline samples.
- Once the gasoline is produced, it enters a fungible system in which all of the gasoline is mixed and may not be traced back to the producer.

Due to these issues, ADEQ and ADWM developed a system that relies more heavily on sampling and analysis of gasoline at each step in the distribution system and reporting of analysis results to ADWM. The 3rd-party terminals receive gasoline from many different refineries which is commingled in "community tanks." In order to insure that this gasoline meets the standards after these batches are mixed together, the gasoline must be sampled and analyzed prior to shipment from the 3rd-party terminal. This must be performed by the 3rd-party terminals since the pipeline does not analyze every incoming batch.

While ADEQ and ADWM recognize the fact that the vast majority of the gasoline is transported to Maricopa County through the pipeline, there is the potential that gasoline may be transported by means other than the pipeline. Additionally, this practice may be utilized more frequently in the future, and therefore, the rules must be structured to provide adequate requirements for all scenarios.

In order to provide needed assurance that the laboratory equipment and methods are working accurately, a quality assurance/quality control (QA/QC) plan that meets minimum requirements (as approved by ADWM) is necessary. ADEQ and ADWM do not feel that this requirement is overly burdensome since 3rd-party terminals already have QA/QC programs in place for liability purposes.

The reporting requirements are only required for any batch that does not meet the applicable standards. The reporting requirements assist ADWM to focus their efforts and resources in areas in which there may be potential problems.

Comment: Two comments stated that Section 755(E)(5)(a) requires oxygenate blenders to retain records of fuel properties other than oxygen. However, the oxygenate blender is required to test only for oxygen content. Therefore, Section 755(E)(5)(a) should be made consistent with the testing requirements and only contain references to the oxygen content of the fuel.

Response: This section has been modified to exclude requirements for oxygenate blenders to retain records for all standards specified in R20-2-751 and R20-2-751.01, except those for the oxygen content.

Comment: Several comments requested that ADEQ clarify the pipeline definition to read "means a transporter that owns or operates an interstate common-carrier pipe that transports motor fuels into the State of Arizona." This would clarify that only pipelines transporting into the state should meet the requirements of a pipeline.

Response: The definition has been modified as recommended.

Comment: There is no factual or legal basis for the summertime oxygenate requirement contained in the proposed rule. As we understand it, the only predicate for an oxygenate requirement is to control carbon monoxide (CO). However, in the control region there is no violation of the national ambient air quality standards (NAAQS) for CO during the summer. Thus there is no practical reason for an oxygenate requirement in the summer period of May 1 to September 15 of each year. Under the Clean Air Act (CAA) § 211(c)(4)(C), a state may prescribe and enforce a control of fuels only if EPA approves it as part of a State Implementation Plan (SIP) upon a finding by EPA "that the state control or prohibition is necessary to achieve" the NAAQS. Such a finding cannot be made in the case of summertime CO since the region is in attainment.

Even if the state were to claim that an oxygenate requirement somehow would contribute to the achievement of the ozone NAAQS, the state would still not be able to impose an oxygenate requirement unless EPA were to find under CAA § 211(c)(4)(C), that "no other measures that would bring about timely attainment exist, or ... are unreasonable or impracticable." Such a finding could not be made here, since the state has failed to exhaust all other measures, such as controls on stationary sources and full implementation of an inspection and maintenance program for vehicles.

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If the state contends that the summertime oxygenate requirement will contribute to the achievement of the ozone NAAQS and that there are no other measures that could be implemented to bring about timely attainment of the NAAQS, we would like to request that the public be provided with an explanation to the state's reasoning and an opportunity for public comment.

Response: Although EPA has not yet addressed whether the state enforcement of an oxygen standard is preempted, ADEQ has developed an analysis of the potential impact of preemption of a state oxygen content on ozone attainment. Scientific studies have shown that CO is a precursor to the formation of ozone. As shown in the attached ADEQ memorandums, modeling results indicate that a reduction of 82 tons of CO is equivalent to a 1 ton reduction of VOCs. Additionally, complex model simulations have shown that the addition of 2% oxygen by weight to gasoline results in a VOC reduction of approximately 1.2 tons per day due to the CO and VOC benefits from the addition of oxygen.

The EPA has recently proposed to redesignate the Maricopa County nonattainment area from "moderate" to "serious". Although many programs have been implemented to reduce air pollution in the area, attainment can not yet be demonstrated. There is no reason to believe that the Arizona CBG program would not be necessary even with the full implementation of the I/M240 program and additional controls on stationary sources.

As indicated during the stakeholder meetings and the public hearing for the rule, ADEQ is submitting this rule to EPA as a SIP revision. Along with the rule submittal, the state is submitting Section 211(c)(4)(C), waiver requests for EPA approval of enforcement of the gasoline standards included rule. The draft time line for the Arizona CBG rulemaking process that was distributed to the stakeholders indicates a tentative date of November 15, 1997, for EPA to issue Notice of Proposed Rulemaking (NPRM) regarding the Arizona CBG SIP revisions, waiver request, and opt-out of the federal RFG program. At that time, interested parties will have the opportunity to comment on the provisions of the waiver request and EPA's decision to act on the waiver request.

Comment: The requirements to report gasoline qualities for every batch of gasoline produced on a monthly basis and the requirement to have a separate averaging pool for Maricopa County are more stringent than the requirements of either the federal or California reformulated gasoline programs. We would encourage ADEQ to review these requirements in the future, and if not needed, remove them.

Response: ADEQ and ADWM agree that unnecessary requirements should not be included in the rule. According to state statute, agencies are required to perform periodic reviews of rules to evaluate their effectiveness. Unnecessary requirements would be removed during this review.

Comment: Pipelines and terminals should be allowed to blend transmix.

Response: As proposed, the interim CBG rule allows blending of transmix at a rate of 1/4% per volume by pipelines only. Allowing facilities other than the pipeline to blend transmix would create a potential for more than 1 facility to blend transmix into the same volume of gasoline. There is no method of tracking the quantity of transmix blended into the gasoline by facilities to insure that the 1/4% by volume standard would not be exceeded. Depending on the number of terminals blending in transmix in addition to the pipeline, the emission reductions associated with the gasoline could be severely impacted. For these reasons, ADEQ and ADWM do not believe it is appropriate to allow facilities other than the pipeline to blend transmix.

Comment: We support the review of penalties for noncompliance. We agree with ADEQ that the noncompliance penalty of \$500 per incident and \$5,000 per month are lower than in other reformulated gasoline areas and need to be adjusted through future legislative effort.

Response: ADEQ and ADWM agree that the penalty amounts do not recapture the economic benefits of noncompliance.

Comment: R20-2-701(32) may need to be modified so that a person blending 2 AZRBOBs together should only be exempted from the term "produce" if both AZRBOBs require the same concentration of the same oxygenate, could refer to R20-2-755(C)(2).

Response: R20-2-701(32) has been modified as follows:

"Produce" means:

- a. Except as otherwise provided in subsections (b) or (c) of this definition to convert liquid compounds which are not Arizona CBG or AZRBOB into Arizona CBG or AZRBOB. When a person blends volumes of blendstocks which are not Arizona CBG or AZRBOB with volumes of Arizona CBG or AZRBOB acquired from another person, and the resulting blend is Arizona CBG or AZRBOB, the person conducting such blending has produced only the portion of the blend which was not previously Arizona CBG or AZRBOB. When a person blends Arizona CBG or AZRBOB with other volumes of Arizona CBG or AZRBOB in accordance with these rules, without the addition of blendstocks which are not Arizona CBG or AZRBOB, the person does not produce Arizona CBG or AZRBOB.

Comment: The definition of 3rd-party terminal (R20-2-701(41)) applies only to interstate transport. Should it also cover intrastate transport within Arizona?

Response: The 3rd-party terminals located outside of Arizona are required to sample and analyze outgoing commingled gasoline prior to transport in the pipeline to Maricopa County to verify compliance with the standards. ADWM conducts extensive sampling and analysis of gasoline at facilities within the Maricopa County area to verify compliance with the standards. This type of extensive testing is not feasible for areas outside of Arizona due to the time and funding that would be required.

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Additionally, there are no facilities in Arizona which receive gasoline directly from a producer and commingle the gasoline prior to transport to Arizona. Third-party terminals within Arizona are considered to be final distribution facilities in which the incoming gasoline has already been transferred through the pipeline (and thus has been certified as complying with the standards as indicated on the product transfer documentation (PTD)) and outgoing gasoline is transferred directly into trucks for distribution throughout the County. Therefore, it would not be appropriate for these final distribution facilities to have to comply with the requirements for the 3rd-party terminals.

Comment: Can the information requested in R20-2-709(B) be communicated through codes that are included on the PTDs that are generally understood through the distribution system. Refer to the section on PTDs where such flexibility is allowed.

Response: During this interim rulemaking process, ADEQ and ADWM only have the authority to modify rules that are directly applicable to the Arizona CBG program. This comment pertains to an existing rule that is not related to the Arizona CBG program, and therefore, cannot be modified at this time. However, ADEQ and ADWM will address this comment during the permanent rulemaking process.

Comment: R20-2-751(F) provides a probationary period of up to 2 years. This should be clarified so that the state is not limited in any way by these provisions to take additional punitive measures, including action to pull a supplier's registration to provide fuel to area A. This could be addressed in the penalty section.

Response: R20-2-751(F) and R20-2-751.01(F) have been clarified to include provisions for ADWM to issue penalties in addition to the specified probationary period. The interim rule does not believe it has the authority to "pull" a supplier's registration.

Comment: R20-2-752(E) allows registered suppliers to have an approved QA/QC program instead of the independent sampling program. R20-2-755(E)(7) requires oxygenate blenders to have an approved QA/QC program. Guidelines should be developed in cooperation with industry on what would be considered an approvable program.

Response: ADEQ and ADWM along with other interested parties will work to develop specific QA/QC Plan requirements that will meet the objectives of the Arizona CBG rule. The anticipated completion date for the QA/QC Plan requirements is November 30, 1997.

Comment: Several comments noted that the Environmental Protection Agency (EPA) has proposed many changes to the federal RFG rules and it is important to align the Arizona CBG rules with the current EPA rulemaking (62 FR 37337, July 11, 1997) where appropriate. Specific areas of interest are:

- Elimination of the minimum per-gallon nitrogen oxide (NOx) performance requirement in R20-2-751(A)(9) as well as other areas of the rule;
- Change the maximum aromatics limit from 50% to 55% (R20-2-751(A)(2)); and
- The reference to the federal complex model effective date (page 48, line 22).

Response: Although the agencies are not opposed in principle in any way to any of the changes requested, none of them are allowed by the statute authorizing this rulemaking. A.R.S. § 41-2124(A)(1) requires that 40 CFR 80.41(a) through (h), as "in effect on January 1, 1997", be the specific federal phase II standards to be met. Even if the statute were updated, it would be extremely difficult for ADEQ and ADWM to receive EPA approval for these changes to go into effect for the 1998 season.

Comment: The Arizona CBG rule requires that receipts for the 4 most recent deliveries be maintained. This differs from the federal requirement to maintain receipts for the 3 most recent deliveries. This discrepancy only serves to create another way to be in violation of the rules without actually affecting air quality. We urge the state agencies to change the requirement to 3 to conform with EPA's requirements.

Response: The requirement to maintain manifests for the 4 most recent deliveries is contained in the existing rules. ADEQ and ADWM do not have the authority under this interim rulemaking for Arizona CBG to change the existing rules which impact areas of Arizona that are not required to comply with the Arizona CBG requirements. ADWM will consider this comment during the permanent rulemaking process.

Comment: R20-2-751(A)(6)(a) should be October 1 - March 31 instead of September 30 - March 31 to conform with the statute.

Response: The rule will be modified accordingly.

Comment: R20-2-751(B), R20-2-752(B), and other places where the Director requires that information be submitted to demonstrate compliance. We urge a change to allow the information to be submitted on a form or in a format prescribed by the Director.

Response: R20-2-751(B), R20-2-751.01(B), and R20-2-752(B) have been changed to reflect that information may be submitted on a form or in a format prescribed by the Director. R20-2-750(B), which provides for a 1-time only registration, has not been modified.

Comment: The election required in R20-2-751(B)(1) should be reported once and only reported again upon change of that election, not batch by batch. This change is applicable to the corresponding subsection in R20-2-751.

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Response: The language in R20-2-751(B) and R20-2-751.01(B) has been clarified as follows:

All registered suppliers shall make an initial election, and subsequent elections when a change occurs, the following elections prior to the beginning of transport of the Arizona CBG or AZRBOB and notify the Director on a form prescribed by the Director:

1. ~~For each batch, whether~~ Whether the registered supplier (at each point where the gasoline is certified) will supply Arizona CBG or AZRBOB that complies with the Type 1 gasoline, Type 2 gasoline, or the PM alternative gasoline formulation requirements.
2. For each property, whether the Arizona CBG or AZRBOB will comply with the average standards or per-gallon standards. A registered supplier shall not elect to comply with average standards unless the supplier is in compliance with R20-2-760.

Comment: The CARB executive officer does not require the submission of Reid vapor pressure (RVP) for a predictive model (PM) alternative formulation since RVP is fixed at 7.0 or less--RVP is not in the CARB predictive model. Therefore, "recalculation of RVP" contained in R20-2-751(D)(2)(a) is meaningless. Since area A's maximum RVP is fixed at the same value as CARB's, this requirement can be dispensed with. This change should also be reflected in the appropriate section of R20-2-751.01.

Response: R20-2-751(D)(2)(a) and R20-2-751.01(D)(2)(a) have been modified accordingly.

Comment: To clarify R20-2-751(D)(2)(b), it is suggested that the phrase "If the PM alternative gasoline formulation is to be certified" be replaced with "or" to make it clear that (a) and (b) are 2 separate and distinct options. This change should also be reflected in the appropriate section of R20-2-751.01.

Response: The phrase has been deleted.

Comment: To conform R20-2-751(F)(1)(a) with R20-2-751(F)(2), the words "no earlier than" should be inserted after "an end" on page 20, line 23. This would make it clear that the Director's approval of a means to prevent future noncompliance takes supremacy over the ending date for a probationary period. Clearly, if no compliance plan has been approved, the probationary period should continue.

Response: The language of R20-2-751(F)(1)(a) and R20-2-751.01(F)(1)(a) has been modified as follows:

For persons electing to comply with the standards contained in Table 1, the probationary period shall begin on the 1st day of the next similar averaging season and end on the last day of that averaging season if the conditions of subsection (2) of this subsection are met.

