

<h1>Regulatory Analysis Form</h1> <p>(Completed by Promulgating Agency)</p> <p>(All Comments submitted on this regulation will appear on IRRC's website)</p>		INDEPENDENT REGULATORY REVIEW COMMISSION			
(1) Agency Environmental Protection		2018 JAN 22 P 4: 27 RECEIVED IRRC			
(2) Agency Number: Identification Number: 7-529				IRRC Number: 3162	
(3) PA Code Cite: 25 Pa. Code Chapter 121 and Chapter 126, Subchapter C					
(4) Short Title: Repeal of Gasoline Volatility Requirements					
(5) Agency Contacts (List Telephone Number and Email Address): Primary Contact: Laura Edinger, 783-8727, ledinger@pa.gov Secondary Contact: Jessica Shirley, 783-8727, jessshirley@pa.gov					
(6) Type of Rulemaking (check applicable box):					
<input type="checkbox"/> Proposed Regulation <input checked="" type="checkbox"/> Final Regulation <input type="checkbox"/> Final Omitted Regulation		<input type="checkbox"/> Emergency Certification Regulation; <input type="checkbox"/> Certification by the Governor <input type="checkbox"/> Certification by the Attorney General			
(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)					
<p>This final-form rulemaking addresses the legislative mandate of the Act of May 14, 2014, P.L. 674, No. 50 (Act 50 of 2014) which amended the Pennsylvania Air Pollution Control Act (APCA) to require the Department of Environmental Protection (Department, DEP) to “[W]ithin sixty (60) days of the effective date of this clause, initiate the process of amending the State implementation plan. Upon approval of a revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions by the Environmental Protection Agency, the board shall promulgate regulations to repeal the provisions of 25 Pa. Code Ch. 126 Subch. C (relating to gasoline volatility requirements).” The paragraph was effective May 14, 2014, and added to the Air Pollution Control Act (APCA) as Section 4(18.3), 35 P.S. § 4004(18.3).</p> <p>The proposed rulemaking recommended rescinding Chapter 126, Subchapter C (relating to gasoline volatility requirements) codified in §§ 126.301—126.303 (relating to compliant fuel requirement; recordkeeping and reporting; and compliance and test methods); however, rescission alone would not remove the ability to enforce these requirements under Federal law through the Commonwealth’s EPA-approved SIP. The final-form rulemaking is a necessary component in changing that. The proposed rulemaking also recommended deleting several terms from § 121.1 that are used in Chapter 126, Subchapter C. The final-form rulemaking no longer includes these deletions, as the final-form rulemaking does not repeal Chapter 126, Subchapter C.</p> <p>This final-form rulemaking amends Chapter 126, Subchapter C by adding language to § 126.301 that will make Chapter 126, Subchapter C no longer applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the U.S. Environmental Protection Agency (EPA) of the removal, suspension, or replacement of Chapter 126, Subchapter C as a part of the Commonwealth’s State Implementation Plan (SIP).</p>					

Specifically, in accordance with Act 50 of 2014, the Department is preparing to submit to the EPA a Non-Interference Demonstration SIP revision seeking removal of §§ 126.301—126.303 from the Commonwealth's Federally approved SIP and demonstrating that commensurate emission reductions will ensure continued compliance with the Federal National Ambient Air Quality Standards (NAAQS) by this Commonwealth. This rulemaking will be submitted prior to or concurrent with the SIP revision, in order to obtain EPA approval of the SIP revision. Upon promulgation of this final-form rulemaking and EPA approval of the Non-Interference Demonstration SIP revision, Chapter 126, Subchapter C will no longer be applicable.

Coordination of these actions will ensure that affected entities will not be at risk of enforcement proceedings at either the Federal or the Commonwealth level upon the effective date of EPA approval of the Non-Interference Demonstration SIP revision and will achieve the objective of Act 50 of 2014. To meet the final requirement of Act 50 of 2014, the Department plans to pursue a rulemaking, upon EPA approval of the Non-Interference Demonstration SIP, to remove Chapter 126, Subchapter C from the *Pennsylvania Code* by repealing it.

(8) State the statutory authority for the regulation. Include specific statutory citation.

This final-form rulemaking is authorized under Section 5(a)(1) of the APCA (35 P.S. § 4005(a)(1)), which grants the Environmental Quality Board (Board, EQB) the authority to adopt rules and regulations for the prevention, control, reduction and abatement of air pollution in this Commonwealth; Section 5(a)(8) of the APCA (35 P.S. § 4005(a)(8)), which grants the Board the authority to adopt rules and regulations designed to implement the provisions of the Federal Clean Air Act (CAA); and Section 4(18.3) of the APCA (35 P.S. § 4004(18.3)), which requires the Department and the Board to take actions that result in the repeal of Chapter 126, Subchapter C.

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as any deadlines for action.

Yes, this final-form rulemaking is mandated by Act 50 of 2014, which amended the APCA by adding Section 4(18.3), to require the Department and the Board to take actions that result in the repeal of Chapter 126, Subchapter C. The amendment to the APCA was effective May 14, 2014, and is quoted in response to Question #7, above. There are no relevant state or Federal court decisions relating to the final-form rulemaking.

(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

On May 14, 2014, the Governor of Pennsylvania approved Act 50 of 2014 which added Section 4(18.3) to the APCA. Section 4(18.3) directs the Department to initiate the process of amending the Commonwealth's SIP. Upon approval by the EPA of a revision to the SIP which demonstrates continued compliance with Federal NAAQS through the use of commensurate emission reductions, the Board shall promulgate regulations to repeal the provisions of Chapter 126, Subchapter C.

This final-form rulemaking supports Section 4(18.3) of the APCA, which requires the Department to initiate the process of amending the SIP and to obtain approval from the EPA of a SIP revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions. The requirement in Section 4(18.3) directing the Board, after EPA approval of the SIP revision, to promulgate regulations to remove the provisions of Chapter 126, Subchapter C from the *Pennsylvania Code* will be addressed in a separate rulemaking action that will repeal Chapter 126, Subchapter C and associated terms, to occur after EPA approval of this final-form rulemaking and the Non-Interference Demonstration SIP revision.

Chapter 126, Subchapter C sets forth the requirements for gasoline with a RVP of 7.8 pounds per square inch (psi) or less (low RVP gasoline) to be blended, mixed, stored, transferred, transported, exchanged, supplied, or sold in the Pittsburgh-Beaver Valley Area during the period of May 1 through September 15 of each year. More specifically, refiners, importers, distributors, resellers, terminal owners and operators and carriers may not sell, exchange, or supply non-compliant gasoline in the Pittsburgh-Beaver Valley area between May 1 and September 15 of each year. Retailers and wholesale purchaser-consumers may not sell, exchange or supply non-compliant gasoline in the Pittsburgh-Beaver Valley Area between June 1 and September 15 of each year. Both applicable periods are referred to as "summer months" in this document, with clarification as to which time constraint applies. The seven-county Pittsburgh-Beaver Valley Area includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

The Chapter 126, Subchapter C requirements were promulgated on November 1, 1997 (27 Pa.B. 5601). These requirements were approved by the EPA on June 8, 1998 (63 FR 31116), as a revision to the Commonwealth's SIP codified in the Code of Federal Regulations (CFR) at 40 CFR 52.2020—52.2063 (Subpart NN – Pennsylvania), effective July 23, 1998, as an ozone precursor control measure necessary to attain and maintain the 1-hour Ozone NAAQS in the Pittsburgh-Beaver Valley Area to protect the public health and welfare. Gasoline vapors include volatile organic compound (VOC) emissions. VOCs are a precursor to the formation of ground-level ozone air pollution and fine particulate matter (PM_{2.5}), both hazards to public health and welfare. Gasoline formulated with an RVP of 7.8 psi or less has lower VOC emissions than gasoline formulated at higher RVP levels.

Senate Bill 1037, regular session of 2013-2014, was the enabling legislation for Act 50 of 2014. The Senate Co-Sponsorship Memorandum for Senate Bill 1037¹, dated June 5, 2013, states:

"In the near future, we plan to introduce legislation amending the Air Pollution Control Act (Act 787 of 1959) to eliminate statutory requirements for low Reid Vapor Pressure (RVP) gasoline (Summer Gas) in Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, and Washington

¹Senate Co-Sponsorship Memoranda – Repeal of Summer RVP Gas. Pennsylvania State Senate. Accessed August 18, 2017. <http://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=S&SPick=20130&cosponId=12920>

Counties.

In 1998, the Department of Environmental Protection adopted a 7.8 psi RVP fuel standard for southwestern Pennsylvania to address federal air pollution control measures. Since that time, ethanol became mandated by the federal government, increasing the RVP value of fuel. This resulted in an exclusive “boutique” fuel mandate for southwestern Pennsylvania. In recent years, we have seen higher gas prices averaging 10 to 15 cents higher in western Pennsylvania than in neighboring counties and also across the border in Ohio. In Pennsylvania, this boutique fuel is only required for the Pittsburgh region, and demand for the product is low. This equates to a hidden tax drivers must pay in southwestern Pennsylvania that is not required anywhere else.”

The Senate Co-Sponsorship Memorandum indicates that the impetus for directing the Department to begin the process of revising the SIP was to reduce the costs of gasoline to the consumers in the southwestern Pennsylvania area.

Owners and operators of facilities and infrastructure in the gasoline supply chain, including refineries, bulk gasoline stations and terminals, other gasoline wholesale facilities, bulk petroleum storage facilities, gasoline stations with and without convenience stores, tanker trucks, and petroleum pipelines, may benefit from this final-form rulemaking financially and through reduced recordkeeping and reporting obligations. U.S. Census Bureau data indicates there are approximately 1,100 establishments in the Pittsburgh-Beaver Valley Area identified as belonging to one of these industry sectors, employing approximately 11,000 to 14,000 people. Please see the response to Question #15 for more detail on how the Department determined the number of affected facilities.

The Department’s analysis of refining costs and terminal and retail prices shows that there may be a cost reduction for refiners and distributors and, possibly, gasoline retailers and consumers, if the upstream cost savings for not refining gasoline to an RVP of 7.8 psi are passed through the gasoline supply chain. The exact cost savings benefit that may result from the removal of the low RVP requirement is difficult to quantify due to the many factors used to establish the price of petroleum products, as well as the many intermediaries involved in the supply and transport chain from refiner to ultimate consumer. It should be further noted that in the most recent 5 years of retail pricing data evaluated by the Department, Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania statewide average retail gasoline prices in both summer and winter. Because of this higher average retail price year-round, it is unclear how much of the price differential in summer is due to the low RVP gasoline requirement and how much is due to local market forces and other factors.

The population of the Pittsburgh-Beaver Valley Area was approximately 2,353,045 in 2015. Most gasoline consumers in the Pittsburgh-Beaver Valley Area likely use gasoline for operating gasoline-powered vehicles and nonroad equipment. Gasoline consumers in the Pittsburgh-Beaver Valley Area, consumers in the adjacent counties who purchase gasoline in the Pittsburgh-Beaver Valley Area, and consumers traveling through the Pittsburgh-Beaver Valley Area may benefit economically if cost savings experienced by refiners, terminals, and intermediate suppliers and transporters are passed through to the retail establishments and to the consumers.

The Department estimates that total gasoline consumption in the Pittsburgh-Beaver Valley Area for the summer months (May 1-September 15) of 2016 was approximately 352 million gallons.

The estimated potential cost savings for refiners if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area may be as much as \$1,760,000, based on an average cost of 0.5 cents per

gallon (cpg) to refine gasoline to the 7.8 psi RVP level ($0.5 \text{ cpg} \times 352 \text{ million gallons} \times \$1/100 \text{ cents} = \$1,760,000$). Actual cost savings for an individual refiner would be directly dependent on how much 7.8 psi RVP gasoline a refiner produces during the applicable time period.

