

Vapor Pressure Exception – One-year extension and early implementation

Annual NCWM Conference

Prentiss Searles
Marketing Issues Manager
American Petroleum Institute
July 25-28, 2016

Background and Request

Background

- July 2012 debate at NCWM to move 1-psi vapor pressure exception/waiver from NIST Handbook 130 to ASTM D4814 (gasoline spec) to harmonize the documents and prevent inconsistencies
- NCWM chooses May 1, 2016 sunset date to allow time to conduct research on impacts of 1-psi exception on consumers' vehicles
- March 2015 CRC completes research showing no driveability issues for the consumer (Report No. 668)
- ASTM first ballot prepared and fails during adjudication at December 8, 2015 meeting
- ASTM second ballot, June 28, 2016 a single negative comment was adjudicated. The ballot fails to pass committee
- Significant work needed at ASTM to develop third ballot
- Importance of issue requires belts and suspenders approach to minimize unnecessary impacts to fuel supply

Request:

- **Extend the sunset date of the 1-psi vapor pressure exception to May 1, 2017 and make the effective date for this change July 28, 2016**

D4814 Ballot on Volatility for Gasoline –Ethanol Blends
Incorporate vapor pressure allowance from NIST HB 130 and T50
reduction for classes D & E

ASTM BALLOT

Key Features of this Ballot

- Proposed specification changes are backed by extensive cooperative vehicle testing
- If passed, many states could remove exceptions/waivers for ethanol blends in fuels regulations and refer to D4814
- These gasolines ***are in*** the market today
- Ballot will NOT change the gasoline now sold
- Ballot will only codify the vapor pressure waiver now allowed by many states
- Vapor pressures and T50's of ethanol blended gasolines will not increase beyond what is done today

EXTEND THE SUNSET DATE OF THE 1-PSI VAPOR PRESSURE EXCEPTION TO MAY 1, 2017

(EFFECTIVE JULY 28, 2016)

Possible Impacts to Fuel Supply

- During the non-summer months of September 16 to May 31, the vapor pressure waiver is critical to the fungibility of the U.S. gasoline supply.
- 45 states grant the 1-psi exception/waiver*
- 7 states reference HB 130 and 2 build similar language into their regulations
- 2016 Sunset date could impact fuel supply in mid-continent and eastern states
 - Pipelines are limited by tanks necessary to manage additional products
 - Possible reduced reliability and fuel shortages in multiple states putting upwards pressure on gasoline markets
 - Ship and barge movements could also be impacted
- All efforts are being made to identify a new consensus approach at ASTM D4814

* States not granting the 1-psi exception/waiver CA, DE, HI, NY, RI

Evidence Supports Continuation of 1-psi Exception/Waiver



- The 1-psi exception/waiver has been in place since 1979, billions of miles of consumer use without issue
- NCWM has granted a 1.0 psi RVP exception/waiver during the non-summer months (0.5 psi for Class E) without any significant or meaningful impact to the consumer's driving experience
- Auto/Oil research* confirms consumer experience showing no negative impacts

* CM-138-13-1 2014 Coordinating Research Council Hot-Fuel-Handling Program (CRC 668), Vehicle Driveability Program testing Maximum ASTM D4814 Volatility Class Gasoline Blends (Max. RVP, Min. T50, Min. TVL20)

Pipeline Concerns Continue Today

Pipeline companies expressed concerns at NCWM in 2012 and their concerns hold today

[Magellan is] opposed to the elimination of the [vapor pressure exception] because it would (1) create a boutique fuel in several states (2) reduce pipeline efficiency which could result in supply disruptions (3) reduce gasoline supply by requiring a reduction of RVP and (4) impact the price unsuspecting motorists pay at the pump.

January 19, 2012, letter Mr. Ron Hayes, Fuels and Lubricants Subcommittee, NCWM from Mr. Rod Lawrence, Magellan

It is Colonial's understanding that all states along our system grant a 1.0 psi waiver for Non-VOC controlled RVP with the exception of Virginia, which adopts the latest version of HB 130. If this proposal were to go into effect, it would create a unique fuel to the State of Virginia markets.

