



E. SCOTT PRUITT
ADMINISTRATOR

August 30, 2017

The Honorable Kay Ivey
Governor of Alabama
State Capitol
600 Dexter Avenue
Montgomery, Alabama 36130

The Honorable Nathan Deal
Governor of Georgia
206 Washington Street
111 State Capitol
Atlanta, Georgia 30334

The Honorable Matt Bevin
Governor of Kentucky
700 Capitol Avenue, Suite 100
Frankfort, Kentucky 40601

The Honorable Larry Hogan
Governor of Maryland
100 State Circle
Annapolis, Maryland 21401

The Honorable Phil Bryant
Governor of Mississippi
P.O. Box 139
Jackson, Mississippi 39205

The Honorable Roy Cooper
Governor of North Carolina
Office of the Governor
20301 Mail Service Center
Raleigh, North Carolina 27699

The Honorable Henry McMaster
Governor of South Carolina
1205 Pendleton Street
Columbia, South Carolina 29201

The Honorable Bill Haslam
Governor of Tennessee
Tennessee State Capitol
Nashville, Tennessee 37243

The Honorable Terry McAuliffe
Governor of the Commonwealth of Virginia
State Capitol
Third Floor
Richmond, Virginia 23219

The Honorable Greg Abbott
Governor of Texas
Office of the Governor
P.O. Box 12428
Austin, Texas 78711-2428

The Honorable John Bel Edwards
Governor of Louisiana
Office of the Governor
P.O. Box 94004
Baton Rouge, Louisiana 70804

The Honorable Rick Scott
Governor of Florida
PL 05 The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-0001

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue NW
Suite 316
Washington, D.C. 20004

Re: August 30, 2017 Fuel Waiver Concerning Conventional and Reformulated Gasoline in Alabama, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Texas, Louisiana, Florida and the District of Columbia

Dear Governors and Mayor Bowser:

I have received requests for waivers under the Clean Air Act (CAA) by some of you or on your behalf to address fuel supply emergencies caused by Hurricane Harvey. In response to these requests, the U.S. Environmental Protection Agency has determined, and the U.S. Department of Energy concurs, that it is necessary to take action to minimize or prevent the disruption of an adequate supply of gasoline in Alabama, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, Texas, Louisiana, Florida and the District of Columbia ("designated states and D.C.").

As you know, regulations promulgated under the CAA require the use of low volatility gasoline during the summer months in order to limit the formation of ozone pollution. The regulations requiring the use of low volatility conventional gasoline (CG) during the summer season are found at 40 C.F.R. § 80.27 and in certain State Implementation Plans (SIPs). *See* 40 C.F.R. § 80.27 and <https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure#table>. The regulations requiring the use of low volatility reformulated gasoline (RFG) are found at 40 C.F.R. § 80.78. The RFG regulations at 40 C.F.R. § 80.78(a)(7) also prohibit any person from combining any reformulated blendstock for oxygenate blending (RBOB) with any other gasoline, blendstock, or oxygenate, except for the oxygenate of the type and amount specified by the refiner that produced the RBOB. RBOB is combined with its specified oxygenate to produce RFG.

The shut-down of nearly a dozen refineries and extreme weather prohibiting fuel barge movement in the Gulf-area, with several other refineries operating at reduced capacity, has continued to limit the production and availability of fuel to areas both within and outside of the Gulf area. In addition, the Colonial Pipeline, which has been disrupted due to storm damage, is operating at a reduced capacity. The designated states and D.C. receive a significant percentage of their gasoline supplies from the Gulf-area refineries and through the Colonial Pipeline. Consequently, the refinery shut-downs, production curtailments, limited shipments of fuel by barge in the Gulf area and pipeline limitations caused by Hurricane Harvey are creating a shortage of compliant fuel for the designated states and D.C. These supply shortages can be reduced by waiving the requirements to sell low volatility summer CG and by waiving provisions at 40 C.F.R. § 80.78(a)(7) that prohibit any person from combining any RFG blendstock for

oxygenate blending with any other gasoline, blendstock, or oxygenate, unless certain conditions are met.

I have determined that an “extreme and unusual fuel [] supply circumstance” exists that will prevent the distribution of an adequate supply of gasoline to consumers. CAA § 211(c)(4)(C)(ii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(I). This extreme and unusual fuel circumstance is the result of a hurricane, an event that could not reasonably have been foreseen or prevented, and is not attributable to a lack of prudent planning on the part of suppliers of the fuel to these areas. CAA § 211(c)(4)(C)(ii)(II), 42 U.S.C. § 7545(c)(4)(C)(ii)(II). Furthermore, I have determined that it is in the public interest to grant this waiver and that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances. CAA § 211(c)(4)(C)(ii)(III) and (iii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(III) and (iii)(I).

The EPA, in consultation with DOE, has evaluated the impact of disruption of the fuel production and distribution system on fuel supply in the designated states and D.C. Based on this evaluation, the EPA has determined, and DOE concurs, that it is necessary to take the following action to minimize or prevent further disruption of an adequate supply of gasoline to consumers in these areas.

Federal RVP Standards

I am issuing this waiver of the federal Reid vapor pressure (RVP) requirements at 40 C.F.R. § 80.27 in the designated states to minimize or prevent problems with the supply of gasoline to these areas. Under this temporary waiver, regulated parties may produce, sell or distribute winter gasoline with an RVP of 11.5 pounds per square inch (psi) in CG areas within the designated states. This waiver is effective immediately and will continue through September 15, 2017. Since the waiver will be in effect until the end of the high ozone season, this waiver does not address downstream standards under the federal RVP requirements at 40 C.F.R. § 80.27 that apply after September 15, 2017.