The estimated potential total cost savings for retailers and wholesale purchaser-consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$4,928,000 to \$11,264,000 (based on cost savings to these intermediate entities ranging from 1.4 cpg to 3.2 cpg) annually during the summer months (May 1-September 15), on the distribution of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. Actual cost savings for an individual retailer or wholesale purchaser-consumer would be directly dependent on how much gasoline a retailer or wholesale purchaser-consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time-period.

The estimated potential total cost savings for the ultimate consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$5,632,000 to \$32,384,000 (based on retail cost savings to consumers ranging from 1.6 cpg to 9.2 cpg) annually during the summer months (May 1-September 15), on a summer season fuel consumption estimate of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. This calculation is based on the assumption that consumers may be purchasing low RVP fuel as early as the May 1 compliance date for refiners and terminals, rather than the later June 1 compliance date for retailers and wholesale purchaser-consumers.

The estimated potential cost savings for an individual consumer would be based on the consumer's purchases of low RVP gasoline during the time period of June 1 through September 15; low RVP fuel may be available for purchase from retailers as early as May 1, which would increase the period in which consumers could experience cost savings from the removal of the Chapter 126, Subchapter C requirements. For example, a consumer that purchased a total of 100 gallons of low RVP gasoline during the time period could potentially save from \$1.60 ($1.6 \text{ cpg} \times \$1/100 \text{ cents} \times 100 \text{ gallons}$) to \$9.20 ($9.2 \text{ cpg} \times \$1/100 \text{ cents} \times 100 \text{ gallons}$) for the season. Actual cost savings would be directly dependent on how much gasoline a consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period, as well as on the cost savings per gallon due to the removal of the low RVP requirement.

Please see the response to Question #19 for more detail on how the Department calculated the potential cost savings estimates.

(11) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

No. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, the final-form rulemaking amendment to § 126.301 will result in the RVP of gasoline exchanged, supplied, or sold in the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year reverting to the Federal gasoline volatility requirements specified in Section 211(h) of the CAA, (42 U.S.C.A. § 7545(h)) (relating to Reid Vapor Pressure requirements) and in the EPA's regulations adopted under Section 211(h) of the CAA as set forth at 40 CFR § 80.27 (relating to controls and prohibitions on gasoline volatility). The EPA regulations state that the gasoline RVP standard for Pennsylvania year-round is 9.0 psi except in those areas for which the EPA has approved a SIP revision with a lower RVP requirement. See 40 CFR § 80.27(a)(2). The EPA regulations also provide a 1.0 psi RVP allowance for gasoline containing ethanol at 9 to 10 volume percent (vol%), applicable to Pennsylvania, effectively allowing for a maximum RVP of 10

psi for gasoline in all areas of this Commonwealth, except the Philadelphia area where Federally mandated reformulated gasoline is required. See 40 CFR § 80.27(d)(1).

(12) How does this regulation compare with those of the other states? How will this affect Pennsylvania's ability to compete with other states?

A review of surrounding states, including New York, Ohio, West Virginia, Virginia, Maryland, Delaware, and New Jersey, indicates that no other state currently requires low RVP gasoline. Ohio recently made its low volatility gasoline requirement no longer effective upon approval of an Ohio SIP revision by the EPA. As a result, Pennsylvania's existing low RVP gasoline requirement for the Pittsburgh-Beaver Valley Area is more stringent than the RVP gasoline requirements for all nearby counties located in the surrounding states. The retail cost difference attributable to low RVP gasoline compared to conventional gasoline is estimated to be 1.6 – 9.2 cpg. Please see the responses to Questions #19 and #23 for additional discussion on costs and savings.

This final-form rulemaking will help align Pennsylvania's gasoline RVP requirements with the requirements of the bordering states. This may enable Pennsylvania gasoline prices in the Pittsburgh-Beaver Valley Area to be more competitive with other states. It is important to note, however, that other factors affect the retail price of gasoline between states and localities, including state taxes and fees on the purchase of gasoline at the retail level. The total state gasoline taxes and fees in the surrounding states range from 15.80 – 36.90 cpg lower than Pennsylvania. Ohio state gasoline taxes and fees are 28.01 cpg, which is 31.29 cpg lower than Pennsylvania's current rate of taxes and fees of 59.30 cpg² on the retail purchase per gallon of gasoline. The Department does not have state-specific historic fuel price data for the surrounding states, but differences in state and local gasoline taxes likely have as much or more influence on the difference in gasoline prices across state borders as the influence of the low RVP gasoline requirements.

(13) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No other regulations promulgated by this agency or other state agencies would be affected.

(14) Describe the communications with and solicitation of input from the public, any advisory council/group, small businesses and groups representing small businesses in the development and drafting of the regulation. List the specific persons and/or groups who were involved. ("Small business" is defined in Section 3 of the Regulatory Review Act, Act 76 of 2012.)

The Air Quality Technical Advisory Committee (AQTAC) was briefed on this final-form rulemaking on June 15, 2017. Twelve of the 15 members of AQTAC present voted to concur with DEP's recommendation to move this final-form rulemaking forward to the Board for consideration. Two AQTAC members opposed moving the final-form rulemaking forward, but did not provide concerns or comments at the meeting. The remaining member abstained. When AQTAC reviewed the proposed rulemaking at its December 10, 2015, meeting, five AQTAC members did not concur with moving the proposed rulemaking forward to the Board based on concerns over the loss of emission reduction benefits as a result of the repeal, the calculation of emission reduction benefits, and the process that would be used by the

² Motor Fuel Taxes – State Gasoline Tax Reports – Interactive Gasoline Map (April 2017 version). American Petroleum Institute. Accessed August 17, 2017. <http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes/gasoline-tax>

Department to demonstrate continued compliance with Federal NAAQS through the use of commensurate emission reductions.

The Small Business Compliance Advisory Committee (SBCAC) was briefed on this final-form rulemaking on July 26, 2017. The members of the SBCAC voted unanimously to concur with DEP's recommendation to move this final-form rulemaking forward to the Board for consideration.

In addition, this final-form rulemaking was discussed with the Citizens Advisory Council (CAC) Policy and Regulatory Oversight Committee on June 27, 2017. On the recommendation of the Policy and Regulatory Oversight Committee, on September 19, 2017, the members of the CAC concurred with DEP's recommendation to forward this final-form rulemaking to the Board.

The AQTAC, SBCAC, and CAC meetings are advertised and open to the public, and there is an opportunity for public comment at each meeting

The proposed rulemaking was published in the *Pennsylvania Bulletin* on February 25, 2017, with a 66-day public comment period (47 Pa.B 1157). Three public hearings were held by the Board on March 28, 29, and 30, 2017, in Pittsburgh, Norristown, and Harrisburg, respectively. The public comment period closed on May 1, 2017. No testimony was provided at the public hearings. Written comments were received from members of the public, the regulated industry, and members of the Pennsylvania House of Representatives during the public comment period.

(15) Identify the types and number of persons, businesses, small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012) and organizations which will be affected by the regulation. How are they affected?

This final-form rulemaking applies to gasoline refiners, importers, distributors, resellers, terminal owners and operators, carriers, retailers, and wholesale purchaser-consumers that operate in, supply to, or sell gasoline in the Pittsburgh-Beaver Valley Area. These entities include owners and operators of facilities and infrastructure in the gasoline supply chain, such as bulk gasoline stations and terminals, other gasoline wholesale facilities, gasoline stations with and without convenience stores, tanker trucks, and petroleum pipelines.

Some industry sectors will be impacted more than others. The Department's analysis of potentially affected entities used U.S. Census Bureau data based on the North American Industry Classification System (NAICS) codes for the subject industry sectors; Department databases; and information provided by the Pennsylvania Small Business Development Center's Environmental Management Assistance Program (EMAP). The types and numbers of these businesses, and how they will likely be affected, are described below.

Businesses and employees

The Department's assessment of how many businesses and employees will potentially be affected by this final-form rulemaking began with searching the NAICS codes to identify the gasoline-related industry sectors performing activities currently subject to Chapter 126, Subchapter C. A complete and valid NAICS code contains six digits. See <http://www.naics.com/frequently-asked-questions/>, "Why are some NAICS codes only 5-digits long?" More information about the United States' portion of the NAICS is available at <http://www.census.gov/eos/www/naics/>.

Table 1 is a list of the NAICS codes and the relevant industry sectors included in those codes. Some of the NAICS codes also include industry sectors that are not affected by this final-form rulemaking; these industry sectors are not listed in the table. As a result, the number of potentially affected businesses shown in this Regulatory Analysis Form may be higher than the actual number of affected businesses. (Please see next page for Table 1.)

Table 1. List of Industry Sectors Related to Transport of Gasoline

NAICS	Relevant Industry Sector
424710	Bulk gasoline stations; Gasoline, bulk stations and terminals.
424720	Gasoline merchant wholesalers (except bulk stations, terminals).
447110	Convenience food with gasoline stations; Gasoline stations with convenience stores; Gasoline with convenience stores.
447190	Gasoline stations without convenience stores; Service gasoline stations; Truck stops.
484220	Tanker trucking (e.g. chemical, juice, milk, petroleum), local.
484230	Tanker trucking (e.g. chemical, juice, milk, petroleum), long distance.
486910	Gasoline pipeline transportation; Pipeline transportation, gasoline and other refined petroleum products.
493190	Bulk petroleum storage.

Once the NAICS were identified, additional information was obtained through American FactFinder, a web-based tool of the U.S. Census Bureau that allows users to search U.S. Census data obtained through annual surveys and censuses, including business information, at various geographic levels, from multiple databases. Table 2 lists the number of establishments and number of employees for each NAICS listed in Table 1 for the Pittsburgh-Beaver Valley Area, based on calendar year 2012 data from American FactFinder.

Table 2. Number of Pittsburgh-Beaver Valley Area Establishments and Employees by NAICS Code
U.S. Census Bureau American FactFinder 2012 Data

NAICS	Establishments	Employees
424710	31	445-771
424720	9	60-316
447110	643	6,133-6,531
447190	106	743-901
484220	235	2,391-2,689
484230	44	654-1,218
486910	3	40-198
493190	24	700-1,554
Totals	1,095	11,166-14,178

The Department also gathered information from the Environmental Facility Application Compliance Tracking System (eFACTS) database and the Air Information Management System (AIMS) database about

potentially affected facilities. These Department databases share data and interface with each other. The NAICS identifying code is inputted into eFACTS; the database contains records of permitted facilities and some previously inspected facilities for which permits are not required. Site-specific sources and air pollutant emissions, as well as site NAICS codes, are inputted into AIMS to maintain the air pollutant emission inventory. However, eFACTS and AIMS do not provide an exhaustive list of all facilities in this Commonwealth, but only those with which the Department has had contact and a reason to input their data; these are usually the largest emitters. Not all facilities subject to Chapter 126, Subchapter C are permitted by the Air Quality Program. If the facility owner or operator is not subject to other air quality regulations, the facility is not likely included in the AIMS database; the facility may be regulated by other programs within the Department, however, and be listed in eFACTS.

A search of the eFACTS database and the AIMS database, using the NAICS codes listed in Table 1, generated a list of 33 facilities in the Pittsburgh-Beaver Valley Area that are likely subject to Chapter 126, Subchapter C. Due to the low number of returns using the NAICS codes, the Department performed an additional search of the databases using Standard Industrial Classification (SIC) system codes. The SIC system classifies industries using a four-digit code. Established in the United States in 1937, it is used by government agencies to classify industry areas. Although this is an older classification system, SIC codes are still used in some Department database entries from various programs. The Department identified the SIC codes corresponding to the NAICS listed in Table 1 and searched the eFACTS and AIMS databases using the SIC codes.