Comment: The phrase "The certification shall include information on batch properties of Arizona CBG or AZRBOB transported by other registered suppliers" contained in R20-2-752(B) is not clear as to which registered suppliers the regulation is referring.

Response: R20-2-752(B) has been clarified as follows:

- B.** Certification shall be made by the producer or importer. Certification shall be on a form or in a format and in a medium prescribed by the Director and shall include a statement signed by the responsible party that the Arizona CBG or AZRBOB meets applicable standards ~~(Arizona Certification Form)~~. The certification shall include information on batch properties of Arizona CBG or AZRBOB, ~~transported by other registered suppliers~~. For each batch transported, all required data shall be received by the Director on or before the 15th day of each month for the Arizona CBG or AZRBOB transported during the previous month.

Comment: Reporting information relating to each batch of gasoline to the Director on a monthly basis is burdensome and appears to be unnecessary. As we recall, this information is to be used to confirm that refiners are meeting their average. Therefore, refiners that are not providing gasoline meeting the averaging standards should not have to submit batch data. Second, the frequency of monthly reporting was found by the state to be necessary to allow personnel to keep up with the data flow. The burden on staff appears to be the same to us whether data are submitted monthly allowing a month to process or quarterly allowing 3 months to process. EPA requires quarterly reporting of RFG and annual reporting of conventional gasoline data.

Response: In order to adequately enforce the provisions of this program in a timely manner, monthly reporting is required. Additionally, due to registered supplier sampling retention times, quarterly reporting would be inadequate in the event that ADWM required sample analysis for verification of documented test results.

Comment: R20-2-752(C)(1) allows the submission of "the final blend or shipment volume". The registered supplier commenting unable to determine accurately and report the final shipment volume within the time-frame as currently proposed (15 days after the end of the reporting month). Therefore, as proposed, final blend volume will always be reported. If the state feels it is important to have information regarding the final shipment volumes, the reporting time period will need to be extended 30 days.

Response: In order to adequately enforce the provisions of this program in a timely manner, all data are necessary on a monthly basis. Registered suppliers always have the opportunity to file an amended report.

Comment: The term "responsible party" contained in R20-2-753(G) needs a definition.

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Response: This term has been replaced with the statement "liable under R20-2-761".

Comment: R20-2-753(F) and (H) refer to laboratory testing done by 3rd-party terminals. However, there are no requirements for 3rd-party terminals to perform laboratory testing.

Response: R20-2-753(A)(2) requires that the 3rd-party terminal provide written verification to the pipeline that the Arizona CBG meets the applicable standards in R20-2-751(A) or R20-2-751.01(A) prior to shipment. In instances in which the 3rd-party has commingled batches of gasoline, it may be necessary to perform laboratory testing in order to be able to provide the pipeline with the assurance that the gasoline meets the standards. Additionally, R20-2-753(H) requires that 3rd-party terminals shall include a description of the laboratory testing protocol used to verify that the gasoline being supplied for transport to area A meets the applicable standards in either R20-2-751(A) or R20-2-751.01(A).

Comment: R20-2-757(A)(8) should read "The minimum octane rating" since the actual octane rating will be unknown in the fungible gasoline distribution system. Likewise, the "type and quantity of oxygenate" in R20-2-757(A)(10) cannot be known since Arizona CBG can be an unknown proportion of ethanol-blended gasoline at 3.5 weight-percent-minimum and ether-blended gasoline at 2.7 weight-percent. This item should be changed to require "the minimum oxygen content of the Arizona CBG."

Response: R20-2-757(A)(8) has been revised to read "The minimum octane rating". However, R20-2-757(A)(10) has not been modified since the type of oxygenate will be designated based on product coding of the pipeline and during the winter months there are specific requirements regarding the quantity of oxygenate contained in Arizona CBG. Additionally, under the current oxygenated fuel regulations, different types of oxygenates may be mixed within the distribution system only upon receipt of a waiver. This requirement does not apply to the end user of the gasoline.

Comment: RVP, as specified in R20-2-760(B)(5) is not needed for determination of winter NOx performance since the EPA models fix RVP as an input at 8.7. RVP should be dropped as a wintertime requirement for the surveys.

Response: The language in R20-2-760(B)(5) has been clarified to exclude RVP as a wintertime requirement for surveys.

Comment: R20-2-760(B)(5) over specifies the statistical requirement and results in an unnecessary large number of samples. EPA has recognized this and has proposed a correction in the current NPRM, Section 80.68(c)(13)(iii). We suggest that R20-2-760(E)(2) be replaced with "Include procedures such that the number of samples included in each survey assures that the average levels of VOC and NOx calculated with the complex model are determined at the 95% confidence level."

Response: ADEQ and ADWM have no assurance what EPA will do in the final rule. Assuming that EPA will have promulgated the final rule in time, the agencies do believe that the agencies have the authority to incorporate this change in the permanent rule.

Comment: The regulatory language contained in R20-2-760(H) is unclear. We believe the intent is to have the survey ready to go by April 15 just prior to the summer control period. As written, the regulatory language could be interpreted to require the survey to be set up a full year earlier. Please clarify.

Response: This language has been clarified as follows:

No later than April 1 of each year preceding the 1-year period in which the surveys will be conducted, the contract with the surveyor to carry out the entire survey plan for the next summer and winter season shall be in effect, and an amount of money paid by the registered supplier necessary to carry out the entire survey plan shall be paid to the surveyor or placed into an escrow account with instructions to the escrow agent to pay the money over to the surveyor during the course of the conduct of the survey plan. No later than April 15 preceding the 1-year period in which the surveys will be conducted, the Director shall be given a copy of the contract with the surveyor, proof that the money necessary to carry out the plan has either been paid to the surveyor or placed into an escrow account, and if placed into an escrow account, a copy of the escrow agreement.

Comment: Two comments noted that there are several Arizona CBG requirements that differ from EPA RFG and California RFG (CaRFG), including:

- Summer 7.0 psi RVP limit;
- Winter 9.0 psi RVP limit;
- Winter oxygen requirements; and
- Requirements that individual refiners producing CBG to "averaged standards" meet those standards for the volume of gasoline specifically delivered to Phoenix.

Although the commentators were agreeable to these unique requirements for Arizona CBG for this rulemaking, they encouraged ADEQ to monitor the need for unique gasoline requirements in the future, and if appropriate, to remove them to make Arizona CBG more consistent with the EPA RFG and CaRFG requirements.

Response: ADEQ agrees with the comments that, where possible, the Arizona program should be consistent with the EPA RFG and CaRFG requirements. The rule will be periodically reviewed to monitor the need for unique gasoline requirements.

Comment: Several comments encouraged ADEQ to pursue changes to Arizona statutes to provide flexibility for refiners to use either approved EPA RFG or CaRFG test methods in their analysis of Arizona CBG. Additionally, 1 comment requested that ADEQ review and modify the test method requirements, when and where appropriate, to allow the use of new test methods

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as they are approved for use in California.

Response: Both EPA and CARB methods are referenced as viable RVP test methods in ASTM D4814, which is required under Arizona statute. In order to provide flexibility, R20-2-759(C) will be modified as follows:

- C. Registered suppliers, oxygenate blenders, and 3rd-party terminals certifying gasoline prior to transport to Maricopa County shall measure oxygenate using ASTM D-4815-96 procedures and RVP using ASTM D4814 standards. For gasoline located within Maricopa County, oxygenate shall be measured using ASTM D-45815-96 and RVP shall be measured using ASTM D5191-96.

The provisions for test methods contained in the rule will be periodically reviewed as required under Arizona statute and revised if necessary.

Comment: ADEQ proposes that individual refiners who produce Arizona CBG using the "averaged standards" must meet those standards for gasoline delivered to the Phoenix area. This type of requirement does not exist in either the federal RFG or CaRFG rules. This requirement could be restrictive for companies, therefore, we request that ADEQ review this requirement in the next few years and consider removing it if it is not needed to ensure overall gasoline quality in the Phoenix area.

Response: As required by Arizona statute, ADEQ will perform a periodic review of the rule and remove any unnecessary requirements.

Comment: The proposed rule contains a "probation" approach to dealing with noncompliance with the averaged standards. This approach would disallow averaging compliance for stated periods, increasing with each event of noncompliance, with the ultimate consequence being loss of the ability to average forever. There is a concern that this penalty may be overly harsh, and could have unintended consequences. In some cases, averaging may be the only feasible compliance option for some of our members.

This penalty was driven by the fact that Arizona statute allows for monetary penalties of \$500 per violation and \$5,000 per month for noncompliance. We agree that these penalties do not provide adequate disincentive for noncompliance. However, we request that ADEQ consider revising the regulations to eliminate the "probation approach" in the event that the legislature raises the maximum limits on noncompliance penalties.

Response: The averaging compliance option provides facilities flexibility and assures that Maricopa County receives gasoline that benefits air quality. However, facilities must be able to demonstrate that they can abide by the requirements of the averaging compliance option. The penalty amounts that ADWM is authorized do not recapture the economic benefits of noncompliance. ADEQ and ADWM agree that a review of the need for the "probation approach" would be warranted in the event that the legislature revises the maximum limits on noncompliance.

Comment: The CBG rules encourage the supply of cleaner burning gasolines because they give refiners and others more flexibility in supplying gasoline to the Phoenix area. We encourage ADEQ and the Governor to proceed as planned with the SIP revision submittal and opt-out request and to encourage EPA to proceed as quickly as possible in approving these requests.

Response: ADEQ plans to submit the opt-out request to EPA by September 15, 1997, and has received commitments from EPA to expeditiously consider the Arizona CBG SIP revision, waiver requests, and opt-out.

Comment: The proposed rule does not address the issue of testing reproducibility. We understand that registered suppliers must certify CBG and AZRBOB without an allowance for test reproducibility and that ADWM will consider test method reproducibility in their testing and enforcement activities. We recommend that ADEQ consider clarifying this in the CBG rule if it is not adequately addressed in existing Arizona statute or regulation.

Response: As discussed on several occasions during the public workshops, test method reproducibility is not addressed in any of the ADWM rules. It is the policy of ADWM to adhere to ASTM standards and methods when performing testing and enforcement activities.

Comment: There are times when a 3rd-party terminal customer, by contract, will deliver Arizona CBG not meeting the Arizona CBG standards to the 3rd-party terminal in order for the Arizona CBG to be "fixed" by blending with other batches of Arizona CBG and thus meet the requirements of Arizona CBG. There is concern that R20-2-753(F) will limit the ability to meet customer needs and requirements to fix any batch that does not meet applicable standards for Arizona CBG. The resulting Arizona CBG would be required to be retested to meet the pipeline or blender requirements under the interim rule.

Response: R20-2-753(F) has been revised as follows:

- F. For any batch that does not meet the applicable standards in either R20-2-751(A) or R20-2-751.01(A) including reproducibility, the pipeline or 3rd-party terminal shall notify the Director by facsimile within 24 hours with the quantity and date tendered, proposed date of shipment, whether it entered a pipeline, present location of fuel, and laboratory analysis results. If the product is still within the pipeline or 3rd-party terminal's control, measures shall be taken to stop the release of product from a distribution point until such time as it can be certified as meeting the standards in R20-2-751(A) or R20-2-751.01(A).

Additionally, the rule provides a definition of production facility that may clarify a 3rd-party terminal's ability to work under contract with a producer of Arizona CBG or AZRBOB:

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"Production facility" means a facility at which Arizona CBG or AZRBOB is produced. Upon request of a producer, the Director may designate, as part of the producer's production facility, a physically separate bulk storage facility which is owned or leased by the producer, is operated by or at the direction of the producer, and is not used to store or distribute Arizona CBG or AZRBOB that is not supplied from the production facility.

Comment: The notification process and information required by the ADEQ in R20-2-753(F) is erroneous and adds complexity and potential confusion to the distribution system. This system already has in place the required checks and balances that meet both EPA and CARB gasoline requirements. ADEQ should remain consistent with established procedures for a distribution system that works very well today. Any product not meeting the Arizona CBG standards can be traced back within the distribution system as to the source of a potential problem. Third-party terminals will not intentionally deliver Arizona CBG to an interstate pipeline that doesn't meet the required product specifications. It is requested that this section be deleted for 3rd-party terminals.

Response: Both the CARB and EPA have significant penalties for noncompliance with their regulatory requirements that are not available to ADWM. Additionally, CARB has an advantage of operating in the same state that the gasoline is produced and distributed. In Arizona, all of the gasoline that is received is produced outside of the state borders. This makes it difficult to perform compliance testing due to the time and budget that would be required. For these reasons, it is necessary for the Arizona CBG program to require a more preventative approach to assuring compliance than may be utilized in the EPA or CARB programs.

Comment: All companies within the distribution network have liability and each manages its liability with a product testing oversight program. ADEQ should make the rule consistent and state "A QA/QC oversight program is required". Third-party terminals will have QA/QC programs in place to limit company liability without the ADEQ mandating individual company programs and policies. The ADEQ is not required to, nor should it try to, complete risk analysis for individual companies.

Response: EPA and CARB both have the authority for levying substantial penalties upon noncompliant facilities. For example, EPA has the authority to fine noncomplying facilities up to \$25,000 per day per violation. Under the federal program, a QA/QC program may be used as a defense to avoid these substantial penalties. As indicated previously, ADWM has statutory authority for fines of \$500 per violation, up to \$5,000 per month. Based on discussions during the public stakeholder meetings, ADEQ and ADWM have concluded that the penalty amounts do not recapture the economic benefits of noncompliance and will not require companies to implement a QA/QC program in order to reduce their liability. Therefore, it is important for facilities that will be sampling and analyzing Arizona CBG prior to transport to Maricopa County to implement a QA/QC program that meets certain minimum requirements. ADEQ and ADWM will be meeting with interested parties to develop the requirements for the QA/QC programs. ADEQ and ADWM encourage all interested parties to participate in this development process.

Comment: EPA only requires complex model VOC percentage for RFG complex model gasoline. ADEQ needs to consider EPA's program for transfer documentation and delete NOx requirements.

Response: In order to verify at every transfer point that the Arizona CBG meets the requirements of R20-2-751(A) and R20-2-751.01(A), it is important that the product transfer documentation indicate that the gasoline complies with all of the Arizona CBG standards. Since R20-2-751(A)(9) and R20-2-751.01(A)(9) include NOx emission reduction requirements, the PTD needs to indicate that the gasoline complies with these requirements.