Texas SIP Covered Areas

There are two provisions in the Texas federally enforceable SIP that require the use of low-volatility gasoline. The first provision requires gasoline to be sold in 95 counties in eastern Texas (Eastern Texas SIP RVP Counties)¹ to have a maximum RVP of 7.8 psi during the summer “high ozone” season, which started on June 1 and ends on October 1, 2017. These federal requirements

¹ The following 95 eastern Texas counties have a 7.8 psi RVP requirement through October 1, 2017: Anderson, Angelina, Aransas, Atascosa, Austin, Bastrop, Bee, Bell, Bexar, Bosque, Bowie, Brazos, Burleson, Caldwell, Calhoun, Camp, Cass, Cherokee, Colorado, Comal, Cooke, Coryell, De Witt, Delta, Ellis, Falls, Fannin, Fayette, Franklin, Freestone, Goliad, Gonzales, Grayson, Gregg, Grimes, Guadalupe, Harrison, Hays, Henderson, Hill, Hood, Hopkins, Houston, Hunt, Jackson, Jasper, Johnson, Karnes, Kaufman, Lamar, Lavaca, Lee, Leon, Limestone, Live Oak, Madison, Marion, Matagorda, McLennan, Milam, Morris, Nacogdoches, Navarro, Newton, Nueces, Panola, Parker, Polk, Rains, Red River, Refugio, Robertson, Rockwall, Rusk, Sabine, San Jacinto, San Patricio, San Augustine, Shelby, Smith, Somervell, Titus, Travis, Trinity, Tyler, Upshur, Van Zandt, Victoria, Walker, Washington, Wharton, Williamson, Wilson, Wise, and Wood.

are codified as part of the federally-approved Texas SIP. 66 Fed. Reg. 20,927 (April 26, 2001). I am issuing this waiver of the 7.8 RVP SIP requirements that apply to Eastern Texas SIP RVP Counties to minimize or prevent problems with the supply of gasoline to these areas. This waiver is effective immediately and will continue through September 15, 2017.

Gasoline that does not meet the 7.8 psi RVP requirements that apply in the Eastern Texas SIP RVP Counties may not be introduced into the fuel distribution system for distribution to these counties by refiners or importers after September 15, 2017. Any gasoline meeting the conditions of this waiver that is already in the fuel distribution system on September 15, 2017, may be distributed and sold in the Eastern Texas SIP RVP Counties until the supply is depleted.

The second provision of the federally enforceable Texas SIP requires the use of 7.0 psi RVP gasoline in El Paso, Texas. I am issuing this waiver of the federal enforceable SIP requirements that apply in El Paso to prevent problems with the supply of gasoline to this area. Under this temporary waiver, regulated parties may produce, sell or distribute winter gasoline with an RVP of 11.5 psi in El Paso, Texas. This waiver is effective immediately and will continue through September 16, 2017. Since the federally enforceable SIP requirement to sell 7.0 psi RVP gasoline ends on September 16, 2017, this waiver does not address downstream standards that apply after the end of the waiver period.

Reformulated Gasoline

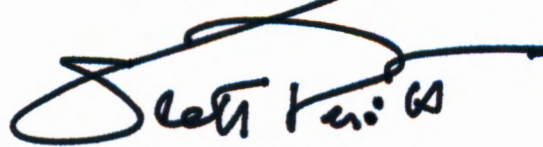
I am issuing this waiver of the federal RFG requirements in the designated states and D.C. Under this waiver, the EPA will allow regulated parties to produce, sell or distribute conventional winter gasoline with an RVP of 11.5 psi in any RFG covered area within the designated states and D.C. Additionally, I am waiving the provisions at 40 C.F.R. § 80.78(a)(7) that prohibit any person from combining any RFG blendstock for oxygenate blending with any other gasoline, blendstock, or oxygenate, unless certain conditions are met. This waiver covers the prohibitions at 40 C.F.R. § 80.78(a)(7), and applies to all designated states and D.C.

This waiver is effective immediately and will continue through September 15, 2017. Gasoline that does not meet the RFG requirements may not be introduced into terminal storage tanks from which gasoline is dispensed into trucks for distribution to retail outlets in RFG Covered Areas in the designated states and D.C. after September 15, 2017. Any gasoline meeting the conditions of this waiver that is stored in terminal storage tanks for distribution to retail outlets and wholesale purchaser-consumers in these areas after September 15, 2017, may be distributed and sold in RFG Covered Areas in the designated states and D.C. until the supply is depleted. Likewise, retailers and wholesale purchaser-consumers in these areas may continue selling or dispensing gasoline that meets the conditions of this waiver after September 15, 2017, until their supplies are depleted.

This waiver only applies to the applicable federal requirements cited above for the designated states and D.C. Other state or local requirements or restrictions related to this matter may need to be addressed by the appropriate authorities. Should conditions warrant, this waiver

may be modified, terminated or extended, as appropriate. If you have questions you may call me, or your staff may call Phillip Brooks at (202) 564-0652.

Respectfully yours,

A handwritten signature in black ink, appearing to read "E. Scott Pruitt", with a large, stylized flourish above the name.

E. Scott Pruitt

cc: The Honorable Rick Perry, Secretary of Energy
Richard Hyde, P.E., Executive Director, Texas Commission on Environmental Quality
Dr. Chuck Carr Brown, Secretary, Louisiana Department of Environmental Quality
Richard E. Dunn, Director, Georgia Environmental Protection Division
Jeffery F. Koerner, Director, Florida Division of Air Resource Management
Molly Joseph Ward, Virginia Secretary of Natural Resources