The search by SIC codes generated a list of 152 facilities in the Pittsburgh-Beaver Valley Area that are likely subject to Chapter 126, Subchapter C. The NAICS and corresponding SIC codes are listed in Table 3, as well as the numbers of potentially affected facilities found in the Department databases for each code.

Table 3. NAICS and Corresponding SIC Code and Number of Potentially Affected Facilities in eFACTS and AIMS Databases

NAICS	Number of Facilities	SIC	Number of Facilities
424710	24	5171	60
424720	1	5172	4
447110	5	5411 and 5541	31
447190	0		
484220	0	4212 and 4214	23
484230	0	4213	20
486910	3	4613	7
493190	0	4226	7
TOTAL	33	TOTAL	152

Additionally, information was gathered from the Department's Discoverer database relating to Pennsylvania storage tanks. According to the Discoverer data, there are 1,252 active or temporarily out of service tanks that store gasoline in the Pittsburgh-Beaver Valley Area.

Small businesses

A review of the U.S. Small Business Administration (SBA) Small Business Size Regulations under 13 CFR Chapter 1, Part 121 (relating to small business size regulations) provided the standards used by the

Department for determining what constitutes a small business for these NAICS categories. The small business size standard for most of these NAICS categories is based on annual product sales in the millions of dollars, and ranges from \$15 million to \$29.5 million. In a few instances, the small business-size standard for the affected NAICS code is the number of employees and ranges from 200 to 1,500 employees; that is, the business could have 200 to 1,500 employees, depending on its NAICS, and be considered a small business. The Department requested that EMAP perform a query of the Hoovers database for a list of businesses, including annual sales and number of employees, for the eight NAICS codes listed above for the Pittsburgh-Beaver Valley Area. EMAP provided the Department with a list of 768 businesses for the requested NAICS codes. Table 4 shows the numbers of businesses found in the Pittsburgh-Beaver Valley for each NAICS code by EMAP and how many are identified as either a small business or not a small business, and for how many a small business status is not available.

Table 4. Number of Facilities per NAICS Code Identified by EMAP and SBA Small Business Status

NAICS	Industry Sector	EMAP	SBA Small Business		
			Yes	No	Not Available
424710	Bulk gasoline stations; Gasoline, bulk stations and terminals.	18	18	0	0
424720	Gasoline merchant wholesalers (except bulk stations, terminals).	83	83	0	0
447110	Convenience food with gasoline stations; Gasoline stations with convenience stores; Gasoline with convenience stores.	1	1	0	0
447190	Gasoline stations without convenience stores; Service gasoline stations; Truck stops.	500	384	0	116
484220	Tanker trucking (e.g. chemical, juice, milk, petroleum), local.	64	63	0	1
484230	Tanker trucking (e.g. chemical, juice, milk, petroleum), long distance.	20	19	0	1
486910	Gasoline pipeline transportation; Pipeline transportation, gasoline and other refined petroleum products.	4	4	0	0
493190	Bulk petroleum storage.	78	70	1	7
Totals		768	642	1	125

Of the 768 businesses identified by EMAP under NAICS 424710, 424720, 447110, 447190, 484220, 484230, 486910, and 493190, 642 qualified as small businesses based on number of employees or annual revenue. Of the remaining businesses, there was no sales data available for 125 businesses and one business did not qualify as a small business because its revenue was over the SBA small business threshold.

It is possible that this final-form rulemaking will also apply to owners and operators of other facilities that have not yet been identified, because NAICS codes are self-reported and facility owners and operators may not have identified themselves under the appropriate NAICS, even if they operate in the gasoline supply chain.

The difference in projected number of affected facilities between the 1,095 facilities identified in U.S. Census Bureau data, the Department's list of 33-152 potentially affected facilities from eFACTS and AIMS, the Department's list of 1,252 gasoline storage tanks, and the EMAP list of 768 potentially affected facility owners and operators is likely due to the Department's databases being for the owners and operators of previously and currently permitted (or inspected) facilities based on regulatory criteria for acquiring a permit (or being inspected), while the EMAP list is based on a self-reported classification of a facility by the facility owner or operator, including small-business-size status, and the U.S. Census Bureau and American FactFinder data is based on self-reporting National surveys and censuses. If this final-form rulemaking applies to the owners and operators of facilities that have not yet been identified, many, if not all, of the facilities will likely be small businesses, based on the fact that 84% of the 768 facilities identified by EMAP qualified as small businesses.

The Department assumes that all the identified businesses involved in the sale of gasoline in the Pittsburgh-Beaver Valley Area are affected by this final-form rulemaking. Businesses involved in the sale of gasoline, including gas stations, bulk gasoline terminals, and wholesalers, will likely see an economic benefit from the elimination of the requirement to obtain and sell gasoline with an RVP of 7.8 psi or less if the cost savings of blending, transporting, and storing the low RVP gasoline are passed down the gasoline supply chain from the refinery and terminal to the retail gas station. Distributors of gasoline products in the area will likely experience less need to segregate products among available storage tanks, which may create efficiencies in distribution and improve the flow of petroleum products. Recordkeeping requirements for all affected entities may be reduced or simplified since the businesses would not have to document the production and transfer of gasoline with an RVP of 7.8 psi. The ultimate consumer may or may not see a price reduction at the pump from eliminating the low RVP gasoline mandate depending on whether cost savings from removing the requirement to sell low RVP gasoline are passed through to the pump.

New legal, accounting, recordkeeping and reporting, or consulting procedures will not be required.

(16) List the persons, groups or entities, including small businesses, which will be required to comply with the regulation. Approximate the number that will be required to comply.

As explained in the response to Question #15, between 33 and 1,252 businesses may be subject to Chapter 126, Subchapter C. Upon publication of this final-form rulemaking action in the *Pennsylvania Bulletin* as final-form regulation, and upon the effective date of approval by the EPA of the removal, suspension, or replacement of the gasoline volatility requirements of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, these entities will no longer be required to comply with Chapter 126, Subchapter C. Of the potentially subject facilities identified by EMAP, 642 businesses were identified as small businesses under the SBA Small Business Size Regulations under 13 CFR Chapter 1, Part 121. Data was not available for 125 facilities to determine if the owners and operators were considered a small business, and one facility was not considered a small business because its revenue was over the small business-size threshold.

Individual facility data was not available for the 1,095 facilities identified in U.S. Census Bureau data. Employment and revenue data was not available for the Department's list of 33-152 potentially affected

facilities from eFACTS and AIMS or for the Department's list of 1,252 potentially affected facilities from the Discoverer database, except for those also identified by EMAP, to determine if these facilities qualified as small businesses. The owners and operators of subject facilities identified in the eFACTS, AIMS, and Discoverer databases are required to comply with Chapter 126, Subchapter C. The Department estimates that as many as 84% of the identified facility owners and operators may be small businesses, based on the fact that 84% of the 768 facilities identified by EMAP qualified as small businesses.

Please also see the response to Question #15.

(17) Identify the financial, economic and social impact of the regulation on individuals, small businesses, businesses and labor communities and other public and private organizations. Evaluate the benefits expected as a result of the regulation.

This final-form rulemaking impacts the various segments of the gasoline supply chain differently. After promulgation of the final-form amendment and once Chapter 126, Subchapter C is made no longer effective, the first impacts will be seen at the oil refinery level. Currently, it costs refineries more to refine gasoline to meet the low RVP gasoline requirements than to meet the Federal RVP requirements for conventional gasoline. Please see the response to Question #19 for a cost analysis. Additionally, low RVP-compliant gasoline must be segregated from other fuels in storage and transport. Most refineries ship finished product through pipelines to off-site terminals, although some can ship products directly to local gas stations through their own on-site terminals. Making Chapter 126, Subchapter C no longer effective will likely reduce or eliminate the additional costs associated with refining low RVP-compliant gasoline. Implementation of this final-form rulemaking amendment may result in cost savings for refineries in transportation costs, as the refinery will not have to segregate and separately ship low RVP gasoline to terminals supplying the Pittsburgh-Beaver Valley Area. Cost savings may also be achieved from the elimination of the need for separate storage for the low RVP gasoline. Chapter 126, Subchapter C does not impose recordkeeping requirements on refineries, so no impact on recordkeeping by refinery owners and operators is expected from the implementation of this final-form amendment.

The next stage in the gasoline supply chain is the fuel terminal, also called the "rack." The price at the terminal is considered the wholesale price of fuel. Wholesale gasoline prices usually do not include taxes, transportation, or retailer costs (referred to as "below the rack" costs). Additionally, prices may fluctuate based on several factors, including National and regional gasoline supply, the price of crude oil, weather, market events (pipeline shutdown), or time of day. Cost savings may accrue to terminal owners and operators if refineries pass along any of their fuel-refining savings in the form of lower fuel or transportation costs to the terminals. Cost savings are anticipated for terminals from the elimination of the need to separately store and transport low RVP-compliant gasoline. Section 126.302 includes recordkeeping requirements for the transfer of gasoline from terminal to retailer (and all steps in between) that will also be made no longer effective after implementation of this final-form rulemaking upon the effective date of approval of a SIP revision by the EPA. This may or may not lead to cost savings, as the records kept are likely to continue to be kept for business purposes by terminals.

Gasoline retailers and wholesale purchaser-consumers are the most visible sector of the gasoline supply chain. These include public gasoline service stations (with and without convenience stores) and fueling facilities for private and public fleets. Retail gasoline prices directly reflect rack prices, but include the "below the rack" costs, including taxes, transportation costs, credit card transaction fees, retailer overhead, and retailer net profit. As noted above, several factors may influence terminal prices. As a result, how and when gasoline is purchased from the terminal will significantly impact the price paid and margins realized

by retailers. Cost savings for retailers and wholesale purchaser-consumers may result if terminals pass along any of their savings in the form of lower fuel, transportation, or storage costs to retailers or wholesale purchaser-consumers. Also, as stated above, § 126.302 includes recordkeeping requirements for the transfer of gasoline from terminal to retailer (and all steps in between) that will be made no longer effective after implementation of this final-form rulemaking amendment upon the effective date of approval of a SIP revision by the EPA. This may or may not lead to cost savings, as records similar to those required by § 126.302 are likely to continue to be kept for business purposes by retailers and wholesale purchaser-consumers.

Transportation costs are intermingled throughout the gasoline supply chain. There is transport from the refineries to the terminals and from the terminals to the retailers or wholesale purchaser-consumers. Some of these costs may be affected by this final-form rulemaking while others will not. Implementation of this final-form rulemaking will likely reduce or eliminate costs for refineries and terminals that are a result of having to transport low RVP-compliant gasoline separately from conventional gasoline. Implementation may have a small effect on transport costs from the terminal to the retailer through the elimination of the segregation of the low RVP-compliant gasoline, but most of the terminal-to-retailer transportation costs are based on the volume of fuel being delivered, contracts with retailers, the transport fleet operator, and other shipping fees. Implementation of this final-form rulemaking amendment is not anticipated to have a significant impact on fuel consumption or vehicle miles traveled in the area. Without specific facility information regarding volume of fuel sold, and without knowledge of the contract terms between terminals, shippers, and retailers, the Department cannot determine the full impact of this final-form rulemaking amendment on transportation costs for gasoline in the Pittsburgh-Beaver Valley Area.

Implementation of this final-form rulemaking amendment may create economic opportunities for refineries, terminals, and retailers that serve the Pittsburgh-Beaver Valley Area. Refineries that do not produce low RVP-compliant gasoline will be able to sell conventional fuel in the Pittsburgh-Beaver Valley Area during the summer months (May 1-September 15). Terminals will be able to contract with those refineries to distribute conventional gasoline in the area. Retailers will have more choice of terminals to purchase from as they will not be restricted to only those terminals that stock low RVP-compliant gasoline.

