

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460 May 11, 2021

THE ADMINISTRATOR

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

The Honorable John Carney Governor of Delaware Legislative Hall Dover, Delaware 19901

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

The Honorable Ron DeSantis Governor of Florida PL 05 The Capitol 400 South Monroe Street Tallahassee, Florida 32399

The Honorable Brian Kemp Governor of Georgia 206 Washington Street 111 State Capitol Atlanta, Georgia 30334

The Honorable John Bel Edwards Governor of Louisiana Office of the Governor P.O. Box 94004 Baton Rouge, Louisiana 70804 The Honorable Larry Hogan Governor of Maryland 100 State Circle Annapolis, Maryland 21401

The Honorable Tate Reeves 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 Tom Wolf Governor of Pennsylvania Room 225 Main Capitol Building Harrisburg, Pennsylvania 17120

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

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

The Honorable Ralph Northam Governor of the Commonwealth of Virginia State Capitol Third Floor Richmond, Virginia 23219 Re: May 11, 2021, Second Fuel Waiver Concerning Conventional and Reformulated Gasoline in Alabama, Delaware, District of Columbia, Georgia, Specific Counties of Florida, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia

Dear Governors and Mayor Bowser:

By this letter the U.S. Environmental Protection Agency is issuing a waiver under the Clean Air Act (CAA) to address the fuel supply emergency caused by a cyberattack on Colonial Pipeline's computer networks that led to the pipeline's shutdown. This pipeline shutdown and related impacts on petroleum pipeline operations affect the petroleum distribution system in your states and the District of Columbia ("designated states").¹

Regulations promulgated under the CAA require gasoline to meet certain lower volatility gasoline Reid Vapor Pressure (RVP) requirements in both conventional gasoline (CG) and reformulated gasoline (RFG) areas. Regulations require the use of low volatility gasoline during the summer months in order to limit the formation of ozone pollution. These regulations are found at 40 C.F.R. § 1090.215. *See also* <u>https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure</u>. The gasoline volatility regulations that apply to fuel manufacturers, distributors, resellers, terminal owners and operators, and carriers began on May 1, 2021.

EPA and the U.S. Department of Energy (DOE) have been actively monitoring the supply of fuel. The unusual pipeline shutdown has affected gasoline supplies. EPA has concluded, with DOE's concurrence, that it is necessary to take action to minimize or prevent disruption of an adequate supply of gasoline to consumers.

I have determined that an "extreme and unusual fuel [] supply circumstance" exists that will prevent the distribution of an adequate supply of compliant gasoline to consumers. CAA § 211(c)(4)(C)(ii)(I), 42 U.S.C. § 7454(c)(4)(C)(ii)(I). This extreme and unusual fuel circumstance is the result of a cyberattack on Colonial Pipeline's computer systems, an event that could not reasonably have been foreseen 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)(II) and (iii)(I), 42 U.S.C. § 7545(c)(4)(C)(ii)(III) and (iii)(I).

Therefore, to minimize or prevent disruptions of the supply of gasoline, I am issuing this waiver of the following federal low volatility requirements in subject areas² that apply to terminal owners, terminal operators, distributors, and carriers.

¹ Alabama, Delaware, Georgia, Florida (Specific Counties), Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, and Virginia.

² <u>Entire States:</u> Alabama, Delaware, Georgia, Louisiana, Maryland, Mississippi, North Carolina, Pennsylvania, South Carolina, Tennessee, Virginia; <u>Specific Counties:</u> State of Florida: Escambia, Santa Rosa, Okaloosa, Walton,

Reformulated Gasoline

I am issuing this waiver of the requirements in 40 C.F.R. §§ 1090.215(a)(3) and 1090.220(c) that summer RBOB³ and summer RFG, as defined in 40 C.F.R. § 1090.80, meet the specified RFG RVP gasoline requirements in the RFG Covered Areas for terminal owners, terminal operators, distributors, and carriers. Under this waiver, summer CBOB,⁴ summer conventional gasoline (CG), winter CBOB, winter CG, winter RBOB, and winter RFG may be used in RFG Covered Areas⁵ as long as the BOB or gasoline does not have an RVP that exceeds 13.5 pounds per square inch (psi) after the addition of ethanol. Further, under this waiver, fuel manufacturers, distributors, resellers, terminal owners and operators, and carriers may commingle RBOB and CBOB, and RFG and CG, for the duration of this waiver. This waiver is effective immediately and will continue through May 31, 2021.

Federal RVP Standards

I am issuing this waiver of the federal RVP requirements at 40 C.F.R. § 1090.215 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, and distribute winter gasoline (including BOBs) with an RVP of no more than 13.5 psi after the addition of ethanol in CG areas within the designated states. This waiver is effective immediately and will continue through May 31, 2021.

Gasoline that does not meet the regulatory requirements may not be introduced into terminal storage tanks from which gasoline is dispensed into trucks for distribution to retail outlets in the designated states on June 1, 2021. 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 beginning May 11, 2021, may be distributed and sold in subject areas in the designated states 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 May 31, 2021, until their supplies are depleted.

This waiver supersedes my earlier, more limited May 11, 2021, waiver and applies only to the applicable federal requirements cited above for the designated states. Other state or local requirements or restrictions related to this matter may need to be addressed by the appropriate authorities. EPA recognizes that this is an evolving situation that is causing rapid changes to market dynamics. Should conditions warrant, this waiver may be modified, terminated, or

Holmes, Washington, Bay, Jackson, Calhoun, Gulf, Gadsden, Liberty, Franklin, Leon, Wakulla, Jefferson, Madison, Taylor, Hamilton, Suwannee, Columbia, Baker, Union, Bradford, Lafayette, Alachua, Gilchrist, Dixie, Levy, Marion, Nassau, Duval, Clay, St. Johns, Putnam, Flagler, and Volusia; and the <u>District of Columbia</u>.

³ The regulations at 40 C.F.R. § 1090.80 define RBOB as "a BOB produced or imported for use in an RFG covered area" and gasoline before oxygenate blending (BOB) as "gasoline for which a gasoline manufacturer has accounted for oxygenate added downstream under § 1090.710 "

⁴ The regulations at 40 C.F.R. § 1090.80 define CBOB as "a BOB produced or imported for use outside of an RFG covered area."

⁵ The RFG Covered Areas included in this waiver are those counties in the Commonwealth of Pennsylvania, Commonwealth of Virginia, State of Maryland, State of Delaware, and District of Columbia and identified at https://www.epa.gov/gasoline-standards/reformulated-gasoline. *See* 40 C.F.R. § 1090.285.

extended as appropriate. If you have questions you may call me, or your staff may call Evan Belser, Deputy Director, Air Enforcement Division, at (202) 768-4494.

Sincerely yours,

Michael & Regan

Michael S. Regan

cc: The Honorable Jennifer Granholm, Secretary of Energy