

*The Director of the Environmental Protection Agency's Office of Transportation and Air Quality, Christopher Grundler, signed the following Notice on December 2, 2016 and we are submitting it for publication in the Federal Register. While we have taken steps to ensure the accuracy of this Internet version of the notice, it is not the official version. Please refer to the official version in a forthcoming Federal Register publication, which will appear on the Government Printing Office's FDSys website ([www.gpo.gov/fdsys/search/home.action](http://www.gpo.gov/fdsys/search/home.action)) and on Regulations.gov (<http://www.regulations.gov>) in Docket No. EPA-HQ-OAR-2016-0041. Once the official version of this document is published in the Federal Register, this version will be removed from the Internet and replaced with a link to the official version.*

6560-50-P

## **ENVIRONMENTAL PROTECTION AGENCY**

### **40 CFR Parts 79 and 80**

**[EPA-HQ-OAR-2016-0041; FRL-XXXX-XX-XXX]**

**[RIN 2060-AS66]**

### **Notice of Data Availability Concerning the Renewables Enhancement and Growth Support Rule**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Notice of data availability.

**SUMMARY:** This Notice provides an opportunity to comment on new information that pertains to the proposed provisions for ethanol flex fuel contained in the Renewables Enhancement and Growth Support (REGS) rule which was published in the Federal Register on November 16, 2016. The new information is contained in the report titled "Property Analysis of Ethanol-Natural Gasoline-BOB Blends to Make Flex Fuel" that has been placed in the public docket for this action. In the proposed REGS rule, the EPA proposed volatility standards for ethanol flex fuel (EFF) to prevent excessive evaporative emissions that could adversely affect the emissions control systems of flexible fuel vehicles (FFVs) and human health. The EPA proposed a fuel volatility compliance tool for use by regulated entities to demonstrate compliance with the proposed volatility standards for EFF. The new information being made available by this notice indicates that the proposed compliance tool may need to be modified to adequately estimate the volatility of EFF when natural gasoline is used as a blendstock.

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**DATES:** Comments. Comments must be received on or before January 17, 2017.

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2016-0041, to the *Federal eRulemaking Portal*: <http://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or withdrawn from Regulations.gov. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e., on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>.

**FOR FURTHER INFORMATION CONTACT:** Julia MacAllister, Assessment and Standards Division, Office of Transportation and Air Quality, Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; telephone number: (734) 214-4131; email address: [macallister.julia@epa.gov](mailto:macallister.julia@epa.gov).

## **Outline of This Preamble**

### **I. General Information**

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- A. Does this action apply to me?
- B. What is the agency's authority for taking this action?

**II. Request for Comment**

- A. Background
- B. Potential Changes to the Proposed Ethanol Flex Fuel Volatility Compliance Tool

**SUPPLEMENTARY INFORMATION:**

**I. General Information**

- A. Does this action apply to me?

This action relates to provisions in a previously promulgated Proposed Rule that would potentially affect companies involved with the production, distribution, and sale of blends of ethanol and gasoline. Potentially regulated categories include:

<b>Category</b>	<b>NAICS<sup>1</sup> Code</b>	<b>Examples of Potentially Affected Entities</b>
Industry	211112	Natural gas liquids extraction and fractionation
Industry	211112, 324110	Ethanol denaturant manufacturers
Industry	324110	Petroleum refineries (including importers)
Industry	325110	Butane and pentane manufacturers
Industry	325193	Ethyl alcohol manufacturing
Industry	424710, 424720	Petroleum Bulk Stations and Terminals; Petroleum and Petroleum Products Wholesalers.
Industry	447110, 447190	Fuel Retailers
Industry	454310	Other fuel dealers
Industry	486910	Natural gas liquids pipelines, refined petroleum products pipelines
Industry	493190	Other warehousing and storage – bulk petroleum storage

<sup>1</sup> 2012 North American Industry Classification System (NAICS)

This table is not intended to be exhaustive, but rather provides a guide for readers regarding entities likely to be regulated by this action. This table lists the types of entities that the EPA is now aware could potentially be regulated by this action. Other types of entities not listed in the table could also be regulated. To determine whether your entity is regulated by this action, you should carefully examine the applicability criteria in the referenced regulations. If you have

any questions regarding the applicability of this action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section.