From a social perspective, residents of the Pittsburgh-Beaver Valley area have a perception of paying significantly higher prices for summer gasoline due to the low RVP-compliant gasoline requirement. Implementation of this final-form rulemaking amendment will remove the cause of that perception, and retail cost variation will be due solely to local, regional, and National market forces, as well as state and local taxes and other applicable gasoline-blending requirements. A cost analysis of refinery, terminal, and retail prices is provided in the response to Question #19.

The financial impact of this final-form rulemaking will be comparable for individuals, small businesses, businesses and labor communities, and other public and private organizations. Costs or savings are directly related to the volume of gasoline used or consumed by each of these entities. This final-form rulemaking is unlikely to negatively impact employment, because the current employees involved with low RVP-compliant gasoline will likely still be needed to work on conventional fuel; the volume of fuel demand will likely not change significantly, just the type of fuel supplied. The Department anticipates a reduction in costs for most, if not all, of these entities.

Upon promulgation of this final-form rulemaking and approval by EPA of the Non-Interference SIP revision, entities subject to § 126.302 will no longer be required to comply with the current recordkeeping and reporting requirements, but changes to recordkeeping will likely be minimal because the records

required by § 126.302 are in line with what the industry currently tracks for inventory purposes or in current permits. The owner or operator of a facility subject to § 126.302 is required to maintain records sufficient to demonstrate compliance with the applicable requirements; records must be maintained on site, with some exceptions, for 2 years. This onsite record retention requirement will also be made no longer effective by implementation of this final-form rulemaking upon the effective date of approval of a SIP revision by the EPA.

Although the Department projects a small increase in VOC emissions in the near term from switching from low RVP gasoline to conventional RVP gasoline, implementation of this final-form rulemaking is not expected to have a significant adverse impact on ozone air quality or the public health and welfare in the Pittsburgh-Beaver Valley Area. To obtain approval from the EPA for the removal of the Chapter 126, Subchapter C requirements from the SIP, Pennsylvania must demonstrate non-interference with any applicable requirement of the CAA concerning attainment and reasonable further progress or any other applicable requirement of the CAA relating to any applicable NAAQS. DEP plans to do this by identifying equivalent emission reductions to offset the modeled increases of emissions of VOC and oxides of nitrogen (NO_x) that are expected to result from the removal of the requirement to sell low RVP-compliant gasoline in the Pittsburgh-Beaver Valley Area, in accordance with Pennsylvania Act 50 of 2014. The VOC emission reduction benefits from requiring low RVP gasoline in the Pittsburgh-Beaver Valley Area steadily decline in future years, decreasing from 1.63 tons per day in 2017 to 1.33 tons per day by 2030. The decline in benefits is due to lower-sulfur-containing gasoline being introduced Nationwide through Federal measures, as well as the increasing number of newer, less polluting vehicles in Pennsylvania. The Department is developing a Non-Interference Demonstration SIP revision separately from this final-form rulemaking to show that Pennsylvania will continue to comply with the applicable NAAQS without the VOC emission reduction benefits of the low RVP gasoline.

Please see the response to Question #18 for additional discussion of the environmental impact of making Chapter 126, Subchapter C no longer effective upon the effective date of approval of a SIP revision by the EPA.

Please see the response to Question #19 for additional discussion of cost savings.

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The economic benefits of this final-form rulemaking in cost savings to the affected entities are expected to outweigh the potential short-term adverse environmental impacts of this final-form rulemaking. The ozone air quality in the Pittsburgh-Beaver Valley Area has consistently improved since the first Ozone NAAQS was implemented in 1979. While removal of the low RVP gasoline requirements will likely lead to small increases of vehicular VOC emissions in the near term for the Pittsburgh-Beaver Valley Area, the VOC emission reduction benefits of maintaining the low RVP gasoline requirements are expected to steadily decline in future years, decreasing from VOC emission reductions of 1.63 tons per summer day in 2017 to VOC emission reductions of 1.33 tons per summer day by 2030. Pennsylvania will need to offset these small increases in VOC emissions with VOC emission reductions achieved by other Federally enforceable control measures. Pennsylvania is required to ensure that the removal of the Chapter 126, Subchapter C requirements from the SIP complies with the Non-Interference Clause, CAA Section 110(l) (42 U.S.C.A. § 7410(l)). The Non-Interference Clause prohibits the EPA Administrator from approving a SIP revision if the revision would interfere with any applicable requirement of the CAA concerning attainment of a NAAQS or reasonable further progress in attaining a NAAQS, or any other applicable requirement of the CAA.

Therefore, even though expected amounts of VOC emission reductions achieved by the Chapter 126, Subchapter C requirements are projected to decrease steadily in coming years, the Department is required to demonstrate to the satisfaction of the EPA that non-interference with attainment, reasonable further progress, or any other applicable requirement of the CAA will not occur for the period of time in which emission reductions would have occurred, in order for the EPA to approve the removal of the low RVP gasoline requirements from the Commonwealth's Federally enforceable SIP. The Department is preparing to submit to the EPA a Non-Interference Demonstration SIP revision designed to demonstrate that "commensurate emission reductions," as mandated by Act 50 of 2014, will ensure continued compliance with both the Federal Ozone and PM_{2.5} NAAQS by this Commonwealth if the low RVP gasoline requirements for the Pittsburgh-Beaver Valley Area are removed from the SIP. While Chapter 126, Subchapter C was promulgated primarily as a VOC reduction measure to attain the 1979 1-Hour Ozone NAAQS, Chapter 126, Subchapter C is included as a control measure in the Pittsburgh-Beaver Valley Area PM_{2.5} Maintenance Plan due to the co-benefits of NO_x reductions; NO_x is a precursor pollutant for PM_{2.5}.

Pennsylvania has taken credit in two SIP revisions for VOC emission reductions resulting from the use of the low RVP gasoline in the Pittsburgh-Beaver Valley Area since Chapter 126, Subchapter C was incorporated into Pennsylvania's approved SIP on June 8, 1998. These two SIP revisions are:

- 1) The Pittsburgh-Beaver Valley Area Request for Redesignation as Attainment and Maintenance Plan for the 1-Hour Ozone NAAQS, approved by the EPA on October 19, 2001 (66 FR 53094); and
- 2) The Pittsburgh-Beaver Valley Area Request for Redesignation as Attainment, Maintenance Plan and Comprehensive Inventory for the 1997 and 2006 24-hour PM_{2.5} NAAQS, approved by the EPA on October 2, 2015 (80 FR 59624).

The emission reduction benefits of Chapter 126, Subchapter C were not modeled separately in these two SIP revisions for the Pittsburgh-Beaver Valley Area; the requirements were included in the fuel specifications used for the mobile source modeling in the area. As a result, the modeled mobile source emissions included the emission reduction benefits of the low RVP gasoline program for the area.

Mobile source emissions include both on-road and nonroad emissions. There are several regulatory and technological developments that affect the future emission reduction impacts of Chapter 126, Subchapter C. One development is the EPA's Tier 3 Motor Vehicle Emission and Fuel Standards, which require compliance with stringent new vehicle emission standards beginning with model year 2017 vehicles; another is the new gasoline sulfur standards which became effective January 1, 2017 (79 FR 23414, April 28, 2014). The EPA's Tier 3 standards are expected to result in near zero exhaust and evaporative emissions from passenger cars, light-duty trucks, medium-duty passenger vehicles, and certain heavy-duty vehicles by 2025. The lowering of the sulfur content, from 30 parts per billion (ppb) average to 10 ppb average, in gasoline is expected to significantly reduce emissions of NO_x, VOC, direct PM_{2.5}, carbon monoxide, and air toxics (10 ppb Sulfur gasoline in Table 5). The lower sulfur content will allow the catalytic converters in both existing and new vehicles to operate more efficiently. In addition, Pennsylvania adopted California emission standards for new light-duty vehicles. New light-duty vehicles for model year 2015 and later sold in Pennsylvania have been meeting emission standards comparable to Tier 3. A consultant (Michael Baker International, Harrisburg Office) performed an analysis which identified the actual emission reduction benefits of the low RVP requirements in future years that will be lost by making Chapter 126, Subchapter C no longer applicable. The results are presented in Table 5.

Table 5 shows that the emission reduction benefits of the low RVP requirements diminish in future years, even approaching zero by 2030 for the co-benefit of NO_x emission reductions. In Table 5, the RVP of gasoline in the Commonwealth, except for the Pittsburgh-Beaver Valley and Philadelphia areas, is assumed to be 10.0 psi RVP, which is the maximum allowed RVP for gasoline blended with 9-10 vol% ethanol. This RVP assumption is different than the RVP of the baseline fuel in the Pechan study discussed in the response to Question #19. This difference in the assumed RVP content is a result of consultation with the EPA, in which the EPA stated that the Department's assumption of 8.7 psi RVP gasoline in the rest of the state did not reflect current average gasoline RVP values. Therefore, the Baker analysis used 10.0 psi RVP for the baseline fuel, and the results are listed below in Table 5. The use of the higher RVP value projects higher amounts of VOC and NO_x emissions that need to be offset by the commensurate emission reductions in the Non-Interference Demonstration SIP revision.

Table 5. Analysis of RVP Benefits³

	2017		2025		2030	
	VOC (t/d)	NO _x (t/d)	VOC (t/d)	NO _x (t/d)	VOC (t/d)	NO _x (t/d)
Regional Mobile Source Emissions - 7.8 RVP with 10% Ethanol & 10 ppb Sulfur	46.577	66.717	33.060	35.858	29.765	28.220
Regional Mobile Source Emissions - 10 RVP with 10% Ethanol & 10 ppb Sulfur	48.213	67.071	34.371	35.909	31.094	28.227
Low-RVP Program Benefits - 7.8 RVP Compared with 10.0 RVP	1.636	0.354	1.311	0.051	1.329	0.007

The wide-spread use of Onboard Refueling Vapor Recovery (ORVR) systems in gasoline-powered vehicles also impacts the future emission reduction benefits of low RVP gasoline. ORVR systems are designed to capture evaporative emissions on all model year 2007 and newer light-duty vehicles. The ORVR technology addresses the same issue as the low RVP gasoline regulations, specifically evaporative gasoline emissions, except that the ORVR technology captures all of the emissions that are formed during combustion, while the low RVP content prevents a certain amount, but not all, of the emissions from being formed during combustion. Capturing all the evaporative emissions prevents those emissions from contributing to the formation of ground-level ozone. The increasingly widespread implementation of the EPA Tier 3 standards, lower sulfur content gasoline, and ORVR technology will result in offsetting the small increases in VOC and NO_x emissions that will likely result in the near term from removing the low RVP gasoline requirements of Chapter 126, Subchapter C. The Department therefore does not expect the removal of the low RVP gasoline requirements from the Commonwealth's SIP to result in a violation of the applicable 8-hour Ozone NAAQS.