January 20, 2012, letter to Mr. Ron Hayes, Fuels and Lubricants Subcommittee, NCWM from Mr. Keith Penn, Colonial

Support for the 1-psi vapor pressure exception

July 11, 2016 Letter

Dear Mr. Onwiler:

On behalf of **ACE, API, NACS, NATSO, PMAA, RFA, and SIGMA**, we respectfully request your support for item 237-2, "Section 2.1.2. Gasoline-Ethanol Blends" which will be a voting item during the NCWM Annual meeting in Denver. This voting item extends the sunset date from May 1, 2016 to May 1, 2017 for the 1.0-psi vapor pressure waiver for non-summer gasoline (Class A, B, C, D) and a 0.5 psi vapor pressure for class E gasoline. Additionally, item 237-2 makes the effective date July 28, 2016, the day that the Conference votes at the Annual meeting.

The vapor pressure waiver for summer gasoline is granted by the U.S. EPA through the Clean Air Act. During the non-summer months of September 16 to May 31, the vapor pressure waiver is critical to the fungibility of the U.S. gasoline supply. By supporting item 237-2, you are allowing the gasoline-ethanol blend, used for decades, to continue to be used for another year while ASTM works to modify its gasoline specification.

We thank you for your attention to this issue.

BELTS AND SUSPENDERS

•State outreach

- Concentrated on securing one-year or permanent waiver in nine states that reference NCWM model regulation or replicate it

	Sunset Extension		Extension
	Granted	Expected	
Virginia	✓		18 month (permanent following final rule)
New Jersey	✓		Permanent (or until ASTM incorporates)
Pennsylvania	✓		Permanent (or until ASTM incorporates)
Arkansas	✓		Permanent (or until ASTM incorporates)
Illinois (150 day extension) (Permanent reg filed)		✓	Permanent (or until ASTM incorporates)
Tennessee	✓		One year
Maine	✓		One year
West Virginia	✓		One year
Missouri (Permanent reg filed)		✓	One year



EXTEND THE SUNSET DATE OF THE 1-PSI VAPOR PRESSURE EXCEPTION
TO MAY 1, 2017 (**EFFECTIVE JULY 28,
2016**)

Need Effective Date of July 28, 2016

Proposal:

- Extend the effective date of the 1-psi vapor pressure exception to May 1, ~~2016-2017~~...**(Effective July 28, 2016)**
- Effective date of January 1, 2017 results in loss of 1.0 psi (and 0.5 psi) waiver from September 16, 2016 to December 31, 2016 with possible consequences identified above
- July 28, 2016 -- Last day of 2016 Annual Conference
 - Immediate effective date allowing certainty in the marketplace and helps limit supply disruptions that might be seen by the consumer
 - Vapor pressure exception continues to be available starting September 16, 2016
- If the vote passes at the NCWM Annual Meeting, NIST has agreed to post the changes to HB 130 within a few business days

Does HB 130 allow for effective date earlier than January 1?

- Specifically, Section H of the Introduction, states, “**Unless otherwise specified**, the new or amended regulations listed in this section are intended to become effective and subject to enforcement on January 1 of the year following adoption by NCWM.” [Emphasis added].
- Default is that the requirement would **not** be subject to enforcement earlier than January, HOWEVER, Conference has ability to make an exception
- **“Unless otherwise specified”**
 - Is very general
 - Modifies the entire sentence
 - Allows enforcement before January 1st in cases where specified
- S&T 1971 language original intent allows for earlier enforcement dates

Proposal

Amend NIST Handbook 130, Uniform Engine Fuels and Automotive Lubricants Regulation as follows:

2.1.2. Gasoline-Ethanol Blends. – When gasoline is blended with ethanol, the ethanol shall meet the latest version of ASTM D4806, “Standard Specification for Denatured Fuel Ethanol for Blending with Gasolines for Use as Automotive Spark-Ignition Engine Fuel,” and the blend shall meet the latest version of ASTM D4814, “Standard Specification for Automotive Spark-Ignition Engine Fuel,” with the following permissible exceptions:

- a. The maximum vapor pressure shall not exceed the ASTM D4814 limits by more than:
 - (1) 1.0 psi for blends containing 9 to 10 volume percent ethanol from June 1 through September 15.
 - (2) 1.0 psi for blends containing one or more volume percent ethanol for volatility classes A, B, C, D from September 16 through May 31.
 - (3) 0.5 psi for blends containing one or more volume percent ethanol for volatility Class E from September 16 through May 31.
- The vapor pressure exceptions in subsections 2.1.2. Gasoline-Ethanol Blends will remain in effect until May 1, ~~2016~~ 2017, or until ASTM incorporates changes to the vapor pressure maximums for ethanol blends, whichever occurs earlier. (Effective July 28, 2016)

Thank you

Contact information

Prentiss Searles

Marketing Issues Manager

American Petroleum Institute

202-682-8227

searlesp@api.org

Background

Does HB 130 allow for effective date earlier than January 1?

tional Bureau of Standards Handbook 44, 3d Edition, *Specifications, Tolerances, and Other Technical Requirements for Commercial Weighing and Measuring Devices*.



General Code

1. In most cases, whenever regulations are promulgated by an authority, a future enforcement date is stipulated to allow affected parties time to comply. The Committee agrees with the several suggestions it received concerning the need for establishing effective enforcement dates for amendments to Handbook 44 and recommends the following addition to the General Code:

G-A.7. EFFECTIVE ENFORCEMENT DATES OF CODE REQUIREMENTS.

—Unless otherwise specified, each new or amended code requirement shall become effective, and be subject to enforcement, on January 1 of the year following its adoption by the National Conference on Weights and Measures and publication by the National Bureau of Standards.

It was suggested during the open meeting that this new paragraph was in need of clarification. It is the Committee's view that the key phrases "unless otherwise specified" and "each new or amended code requirement" clearly indicate the intent of this provision. The Committee recommends amendment to the code as per the tentative report.

1970 S&T
Language
(excerpted from
report)

Does HB 130 allow for effective date earlier than January 1?

REPORT OF THE COMMITTEE ON SPECIFICATIONS AND TOLERANCES

Presented by D. E. KONSOR, *Chairman*, Director, Bureau of Weights and Measures, Food Division, Wisconsin Department of Agriculture

(Thursday, July 15, 1971)



General Code

1. *G-A.7. Effective Enforcement Dates of Code Requirements.*—The Committee agrees with the comment it received that the requirements as added to the code last year would seem to preclude the regulatory authority of each jurisdiction, and thus recommends that this paragraph be amended to read as follows:

G-A.7. EFFECTIVE ENFORCEMENT DATES OF CODE REQUIREMENTS.
—Unless otherwise specified, each new or amended code requirement shall not be subject to enforcement prior to January 1 of the year following the adoption by the National Conference on Weights and Measures and publication by the National Bureau of Standards.

Does HB 130 allow for effective date earlier than January 1?

1992, L&R Adds Enforcement language to HB 130 (excerpted and reformatted)

Details of All Items
(In order by Reference Key Number)

210 **NIST Handbook 130 - General**

210-2 **VC** **Effective Enforcement Date of Uniform Regulations**

(This item was adopted as part of the consent calendar.)

F. Effective Enforcement Dates of Regulations. - Unless otherwise specified, the new or amended regulations listed in this section shall become effective and subject to enforcement on January 1 of the year following adoption by the National Conference on Weights and Measures.

- a. Uniform Packaging and Labeling Regulation**
- b. Uniform Regulation for the Method of Sale of Commodities**
- c. Uniform Unit Pricing Regulation**
- d. Uniform Regulation for the Voluntary Registration of Servicepersons and Service Agencies for Commercial Weighing and Measuring Devices**
- e. Uniform Open Dating Regulation**
- f. Uniform Regulation for National Type Evaluation**
- g. Uniform Regulation for Motor Fuel**