B. What is the agency's authority for taking this action?

This action is issued under the authority of CAA sections 208, 211 and 301.

## **II. Request for Comment**

A. Background

In the Renewables Enhancement and Growth Support (REGS) Rule<sup>1</sup>, EPA is proposing enhancements to its Renewable Fuel Standards (RFS) program and other related fuel regulations to support market growth of ethanol and other renewable fuels in the U.S. These proposed changes will provide the opportunity for increasing the production and use of renewable fuels by allowing the market to operate in the most efficient and economical way to introduce greater volumes of renewable fuels under the program. The proposed provisions for ethanol flex fuel (EFF)<sup>2</sup> in the REGS rule would provide additional flexibility to use natural gasoline as an EFF blendstock while maintaining the environmental performance of these fuels. The use of lower cost natural gasoline to make EFF may reduce the price to consumers of these fuels, thereby encouraging the use of additional ethanol and furthering the goals for the RFS program.

B. Request for Comment

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<sup>1</sup> 81 FR 80828, November 16, 2016.

<sup>2</sup> In the REGS rule, EPA is proposing that all EFF blends that contain 16 to 83 volume percent ethanol (E16-E83) would be subject to the same set of regulatory controls rather than continuing to treat E16-E50 blends as gasoline. E85 is a trade name that has historically been used for blends that contain 51 to 83 volume percent ethanol (E51-E83).

To support the use of natural gasoline as an EFF blendstock while meeting the EPA's evaporative emission control and public health protection goals, the EPA proposed that a fuel volatility compliance tool could be used to demonstrate compliance with the proposed volatility standards for EFF. The proposed compliance tool was based on a fuel volatility model that was developed using data on the volatility of gasoline - ethanol fuel blends.<sup>3</sup> This fuel volatility model, which is well accepted by industry, is used to estimate the volatility of ethanol blends made with gasoline and/or blendstock for oxygenate blending.<sup>4</sup> At proposal, we explained why we believed that the proposed compliance tool would also be a satisfactory means of estimating ethanol blend volatility when natural gasoline is used as a blendstock even though we only had limited data that evaluated its suitability for this purpose. In sum, we reasoned that blendstock for oxygenate blending and natural gasoline blend linearly and would thus, behave as a single component in compliance tool calculations. The report that this notice adds to the docket for the REGS proposed rule, and for which we seek public comment, contains the results of a test program that compares empirical data on E51-83 blend volatility when natural gasoline is used as a blendstock to the volatility estimated by the proposed compliance tool.<sup>5</sup> These test data in

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<sup>3</sup> SAE technical paper 2007-01-4006, "A Model for Estimating Vapor Pressures of Commingled Ethanol Fuels," Sam R. Reddy. See the discussion in Section IV.F.3. of the REGS proposed rule beginning on page 81 FR 80867.

<sup>4</sup> A blendstock for oxygenate blending (BOB) is formulated to manufacture compliant gasoline after the addition of ethanol.

<sup>5</sup> Property Analysis of Ethanol-Natural Gasoline-BOB Blends to Make Flex Fuel, National Renewable Energy Laboratory (NREL) technical report 5400-67243, November 2016.

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this report indicate that the proposed compliance tool may significantly underestimate the volatility of some higher level ethanol blends when natural gasoline is used as a blendstock. These data, therefore, contradict the assumption that blendstock for oxygenate blending and natural gasoline blend linearly and behave as a single component in compliance tool calculations. The report also suggests that other aspects of the final blend may need to be taken into account for the compliance tool to provide a satisfactory estimate of ethanol blend volatility when natural gasoline is used as a blendstock. The EPA requests comment on all aspects of this report and the proposed fuel volatility compliance tool as well as how it might be modified to better estimate the effect of natural gasoline on the volatility of ethanol fuel blends. The EPA will consider the information contained in the report made available by this notice and the resulting public comments from this notice in developing a final rule from the REGS proposed rule.

Dated: \_\_\_\_\_

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Christopher Grundler,

Director, Office of Transportation and Air Quality.