Comment: Under the proposed interim rules, ADEQ has presumed they have regulatory authority over 3rd-party terminals that are not located in the state of Arizona. The legality of this presumption has yet to be established by the Director of ADEQ, Weights and Measures and the Arizona Attorney General's office.

Response: The Arizona Attorney General's office has advised ADEQ and ADWM that the Director has the authority to enforce the provisions of this rule beyond the Arizona state boundaries. A letter regarding their review of this issue is included in the SIP revision submittal to EPA for the interim rule.

Comment: The proposed rules establish state fuel controls which include fuel characteristics or components for which EPA has adopted a federal control. CAA § 211(c)(4)(A) preempts state fuel controls for characteristics or components for which EPA has adopted a federal control. However, under CAA § 211(c)(4)(C), EPA can approve state fuel control in a SIP if the SIP submittal shows that the controls are necessary to achieve the NAAQS.

Response: As previously indicated during the stakeholder process, ADEQ is submitting a CAA § 211(c)(4)(C) waiver request to EPA along with the SIP revision submittal.

Comment: The Arizona Attorney General's office must submit a statement that the office has the authority to enforce these fuels standards in areas outside of the State of Arizona. This statement must be submitted to EPA with the submittal of the SIP revision for the fuel standards.

Response: The Arizona Attorney General's office has provided a statement regarding this issue which is included in the SIP revision submittal.

Comment: R20-2-753 of the proposed rule requires pipeline companies to notify the Director by facsimile within 24 hours for any batch that does not meet the standards in either R20-2-751(A) or R20-2-751.01(A) but is within reproducibility. This requirement for facsimile transmittal is unwarranted. We suggest that pipeline companies provide facsimile transmittal to the Director within 48 hours for any test result above the standards presented in R20-2-751(A) or R20-2-751.01(A) but within reproducibility provided that the 10-day monthly report is stricken from the rule.

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Response: The interim rule is structured to provide sufficient controls to prevent noncompliant gasoline from entering the distribution system. This should minimize the number of faxes that will be required under R20-2-753. ADWM has stated during the public stakeholder meetings that a dedicated facsimile machine will be available to receive Arizona CBG-related information. Receiving information by facsimile provides protection for all parties that would not be provided by a phone call.

The comment requests that the notification time period contained in R20-2-753(E) be revised from 24 hours to 48 hours. This notification is required when the pipeline identifies Arizona CBG that does not meet the applicable standards, but is within reproducibility. Since gasoline entering the pipeline takes approximately 7 days to reach the terminal in Maricopa County, and the gasoline exceeding the standards is within reproducibility, ADEQ and ADWM are revising R20-2-753(E) to require a facsimile to be submitted to ADWM within 48 hours instead of the proposed 24 hours.

The comment also suggests that the requirement contained in R20-2-753(D) to provide ADWM a monthly report be deleted. The 10-day monthly report is important for enforcement of the rule and for reviewing the quality of gasoline that is being distributed to Maricopa County. Therefore, this requirement is being maintained in the rule.

Comment: The proposed regulations acknowledge no differences between fleet owner operations and retail sales operations. Fleet owner operations with respect to fuels are markedly different than operations of retail sales service stations. Fleet owner operations utilize rather large gasoline tanks in which the gasoline is stored for use as needed. The proposed regulations establish numerous changes in RVP specifications throughout the year, as well as modeled emission reduction performance specifications. Fleet owners have no control over the specification changes, but have liability for compliance of the gasoline to meet the specifications. In some cases to meet compliance deadlines, we have to pump our tanks and either deliver the fuel to our facilities outside of Maricopa County or take it back to the wholesaler to be adjusted to meet standards that will come in to effect within the next few days. Having to make these bulk transfers of gasoline just to remain in compliance with a formulation deadline is contrary to good air pollution control practices. Compliance with the proposed rules as written is not possible in a cost-effective or an air quality control-effective manner. It is suggested that the enforcement of these regulations at fleet owner facilities be deferred, and a working group be established among the agencies and fleet owners to develop a regulatory structure to address the fleet owner issues.

Response: The compliance deadlines for each of the gasoline standards are provided in statute and may not be modified or deferred in this rulemaking. Deadlines for compliance with oxygenate and RVP requirements are contained in A.R.S. §§ 41-2123 and 41-2083, respectively. Deadlines for VOC and NOx emission reductions are mandated by HB 2307. The only exemptions allowed under these statutes is for gasoline sold for use at a motor vehicle manufacturer proving ground or at a motor vehicle racing event.

ADEQ and ADWM realize that transitioning gasoline tanks to comply with these requirements may be difficult under certain circumstances. ADEQ and ADWM are committed to working with interested parties to assist with a smooth implementation of this rule.

Comment: It is requested that ADEQ and ADWM consider establishing a fleet operators and suppliers working group to help smooth out the difficulties during the initial transition of this rule.

Response: As indicated above, ADEQ and ADWM are committed to working with interested parties to assist with a smooth implementation of this rule.

CHANGES TO INTERIM RULE WITHOUT COMMENTS

Issue: The definition for area A has been modified to conform to the definition contained in A.R.S. § 41-2121. The revised definition follows:

"Area A" means a county with a population of 1,200,000 or more persons that contains a carbon monoxide vehicle emissions control area.

Issue: R20-2-721(A)(4) and R20-2-721(A)(6) have been modified for clarification purposes. These sections have been revised as follows:

4. ~~Any petroleum transporter, common carrier handling motor fuel, including Arizona CBG.~~
6. ~~Any distributor or jobber handling Arizona CBG final distribution facility.~~

Issue: R20-2-753(A) has been clarified as follows:

- A. ~~Any pipeline or 3rd party terminal that transports Arizona CBG or AZRBOB shall require suppliers to certify that the Arizona CBG or AZRBOB complies with the applicable standards in either R20-2-751(A) or R20-2-751.01(A) prior to the beginning of transport.~~ The pipeline or 3rd-party terminal shall not accept Arizona CBG or AZRBOB for transport unless:
 1. The supplier is registered with the Department; and
 2. The supplier certifies provides written verification that the gasoline is Arizona CBG or AZRBOB and complies with the applicable standards in either R20-2-751(A) or R20-2-751.01(A) with no reproducibility or rounding.

Issue: Formatting changes have been made throughout.

II. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
None.

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12. Incorporations by reference and their locations in the rules:

Incorporation

Location

API Manual of Petroleum Measurement Standards, Chapters 3.1A and 3.1B:

R20-2-754(B)

40 CFR 80.69(a)(7):

R20-2-755(D)

40 CFR 80.69(e)(2):

R20-2-755(E)(3)

California Procedures for Evaluating Alternative Specifications for Phase 2 Reformulated Gasoline Using the California Predictive Model:

R20-2-758(A)(1)

The "Federal Complex Model" as contained in 40 CFR 80.45:

R20-2-758(A)(2)

13 California Code of Regulations, Section 2263:

R20-2-759(A)

13. Was this rule previously adopted as an emergency rule?

No.

14. The full text of the rules follows:

TITLE 20. COMMERCE, BANKING, AND INSURANCE
CHAPTER 2. DEPARTMENT OF WEIGHTS AND MEASURES

ARTICLE 7. MOTOR FUELS AND PETROLEUM PRODUCTS

R20-2-701.	Definitions
R20-2-709.	Record Retention Requirements for Service Stations and Fleet Owners
R20-2-721.	Sampling and Access to Records
R20-2-750.	Registration Pertaining to Arizona CBG or AZRBOB
R20-2-751.	Area A Arizona CBG Requirements - 1999 and later
R20-2-751.01.	Area A Arizona CBG Requirements - 1998
R20-2-752.	General Requirements for Registered Suppliers
R20-2-753.	General Requirements for Pipelines and 3rd-party Terminals
R20-2-754.	Downstream Blending Exceptions for Transmix
R20-2-755.	Additional Requirements Pertaining to AZRBOB and Downstream Oxygenate Blending
R20-2-756.	Downstream Blending of Arizona CBG with Non-oxygenate Blendstocks
R20-2-757.	Product Transfer Documentation; Records Retention
R20-2-758.	Adoption of Fuel Certification Models
R20-2-759.	Testing Methodologies
R20-2-760.	Compliance Surveys
R20-2-761.	Liability for Noncompliant Gasoline
R20-2-762.	Penalties
Table 1.	Type 1 Gasoline Standards
Table 2.	Type 2 Gasoline Standards
Table 3.	Type 3 Gasoline Standards

ARTICLE 7. MOTOR FUELS AND PETROLEUM PRODUCTS

R20-2-701. Definitions

The following definitions and definitions contained in A.R.S. §§ 41-2051, 41-2121, and Article 1 of this Chapter shall apply to this Article unless the context otherwise requires:

1. "Area A" means a county with a population of 1,200,000 or more persons that contains a carbon monoxide vehicle emissions control area.
2. "Arizona Cleaner Burning Gasoline" or "Arizona CBG" means a gasoline blend that meets the requirements of this Article for gasoline produced and shipped to Mari-

copa County and sold or offered for sale for use in motor vehicles in area A.

3. "AZRBOB" means a petroleum-derived liquid which is intended to be or is represented as a product that will constitute Arizona CBG upon the addition of a specified type and percentage (or range of percentages) of oxygenate to the product after the product has been supplied from the production or import facility at which it was produced or imported.
4. "Batch" means a quantity of gasoline which is homogeneous with regard to those properties which are specified for Arizona CBG certified under R20-2-751 or R20-2-751.01.
5. "Begin transport" means the point at which:
 - a. A registered supplier relinquishes custody of Arizona CBG or AZRBOB to a transporter or a 3rd-party terminal, or
 - b. A registered supplier who retains custody commences transfer of Arizona CBG or AZRBOB into a vessel, tanker, or other container for transport to area A.
6. "Conventional gasoline" means a gasoline blend which conforms with the requirements of this Chapter for sale or use in Arizona, but does not meet the requirements of Arizona CBG or AZRBOB.
7. "Co-solvent" means a chemical compound with good solvent properties that is added to a methanol-gasoline blend to prevent phase separation, reduce corrosion and improve lubrication. A co-solvent may be any 1 or a mixture of the following:
 - a. Ethanol,
 - b. Propanols,
 - c. Butanols, or
 - d. Gasoline grade tertiary butyl alcohol.
8. "Diesel fuel" means a hydrocarbon fuel that is suitable for use as a fuel in a diesel engine.
9. "Downstream blending" means blending fungible Arizona CBG from AZRBOB and an oxygenate.
10. "EPA waivers" mean waivers granted by the Environmental Protection Agency in the document entitled "Waiver Requests under Section 211(f) of the Clean Air Act" and incorporated by reference in R20-2-702.

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11. "Final distribution facility" means the stationary gasoline transfer point from which Arizona CBG or AZRBOB is transferred into the cargo tank truck, pipeline, or other delivery vessel from which the gasoline will be delivered to the facility at which the gasoline will be dispensed into motor vehicles; except that a cargo tank truck is the final distribution facility where the cargo tank truck is used to transport AZRBOB and gasoline and carries written documentation demonstrating that the designated type and amount or range of amounts of oxygenates designated by the registered supplier will be or have been blended directly into the cargo tank truck prior to delivery of the resulting gasoline from the cargo tank truck to the facility at which the gasoline will be dispensed into motor vehicles.
- 12.4. "Fuel" means any material which is capable of releasing energy or power by combustion or other chemical or physical reaction.
13. "Importer" means any person who assumes title or ownership of Arizona CBG or AZRBOB that was produced by an unregistered supplier.
- 14.5. "Lead" means the lead compound in gasoline and can be tetraethyl lead, tetramethyl lead, physical mixtures of tetraethyl lead and tetramethyl lead, and reacted mixtures of tetraethyl lead and tetramethyl lead.
15. "Motor vehicle" means any vehicle equipped with a spark-ignited internal combustion engine except:
 - a. Vehicles that run on, or are guided by, rails; and
 - b. Vehicles that are designed primarily for travel through air or water.
- 16.6. "MTBE" means methyl tertiary butyl ether.
17. "NO_x" means oxides of nitrogen.
- 18.7. "Octane", "octane number", or "octane rating" mean the anti-knock characteristic of gasoline as determined by adding the research and the motor octane numbers and dividing by 2 or (R+M)/2.
19. "Oxygenate" means any oxygen-containing, ashless, organic compound including aliphatic alcohols and aliphatic ethers, which may be used as a fuel or as a gasoline blending component and which is approved as a blending agent under the provisions of a waiver issued by the United States Environmental Protection Agency pursuant to 42 USC 7545(f).
20. "Oxygenate blending facility" means any facility (including a truck) at which oxygenate is added to Arizona CBG or AZRBOB, and at which the quality or quantity of gasoline is not altered in any other manner except for the addition of deposit control additives or other similar additives.
21. "Oxygenate blender" means any person who owns, leases, operates, controls, or supervises an oxygenate blending facility, or who owns or controls the blendstock or gasoline used or the gasoline produced at an oxygenate blending facility.
22. "Oxygenated Arizona CBG" means Arizona CBG with a minimum oxygen content of 2.7% which is produced and shipped to Maricopa County and sold or offered for sale for use in motor vehicles in area A from November 1 through March 31 of each year.
- 23.8. "Oxygen content" means:
 - a. For area A, the percentage by weight of oxygen contained in a gasoline oxygenate blend as calculated by ASTM D-4815-96; or
 - b. For areas other than area A, the percent by weight of oxygen as calculated by multiplying the oxygen weight of any oxygenate as listed herein, by the volumetric percent of that oxygenate in the blend. Weight of oxygen for:
 - i a. Methyl Tertiary Butyl Ether: 18.2%
 - ii b. Ethanol: 34.7%
 - iii e. Methanol: 49.9%
 - iv d. Other oxygenates as listed in Merck Index incorporated by reference in R20-2-702.
24. "Pipeline" means a transporter that owns or operates an interstate common-carrier pipe that transports motor fuels into the state of Arizona.
25. "PM" means the California Predictive Model, California Air Resources Board's "California Procedures for Evaluating Alternative Specification for Phase 2 Reformulated Gasoline Using the California Predictive Model," as adopted April 20, 1995.
26. "PM alternative gasoline formulation" means a final blend of gasoline produced and shipped to Maricopa County and sold or offered for sale for use in motor vehicles in area A that is subject to a set of PM alternative specifications.
27. "PM alternative specifications" means the specifications for the following gasoline properties, as determined in accordance with R20-2-759: maximum RVP, expressed in the nearest 100th of a pound per square inch; maximum sulfur content, expressed in the nearest part per million by weight; maximum olefin content, expressed in the nearest 10th of a percent by volume; minimum and maximum oxygen content, expressed in the nearest 10th of a percent by weight; maximum T50, expressed in the nearest degree Fahrenheit; maximum T90, expressed in the nearest degree Fahrenheit; and maximum aromatic hydrocarbon content, expressed in the nearest 10th of a percent by volume.
28. "PM averaging compliance option" means, with reference to a specific gasoline property, the compliance option for PM alternative gasoline formulations under which final blends of gasoline are assigned designated alternative limits in accordance with R20-2-751(E) and R20-2-751.01(E).
29. "PM averaging limit" means a PM alternative specification that is subject to the PM averaging compliance option.
30. "PM flat limit" means a PM alternative specification that is subject to the PM flat limit compliance option.
31. "PM flat limit compliance option" means, with reference to a specific gasoline property, the compliance option under which each gallon of gasoline must meet the specification for the property contained in the PM alternative specifications.
32. "Produce" means:
 - a. Except as otherwise provided in subsections (b) or (c) of this definition to convert liquid compounds which are not Arizona CBG or AZRBOB into Arizona CBG or AZRBOB. When a person blends volumes of blendstocks which are not Arizona CBG or AZRBOB with volumes of Arizona CBG or AZRBOB acquired from another person, and the resulting blend is Arizona CBG or AZRBOB, the person conducting such blending has produced only the portion of the blend which was not previously Arizona CBG or AZRBOB. When a person blends Arizona CBG or AZRBOB with other volumes of Arizona CBG or AZRBOB in accordance with these rules, without the addition of blend-