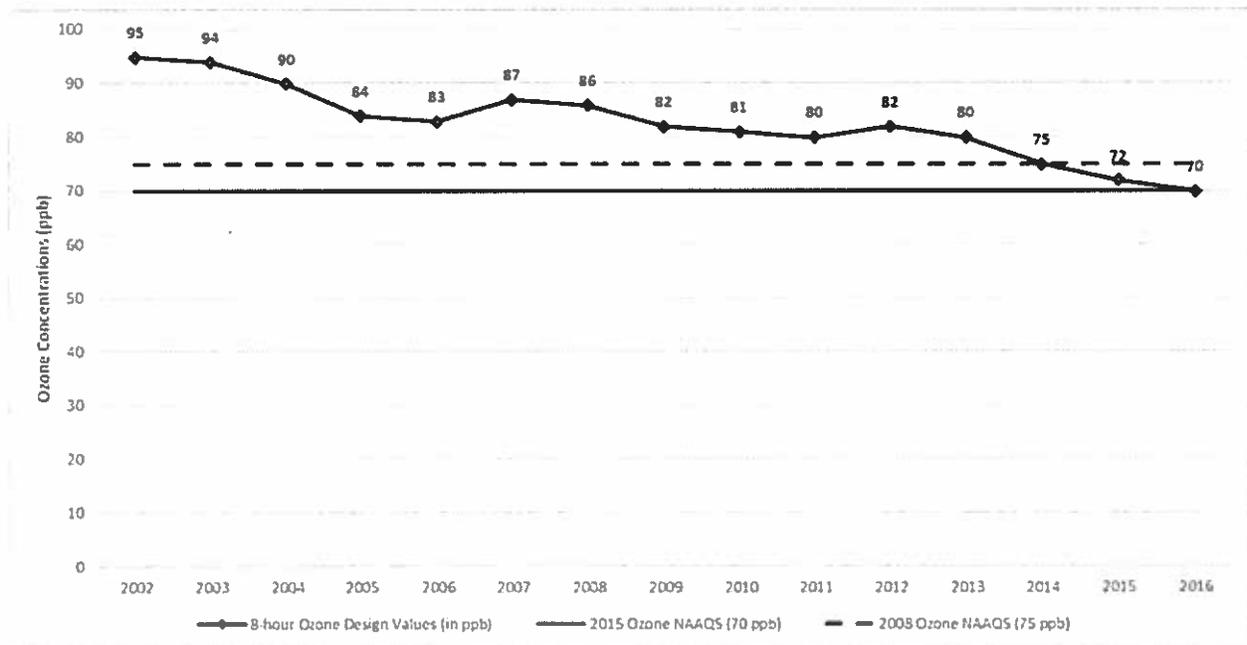
The Pittsburgh-Beaver Valley Area was designated nonattainment for the 1979 1-hour Ozone NAAQS as well as the 1997 and 2008 8-hour Ozone NAAQS. The area was redesignated as attainment for the 1-hour Ozone NAAQS and the EPA approved a 10-year maintenance plan for the area for the 1-hour Ozone NAAQS. The area was designated as nonattainment under the 1997 8-hour Ozone NAAQS and not redesignated as attainment. The 1997 standard, however, was revoked for all purposes in association with the EPA's adoption of the 2008 8-hour Ozone NAAQS and only anti-backsliding requirements apply. On

³ WO#14 Subtask A Deliverable (Revised Analyses)-Analysis of Low-RVP Impact in Pittsburgh Using MOVES2014: Technical Memorandum and Emission Tables. February 2, 2016. Dan Szekeres and Ying-Tzu Chung, Michael Baker International.

May 4, 2016, the EPA published approval of a 1-year extension of the attainment date from July 20, 2015, to July 20, 2016, for the Pittsburgh-Beaver Valley Area under the 2008 8-hour Ozone NAAQS (81 FR 26697, 26698). On December 16, 2016, the EPA made a final determination that the Pittsburgh-Beaver Valley Area attained the 2008 8-hour Ozone NAAQS by the July 20, 2016, attainment date based on the 2013-2015 monitoring period (81 FR 87819). On October 26, 2015, the EPA published a final rule revising the 8-hour Ozone NAAQS from 0.075 parts per billion (ppb) to 0.070 ppb (2015 Ozone NAAQS) (80 FR 65291). The EPA published a final rule on November 16, 2017 (82 FR 54232) that designated ozone attainment areas under the 2015 Ozone NAAQS. In that final rule, EPA designated the Pittsburgh-Beaver Valley Area as an attainment area for the 2015 Ozone NAAQS.

However, the ambient air monitoring network in the Pittsburgh-Beaver Valley Area has monitored decreasing levels of ozone concentrations since 2002. The chart presented in Figure 1 shows the downward trend in ozone design values for the Pittsburgh-Beaver Valley Area for the years 2002 through 2016. The design value is the annual fourth-highest daily maximum 8-hour ozone concentration averaged over 3 years. The design values were determined using DEP and Allegheny County Health Department certified air monitoring data extracted from the EPA Air Quality System (AQS) database. In 2014 the Pittsburgh-Beaver Valley Area came into compliance with the 2008 Ozone NAAQS and in 2016 came into compliance with the 2015 Ozone NAAQS.

Figure 1. Chart displaying trend in 8-hour Ozone Design Values from 2002 through 2016 for the Pittsburgh-Beaver Valley Area



The ozone air quality in the area is expected to continue to improve due to technologies like onboard refueling vapor recovery (ORVR) and electric vehicles, as well as permanent and enforceable control measures established by the EPA Tier 3 fuel and vehicle standards, including low sulfur fuel content gasoline and new, lower vehicle emission standards. In addition to the emission reduction benefits of the mobile source control measures, permanent and enforceable control measures for industry and stationary sources have also contributed to the consistent downward trend in monitored ozone design values for the Pittsburgh-Beaver Valley Area. Therefore, the removal of the low RVP gasoline requirements as a control measure in the Commonwealth’s SIP will likely not have an adverse impact on the public health and

welfare and will likely provide social and financial benefits, as discussed in the responses to Questions #17 and #19.

(19) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

A study of the costs associated with refining gasoline blends required in Pennsylvania was completed by E.H. Pechan and Associates in March 2008⁴. The study summarizes the refining costs of the individual gasoline fuels, as well as the total 2009 costs of various gasoline blends for both the Pittsburgh-Beaver Valley Area and the whole Commonwealth. The summarized costs are for refining only and do not include transportation costs. The baseline gasoline used in the 2008 Pechan study of refinery costs was 8.7 psi RVP gasoline. The use of a baseline of 8.7 psi RVP gasoline in the Pechan study was based on the use of 8.7 psi RVP gasoline by the Department as a modeling input to model mobile source emissions for the purposes of Pennsylvania air quality inventory development and SIP revisions at the time of the study. The 2008 Pechan study concluded that the cost for 7.8 psi RVP fuel in the summer months of 2009 (identified as June 1 – September 15 in the study) was \$1.65 million above the baseline gasoline fuel (8.7 psi RVP) costs in the Pittsburgh-Beaver Valley Area, based on refining costs and gasoline consumption in the area. (Until otherwise noted, “summer months” in this response refers to June 1 – September 15.) The cost of 7.8 psi RVP fuel with 10% ethanol in the summer months of 2009 was \$14.88 million above the baseline fuel costs; that is, the cost of further refining the 7.8 psi RVP gasoline fuel with 10% ethanol was approximately \$13.23 million above the cost of the 7.8 psi RVP gasoline fuel without 10% ethanol. Gasoline consumption in the Pittsburgh-Beaver Valley Area was estimated at 329.91 million gallons in the summer months of 2009.

The cost to refine the gasoline fuel from 8.7 psi RVP to 7.8 psi RVP is 0.5 cpg⁵ ($[\$1.65 \text{ million} / 329.91 \text{ million gallons}] \times 100 \text{ cents}/\1.00) in the summer months. The cost to further refine the fuel from 7.8 psi RVP to 7.8 psi RVP with 10% ethanol (E-10) is approximately 4 cpg ($[\$13.23 \text{ million} / 329.91 \text{ million gallons}] \times 100 \text{ cents}/\1.00) in the summer months. Since the EPA requires an average 10% ethanol content in gasoline, the total cost, above the baseline gasoline fuel refining costs, to refine a compliant gasoline fuel for the Pittsburgh-Beaver Valley Area is 4.5 cpg ($[\$14.88 \text{ million} / 329.91 \text{ million gallons}] \times 100 \text{ cents}/\1.00) in the summer. Costs for adding 10% ethanol to the conventional 8.7 psi RVP fuel for use in the rest of the state (excluding Philadelphia, where different gasoline requirements apply), and during the winter months, were not calculated directly in the study but are approximately 3.3 cpg, based on the information provided about adding ethanol to the 7.8 psi RVP fuel.

The information in the preceding paragraph shows that most of the extra refining costs come from blending 10% ethanol into the gasoline (4 cpg / 4.5 cpg = 88%), rather than from blending the 7.8 psi RVP requirement (0.5 cpg / 4.5 cpg = 11%). Only the costs of refining the fuel from 8.7 psi RVP to 7.8 psi RVP, approximately 0.5 cpg, may be reduced or eliminated by the promulgation of this final-form rulemaking amendment to make the low RVP gasoline requirement no longer applicable upon the effective date of approval of a Non-Interference Demonstration SIP revision by the EPA. This final-form rulemaking does not eliminate costs for blending ethanol into gasoline. Some fuel assumptions have changed since the study was conducted, including the assumed RVP of conventional gasoline in Pennsylvania (currently 10.0 psi RVP with the 1 psi waiver allowed by the EPA). As a result, refining costs for 7.8 psi RVP fuel may currently be slightly higher than the 2008 Pechan study indicates, but those

⁴ E.H. Pechan & Associates, Inc. “Fuel Costs for Pennsylvania Gasoline Blends”. Pp 1-6, Appendix A. March 19, 2008.

⁵ In 2007 dollars.

additional costs will still be reduced or eliminated by this final-form rulemaking amendment upon the effective date of approval of a Non-Interference Demonstration SIP revision by the EPA.

The Department obtained data from the Oil Price Information Service (OPIS), which provides average weekly gasoline prices at the terminal (rack) for the Pittsburgh metropolitan area and for Pennsylvania statewide. Weekly data was obtained from OPIS for most weeks between mid-June 2006 and October 2011. Table 6 compares the average summer and winter rack prices in the Pittsburgh metropolitan area and Pennsylvania statewide, and the average difference between the two values. A negative value in the average difference column indicates that the Pittsburgh metropolitan area average rack price was lower than the Pennsylvania statewide average rack price. A positive value indicates that the Pittsburgh metropolitan area average rack price was higher than the Pennsylvania statewide average rack price. Summer months for rack prices are defined as May 1 through September 15 of the initial year. Winter months for rack prices are defined as September 16 of the initial year through April 30 of the following year. The weekly data during the relevant time periods (summer or winter, as defined above) were averaged together to provide an average summer price and an average winter price for each year.

Table 6. Comparison of Terminal (Rack) Gasoline Prices in the Pittsburgh Metropolitan Area and Pennsylvania

	May 1 - Sept 15 Pittsburgh Metro	May 1 - Sept 15 PA	Average Difference Summer (PIT-PA=)	Sept 16 - April 30 Pittsburgh Metro	Sept 16 - April 30 PA	Average Difference Winter (PIT-PA=)
2006-2007	\$2.170**	\$2.266	-\$0.095	\$1.806	\$1.823	-\$0.017
2007-2008	\$2.333	\$2.317	\$0.015	\$2.585	\$2.525	\$0.060
2008-2009	\$3.241	\$3.227	\$0.014	\$1.513	\$1.500	\$0.013
2009-2010*						
2010-2011	\$2.053**	\$2.031**	\$0.022**	\$2.620	\$2.621	-\$0.001
2011-2012	\$3.171	\$3.139	\$0.032	\$2.816**	\$2.819**	-\$0.003**

*An evaluation of 2009-2010 data was not possible due to errors in the dataset.

**Data was not available for May 2006; May, June or July 2011; or after October 2011. These calculations are based on the limited data available for these timeframes.

