Appendix S

Control Option 48

Repeal Ethanol Waiver (VOCs)

Currently there are no restrictions on blending ethanol in gasoline. If the industry chooses to blend ethanol they are allowed a one-pound RVP waiver. This waiver increases the RVP cap from 7.8 psi to 8.8 psi and increases emissions. Eliminating this waiver could reduce emissions.

Benefits:
Reduced VOC emissions. However, this control strategy does not directly control NOx emissions, so it is unknown what the anticipated impact would be to the RNMP’s nitrogen deposition rate. Additional mobile source modeling would need to be conducted to determine possible emission reductions from this control strategy.

Feasibility:
Section 211(h)(5) of the Clean Air Act allows for an exemption from the 1 psi ethanol waiver where the Governor of a State submits a notification for the exemption with documentation showing that the 1 psi waiver will increase emissions that contribute to air pollution in any area in the State. It also requires EPA to review such a notification and promulgate applicable regulations within 90 days of the date of receipt of the notification. As a general matter, the effective date of an exemption shall be either the later of the first day of the high ozone season for the area that begins after the date of receipt of the notification or 1 year after the date of receipt of the notification. Lack of the "necessary regulatory language" would not appear to preclude a State from seeking this exemption. (See section 211(h)(5)(B) of the Act, "The Administrator shall promulgate regulations under (A) not later than 90 days after the date of receipt of a notification from a Governor under that subparagraph." ) If EPA determines that waiving the 1 psi allowance would cause insufficient supplies the Administrator can extend the effective start date for up to 3 years total.

Colorado could pursue a voluntary-implementation requirement to not allow the 1.0 psi RVP waiver for gasoline blended with ethanol.