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- stocks which are not Arizona CBG or AZRBOB, the person does not produce Arizona CBG or AZRBOB.
- b. Where a person supplies Arizona CBG or AZRBOB to a refiner who agrees in writing to further process the Arizona CBG or AZRBOB at the refiner's refinery and to be treated as the producer of the Arizona CBG or AZRBOB, the refiner shall be deemed for all purposes under this Article to be the producer of the Arizona CBG or AZRBOB.
- c. Where an oxygenate blender blends oxygenates into AZRBOB which has already been supplied from a gasoline production facility or import facility, and does not alter the quality or quantity of the AZRBOB or the quality or quantity of the resulting gasoline as certified by a registered supplier in any other manner except for the addition of deposit control additives or other similar additives, the oxygenate blender is not producing any portion of the resulting gasoline, and the producer or importer of the AZRBOB is treated as the producer or importer of the full volume of the resulting gasoline.
33. "Producer" means a refiner or other person who produces Arizona CBG or AZRBOB.
34. "Production facility" means a facility at which Arizona CBG or AZRBOB is produced. Upon request of a producer, the Director may designate, as part of the producer's production facility, a physically separate bulk storage facility which is owned or leased by the producer, is operated by or at the direction of the producer, and is not used to store or distribute Arizona CBG or AZRBOB that is not supplied from the production facility.
35. "Refiner" means any person who owns, leases, operates, controls or supervises a refinery in the United States of America, including its trust territories.
36. "RVP" means Reid vapor pressure.
37. "Refinery" means a facility that produces liquid fuels, including Arizona CBG or AZRBOB, by distilling petroleum.
38. "Service station" means a place operated for the purpose of delivering motor fuel into the fuel tanks of motor vehicles.
39. "Registered supplier" means any producer or importer who supplies Arizona CBG or AZRBOB and has registered with the Director as required in R20-2-750.
40. "Supply" means to provide or transfer a product to a physically separate facility, vehicle, or transportation system.
41. "Third-party terminal" means a terminal that accepts custody, but not ownership, of Arizona CBG or AZRBOB from a registered supplier and relinquishes custody to a transporter for interstate transport into Arizona.
42. "Transmix" means a mixture of petroleum distillate fuel and gasoline that does not meet the Arizona standards for either petroleum distillate fuels or gasoline.
43. "Transporter" means any person who is not a producer or importer and who:
- a. Effects transport of Arizona CBG or AZRBOB into the state; and
- b. Does not assume title or ownership of that Arizona CBG or AZRBOB.
44. "Type 1 gasoline" means a gasoline that meets the standards contained in R20-2-751(A) and Table 1.
45. "Type 2 gasoline" means a gasoline that meets the standards contained in R20-2-751(A) and Table 2, or is certified using the PM in accordance with the requirements of R20-2-751(E).
46. "Type 3 gasoline" means a gasoline that meets the standards contained in R20-2-751.01(A) and Table 3.
47. "VOC" means volatile organic compound.
- R20-2-709. Record Retention Requirements for Service Stations and Fleet Owners**
- A. Service stations—retailers stations and fleet owners shall retain, on the premises to which motor fuel has been delivered, written documentation to verify the quantity and identity of each grade of motor fuel delivered. The documentation shall be retained for at least the 4 most recent deliveries of each grade or motor fuel and shall, upon request, be presented to any Department official for review.
- B. For all motor fuels other than Arizona CBG, the documentation shall be on the bill of lading, loading ticket, manifest, delivery receipt, invoice, or other documentation used in customary business practice and shall provide the following information:
1. Vendor's name,
 2. Point of origin,
 3. Manifest or loading ticket number,
 4. Date of delivery,
 5. Quantity of each grade of product,
 6. Octane rating of the product, and
 7. Type of oxygenate and volume of oxygenate as a percent of the total blend pursuant to R20-2-712.
 8. In area A between June 1, 1998, and September 30, 1998, and beginning on May 1, 1999, the statement "This gasoline is not intended for sale in area A."
- C. Service stations and fleet owners in area A shall retain product transfer documents as provided for in R20-2-757, for each shipment of gasoline delivered during the preceding 12 months. The documentation for the 4 most recent deliveries shall be maintained on the premises. Documentation for the remainder of all deliveries for the preceding 12 months shall be available within 2 working days from the time of request by the Director.
- D. All documents requested for review by a Department official, upon request, shall be photocopied and presented to the Department.
- R20-2-721. Sampling and Access to Records**
- A. Samples of motor fuel for testing shall be obtained by the personnel of the Department or its authorized agents from:
1. The same dispensing device used for sales to customers,
 2. The same dispensing device used for dispensing motor fuel into fleet vehicles,
 3. Any bulk storage facility, or
 4. Any petroleum transporter, common carrier handling motor fuel, including Arizona CBG,
 5. Any transporter of Arizona CBG or AZRBOB,
 6. Any final distribution facility,
 7. Any 3rd-party terminal handling Arizona CBG or AZRBOB, or
 8. Any oxygenate blender or registered supplier.
- B. Samples shall be taken in the following manner:
1. The testing sample shall be collected in a clear or brown glass bottle or a metal container approved for such use.
 2. The container shall be sealed immediately after the testing sample has been taken.

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3. At a gasoline dispenser, the testing sample shall be collected after at least 1/2 gallon has been dispensed. This sample shall be considered representative of the product dispensed.

C. The documentation and records pertaining to the production, importation, blending, transport, distribution and delivery of Arizona CBG and AZRBOB required to be kept by this Article shall be available for inspection at any reasonable time by the Department or its authorized agents.

R20-2-750. Registration Pertaining to Arizona CBG or AZRBOB

A. Each of the following persons shall register with the Director by January 30, 1998, or in advance of the 1st date that such person will produce or import Arizona CBG or AZRBOB:

1. Any refiner who will produce Arizona CBG or AZRBOB for sale on or after June 1, 1998.
2. Any importer who will import Arizona CBG or AZRBOB for sale on or after June 1, 1998.
3. Any oxygenate blender who will blend oxygenate with AZRBOB to produce Arizona CBG for sale on or after June 1, 1998.
4. Any pipeline or 3rd-party terminal who will have custody of Arizona CBG or AZRBOB on or after June 1, 1998.

B. Registration shall be on forms prescribed by the Director and shall include the following information:

1. The name, business address, contact name, and telephone number of the person required to be registered in subsection (A);
2. For each separate refinery and oxygenate blending facility, the facility name, physical location, contact name, telephone number, and type of facility; and
3. For each separate refinery and oxygenate blending facility, and for each importer's operations:
 - a. Whether records are kept on-site or off-site of the refinery or oxygenate blending facility, or in the case of importers, the registered address;
 - b. If records are kept off-site, the primary off-site storage facility name, physical location, contact name, and telephone number; and
 - c. The name, address, contact name and telephone number of the independent laboratory if used to meet the requirements of R20-2-752(F).
4. The EPA registration number supplied under 40 CFR 80.76(d), if any.
5. A statement of consent by the registrant that the Department or its authorized agent shall be permitted to collect samples and access documentation and records as provided in R20-2-721.

C. Changes to any information submitted in subsection (B) shall be sent to the Director not later than 10 calendar days after the effective date of such change.

D. Whenever a refiner, importer, or oxygenate blender fails to register, all Arizona CBG or AZRBOB transported to area A shall be presumed to be noncomplying from the date that the registration should have occurred.

E. The Department shall maintain a listing of all registered suppliers.

R20-2-751. Area A Arizona CBG Requirements - 1999 and later

A. In addition to the other requirements of this Article, on or after May 1, 1999, all Arizona CBG shall meet all of the following requirements:

<u>Property</u>	<u>Limits</u>
1. <u>Sulfur</u>	<u>500 ppm by weight (max)</u>
2. <u>Aromatics</u>	<u>50% volume (max)</u>
3. <u>Olefins</u>	<u>25% by volume (max)</u>
4. <u>E200</u>	<u>70-30% volume</u>
5. <u>E300</u>	<u>100-70% volume</u>
6. <u>Maximum Vapor Pressure</u>	
a. <u>Oct 1 - Mar 31</u>	<u>9.0 pounds per square inch (psi)</u>
b. <u>April</u>	<u>10.0 psi</u>
c. <u>May</u>	<u>9.0 psi</u>
d. <u>June 1 - Sept 30</u>	<u>7.0 psi</u>
7. <u>Oxygen and Oxygenates</u>	
a. <u>Minimum Content:</u>	
i. <u>Nov 1 - Mar 31</u>	<u>10% ethanol by volume</u> <u>2.7% oxygen by weight</u> <u>(other than ethanol)</u>
ii. <u>April 1 - Oct 31</u>	<u>0% by weight</u>
b. <u>The maximum oxygen content shall not exceed 4.0% by weight for ethanol and 3.5% by weight for other oxygenates, and shall comply with the requirements of A.R.S. § 41-2123.</u>	
8. <u>Federal Complex Model VOC Emissions Performance Reduction</u>	
<u>May 1 through Sept 15</u>	<u>>25.0% (Federal Complex Model settings; Summer, Area Class B, Phase 2)</u>
9. <u>Federal Complex Model NO_x Emissions Performance Reduction</u>	
a. <u>May 1 - Sept 15</u>	<u>> 3.0% (Federal Complex Model settings; Summer, Area Class B, Phase 2)</u>
b. <u>Sept 16 - April 30</u>	<u>>-2.5% (Federal Complex Model settings; Winter, Area Class B, Phase 2)</u>
10. <u>Dates represent compliance dates for service stations and fleet owners.</u>	
B. <u>All registered suppliers shall make an initial election, and subsequent elections when a change occurs, prior to the beginning of transport of the Arizona CBG or AZRBOB and notify the Director on a form or in a format prescribed by the Director:</u>	
1. <u>Whether the registered supplier (at each point where the gasoline is certified) will supply Arizona CBG or AZRBOB that complies with the Type 1 gasoline, Type 2 gasoline, or the PM alternative gasoline formulation requirements.</u>	
2. <u>For each property, whether the Arizona CBG or AZRBOB will comply with the average standards or per-gallon standards. A registered supplier shall not elect to comply with average standards unless the supplier is in compliance with R20-2-760.</u>	
C. <u>Registered suppliers shall certify Arizona CBG or AZRBOB in accordance with the provisions of R20-2-752 as meeting all requirements applicable to the election made in subsection (B). Type 1 gasoline shall comply with the applicable requirements in either column A, or columns B and C in addition to the oxygen requirements in columns C and D of Table 1, and shall be certified using the Federal Complex Model. For each property, Type 2 gasoline shall comply with the applicable requirements of columns A and B (averaging options) or column C (Non-averaging option) in Table 2. The</u>	

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PM alternative gasoline formulation shall meet the requirements of subsection (D) and Table 2, Column A.

D. Certification and Use of Predictive Model for Alternative PM Gasoline Formulations

1. Except as provided in subsections (3) and (5), the use of the PM shall be as provided in the Predictive Model Procedures.
2. A registered supplier shall certify a PM alternative gasoline formulation with the Director in 1 of the following ways:
 - a. Submittal to the Director of a complete copy of the documentation provided to the executive officer of the California Air Resources Board in accordance with 13 California Code of Regulations, Section 2264; or
 - b. The registered supplier shall notify the Director, on a form or in a format prescribed by the Director, of:
 - i. The PM alternative specifications that will apply to the final blend, including for each specification whether it applies as a PM flat limit or a PM averaging limit; and
 - ii. The numerical values for percent change in emissions for oxides of nitrogen and hydrocarbons as determined in accordance with the Predictive Model Procedures.
 - iii. The certification shall be received by the Director prior to of the beginning of transport of the PM alternative gasoline formulation.
3. Restrictions associated with elections to sell or supply final blends as PM alternative gasoline formulations.
 - a. A registered supplier may not make a new election to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline formulation if the registered supplier is subject to any outstanding requirements to provide offsets at the same production or import facility pursuant to any provision in R20-2-751(E) or R20-2-751.01(E).
 - b. Once a registered supplier has elected to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline formulation subject to a PM averaging compliance option for 1 or more properties, the registered supplier may not elect any other compliance option, including another PM alternative gasoline formulation, if there are outstanding requirements to provide offsets for such property or properties pursuant to the applicable provisions in R20-2-751(E) or R20-2-751.01(E). However, this subsection shall not preclude a registered supplier under the circumstances described above from electing another PM alternative gasoline formulation where:
 - i. The only changes are that either PM flat limits for 1 or more properties are changed to PM averaging limits, or a single PM averaging limit for which there are no outstanding requirements to provide offsets is changed to a PM flat limit;
 - ii. There are no changes to the PM alternative specifications for the remaining properties; and
 - iii. The new PM alternative formulation meets the criteria for approval in the Predictive Model Procedures.