Table 6 shows that during the summer months (May 1 – September 15), seasonal average rack prices in the Pittsburgh metropolitan area ranged from \$0.095 below to \$0.032 above the Pennsylvania statewide average rack prices. In the winter, seasonal average rack prices in the Pittsburgh metropolitan area ranged from \$0.017 below to \$0.060 above the Pennsylvania statewide average rack prices. There is not a clear correlation between the higher refinery costs for producing low RVP gasoline fuel and the rack prices in the Pittsburgh metropolitan area during the summer months (May 1 – September 15). For this analysis, however, the Department assumes that retailers and wholesale purchaser-consumers in the Pittsburgh metropolitan area will be paying the Pennsylvania statewide average rack gasoline prices for conventional gasoline if Chapter 126, Subchapter C is made no longer applicable. Based on the available data, retailers and wholesale purchaser-consumers may save between 1.4 cpg and 3.2 cpg. Actual cost savings are directly dependent on how much gasoline a retailer or wholesale purchaser-consumer purchases from an upstream entity subject to Chapter 126, Subchapter C during the applicable time period.

The Department also obtained OPIS data for average retail gasoline prices for the Pittsburgh metropolitan area and for Pennsylvania statewide. The data includes weekly average retail gasoline prices for April 2003 through December 2010, and monthly average retail gasoline prices for January 2011 through December 2015. Weekly average data was converted to monthly average data by averaging all weekly data for each month. Monthly data was then averaged for summer and winter. Summer months for retail pricing are defined as June 1 through September 30 of the initial year. Winter months are defined as October 1 of the initial year through May 31 of the following year. Table 7 compares average summer and winter retail gasoline prices in the Pittsburgh metropolitan area and Pennsylvania statewide, as well as the average difference between the two values for the last 10 years. A negative value in the average difference column indicates that the Pittsburgh metropolitan area average retail gasoline price was lower than the Pennsylvania statewide average retail gasoline price. A positive value indicates that the Pittsburgh metropolitan area average retail gasoline price was higher than the Pennsylvania statewide average retail gasoline price.

Table 7. Comparison of Retail Gasoline Prices in the Pittsburgh Metropolitan Area and Pennsylvania

	June-Sept Pittsburgh Metro	June-Sept PA	Average Difference Summer (PIT-PA=)	October- May Pittsburgh Metro	October- May PA	Average Difference Winter (PIT-PA=)
2005-2006	\$2.425	\$2.451	-\$0.027	\$2.491	\$2.500	-\$0.009
2006-2007	\$2.810	\$2.846	-\$0.037	\$2.453	\$2.468	-\$0.015
2007-2008	\$2.894	\$2.865	\$0.028	\$3.216	\$3.213	\$0.002
2008-2009	\$3.865	\$3.782	\$0.083	\$2.204	\$2.103	\$0.101
2009-2010	\$2.634	\$2.618	\$0.016	\$2.742	\$2.750	-\$0.007
2010-2011*	\$2.701	\$2.685	\$0.016	\$3.310	\$3.305	\$0.005
2011-2012	\$3.689	\$3.653	\$0.036	\$3.619	\$3.609	\$0.011
2012-2013	\$3.656	\$3.620	\$0.036	\$3.670	\$3.621	\$0.049
2013-2014	\$3.623	\$3.566	\$0.056	\$3.571	\$3.542	\$0.029
2014-2015	\$3.704	\$3.612	\$0.092	\$2.784	\$2.729	\$0.054

*Data was not available for June or July 2010. These calculations are based on the limited data available for that timeframe.

Table 7 shows that during the summer months (June 1 – September 15), seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.037 below to \$0.092 above the Pennsylvania statewide average retail gasoline prices. In the winter, seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.015 below to \$0.101 above the Pennsylvania statewide average retail gasoline prices. It should be noted that in the most recent 5 years of data, Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania statewide average retail gasoline prices in both summer and winter. Because both winter and summer prices have been higher, it is unclear how much of the summer price differential is due to the low RVP gasoline requirement and how much is due to local market forces and other factors. There is not a clear correlation between the higher refinery costs for producing low RVP gasoline fuel, the rack prices, and the retail gasoline prices in the Pittsburgh metropolitan area during the summer months. For this analysis, however, the Department assumes that consumers in the Pittsburgh metropolitan area will be paying the Pennsylvania statewide average retail gasoline prices for conventional gasoline if Chapter 126, Subchapter C is made no longer

applicable. Based on the 5 most recent years of available data, consumers may save between 1.6 cpg and 9.2 cpg. Actual cost savings are directly dependent on how much gasoline the consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period.

The Department estimates that total gasoline consumption in the Pittsburgh-Beaver Valley Area for the summer months (May 1-September 15) of 2016 was approximately 352 million gallons.

The estimated potential cost savings for refiners if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area may be as much as \$1,760,000, based on an average cost of 0.5 cpg to refine gasoline to the 7.8 psi RVP level ($0.5 \text{ cpg} \times 352 \text{ million gallons} \times \$1/100 \text{ cents} = \$1,760,000$). Actual cost savings for an individual refiner would be directly dependent on how much 7.8 psi RVP gasoline a refiner produces during the applicable time period.

The estimated potential total cost savings for retailers and wholesale purchaser-consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$4,928,000 to \$11,264,000 (based on cost savings to these intermediate entities ranging from 1.4 cpg to 3.2 cpg) annually during the summer months (May 1-September 15), on the distribution of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. Actual cost savings for an individual retailer or wholesale purchaser-consumer would be directly dependent on how much gasoline a retailer or wholesale purchaser-consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period.

The estimated potential total cost savings for the ultimate consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$5,632,000 to \$32,384,000 (based on retail cost savings to consumers ranging from 1.6 cpg to 9.2 cpg) annually during the summer months (May 1-September 15), on a summer season fuel consumption estimate of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. This calculation is based on the assumption that consumers may be purchasing low RVP fuel as early as the May 1 compliance date for refiners and terminals, rather than the later June 1 compliance date for retailers and wholesale purchaser-consumers.

The estimated potential cost savings for an individual consumer would be based on the consumer's purchases of low RVP gasoline during the time period of June 1 through September 15; low RVP fuel may be available for purchase from retailers as early as May 1, which would increase the period in which consumers could experience cost savings from the removal of the Chapter 126, Subchapter C requirements. For example, a consumer that purchased a total of 100 gallons of low RVP gasoline during the time period could potentially save from \$1.60 ($1.6 \text{ cpg} \times \$1/100 \text{ cents} \times 100 \text{ gallons}$) to \$9.20 ($9.2 \text{ cpg} \times \$1/100 \text{ cents} \times 100 \text{ gallons}$) for the season. Actual cost savings would be directly dependent on how much gasoline the consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period as well as on the cost savings per gallon due to the removal of the low RVP requirement.

Implementation of this final-form rulemaking may possibly have an adverse impact on fuel efficiency that would not be directly reflected in the retail price but could indirectly affect vehicle operating costs. Gasoline with a lower RVP typically has a higher energy content than higher RVP gasoline. A higher RVP value is obtained when additives such as butane or ethanol are added to the fuel. Butane is added in the winter months to aid vehicle starting in cold weather. Ethanol contains about 70% and butane contains about 80% of the energy content of traditional hydrocarbon gasoline constituents. Per an article in the Association for Convenience and Fuel Retailing, www.nacsonline.com, summer gasoline has about 1.8% more energy content than winter gasoline, but the difference can be as much as 7.8%. The difference in energy content between 7.8 psi RVP summer gasoline and 10.0 psi RVP summer gasolines should not be

as great as the difference in energy content between summer and winter gasolines, but it is impossible to determine exactly the difference in energy content without more information about what will be added to the gasoline to obtain 10.0 psi RVP.

Further, fuel efficiency is dependent on many factors that are difficult to quantify accurately including make and model of vehicle, maintenance of vehicle, tire pressure, and operator behavior including braking and acceleration. However, keeping all variables constant except the energy content of the gasoline, the Department did a simple calculation to demonstrate the possible impact this could have on consumers. Assuming a gasoline retail price of \$2.50 per gallon, every 1.0% decrease in energy content would correspond to a \$0.025 per gallon loss to the consumer in fuel efficiency. Given that gasoline sales potentially affected by this final-form rulemaking may total as much as 352 million gallons per year, consumers purchasing gasoline in the Pittsburgh-Beaver Valley Area could collectively experience a total increase of as much as \$8,800,000 in costs for every 1% decrease in energy content that occurs during the summer driving season.

Implementation of the final-form rulemaking will also likely result in more evaporative emissions from vehicle gas tanks leading to less gasoline being combusted in vehicles. Increases in evaporative emissions from highway and nonroad equipment are estimated to total about 1.63 tons or 3260 pounds per day. Based on a gasoline density of 6.3 pounds per gallon, this increase in evaporative emissions could result in collective gasoline losses of as much as 517 gallons per day. Over the 120-day summer driving season, at a price of \$2.50 gallon, the cost to consumers would likely not exceed \$155,000 annually for the entire Pittsburgh-Beaver Valley Area.

New legal, accounting, recordkeeping and reporting, or consulting procedures will not be required.

(20) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

No gasoline refiners, importers, distributors, resellers, terminals or carriers have been identified as being owned by local government agencies. Local government agencies may be considered a retailer or wholesale purchaser-consumer of gasoline in certain circumstances (for example, local government owned refueling facilities for local government fleet vehicles). If a local government agency does, however, own or operate a gasoline refinery, importer, distributor, reseller, terminal, or carrier, savings commensurate with those for the private sector, as set forth above in the responses to Questions #17 and #19, may be experienced.

(21) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

No gasoline refiners, importers, distributors, resellers, terminals or carriers have been identified as being owned by state government agencies. State government agencies may be considered a retailer or wholesale purchaser-consumer of gasoline in certain circumstances (for example, state government owned refueling facilities for state fleet vehicles). If a state government agency does, however, own or operate a gasoline refinery, importer, distributor, reseller, terminal, or carrier, savings commensurate with those for the private sector, as set forth above in the responses to Questions #17 and #19, may be experienced. State

government will also save money from the elimination of the costs to test gasoline for compliance with Chapter 126, Subchapter C.

Upon development of a rulemaking to rescind Chapter 126, Subchapter C after removal of Chapter 126, Subchapter C from the SIP, the Department will rescind policy document number 273-4000-008, "Policy for Sampling and Determination of Compliance with Low RVP Gasoline Requirements in the Pittsburgh-Beaver Valley Ozone Nonattainment Area," as it will no longer be needed.

(22) For each of the groups and entities identified in items (19)-(21) above, submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

No additional legal, accounting, recordkeeping and reporting, or consulting procedures are expected for the groups identified in the responses to Questions #19-21 above.

(22a) Are forms required for implementation of the regulation?

No forms are required to implement the regulation.

(22b) If forms are required for implementation of the regulation, **attach copies of the forms here.** If your agency uses electronic forms, provide links to each form or a detailed description of the information required to be reported. **Failure to attach forms, provide links, or provide a detailed description of the information to be reported will constitute a faulty delivery of the regulation.**

Not applicable.

(23) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

The Department estimates that total gasoline consumption in the Pittsburgh-Beaver Valley Area for the summer months (May 1-September 15) of 2016 was approximately 352 million gallons.

The estimated potential cost savings for refiners if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area may be as much as \$1,760,000, based on an average cost of 0.5 cpg to refine gasoline to the 7.8 psi RVP level ($0.5 \text{ cpg} \times 352 \text{ million gallons} \times \$1/100 \text{ cents} = \$1,760,000$). Actual cost savings for an individual refiner would be directly dependent on how much 7.8 psi RVP gasoline a refiner produces during the applicable time period.

The estimated potential total cost savings for retailers and wholesale purchaser-consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$4,928,000 to \$11,264,000 (based on cost savings to these intermediate entities ranging from 1.4 cpg to 3.2 cpg) annually during the summer months (May 1-September 15), on the distribution of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. Actual cost savings for an individual retailer or wholesale purchaser-consumer would be directly dependent on how much gasoline a retailer or wholesale purchaser-consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period.

