

EPA Issues Final Rule to Expand the Definition of Heating Oil Under the Renewable Fuel Standard Program

The U.S. Environmental Protection Agency (EPA) is issuing a final rule to expand the definition of heating oil in the regulations for the Renewable Fuel Standard (RFS) program. The new definition of heating oil adds a category to include all fuel oils that are used to generate heat to warm buildings or other facilities where people live, work, recreate, or conduct other activities. All fuels previously included in the original definition of heating oil continue to be included in the expanded definition. Fuel oils in the new category of the expanded definition that are used to generate process heat, power, or other functions are not approved for RIN generation.

EPA is also finalizing specific registration, reporting, product transfer document, and recordkeeping requirements applicable specifically to the new category of fuel oils, which are necessary to demonstrate that the fuel oil was or will be used to heat buildings for climate control for human comfort in order to generate RINs.

Overview

The Energy Independence and Security Act of 2007 (EISA) allowed that “additional renewable fuel” replacing or reducing the quantity of fossil fuel in jet fuel and home heating oil could also generate RINs. While this expansion provided an additional avenue for RIN generation and encouraged renewable fuel production, the RFS definition of “heating oil” was confined to renewable fuels that meet the chemical specifications of diesel blends commonly sold for use as heating oil. We received a number of requests to expand the definition of heating oil to include additional fuel oils that do not meet the existing definition’s technical specifications, but are nonetheless used for heating purposes.

This action expands the scope of the term “heating oil” in the RFS program to allow the generation of RINs for renewable fuel oil that meets all other applicable requirements of the program and that is used to heat places where people live, work or recreate. The rule contains the following elements, which apply only to fuel oils qualifying as heating oil under the expanded definition:

- Minimum technical specifications for qualifying fuel oils.
- Detailed requirements for producer registration to ensure that the fuel oil is intended for use as heating oil only, including the collection of affidavits from end users stating that the fuel oil is being used or will be used for the proper purpose.
- Requirements for product transfer documents to ensure that all parties taking possession of the fuel oil are aware of its limited use and the penalties for improper use.
- Prohibition of using fuel oil produced and designated as heating oil and for which RINs have been generated for any use other than the heating of interior spaces of homes or buildings to control ambient climate for human comfort.
- Quarterly reporting requirements to ensure that the volumes of renewable fuel oil for which RINs were generated were received by the end user and used for the proper purpose.

The expanded definition of heating oil will encourage the growth of renewable fuel production in the heating oil market by adding value to renewable fuel oils through the generation of RINs. In particular, the expanded definition could spur the production of advanced or cellulosic bio-fuel, providing additional opportunities for regulated parties to meet their annual RFS volume obligations.

For More Information

For more information, please visit the RFS website at:

www.epa.gov/otaq/fuels/renewablefuels/regulations.htm

To submit a question on the RFS program, and to view Frequently Asked Questions, please visit:

www.epa.gov/otaq/fuels/renewablefuels/compliancehelp/index.htm