- c. Once a registered supplier has elected to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline formulation, the registered supplier may not use any previously assigned designated alternative limit for a property to provide offsets pursuant to R20-2-751(E) or R20-2-751.01(E) for any final blend sold or supplied from the production or import facility subsequent to the election.
- d. Once a registered supplier has notified the Director pursuant to R20-2-751(B) or R20-2-751.01(B) that a final blend of Arizona CBG is being sold or supplied from a production or import facility as a PM alternative gasoline formulation, all final blends of Arizona CBG subsequently sold or supplied from that production or import facility shall be subject to the same PM alternative specifications until the registered supplier either:
 - i. Designates a final blend at that facility as a PM alternative gasoline formulation subject to different PM alternative specifications, or
 - ii. Elects in accordance with R20-2-751(B) or R20-2-751.01(B) to have a final blend at that facility subject to flat limit compliance options or averaging compliance options.

E. Prohibited activities regarding PM alternative gasoline formulations.

1. No registered supplier shall sell, offer for sale, supply, or offer for supply from its production or import facility Arizona CBG which is reported pursuant to R20-2-751(B) as a PM alternative gasoline formulation subject to PM alternative specifications if any of the following occur:
 - a. The identified PM alternative specifications do not meet the criteria for approval in the Predictive Model Procedures; or
 - b. The registered supplier was prohibited by R20-2-751(D)(3)(a) from electing to sell or supply the gasoline as a PM alternative gasoline formulation; or
 - c. The gasoline fails to conform with any PM flat limit in the identified PM alternative specifications; or
 - d. With respect to any property for which the registered supplier has identified a PM averaging limit,
 - i. The gasoline exceeds the applicable PM average limit, and no designated alternative limit for the property has been established for the gasoline in accordance with R20-2-751(D)(2) or R20-2-751.01(D)(2); or
 - ii. A designated alternative limit for the property has been established for the gasoline in accordance with R20-2-751(D)(2) or R20-2-751.01(D)(2) and either of the following occur: the gasoline exceeds the designated alternative limit for the property; or where the designated alternative limit for the property exceeds the PM averaging limit, the exceedance is not fully offset in accordance with the applicable provisions in R20-2-751(E) or R20-2-751.01(E).
- E. All alternative PM gasoline formulations from November 1 through March 31 shall comply with oxygen content requirements for area A. Regardless of the oxygen content of the**

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final alternative PM gasoline formulation, it shall be certified:

1. Using the PM with an oxygen content of 2.7% by weight; or
 2. In accordance with subsection D(2)(a).
- G. Offsetting Physical Properties. Beginning April 1, 1999, each registered supplier who has elected to comply with the averaging standards for any of the physical properties contained in Tables 1 or 2, or the PM, shall complete physical transfer from the same production or import facility of certified Arizona CBG or AZRBOB in sufficient quantity to offset the extent to which the gasoline exceeded each averaging standard according to the following schedule:
1. Registered suppliers electing averaging standards contained in Table 2 or the PM shall offset each exceeded average standard within 90 days before or after the beginning of transport from a production or import facility of any final blend of Arizona CBG or AZRBOB.
 2. Registered suppliers electing to comply with the averaging standard for the VOC Emission Reduction contained in Table 1, Column B, shall offset any exceedance of the standards during the period of May 1 to September 15 of each calendar year.
 3. Registered suppliers electing to comply with the averaging standard for the NO_x Emission Reduction contained in Table 1, Column B, shall offset any exceedance of the summer standard during the period of May 1 to September 15 of each calendar year.
 4. Registered suppliers electing to comply with the averaging standard for the NO_x Emission Reduction contained in Table 1, Column B, shall offset any exceedance of the winter standard during the period of September 16 to April 30.
- H. Consequences of failure to comply with averages.
1. In addition to penalties, if any, under R20-2-762 any registered supplier who fails to comply with the requirements of subsection (E) shall meet the applicable per-gallon standards contained in Table 1, Table 2, or for any alternative PM gasoline formulation, for a probationary period as follows:
 - a. For persons electing to comply with the standards contained in Table 1, the probationary period shall begin on the 1st day of the next similar averaging season and end on the last day of that averaging season if the conditions of subsection (2) are met.
 - b. For persons electing to comply with the standards contained in Table 2, the probationary period will begin no later than 90 days after the registered supplier determines, or they receive a notice from the Director, that the registered supplier has failed to comply with the requirements of subsection (E). Before the probationary period begins, the registered supplier shall notify the Director in writing of the beginning date of the probationary period. The probationary period will last for 90 calendar days.
 2. A registered supplier may not begin producing or importing Arizona CBG or AZRBOB under an averaging compliance election until the registered supplier demonstrates to the Director's satisfaction that measures necessary to prevent future noncompliance have been implemented and that facility compliance with averaging will be achieved.
 3. If a registered supplier fails to comply with the requirements of subsection (E) within 1 year of the end of a probationary period provided under subsection (1) of

this subsection, the registered supplier shall comply with applicable per-gallon standards for a probationary period of at least 2 years, and until the conditions in subsection (2) of this subsection are satisfied.

- a. For persons electing to comply with the standards contained in Table 1, the probationary period shall begin on the 1st day of the next similar averaging season.
 - b. For persons electing to comply with the standards contained in Table 2, the probationary period will begin no later than 90 days after the registered supplier determines, or receives notice from the Director, that the registered supplier has failed to comply with the requirements of subsection (E). Before the probationary period begins, the registered supplier shall notify the Director in writing of the beginning date of the probationary period.
4. If a registered supplier fails to comply with the requirements of subsection (E) within 1 year of the end of a probationary period provided under subsection (3), the registered supplier shall comply with applicable per-gallon standards.
- I. Effect of VOC survey failure. On each occasion that area A fails a Federal Complex Model VOC emissions reduction survey on or after May 1, 1999, conducted pursuant to R20-2-760, the Federal Complex Model VOC emissions performance reduction in R20-2-751(A)(8) and the minimum per-gallon VOC emission reduction percentage in Table 1 shall be increased by an absolute 1.0%, not to exceed the VOC percent emissions reduction per-gallon standard in Table 1.
- J. Effect of NO_x survey failure. On each occasion that area A fails a Federal Complex Model NO_x emissions reduction survey on or after November 1, 1999, conducted pursuant to R20-2-760, the Federal Complex Model NO_x emissions performance reduction in R20-2-751(A)(9)(b) and the minimum per-gallon NO_x emission reduction percentage applicable to the period of September 16 through April 30 in Table 1 shall be increased by an absolute 1.0%, not to exceed the NO_x percent emissions reduction per-gallon standard applicable to the same time period in Table 1.
- K. Subsequent survey compliance. In the event that the minimum VOC or NO_x emissions reduction has been made more stringent in accordance with subsections (G) or (H) and area A passes all emissions reduction surveys for the pollutant for 2 consecutive years, the applicable VOC or NO_x emissions reduction adjusted standard shall be reduced by an absolute 1%, but not below the applicable minimum Federal Complex Model emission reduction performance standard in Table 1, beginning in the year following the 2nd year of the compliant survey series.
- L. In the event that the required VOC or NO_x emissions reduction has been made less stringent pursuant to subsection (I) and area A fails a subsequent VOC or NO_x emissions reduction survey:
 1. The applicable minimum emission reduction standard in Table 1 and subsection (A) for the pollutant shall be increased by an absolute 1.0%, not to exceed the applicable minimum Federal Complex Model emission reduction performance per-gallon standard in Table 1, beginning in the year following this subsequent failure; and
 2. The minimum emission reduction for the pollutant thereafter shall not be made less stringent regardless of the results of subsequent surveys for that pollutant.

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M. Effective date for more stringent standards. In the case of any standard that is changed to be more stringent by operation of subsections (G), (H), or (J), the effective date for such change shall begin with the next averaging season for which that standard is applicable.

R20-2-751.01. Area A Arizona CBG Requirements - 1998

A. In addition to the other requirements of this Article, from June 1, 1998, through September 30, 1998, all Arizona CBG shall meet all of the following requirements:

<u>Property</u>	<u>Limits</u>
1. <u>Sulfur</u>	<u>500 ppm by weight (max)</u>
2. <u>Aromatics</u>	<u>50% by volume (max)</u>
3. <u>Olefins</u>	<u>25% by volume (max)</u>
4. <u>E200</u>	<u>70-30% volume</u>
5. <u>E300</u>	<u>100-70% volume</u>
6. <u>Maximum Vapor Pressure</u>	
<u>June 1 - Sept 30</u>	<u>7.0 psi</u>
7. <u>Oxygen and Oxygenates</u>	
a. <u>Minimum Content:</u>	
<u>June 1 - Sept 30</u>	<u>0% by weight</u>
b. <u>Maximum Content:</u>	
<u>June 1 - Sept 30</u>	<u>4.0% by weight for ethanol and 3.5% by weight for all other oxygenates</u>
8. <u>Federal Complex Model VOC Emissions Performance Reduction</u>	
<u>June 1 - Sept 30</u>	<u>>32.6% (Federal Complex Model settings: Summer, Area Class B, Phase 1)</u>
9. <u>Federal Complex Model NO_x Emissions Performance Reduction</u>	
<u>June 1 - Sept 30</u>	<u>> -2.5% (Federal Complex Model settings: Summer, Area Class B, Phase 1)</u>

10. Dates represent compliance dates for service stations and fleet owners.

B. All registered suppliers shall make an initial election, and subsequent elections when a change occurs, prior to the beginning of transport of the Arizona CBG or AZRBOB and notify the Director on a form or in a format prescribed by the Director:

1. Whether the registered supplier (at each point where the Arizona CBG or AZRBOB is certified) will supply gasoline that complies with the Type 2 gasoline, Type 3 gasoline, or the PM alternative gasoline formulation requirements.
2. For each property, whether average standards or per-gallon standards shall be applied. A registered supplier shall not elect to comply with average standards unless the supplier is in compliance with R20-2-760.

C. Registered suppliers shall certify Arizona CBG or AZRBOB in accordance with the provisions of R20-2-752 as meeting all requirements applicable to the election made in subsection (B). Type 2 gasoline shall comply with the applicable requirements of columns A and B (averaging options) or column C (Non-averaging options) in Table 2. Type 3 gasoline shall comply with the applicable requirements in either column A, or columns B and C in addition to the oxygen requirements in columns C and D of Table 3, and shall be certified using the Federal Complex Model. The PM alternative gasoline formulation shall meet the requirements of subsection (D) and Table 2, Column A.

D. Certification and Use of PM for Alternative PM Gasoline Formulations

1. Except as provided in subsection (3), the use of the PM shall be as provided in the Predictive Model Procedures.
2. A registered supplier shall certify a PM alternative gasoline formulation with the Director in 1 of the following ways:
 - a. Submittal to the Director of a complete copy of the documentation provided to the executive officer of the California Air Resources Board in accordance with 13 California Code of Regulations, Section 2264; or
 - b. The registered supplier shall notify the Director, on a form or in a format prescribed by the Director, of:
 - i. The PM alternative specifications that will apply to the final blend, including for each specification whether it applies as a PM flat limit or a PM averaging limit; and
 - ii. The numerical values for percent change in emissions for oxides of nitrogen and hydrocarbons as determined in accordance with the Predictive Model Procedures.
3. The certification shall be received by the Director prior to the beginning of transport of the PM alternative gasoline formulation.
4. Restrictions associated with elections to sell or supply final blends as PM alternative gasoline formulations.
 - a. A registered supplier may not make a new election to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline formulation if the registered supplier is subject to any outstanding requirements to provide offsets at the same production or import facility pursuant to any provision in R20-2-751(E) or R20-2-751.01(E).
 - b. Once a registered supplier has elected to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline formulation subject to a PM averaging compliance option for 1 or more properties, the registered supplier may not elect any other compliance option, including another PM alternative gasoline formulation, if there are outstanding requirements to provide offsets for such property or properties pursuant to the applicable provisions in R20-2-751(E) or R20-2-751.01(E). However, this subsection shall not preclude a registered supplier under the circumstances described above from electing another PM alternative gasoline formulation where:
 - i. The only changes are that either PM flat limits for 1 or more properties are changed to PM averaging limits, or a single PM averaging limit for which there are no outstanding requirements to provide offsets is changed to a PM flat limit;
 - ii. There are no changes to the PM alternative specifications for the remaining properties; and
 - iii. The new PM alternative formulation meets the criteria for approval in the Predictive Model Procedures.
 - c. Once a registered supplier has elected to sell or supply from its production or import facility a final blend of Arizona CBG as a PM alternative gasoline

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formulation, the registered supplier may not use any previously assigned designated alternative limit for a property to provide offsets pursuant to R20-2-751(E) or R20-2-751.01(E) for any final blend sold or supplied from the production or import facility subsequent to the election.

- d. Once a registered supplier has notified the Director pursuant to R20-2-751(B) or R20-2-751.01(B) that a final blend of Arizona CBG is being sold or supplied from a production or import facility as a PM alternative gasoline formulation, all final blends of Arizona CBG subsequently sold or supplied from that production or import facility shall be subject to the same PM alternative specifications until the registered supplier either:
- i. Designates a final blend at that facility as a PM alternative gasoline formulation subject to different PM alternative specifications, or
 - ii. Elects in accordance with R20-2-751(B) or R20-2-751.01(B) to have a final blend at that facility subject to flat limit compliance options or averaging compliance options.

E. Prohibited activities regarding PM alternative gasoline formulations.

1. No registered supplier shall sell, offer for sale, supply, or offer for supply from its production or import facility Arizona CBG which is reported pursuant to R20-2-751.01(B) as a PM alternative gasoline formulation subject to PM alternative specifications if any of the following occur:
- a. The identified PM alternative specifications do not meet the criteria for approval in the Predictive Model Procedures; or
 - b. The registered supplier was prohibited by R20-2-751.01(D)(3)(a) from electing to sell or supply the gasoline as a PM alternative gasoline formulation; or
 - c. The gasoline fails to conform with any PM flat limit in the identified PM alternative specifications; or
 - d. With respect to any property for which the registered supplier has identified a PM averaging limit:
 - i. The gasoline exceeds the applicable PM average limit, and no designated alternative limit for the property has been established for the gasoline in accordance with R20-2-751(D)(2) or R20-2-751.01(D)(2); or
 - ii. A designated alternative limit for the property has been established for the gasoline in accordance with R20-2-751(D)(2) or R20-2-751.01(D)(2), and either of the following occur: the gasoline exceeds the designated alternative limit for the property, or where the designated alternative limit for the property exceeds the PM averaging limit, the exceedance is not fully offset in accordance with the applicable provisions in R20-2-751(E) or R20-2-751.01(E).