The estimated potential total cost savings for the ultimate consumers if low RVP gasoline is no longer required for the Pittsburgh-Beaver Valley Area range from \$5,632,000 to \$32,384,000 (based on retail cost savings to consumers ranging from 1.6 cpg to 9.2 cpg) annually during the summer months (May 1-September 15), on a summer season fuel consumption estimate of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area. This calculation is based on the assumption that consumers may be purchasing low RVP fuel as early as the May 1 compliance date for refiners and terminals, rather than the later June 1 compliance date for retailers and wholesale purchaser-consumers.

The estimated potential cost savings for an individual consumer would be based on the consumer's purchases of low RVP gasoline during the time-period of June 1 through September 15; low RVP fuel may be available for purchase from retailers as early as May 1, which would increase the period in which consumers could experience cost savings from the removal of the Chapter 126, Subchapter C requirements. For example, a consumer that purchased a total of 100 gallons of low RVP gasoline during the time period could potentially save from \$1.60 (1.6 cpg x \$1/100 cents x 100 gallons) to \$9.20 (9.2 cpg x \$1/100 cents x 100 gallons) for the season. Actual cost savings would be directly dependent on how much gasoline the consumer purchases from an entity subject to Chapter 126, Subchapter C during the applicable time period as well as on the cost savings per gallon due to the removal of the low RVP requirements.

	Current FY Year 17/18	FY+1 Year 18/19	FY+2 Year 19/20	FY+3 Year 20/21	FY+4 Year 21/22	FY+5 Year 22/23
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	0.5 – 3.2 cpg	0.5 – 3.2 cpg	0.5 – 3.2 cpg	0.5 – 3.2 cpg	0.5 – 3.2 cpg	0.5 – 3.2 cpg
Refineries	0.5 cpg	0.5 cpg	0.5 cpg	0.5 cpg	0.5 cpg	0.5 cpg
Retailers/ Wholesale Purchaser-Consumers	1.4 – 3.2 cpg	1.4 – 3.2 cpg	1.4 – 3.2 cpg	1.4 – 3.2 cpg	1.4 – 3.2 cpg	1.4 – 3.2 cpg
Local Government	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg
State Government	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg
Public Consumers	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg	1.6 – 9.2 cpg
Total Savings	0.5 – 9.2 cpg	0.5 – 9.2 cpg	0.5 – 9.2 cpg	0.5 – 9.2 cpg	0.5 – 9.2 cpg	0.5 – 9.2 cpg
COSTS:	\$	\$	\$	\$	\$	\$
Regulated Community	0.00	0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Public Consumers						
Total Costs	0.00	0.00	0.00	0.00	0.00	0.00

REVENUE LOSSES:	\$	\$	\$	\$	\$	\$
Regulated Community	0.00	0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue Losses	0.00	0.00	0.00	0.00	0.00	0.00

(23a) Provide the past three-year expenditure history for programs affected by the regulation.

Program	FY-3 (14/15)	FY-2 (15/16)	FY-1 (16/17)	Current FY (17/18)
Environmental Program Management (161-10382)	\$28,517,000	\$28,277,000	\$26,885,000	\$30,054,000
Clean Air Fund Major Emission Facilities (215-20077)	\$16,870,000	\$17,373,000	\$16,931,000	\$18,786,000
Clean Air Fund Mobile and Area Facilities (233-20084)	\$9,811,000	\$10,142,000	\$8,228,000	\$10,886,000

(24) For any regulation that may have an adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), provide an economic impact statement that includes the following:

(a) An identification and estimate of the number of small businesses subject to the regulation.

This final-form rulemaking applies to gasoline refiners, importers, distributors, resellers, terminal owners and operators, and carriers, that sell, exchange, or supply gasoline to the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year. It also applies to retailers and wholesale purchaser-consumers that sell, exchange, or supply gasoline to the Pittsburgh-Beaver Valley Area between June 1 and September 15 of each year.

EMAP provided the Department with a list of 768 businesses for the requested NAICS codes. Of the potentially subject facilities, 642 businesses were identified as small businesses under the SBA Small Business Size Regulations under 13 CFR Chapter 1, Part 121. Data was not available for 125 facilities to determine if the owners and operators were considered a small business, and one facility was not considered a small business because its revenue was over the small business threshold.

It is possible that this final-form rulemaking will also apply to owners and operators of other facilities that have not yet been identified. If this final-form rulemaking does apply to the owners and operators of facilities that have not yet been identified, the Department estimates that as many as 84% of the unidentified facilities may be small businesses, based on the fact that 84% of the 768 facilities identified by EMAP qualified as small businesses.

A more complete discussion of the numbers of potentially affected small businesses is provided in the response to Question #15.

(b) The projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record.

There are no projected reporting, recordkeeping, or other administrative costs required for compliance with this final-form rulemaking. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will make the provisions of Chapter 126, Subchapter C for the Pittsburgh-Beaver Valley Area no longer applicable.

(c) A statement of probable effect on impacted small businesses.

Implementation of this final-form rulemaking amendment should have minimal adverse economic impact on the owners and operators of affected small business-sized facilities and businesses. It will likely reduce the recordkeeping and reporting requirements for those businesses, and may reduce some costs associated with purchasing, storing, or transporting gasoline.

(d) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

There are no less intrusive or less costly alternative methods available. The Department and the Board must comply with Act 50 of 2014. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will make Chapter 126, Subchapter C no longer applicable for the Pittsburgh-Beaver Valley Area.

(25) List any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, the elderly, small businesses, and farmers.

Minorities, the elderly, small businesses, and farmers who are not owners or operators of a gasoline supply chain facility or business will not be adversely affected by this final-form rulemaking. For those that might be owners or operators of a subject facility or business, no special provisions are necessary. These same people may be positively impacted as consumers by this final-form rulemaking, if implementation results in lower gasoline prices in the Pittsburgh-Beaver Valley Area.

(26) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

The proposed rulemaking recommended rescinding Chapter 126, Subchapter C; however, rescission alone would not remove the ability to enforce the requirements of Chapter 126, Subchapter C under Federal law through the Commonwealth's EPA-approved SIP. The final-form rulemaking is designed to ensure that Chapter 126, Subchapter C will not be applicable under Commonwealth or Federal law when the EPA approves the Non-Interference Demonstration SIP revision to the Commonwealth's approved SIP. No other alternative regulatory provisions were considered to comply with Act 50 of 2014. This final-form

rulemaking is the least burdensome approach to make Chapter 126, Subchapter C no longer applicable in a timely manner to meet the goals of Act 50 of 2014.

(27) In conducting a regulatory flexibility analysis, explain whether regulatory methods were considered that will minimize any adverse impact on small businesses (as defined in Section 3 of the Regulatory Review Act, Act 76 of 2012), including:

(a) The establishment of less stringent compliance or reporting requirements for small businesses.

Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will eliminate compliance and reporting requirements for small businesses involved in the gasoline supply chain.

(b) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will eliminate compliance and reporting requirements for small businesses involved in the gasoline supply chain.

(c) The consolidation or simplification of compliance or reporting requirements for small businesses.

Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will eliminate certain compliance and reporting requirements for small businesses involved in the gasoline supply chain.

(d) The establishment of performance standards for small businesses to replace design or operational standards required in the regulation.

The establishment of performance standards for small businesses is not necessary. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will result in the elimination of any design or operational standards currently required.

(e) The exemption of small businesses from all or any part of the requirements contained in the regulation.

An exemption of small businesses is not necessary. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will make Chapter 126, Subchapter C no longer applicable for the Pittsburgh-Beaver Valley Area at both the Federal and the Commonwealth levels.

(28) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

Data and information from various sources was used to determine the number of potentially affected sources, area population, and the costs and benefits of this final-form rulemaking. Explanations of how the data was used are included throughout the document where the data source is cited.

The Department reviews its own ambient air quality ozone monitoring data for purposes of reporting to the EPA to establish attainment and maintenance of the NAAQS for all areas of this Commonwealth as discussed in the response to Question 18. The Commonwealth's Ambient Air Monitoring Network is operated in accordance with all network design, siting, monitoring and quality assurance requirements set forth in 40 CFR Part 58 (relating to ambient air quality surveillance). All ozone concentration data measured during the ozone monitoring season, which runs from April to October, are subject to comparison with the ozone NAAQS set forth in 40 CFR Part 50 (relating to National primary and secondary ambient air quality standards). Specific guidance on the requirements for quality assurance and quality control of the ozone monitoring network can be found in the EPA's Quality Assurance Handbook for Air Pollution Measurement Systems, Volume II, Ambient Air Quality Monitoring Program, EPA-454/B-17-001, January 2017. The QA Handbook is available on the EPA web site at https://www3.epa.gov/ttnamti1/files/ambient/pm25/qa/Final%20Handbook%20Document%201_17.pdf.

The following list provides more complete citations for data sources referenced in this Regulatory Analysis Form:

Air Information Management System (AIMS) Database Search of the Pittsburgh-Beaver Valley Area by NAICS and SIC. Pennsylvania Department of Environmental Protection. Generated by PA DEP Bureau of Air Quality staff. Received as Excel spreadsheet via email May 11, 2016, and May 24, 2016.

American FactFinder 2012 Economic Census EC1200A1. U.S. Census Bureau. Generated by PA DEP Bureau of Air Quality staff using American FactFinder. Downloaded as PDF and Excel spreadsheet on May 3, 2016. <http://factfinder2.census.gov/>.

Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2015. U.S. Census Bureau, Population Division. Release date March 2016. Pennsylvania, all counties. Downloaded as PDF on May 10, 2016. <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

Discoverer Database Search of the Pittsburgh-Beaver Valley Area for Active and Temporarily Inactive Storage Tanks Storing Gasoline. Pennsylvania Department of Environmental Protection. Generated by PA DEP Bureau of Environmental Cleanup and Brownfields staff. Received as Excel spreadsheets via email June 8, 2016.

Environmental Facility Application Compliance Tracking System (eFACTS) Database Search of the Pittsburgh-Beaver Valley Area by NAICS and SIC. Pennsylvania Department of Environmental Protection.

Generated by PA DEP Bureau of Air Quality staff. Received as Excel spreadsheet via email May 11, 2016, and May 24, 2016.

Hoover's Database Search for Small Businesses in the Pittsburgh-Beaver Valley Area by NAICS. Pennsylvania Small Business Development Centers Environmental Management Assistance Program (EMAP). Generated by EMAP on May 13, 2016. Received as Excel spreadsheet via email May 13, 2016. <http://www.hoovers.com/>

Figure 1. Chart displaying trend in 8-hour Ozone Design Values from 2002 through 2016 for the Pittsburgh-Beaver Valley Area. The source of the data was DEP and ACHD certified air monitoring data extracted from the EPA Air Quality System (AQS) database.

Fuel Costs for Pennsylvania Gasoline Blends. E.H. Pechan & Associates, Inc. March 19, 2008.

Gas Price Data – Data Download Monthly Average Gasoline Prices January 2011 – December 2015 for Pittsburgh and Pennsylvania. Gas Price Data by GasBuddy.com. Accessed May 24, 2016. <https://www.gaspricedata.com/>

Mobile Vehicle Emissions Simulator Model (MOVES Model), MOVES2014a and MOVES2014b, United States Environmental Protection Agency.

Motor Fuel Taxes – State Gasoline Tax Reports – Interactive Gasoline Map (April 2017 version). American Petroleum Institute. Accessed August 17, 2017. <http://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes/gasoline-tax>

North American Industry Classification Standards. <http://www.census.gov/eos/www/naics/> and <http://www.naics.com/>.

Oil Price Information Service (OPIS) Weekly Wholesale Rack Gasoline Prices June 2006 – October 2011. OPIS. Received as Excel spreadsheet via email April 22, 2016.