- F. Offsetting Physical Properties. Between May 1, 1998, through September 30, 1998, each registered supplier who has elected to comply with the averaging standards for any of the physical properties contained in Tables 2 or 3, or the PM, shall complete physical transfer from the same production or import facility of certified Arizona CBG or AZRBOB in sufficient quantity to offset the extent to which the gasoline

exceeded each averaging standard according to the following schedule:

1. Registered suppliers electing averaging standards contained in R20-2-751, Table 2, or the PM shall offset each exceeded average standard within 90 days before or after the beginning or transport from a production or import facility of any final blend of Arizona CBG or AZRBOB.
2. Registered suppliers electing to comply with the averaging standard for the VOC Emission Reduction contained in Table 3, Column B, shall offset any exceedance of the standards during the period of June 1, 1998, to September 30, 1998.
3. Registered suppliers electing to comply with the averaging standard for the NO_x Emission Reduction contained in Table 3, Column B, shall offset any exceedance of the standard during the period of June 1, 1998 to September 30, 1998.

G. Consequences of failure to comply with averages.

1. In addition to penalties, if any, under R20-2-762, any registered supplier who fails to comply with the requirements of subsection (E) shall meet the applicable per-gallon standards contained in Table 2, Table 3, or for any alternative PM gasoline formulation, for a probationary period as follows:
 - a. For persons electing to comply with the standards contained in Table 3, the probationary period shall begin on the 1st day of the next similar averaging season and end on the last day of that averaging season if the conditions of subsection (2) are met.
 - b. For persons electing to comply with the standards contained in Table 2, the probationary period will begin no later than 90 days after the registered supplier determines, or they receive a notice from the Director, that the registered supplier has failed to comply with the requirements of subsection (E). Before the probationary period begins, the registered supplier shall notify the Director in writing of the beginning date of the probationary period. The probationary period will last for 90 calendar days.
2. A registered supplier may not begin producing or importing Arizona CBG or AZRBOB under an averaging compliance election until the registered supplier demonstrates to the Director's satisfaction that measures necessary to prevent future noncompliance have been implemented and that facility compliance with averaging will be achieved.

R20-2-752. General Requirements for Registered Suppliers

- A. Each batch of Arizona CBG or AZRBOB transported for sale or use in area A from June 1 through September 30, 1998, or from and after May 1, 1999, shall be certified as meeting the standards in this Article.
- B. Certification shall be made by the producer or the importer. Certification shall be on a form or in a format and in a medium prescribed by the Director and shall include a statement signed by the responsible party that the Arizona CBG or AZRBOB meets applicable standards. The certification shall include information on batch properties of Arizona CBG or AZRBOB. For each batch transported, all required data shall be received by the Director on or before the 15th day of each month for the Arizona CBG or AZRBOB transported during the previous month.
- C. Record Keeping and Records Retention.
 1. Each registered supplier required to sample and analyze a final blend or shipment of Arizona CBG or AZRBOB

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- pursuant to this subsection shall maintain, for 5 years from the date of each sampling, records showing the sample date, identity of blend or product sampled, container or other vessel sampled, the final blend or shipment volume, and the sulfur, aromatic hydrocarbon, olefin, oxygen, RVP, and as applicable, T50, T90, E200 and E300 as determined in accordance with R20-2-759. All Arizona CBG or AZRBOB produced or imported by the registered supplier and not tested as required by this Section shall be deemed to have a RVP, sulfur, aromatic hydrocarbon, olefin, oxygen, T50 and T90 exceeding the standards specified in R20-2-751 and R20-2-751.01 or exceeding the comparable PM averaging limits if applicable, unless the importer demonstrates that the Arizona CBG or AZRBOB meets those standards and limits.
2. A registered supplier shall provide to the Director any records required to be maintained by the registered supplier pursuant to this subsection within 20 days of a written request from the Director if the request is received before expiration of the period during which the records are required to be maintained. Whenever a registered supplier fails to provide records regarding a blend or shipment of Arizona CBG or AZRBOB in accordance with the requirements of this Section, the final blend or shipment of Arizona CBG or AZRBOB shall be presumed to have been sold by the registered supplier in violation of the standards in R20-2-751 and R20-2-751.01, or exceeding the comparable PM averaging limits, if applicable, unless the importer demonstrates that the Arizona CBG or AZRBOB meets those standards and limits.
- D.** Notification requirement. A registered supplier shall notify the Director by facsimile prior to the beginning of transport of Arizona CBG or AZRBOB into area A by means other than a pipeline.
- E.** Quality Assurance/Quality Control (QA/QC) Program. Each registered supplier shall develop a QA/QC program to demonstrate the accuracy and effectiveness of the registered supplier's laboratory testing. The QA/QC program shall be submitted to the Director for approval at least 3 months prior to transport of Arizona CBG or AZRBOB. In lieu of the QA/QC program, registered suppliers may opt to comply with the independent testing requirements of subsection (F) of this Section.
- F.** Independent testing.
1. Any registered supplier of Arizona CBG or AZRBOB that does not comply with the requirements of subsection (E) shall carry out a program of independent sample collection and analyses for the Arizona CBG or AZRBOB it produces or imports, which meets the requirements of 1 of the following 2 options:
- a. Option 1. The registered supplier shall, for each batch of Arizona CBG or AZRBOB that is produced or imported, have an independent laboratory collect and analyze a representative sample from the batch using the methodology specified in R20-2-759 for compliance with each property for which the Arizona CBG or AZRBOB has been certified.
- b. Option 2. The registered supplier shall have an independent testing program carried out for all Arizona CBG or AZRBOB produced or imported, which shall consist of the following:
- i. An independent laboratory shall collect a representative sample from each batch:
- ii. The Director shall identify up to 10% of the total number of samples collected under subsection (b)(i); and
- iii. The designated independent laboratory shall, for each sample identified by the Director, analyze the sample using methodology specified in R20-2-759 for each property for which that batch was certified.
- iv. The Director may request a portion of the batch sample collected under this subsection for analysis by the Director. The sample shall be submitted to the Director within 24 hours of written request.
2. Designation of Independent Laboratory
- a. Any registered supplier that does not comply with subsection (E) shall designate 1 independent laboratory for each production or import facility at which Arizona CBG or AZRBOB is produced or imported. This independent laboratory will collect samples and perform analyses in compliance with the requirements of this subsection.
- b. Any registered supplier shall identify this designated independent laboratory to the Director under the registration requirements of R20-2-750.
- c. In order to be considered independent:
- i. The laboratory shall not be operated by any registered supplier, and shall not be operated by any subsidiary or employee of any registered supplier;
- ii. The laboratory shall be free from any interest in any registered supplier; and
- iii. The registered supplier shall be free from any interest in the laboratory.
- d. Notwithstanding the restrictions in items (i) through (iii) of this subsection, a laboratory shall be considered independent if it is owned or operated by a gasoline pipeline company, regardless of ownership or operation of the gasoline pipeline company by producers or importers, provided that such pipeline company is owned and operated by 4 or more producers or importers.
- e. Use of a laboratory that is debarred, suspended, or proposed for debarment pursuant to the Government wide Debarment and Suspension regulations, 40 CFR 32, or the Debarment, Suspension and Ineligibility provisions of the Federal Acquisition Regulations, 48 CFR 9(9.4), shall be deemed non-compliance with the requirements of this subsection.
3. Any registered supplier shall cause its designated independent laboratory:
- a. At the time the designated independent laboratory collects a representative sample from a batch of Arizona CBG or AZRBOB, to record the following information:
- i. The producer's or importer's assigned batch number for the batch being sampled;
- ii. The volume of the batch;
- iii. The identification number of the gasoline storage tank or tanks in which the batch was stored at the time the sample was collected;
- iv. The date and time the batch became finished Arizona CBG or AZRBOB, and the date and time the sample was collected;

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- v. The grade of the batch (e.g., unleaded premium, unleaded mid-grade, or unleaded); and
- vi. In the case of Arizona CBG or AZRBOB produced through computer-controlled in-line blending, the date and time the blending process began and the date and time the blending process ended, unless exempt under subsection (G);
- b. To retain each sample collected pursuant to the requirements of this subsection for a period of at least 45 days, except that this period shall be extended to a period of up to 180 days upon request by the Director;
- c. To submit to the Director periodic reports, as follows:
 - i. From June 1, 1998, through September 30, 1998, reports shall be submitted on the 15th of every month for samples collected and analyzed during the previous month.
 - ii. From May 1, 1999, and after, reports shall be submitted on the 15th of the month following the previous 3 month reporting period.
- d. Each report shall include, for each sample of Arizona CBG or AZRBOB that was analyzed pursuant to the requirements of this subsection:
 - i. The results of the independent laboratory's analyses for each property; and
 - ii. The information specified in this subsection for such sample; and
- e. To supply to the Director, upon the Director's request, a portion of any such sample.

G. Exemptions to QA/QC and Independent Laboratory Testing Requirements

- 1. Any registered supplier that produces or imports Arizona CBG using computer-controlled in-line blending equipment and is operating under an exemption from EPA in accordance with 40 CFR 80.65(f)(4), is exempt from the requirements of R20-2-752(E) and (F).
- 2. Reports of the results of the independent audit program of the refiner's computer-controlled in-line blending operation that are submitted to EPA under 40 CFR 80.65(f)(4), shall additionally be submitted to the Director by March 1 of each year.

R20-2-753. General Requirements for Pipelines and 3rd-party Terminals

- A. The pipeline or 3rd-party terminal shall not accept Arizona CBG or AZRBOB for transport unless:
 - 1. The supplier is registered with the Department; and
 - 2. The supplier provides written verification that the gasoline is Arizona CBG or AZRBOB and complies with the applicable standards in either R20-2-751(A) or R20-2-751.01(A) with no reproducibility or rounding.
- B. Any pipeline or 3rd-party terminal that transports Arizona CBG or AZRBOB shall collect a sample of each incoming batch. The pipeline or 3rd-party terminal shall retain each sample collected pursuant to the requirements of this subsection for a period of at least 30 days, except that this period shall be extended for individual samples to a period of up to 180 days upon request by the Director.
- C. Any pipeline shall conduct quality control testing of Arizona CBG or AZRBOB at a frequency of no less than 1 sample from 1 batch completing shipment per supplier per day at each input location.
- D. The pipeline shall provide the Director with a report summarizing the laboratory testing results required in subsection (C)

within 10 days of the end of each calendar month. The report shall contain the quantity of Arizona CBG or AZRBOB and date tendered, whether it entered a pipeline, present location of fuel sample, and laboratory analysis results.

- E. For any batch that does not meet the applicable standards in either R20-2-751(A) or R20-2-751.01(A), but is within reproducibility, the pipeline shall notify the Director by facsimile within 48 hours with the quantity and date tendered, proposed date of shipment, whether it entered a pipeline, present location of fuel, and laboratory analysis results.
- F. For any batch that does not meet the applicable standards in either R20-2-751(A) or R20-2-751.01(A), including reproducibility, the pipeline or 3rd-party terminal shall notify the Director by facsimile within 24 hours with the quantity and date tendered, proposed date of shipment, whether it entered a pipeline, present location of fuel, and laboratory analysis results. If the product is still within the pipeline or 3rd-party terminal's control, measures shall be taken to stop the release of product from a distribution point until such time as it can be certified as meeting the standards in R20-2-751(A) and R20-2-751.01(A).
- G. The Director will not consider the pipeline to be liable under R20-2-761 if the pipeline has complied with all of the procedures in this Section.
- H. The pipeline or 3rd-party terminal shall develop a QA/QC program to demonstrate the accuracy and effectiveness of the pipeline or 3rd-party terminal's laboratory testing. In addition, 3rd-party terminals shall include a description of the laboratory testing protocol used to verify that the gasoline being supplied for transport to area A, meets the applicable standards in either R20-2-751(A) or R20-2-751.01(A). The QA/QC program shall be submitted to the Director for approval by January 30, 1998, for any pipeline or 3rd-party terminal that will be transporting Arizona CBG or AZRBOB any time prior to May 30, 1998. For any pipeline or 3rd-party terminal that registers after January 30, 1998, the QA/QC program shall be submitted to the Director for approval at least 3 months in advance of the 1st date such registrant transports Arizona CBG or AZRBOB.
- I. Units within a 3rd-party terminal used as production, import or oxygenate blending facilities shall be exempted from the provisions of this Section, but shall comply with applicable requirements for registered suppliers or oxygenate blenders.

R20-2-754. Downstream Blending Exceptions for Transmix

- A. Pipelines may blend transmix into Arizona CBG or AZRBOB at a rate not to exceed 1/4 of 1%. Each pipeline shall document the transmix blending (recording each batch and volume of transmix blended) and maintain the records at the terminal for 2 years.
- B. One of 2 methods shall be used to measure the transmix as it is blended into the product stream:
 - 1. Meters, calibrated at least twice each year; or
 - 2. Tank gauge as per API Manual of Petroleum Measurement Standards, Chapters 3.1A (1st edition, December 1994) and 3.1B (1st edition, April 1992), which is incorporated by reference and is on file with the Secretary of State.

R20-2-755. Additional Requirements Pertaining to AZRBOB and Downstream Oxygenate Blending

- A. Application of Arizona CBG standards or AZRBOB.
 - 1. Determining whether AZRBOB complies with the standards for Arizona CBG.
 - a. Where a registered supplier has designated a final blend as AZRBOB and has complied with all appli-

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cable provisions of this Section, the properties of the final blend for purposes of compliance with Tables 1, 2, or 3 shall be determined by adding the specified type and amount of oxygenate to a representative sample of the AZRBOB and determining the properties and characteristics of the resulting gasoline in accordance with an applicable test method identified in R20-2-759. Where the registered supplier designated a range of amounts of oxygenate or more than 1 oxygenate type to be added to the AZRBOB, the minimum designated amount of the oxygenate having the smallest designated volume shall be added to the AZRBOB when determining the properties and characteristics of the final blend. If the registered supplier has not complied with any applicable provisions of this Section, the properties of the final blend for purposes of the producer's or importer's compliance with R20-2-751 and R20-2-751.01, excluding requirements for RVP, shall be determined without adding oxygenate to the gasoline.

b. In determining whether AZRBOB complies with the standards for Arizona CBG, the oxygenate added must be representative of the oxygenate the registered supplier reasonably expects will be subsequently added to the final blend.

2. Calculating the volume of a final blend of AZRBOB. Where a registered supplier has designated a final blend as AZRBOB and has complied with all applicable provisions of this Section, the volume of a final blend shall be calculated for compliance purposes as contained in R20-2-751 and R20-2-751.01 by adding the minimum designated amount of the oxygenate having the smallest volume designated by the registered supplier. If the registered supplier has not complied with any applicable provisions of this Section, the volume of the final blend for purposes of the producer's or importer's compliance with R20-2-751 and R20-2-751.01 shall be calculated without adding the amount of oxygenate to the AZRBOB.

B. Restrictions on transferring AZRBOB.

1. No person may transfer ownership or custody of AZRBOB to any other person unless the transferee has notified the transferor in writing that either:

a. The transferee is a registered oxygenate blender and will add oxygenate of the types and amount (or within the range of amounts) designated in accordance with R20-2-757 before the AZRBOB is transferred from a final distribution facility, or

b. The transferee will take all reasonably prudent steps necessary to assure that the AZRBOB is transferred to a registered oxygen blender who adds the type and amount (or within the range of amounts) of oxygenate designated in accordance with R20-2-757 to the AZRBOB before the AZRBOB is transferred from a final distribution facility.

2. No person may sell or supply AZRBOB from a final distribution facility where the type and amount or range of amounts of oxygenate designated in accordance with R20-2-757 has not been added to the AZRBOB.

C. Restrictions on blending AZRBOB with other products. No person may combine any AZRBOB that has been supplied from the facility at which it was produced or imported with

any other AZRBOB, gasoline, blendstock or oxygenate, except:

1. Oxygenate of the type and amount (or within the range of amounts) specified by the registered supplier at the time the AZRBOB was supplied from the production or import facility, or

2. Other AZRBOB for which the same oxygenate type and amount (or range of amounts) was specified by the registered supplier at the time the AZRBOB was supplied from the production or import facility.

D. Quality audit requirements for a registered supplier supplying AZRBOB from its production or import facility. Each registered supplier supplying AZRBOB from its production or import facility shall conduct a quality assurance sampling and testing program substantially satisfying the requirements in 40 CFR 80.69(a)(7), as it existed on July 1, 1996, but modified as follows:

1. Change "RBOB" to "AZRBOB"; and

2. Change in the 1st subsection "...using the methodology specified in § 80.46..." to "...using the methodology specified in R20-2-759..."; and

3. Change in subsection (a)(7)(ii) "(within the correlation ranges specified in § 80.65(e)(2)(i))" to "(within the ranges of the applicable test methods)". 40 CFR 80.69(a)(7), as it existed on July 1, 1996, is incorporated by reference.

E. Requirements for oxygenate blenders.

1. Requirement to add oxygenate to AZRBOB. Whenever an oxygenate blender receives AZRBOB from a transferor to whom the oxygenate blender has represented that oxygenate will be added to the AZRBOB, the oxygenate blender must add to the AZRBOB oxygenate of the types and amount (or within the range of amounts) identified in the documentation accompanying the AZRBOB.

2. Additional requirements for terminal blending. Any oxygenate blender who makes a final blend of Arizona CBG by blending any oxygenate with any AZRBOB in any gasoline storage tank, other than a truck used for delivering gasoline to retail outlets or bulk purchaser-consumer facilities, shall, for each such final blend, determine the oxygen content and volume of the final blend prior to its leaving the oxygen blending facility, by collecting and analyzing a representative sample of gasoline taken from the final blend, using methodology set forth in R20-2-759.

3. Additional requirements for oxygenate blenders who blend oxygenate in trucks. Any oxygen blender who obtains any AZRBOB in any gasoline delivery truck shall conduct a quality assurance sampling and testing program substantially satisfying the requirements in 40 CFR 80.69(e)(2), as it existed on July 1, 1996, but modified as follows:

a. Change "RBOB" to "AZRBOB"; and

b. Change in subsection (e)(2)(iv), "... using the testing methodology specified at § 80.46 ..." to "... using the testing methodology specified in R20-2-759..." and

c. Change in subsection (e)(2)(v) "(within the ranges specified in § 80.70(b)(2)(i).)" to "(within the ranges of the applicable test methods)". 40 CFR 80.69(e)(2), as it existed on July 1, 1996, is incorporated by reference.

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4. Additional requirements for oxygenate blenders who in-line blend oxygenate to pipelines using computer controlled blending.
 - a. Any oxygenate blender who produces Arizona CBG by blending oxygenate with AZRBOB into a pipeline using computer-controlled in-line blending shall, for each batch of Arizona CBG produced:
 - i. Obtain a flow proportional composite sample of the blended Arizona CBG subsequent to the addition of oxygenate and prior to combining the resulting Arizona CBG with any other gasoline.
 - ii. Determine the oxygen content of the Arizona CBG by analyzing the composite sample within 24 hours using the methodology of R20-2-759, and
 - iii. Determine the volume of the Arizona CBG.
 - b. In the event the testing results for the Arizona CBG indicate that it does not contain the specified type and amount of oxygenate within the ranges of the applicable test methods the oxygenate blender shall:
 - i. Notify the pipeline to downgrade the Arizona CBG to conventional gasoline or transmix tankage upon arrival in Arizona.
 - ii. Notify the Director and begin an investigation to determine the cause of the noncompliance, and
 - iii. Collect spot samples each 2 hours during each in-line blend of AZRBOB and oxygenate, and analyze these spot samples within 12 hours, until the cause of the noncompliance has been determined and corrected to the satisfaction of the Director.
5. Record Keeping and Records Retention.
 - a. Each oxygenate blender shall maintain, for 5 years from the date of each sampling, records showing the sample date, identity of blend or product sampled, container or other vessel sampled, the final blend or shipment volume, and the oxygen content as determined in accordance with R20-2-759. All Arizona CBG blended by the oxygenate blender, and not tested as required by this Section, shall be deemed to have an oxygen content exceeding the standards specified in R20-2-751 and R20-2-751.01 or exceeding the comparable PM averaging limits if applicable, unless the oxygenate blender demonstrates that the Arizona CBG meets those standards and limits.
 - b. An oxygenate blender shall provide to the Director any records required to be maintained by the oxygenate blender, pursuant to this subsection, within 20 days of a written request from the Director if the request is received before expiration of the period during which the records are required to be maintained. Whenever a oxygenate blender fails to provide records regarding a blend or shipment of Arizona CBG in accordance with the requirements of this Section, the final blend or shipment of Arizona CBG shall be presumed to have been sold by the oxygenate blender in violation of the standards in R20-2-751 and R20-2-751.01 or exceeding the comparable PM averaging limits if applicable, unless the oxygenate blender demonstrates that the Arizona CBG meets those standards and limits.

6. Notification requirement. An oxygenate blender shall notify by facsimile the Director prior to the beginning of transport of Arizona CBG or AZRBOB into area A by means other than a pipeline.
7. Quality Assurance/Quality Control (QA/QC) Program. Each oxygenate blender shall develop a QA/QC program to demonstrate the accuracy and effectiveness of the oxygenate blender's laboratory testing. The QA/QC program shall be submitted to the Director for approval at least 3 months prior to transport of Arizona CBG. In lieu of the QA/QC program, oxygenate blenders may opt to comply with the independent testing requirements of R20-2-752 (F).

R20-2-756. Downstream Blending of Arizona CBG with Nonoxygenate Blendstocks

- A. No person may combine Arizona CBG which has been supplied from a production or import facility with any nonoxygenate blendstock, other than vapor recovery condensate, unless the person can affirmatively demonstrate that:
 1. The blendstock that is added to the Arizona CBG meets all of the Arizona CBG standards without regard to the properties of the gasoline to which the blendstock is added, and
 2. The person meets with regard to the blendstock all requirements in this article applicable to producers of Arizona CBG.
- B. Notwithstanding subsection (A), a person may add nonoxygenate blendstock to a previously certified batch or mixture of certified batches of Arizona CBG that does not comply with 1 or more of the applicable per-gallon standards contained in R20-2-751(A) and R20-2-751.01(A) where the person obtains the prior approval of the Director based on a demonstration that adding the blendstock is a reasonable means of bringing the gasoline into compliance with the applicable per-gallon standards for Arizona CBG. The oxygenate blender or registered supplier shall certify the rebled Arizona CBG.

R20-2-757. Product Transfer Documentation; Records Retention

- A. On each occasion when any person transfers custody or title to any Arizona CBG or AZRBOB, other than when gasoline is sold or dispensed at a service station or fleet vehicle fueling facility, the transferor shall provide to the transferee documents which include the following information:
 1. The name and address of the transferor;
 2. The name and address of the transferee;
 3. The volume of Arizona CBG or AZRBOB which is being transferred;
 4. The location of the Arizona CBG or AZRBOB at the time of the transfer;
 5. The date of the transfer;
 6. Product transfer document number;
 7. The proper identification of the gasoline as Arizona CBG or AZRBOB;
 8. The minimum octane rating;
 9. The applicable Federal Complex Model VOC and NO_x reduction percentage standards contained in R20-2-751(A) or R20-2-751.01(A) with which the Arizona CBG or AZRBOB conforms.
 10. For oxygenated Arizona CBG designated for sale for use in motor vehicles from November 1 through March 31, the type and quantity of oxygenate contained in the Arizona CBG.

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11. In the case of AZRBOB for which oxygenate blending is intended:

- a. Identification of the product as AZRBOB, and a statement that the AZRBOB does not comply with the standards for Arizona CBG without the addition of oxygenate;
- b. The designation of the AZRBOB as suitable for blending with:
 - i. Any oxygenate;
 - ii. Ether only; or
 - iii. Other specified oxygenate type(s) and amount(s); and
- c. The oxygenate type or types and amount or amounts which the AZRBOB requires in order to meet the properties claimed by the registered supplier of the AZRBOB, and the applicable volume percent oxygenate and weight percent oxygen content specifications;
- d. Instructions that the AZRBOB may not be combined with any other AZRBOB except when having the same requirements for oxygenate type or types and amount or amounts.

B. A registered supplier, 3rd-party terminal, or pipeline may comply with this requirement by the use of standardized product codes on pipeline tickets. The codes specified for the Arizona CBG or AZRBOB shall be identified in a manual that is distributed to transferees of the Arizona CBG or AZRBOB and sets forth all of the required information for the Arizona CBG or AZRBOB.

C. Any person identified in subsection (A) with the exception of registered suppliers, oxygenate blenders, 3rd-party terminals and pipelines, shall retain product transfer documents for each shipment of Arizona CBG or AZRBOB transferred during the previous 24 month period. The documentation for the transfers or deliveries made during the preceding 30 day period shall be maintained at the business address listed on the product transfer document. Documentation for the remainder of all transfers or deliveries for the preceding 24 months shall be available within 2 working days from the time of request by the Director. Registered suppliers, oxygenate blenders, 3rd-party terminals, and pipelines shall retain product transfer documents for each shipment of Arizona CBG or AZRBOB transferred during the previous 60 month period. The documentation for the transfers or deliveries made during the preceding 30 day period shall be maintained at the business address listed on the product transfer document. Documentation for the remainder of all transfers or deliveries for the preceding 60 months shall be available within 2 working days from the time of request by the Director.

D. All documents requested for review by a Department official, upon request, shall be photocopied and presented to the Department.

R20-2-758. Adoption of Fuel Certification Models

A. The following documents are incorporated by reference and on file with the Office of the Secretary of State. These documents do not include any later amendments or editions. Copies of each are available from the Department.

1. The California Predictive Model (PM), California Air Resources Board's "California Procedures for Evaluating Alternative Specification for Phase 2 Reformulated Gasoline Using the California Predictive Model", as adopted April 20, 1995 (hereafter Predictive Model Procedures).

2. The Federal Complex Model as contained in 40 CFR 80.45, July 1, 1996.

R20-2-759. Testing Methodologies

- A. Except as provided in subsections (C) and (D), Arizona CBG or AZRBOB certified as meeting standards under R20-2-751, Tables 1 or 3 shall be tested with testing methodologies required by 13 California Code of Regulations, Section 2263, incorporated by reference as of January 1, 1997.
- B. Except as provided in subsection (C), Arizona CBG or AZRBOB certified under shall be tested with methods required by 13 California Code of Regulations, Section 2263, incorporated by reference as of January 1, 1997.
- C. Registered suppliers, oxygenate blenders and 3rd-party terminals certifying gasoline prior to transport to Maricopa County shall measure oxygenate using ASTM D-4815-96 procedures and RVP using ASTM D4814 standards. For gasoline located within Maricopa County, oxygenate shall be measured using ASTM D-4815-96, and RVP shall be measured using ASTM D5191-96.
- D. Except as required in subsection (C), a registered supplier of Arizona CBG or AZRBOB may certify Type 1 or Type 3 gasoline produced or imported at any specific facility using the federal test methods contained in 40 CFR 80.46 (a) through (g), provided that these are the only test methods used by that registered supplier for Arizona CBG or AZRBOB certified at that facility.

R20-2-760. Compliance Surveys

- A. Each registered supplier who elects to certify Arizona CBG or AZRBOB to meet any averaging standard under R20-2-751 or R20-2-751.01 shall conduct a program of compliance surveys in accordance with a survey program plan which has been approved by the Director. Such approval shall be based upon the survey program plan meeting the following criteria:
 1. The survey program shall consist of surveys which shall occur during the following time periods:
 - a. From June 1, 1998, through September 30, 1998, 2 surveys shall be conducted;
 - b. From and after May 1, 1999:
 - i. Two surveys during the period May 1 through September 15 of each year; and
 - ii. Two surveys during each period of November 1 through March 31.
 2. The survey program shall meet the criteria stated in subsection (B).
 3. In the event that any registered supplier fails to conduct an approved survey program, the Director shall issue an order requiring that person comply with all applicable standards on a per-gallon basis for a period of at least 6 months, extending through the end of the survey period identified in subsection (1) ending on or after the end of that 6 month period. This requirement to achieve compliance with per-gallon standards shall apply *ab initio* to the beginning of the applicable survey periods for which the failure occurs, regardless of when during that period the failure to survey occurs.
- B. General survey requirements.
 1. A survey shall consist of all samples that are collected pursuant to the applicable survey design during any consecutive 7-day period and that are not excluded under subsection (6).
 2. A survey shall be representative of all Arizona CBG gasoline which is being dispensed in area A as provided in subsection (E).

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3. A VOC survey shall consist of any survey conducted during the periods identified in (A)(1)(a) and (A)(1)(b)(i).
 4. A NO_x survey series shall consist of any survey conducted during the periods identified in (A)(1)(a) and (A)(1)(b)(ii).
 5. Each sample included in a survey shall be analyzed for oxygenate type and content, olefins, sulfur, and aromatic hydrocarbons, E200, E300, and RVP in accordance with the methodologies specified in R20-2-759. RVP should be analyzed during the time period of June 1, 1998, through September 30, 1998, and May 1 through September 15 from and after May 1, 1999.
 6. The results of each survey shall be based upon the results of the analysis of each sample collected during the course of the survey, unless the sample violates the applicable per-gallon maximum or minimum standards for the parameter being evaluated plus any enforcement tolerance that applies to the parameter.
 7. Any sample from a survey that violates any standard under R20-2-751 or R20-2-751.01 or that constitutes evidence of the violation of any prohibition or requirement under this Article, may be used by the Director in an enforcement action for such violation.
 8. Each laboratory at which samples in a survey are analyzed shall participate in a correlation program with the Director to ensure the validity of analysis results.
- C.** The results of each Federal Complex Model VOC emissions reduction survey shall be determined as follows:
1. For each Federal Complex Model sample from the survey series, the VOC emissions reduction percentage shall be determined based upon the tested parameter values for that sample and the appropriate methodology for calculating VOC emissions reduction at § 80.45, as adopted by reference under R20-2-758; and
 2. Area A shall have failed the Federal Complex Model VOC survey if the VOC emissions reduction percentage average of all survey samples is less than the applicable per-gallon standard for VOC emissions reduction.
- D.** The results of each NO_x emissions reduction survey and survey series shall be determined as follows:
1. For each sample from the survey and survey series, the NO_x emissions reduction percentage shall be determined based upon the tested parameter values for that sample and the appropriate methodology for calculating NO_x emissions reduction at § 80.45, as adopted by reference under R20-2-758; and
 2. Area A shall have failed the NO_x survey or survey series if the NO_x emissions reduction percentage average for all survey samples is less than the applicable Federal Complex Model per-gallon standard for NO_x emissions reduction.
- E.** Each survey program shall:
1. Be planned and conducted by a person who is independent of the registered supplier (hereafter referred to as the surveyor). In order to be considered independent:
 - a. The surveyor shall not be an employee of any registered supplier;
 - b. The surveyor shall be free from any obligation to or interest in any registered supplier; and
 - c. The registered supplier shall be free from any obligation to or interest in the surveyor.
 2. Include procedures such that the number of samples included in each survey assures that the average levels

of oxygen, RVP, aromatic hydrocarbons, olefins, T50, T90, and sulfur are determined with a 95% confidence level, with error of less than 0.1 psi for RVP, 0.1% for oxygen (by weight), 0.5% for aromatic hydrocarbons (by volume), 0.5% for olefins (by volume), 5°F for T50 and T90, and 10 ppm for sulfur;

3. Require that the surveyor shall:

- a. Except as provided in subsection (F), not inform anyone, in advance, of the date or location for the conduct of any survey;
- b. Upon request by the Director made within 30 days following the submission of the report of a survey, provide a duplicate of any gasoline sample taken during that survey to the Director at a location to be specified by the Director, each sample to be identified by the name and address of the facility where collected, the date of collection.
- c. At any time permit any representative of the Director to monitor the conduct of the survey, including sample collection, transportation, storage, and analysis.

4. Require the surveyor to submit to the Director a report of each survey, within 30 days following completion of the survey, such report to include the following information:

- a. The identification of the person who conducted the survey;
- b. An attestation by an officer of the surveyor company that the survey was conducted in accordance with the survey plan and that the survey results are accurate;
- c. If the survey was conducted for 1 registered supplier, the identification of that party;
- d. The identification of the area surveyed;
- e. The dates on which the survey was conducted;
- f. The address of each facility at which a gasoline sample was collected, and the date of collection;
- g. The results of the analyses of Federal Complex Model samples for oxygenate type and oxygen weight percent, aromatic hydrocarbon, and olefin content, E200, E300, and RVP, the calculated VOC and NO_x emissions reduction percentage for each survey conducted during the applicable periods identified in subsections (A)(1);
- h. The name and address of each laboratory where gasoline samples were analyzed;
- i. A description of the methodology utilized to select the locations for sample collection and the numbers of samples collected;
- j. For any samples which were excluded from the survey, a justification for such exclusion; and
- k. For each survey conducted during the period June 1 through September 15, the average Federal Complex Model VOC emissions reduction percentage, and the average Federal Complex Model NO_x emissions reduction percentage for samples collected during the period November 1 through March 31.

F. Each survey shall be commenced on a date selected by the Director no earlier than 10 business days before the beginning date of the survey.

G. The procedure for seeking Director approval for a survey program plan shall be as follows:

1. The survey program plan shall be submitted to the Director for the Director's approval no later than Janu-

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ary 1 to cover the period of May 1 through March 31 of each year; and

2. Such submittal shall be signed by a responsible corporate officer of the registered supplier, or in the case of a comprehensive survey program plan, by an officer of the organization coordinating the survey program.

H. No later than April 1 of each year, the contract with the surveyor to carry out the entire survey plan for the next summer and winter season shall be in effect, and an amount of money paid by the registered supplier necessary to carry out the entire survey plan shall be paid to the surveyor or placed into an escrow account with instructions to the escrow agent to pay the money over to the surveyor during the course of the conduct of the survey plan. No later than April 15 preceding the period in which the surveys will be conducted, the Director shall be given a copy of the contract with the surveyor, proof that the money necessary to carry out the plan has either been paid to the surveyor or placed into an escrow account, and if placed into an escrow account, a copy of the escrow agreement.

R20-2-761. Liability for Noncompliant Gasoline

A. Persons liable. Where the gasoline designated as Arizona CBG or AZRBOB is found to be noncompliant with the provisions of R20-2-751 or R20-2-751.01, the following persons shall be deemed liable for such violation:

1. Each person who owns, leases, operates, controls or supervises the facility where the noncompliant gasoline is found;
2. Each registered supplier whose corporate, trade, or brand name, or whose marketing subsidiary's corporate, trade, or brand name, appears at the facility where the noncompliant gasoline is found; and
3. Each person who manufactured, imported, sold, offered for sale, dispensed, supplied, offered for supply, stored, transported, or caused the transportation of any gasoline which is in the storage tank containing gasoline found to be in noncompliance.

B. Defenses.

1. A person who would be liable under subsection (A) shall be deemed not in violation if that person can demonstrate:
 - a. That the violation was not caused by the regulated party or its employee or agent;
 - b. That product transfer documents account for all of the gasoline in the storage tank found in violation and indicate that the gasoline met applicable requirements; and
 - c. That it has conducted a quality assurance sampling and testing program, as described in subsection (C); except that any person who transfers Arizona CBG or AZRBOB, but does not assume title, may rely on the quality assurance program carried out by another party, including the party that owns the Arizona CBG or AZRBOB in question, provided

that the quality assurance program is carried out properly.

2. Where a violation is found at a facility which is operating under the corporate, trade, or brand name of a registered supplier, that registered supplier must show, in addition to the defense elements required by subsection (B)(1), that the violation was caused by:

- a. An act in violation of law other than Title 41, Chapter 15, Article 6, this Article, or an act of sabotage or vandalism;
- b. The action of any person in violation of a contractual undertaking imposed by the registered supplier designed to prevent such action, and despite periodic sampling and testing by the registered supplier to ensure compliance with such contractual obligation; or
- c. The action of any person who transfers Arizona CBG or AZRBOB, but does not assume title, not subject to a contract with the registered supplier but engaged by the registered supplier for transportation of Arizona CBG or AZRBOB, despite specification or inspection of procedures and equipment by the registered supplier which are reasonably calculated to prevent such action.

3. To show that the violation was caused by any of the specified actions, the party must demonstrate by reasonably specific showings, by direct or circumstantial evidence, that the violation was caused or must have been caused by another person.

C. Quality assurance program. In order to demonstrate an acceptable quality assurance program for Arizona CBG or AZRBOB at all points in the gasoline distribution network, other than at service stations or fleet owner facilities, a party must present evidence:

1. Of a periodic sampling and testing program to determine if the applicable maximum or minimum standards as reflected in R20-2-751 and R20-2-751.01 are met; and
2. That on each occasion when Arizona CBG or AZRBOB is found in noncompliance with 1 of the requirements referred to in subsection (C)(1):
 - a. The party immediately ceases selling, offering for sale, dispensing, supplying, offering for supply, storing, transporting, or causing the transportation of the violating product; and
 - b. The party promptly remedies the violation by abiding by the provisions of this Article.

R20-2-762. Penalties

Any person who violates any provision of this Article shall be subject to any or all of the following:

1. Prosecution for a Class 2 misdemeanor pursuant to A.R.S. § 41-2113(B)(4);
2. Civil penalties in the amount of \$500 per infraction pursuant to A.R.S. § 41-2115;
3. Stop-use, stop-sale, hold and removal orders pursuant to A.R.S. § 41-2066(A)(2).

TABLE 1 - TYPE 1 GASOLINE STANDARDS

<u>Fuel Property**</u>	<u>Non-averaging Option</u>	<u>Averaging Option</u>		
	A	B	C	D
	<u>Per-Gallon (minimum)</u>	<u>Average</u>	<u>Minimum (per-gallon)</u>	<u>Maximum (per-gallon)</u>
<u>VOC Emission Reduction (%)</u> <u>May 1 - Sept 15</u>	<u>>27.5</u>	<u>>29.0</u>	<u>>25.0</u>	N/A
<u>NO_x Emission Reduction (%)</u> <u>May 1 - Sept 15</u>	<u>>5.5</u>	<u>>6.8</u>	<u>>3.0</u>	N/A
<u>NO_x Emission Reduction (%)</u> <u>Sept 16 - April 30</u>	<u>>0.0</u>	<u>>1.5</u>	<u>>-2.5</u>	N/A
<u>Oxygen, ethanol, (% by weight unless otherwise noted)</u> <u>Nov 1 - Mar 31</u> <u>April 1 - Oct 31</u>	<u>10% ethanol by vol.</u> <u>2.0</u>	N/A <u>2.1</u>	<u>10% ethanol by vol.</u> <u>1.5</u>	<u>4.0</u> <u>4.0</u>
<u>Oxygen, other than ethanol, (% by weight)</u> <u>Nov 1 - Mar 31</u> <u>April 1 - Oct 31</u>	<u>2.7</u> <u>2.0</u>	N/A <u>2.1</u>	<u>2.7</u> <u>1.5</u>	<u>3.5*</u> <u>2.7</u>
* Maximum oxygen content must comply with the EPA oxygenate waiver requirements. ** Dates represent compliance dates for service stations and fleet owners.				

TABLE 2 - TYPE 2 GASOLINE STANDARDS

<u>Fuel Property</u>	<u>Averaging Option</u>		<u>Non-averaging Option</u>	<u>Units of Standard</u>
	<u>A</u>	<u>B</u>	<u>C</u>	
	<u>Maximum Standard (per-gallon)</u>	<u>Averaging Standard*</u>	<u>Flat Standard * (per-gallon maximum)</u>	
<u>Sulfur Content</u>	<u>80</u>	<u>30</u>	<u>40</u>	<u>Parts per million by weight</u>
<u>Olefin Content</u>	<u>10.0</u>	<u>4.0</u>	<u>6.0</u>	<u>% by volume</u>
<u>90% Distillation Temperature (T90)</u>	<u>330</u>	<u>290</u>	<u>300</u>	<u>Degrees Fahrenheit</u>
<u>50% Distillation Temperature (T50)</u>	<u>220</u>	<u>200</u>	<u>210</u>	<u>Degrees Fahrenheit</u>
<u>Aromatic Hydrocarbon Content</u>	<u>30.0</u>	<u>22.0</u>	<u>25.0</u>	<u>% by volume</u>
<u>Oxygen, ethanol</u> Nov 1 - Mar 31 April 1 - Oct 31	<u>10% ethanol</u> <u>2.7</u>	== ==	<u>10% ethanol</u> <u>2.7***</u>	<u>% by vol.</u> <u>% by weight</u>
<u>Oxygen, other than ethanol</u> Nov 1 - Mar 31 April 1 - Oct 31	<u>3.5**</u> <u>2.7</u>	== ==	<u>3.5**</u> <u>2.7***</u>	<u>% by weight</u> <u>% by weight</u>

* In lieu of the standards in columns B and C, registered suppliers may opt to comply with the standards contained in R20-2-751(D) and R20-2-751.01(D) for the use of the PM.

** Maximum oxygen content must comply with the EPA oxygenate waiver requirements.

*** The gasoline produced in accordance with the Non-averaging Option must comply with a per gallon minimum oxygen content of 1.8% by weight April 1 - October 31.

NOTE: Dates represent compliance dates for service stations and fleet owners.

TABLE 3 - TYPE 3 GASOLINE STANDARDS

	<u>Non-averaging Option</u>	<u>Averaging Option</u>		
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
<u>Fuel Property</u>	<u>Per-Gallon (minimum)</u>	<u>Average</u>	<u>Minimum (per-gallon)</u>	<u>Maximum (per-gallon)</u>
<u>VOC Emission Reduction (%)</u> <u>June 1 - Sept 30</u>	<u>>35.1</u>	<u>>36.6</u>	<u>>32.6</u>	<u>N/A</u>
<u>NO_x Emission Reduction (%)</u> <u>June 1 - Sept 30</u>	<u>≥ 0</u>	<u>≥ 1.5</u>	<u>>-2.5</u>	<u>N/A</u>
<u>Oxygen, ethanol, (% by weight)</u> <u>June 1 - Sept 30</u>	<u>2.0</u>	<u>2.1</u>	<u>1.5</u>	<u>4.0</u>
<u>Oxygen, other than ethanol, (% by weight)</u> <u>June 1 - Sept 30</u>	<u>2.0</u>	<u>2.1</u>	<u>1.5</u>	<u>3.5*</u>

* Maximum oxygen content must comply with the EPA oxygenate waiver requirements.
 NOTE: Dates represent compliance dates for service stations and fleet owners.