Oil Price Information Service (OPIS) Weekly Retail Gasoline Prices April 2003 – October 2011. OPIS. Received as Excel spreadsheet via email April 22, 2016.

Standard Industrial Classification (SIC) System. <https://www.osha.gov/pls/imis/sicsearch.html> and https://www.osha.gov/pls/imis/sic_manual.html.

Summertime When the Livin' Is Easy and MPG May Increase. 2013 NACS Retail Fuels Report. http://www.nacsonline.com/YourBusiness/FuelsReports/GasPrices_2013/Pages/Summertime-When-the-Livin%E2%80%99-Is-Easy-and-MPG-May-Increase.aspx

What is the Difference Between Summer- and Winter-Blend Gasoline. American Automobile Association, NewsRoom. June 10, 2013. <http://newsroom.aaa.com/2013/06/what-is-the-difference-between-summer-and-winter-blend-gasoline/>

WO#14 Subtask A Deliverable (Revised Analyses)-Analysis of Low-RVP Impact in Pittsburgh Using MOVES2014: Technical Memorandum and Emission Tables. February 2, 2016. Dan Szekeres and Ying-Tzu Chung, Michael Baker International.

(29) Include a schedule for review of the regulation including:

- A. The length of the public comment period: 66 days
- B. The dates on which public meetings or hearings were held: March 28, 29, and 30, 2017
- C. The expected date of delivery of the final-form regulation: 1st Quarter 2018
- D. The expected effective date of the final-form regulation: Upon publication in the *Pennsylvania Bulletin* as final-form rulemaking.
- E. The date by which compliance with the final-form regulation will be required: Entities subject to the gasoline volatility requirements of Chapter 126, Subchapter C for low RVP gasoline will no longer be required to comply with these requirements upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement of the Commonwealth's SIP.
- F. The date by which required permits, licenses or other approvals must be obtained: NA

(30) Describe the plan developed for evaluating the continuing effectiveness of the regulations after its implementation.

This final-form rulemaking amends Chapter 126, Subchapter C by adding language to § 126.301 that will make Chapter 126, Subchapter C no longer applicable upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP. Upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a Federally enforceable requirement in the Commonwealth's SIP, this final-form rulemaking amendment to § 126.301 will make Chapter 126, Subchapter C no longer applicable for the Pittsburgh-Beaver Valley Area at both the Federal and the Commonwealth levels.

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE
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(Pursuant to Commonwealth Documents Law)

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Copy below is hereby approved as to form and legality.
Attorney General

By: _____
(Deputy Attorney General)

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections attached.

Copy below is hereby certified to be true and
correct copy of a document issued, prescribed or
promulgated by:

DEPARTMENT OF ENVIRONMENTAL
PROTECTION
ENVIRONMENTAL QUALITY BOARD

(AGENCY)

DOCUMENT/FISCAL NOTE NO. 7-529

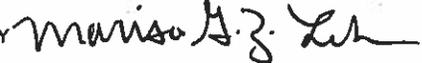
DATE OF ADOPTION DECEMBER 12, 2017

BY 

TITLE PATRICK MCDONNELL
CHAIRMAN

EXECUTIVE OFFICER CHAIRMAN OR SECRETARY

Copy below is hereby approved as to form and legality
Executive or Independent Agencies

BY 

JAN 11 2018
DATE OF APPROVAL

(Deputy General Counsel)
~~(Chief Counsel - Independent Agency)~~
(Strike inapplicable title)

Check if applicable. No Attorney General Approval
or objection within 30 days after submission.

NOTICE OF FINAL RULEMAKING

DEPARTMENT OF ENVIRONMENTAL PROTECTION
ENVIRONMENTAL QUALITY BOARD

Gasoline Volatility Requirements

25 Pa. Code Chapters 121 and 126

**FINAL RULEMAKING
ENVIRONMENTAL QUALITY BOARD
[25 PA CODE CHS. 121 and 126]
Gasoline Volatility Requirements**

The Environmental Quality Board (Board) amends Chapters 121 and 126 (relating to general provisions; and motor vehicle and fuels programs) to read as set forth in Annex A. This final-form rulemaking amends Chapter 126, Subchapter C (relating to gasoline volatility requirements) codified in §§ 126.301—126.303 (relating to compliant fuel requirements; recordkeeping and reporting; and compliance and test methods) by adding language to § 126.301 that will make Chapter 126, Subchapter C no longer applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the U.S. Environmental Protection Agency (EPA) of the removal, suspension or replacement of Chapter 126, Subchapter C as a Federally enforceable control measure in the Commonwealth's State Implementation Plan (SIP). The proposed rulemaking recommended rescinding Chapter 126, Subchapter C; however, rescission alone would not remove the ability to enforce these requirements under Federal law through the Commonwealth's EPA-approved SIP. The final-form rulemaking is designed to ensure that Chapter 126, Subchapter C will not be applicable under Commonwealth or Federal law when the EPA approves the necessary Non-Interference Demonstration SIP revision to the Commonwealth's approved SIP. The four terms and definitions proposed for deletion from § 121.1 (relating to definitions) are retained in this final-form rulemaking.

This final-form rulemaking is given under Board order at its meeting of December 12, 2017.

A. Effective Date

This final-form rulemaking will be effective upon publication in the *Pennsylvania Bulletin*.

B. Contact Persons

For further information, contact Kirit Dalal, Chief, Division of Air Resource Management, Bureau of Air Quality, Rachel Carson State Office Building, P.O. Box 8468, Harrisburg, PA 17105-8468, (717) 772-3436; or Kristen Furlan, Assistant Director, Bureau of Regulatory Counsel, Rachel Carson State Office Building, P.O. Box 8464, Harrisburg, PA 17105-8464, (717) 787-7060. Persons with a disability may use the Pennsylvania AT&T Relay Service, (800) 654-5984 (TDD users) or (800) 654-5988 (voice users). This final-form rulemaking is available on the Department of Environmental Protection's (Department) web site at www.dep.pa.gov (select "Public Participation," then "Environmental Quality Board (EQB)").

C. Statutory Authority

This final-form rulemaking is authorized under section 5(a)(1) of the Air Pollution Control Act (APCA) (35 P.S. § 4005(a)(1)), which grants the Board the authority to adopt rules and regulations for the prevention, control, reduction and abatement of air pollution in this Commonwealth; section 5(a)(8) of the APCA, which grants the Board the authority to adopt rules and regulations designed to implement the provisions of the Clean Air Act (CAA) (42 U.S.C.A. §§ 7401—7671q); and section 4(18.3) of the APCA (35 P.S. § 4004(18.3)), which

requires the Department and the Board to take actions that result in the repeal of Chapter 126, Subchapter C.

D. Background and Purpose

Chapter 126, Subchapter C (§§ 126.301—126.303) applies to gasoline which is to be sold or transferred into or within the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year. More specifically, refiners, importers, distributors, resellers, terminal owners and operators and carriers may not sell, exchange, or supply gasoline that does not have a Reid vapor pressure (RVP) of 7.8 pounds per square inch (psi) or less (low RVP gasoline) in the Pittsburgh-Beaver Valley area between May 1 and September 15 of each year. Retailers and wholesale purchaser-consumers may not sell, exchange or supply non-compliant gasoline in the Pittsburgh-Beaver Valley Area between June 1 and September 15 of each year. The Pittsburgh-Beaver Valley Area includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland Counties. Gasoline vapors include volatile organic compound (VOC) emissions. VOCs are a precursor to the formation of ground-level ozone air pollution and fine particulate matter (PM_{2.5}), both hazards to public health and welfare. Gasoline formulated with an RVP of 7.8 psi or less has lower VOC emissions than gasoline formulated at higher RVP levels. Chapter 126, Subchapter C was promulgated at 27 Pa.B. 5601 on November 1, 1997. These requirements were approved by the EPA at 63 FR 31116 on June 8, 1998, as a revision to the Commonwealth's SIP, and were codified in the Code of Federal Regulations (CFR) at 40 CFR 52.2020—52.2063 (Subpart NN – Pennsylvania), effective July 23, 1998. Thus, Chapter 126, Subchapter C is a Federally enforceable control measure to attain and maintain the 1-hour Ozone National Ambient Air Quality Standards (NAAQS) in the Pittsburgh-Beaver Valley Area to protect the public health and welfare.

The Pennsylvania General Assembly added section 4(18.3) to the APCA in the act of May 14, 2014 (P.L. 674, No. 50) (Act 50), which states:

Within sixty (60) days of the effective date of this clause, initiate the process of amending the State implementation plan. Upon approval of a revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions by the Environmental Protection Agency, the board shall promulgate regulations to repeal the provisions of 25 Pa. Code Ch. 126 Subch. C (relating to gasoline volatility requirements).

Act 50 was effective May 14, 2014. According to the Senate Co-Sponsorship Memorandum for Senate Bill 1037, dated June 5, 2013, Act 50 was designed to address the price differential between low RVP gasoline and conventional gasoline in the Pittsburgh-Beaver Valley Area, cited by the Legislative sponsors as being as much as a 10 to 15 cents per gallon (cpg) price difference between the two fuels.

The Commonwealth is required to ensure that the removal of Chapter 126, Subchapter C from the SIP complies with section 110(l) of the CAA (42 U.S.C.A. § 7410(l)) (Non-Interference Clause). The Non-Interference Clause prohibits the EPA Administrator from approving a SIP revision if the revision would interfere with any applicable requirement concerning attainment of

a NAAQS or reasonable further progress in attaining a NAAQS, or any other applicable requirement of the CAA. The Department is separately preparing for submittal to the EPA a Non-Interference Demonstration SIP revision that will show continued compliance with the applicable NAAQS and protection of the public health and welfare through the use of commensurate emission reductions to offset the slight increases in emissions of VOC and oxides of nitrogen (NO_x) that will likely result in the near term from removing Chapter 126, Subchapter C as a Federally enforceable control measure from the SIP. This Non-Interference Demonstration SIP revision will include a request for the EPA to remove §§ 126.301—126.303 from the Commonwealth's Federally approved SIP.

The proposed rulemaking was designed to address the Legislative mandate to the Board to promulgate regulations to rescind Chapter 126, Subchapter C. This final-form rulemaking approach of amending Chapter 126, Subchapter C rather than rescinding Chapter 126, Subchapter C as proposed is designed to ensure that EPA approval of the Non-Interference Demonstration SIP revision will occur prior to (or coincident with) Chapter 126, Subchapter C being made no longer effective as a regulation in the *Pennsylvania Code*. Upon promulgation of the final-form rulemaking and EPA approval of the Department's Non-Interference Demonstration SIP revision, Chapter 126, Subchapter C will no longer be applicable for the Pittsburgh-Beaver Valley Area. The Department will publish a notice in the *Pennsylvania Bulletin* to inform the public immediately following SIP approval. Coordination of these actions will ensure that affected entities will not be at risk of enforcement proceedings at either the Federal or the Commonwealth level upon the effective date of EPA approval of the Non-Interference Demonstration and will achieve the objective of Act 50. Following SIP approval, the Department plans to remove Chapter 126, Subchapter C from the *Pennsylvania Code* through a separate rulemaking to repeal it.

When Chapter 126, Subchapter C is no longer applicable, the persons, groups and entities, including small businesses, currently subject to Chapter 126, Subchapter C will become subject to the Federal gasoline volatility requirements. The applicable Federal regulation, 40 CFR 80.27(a)(2) (relating to controls and prohibitions on gasoline volatility), states that the gasoline RVP standard for Pennsylvania year-round is 9.0 psi except in those areas for which the EPA has approved a SIP revision with a lower RVP requirement. Section 80.27(d)(1) of 40 CFR further provides a 1.0 psi RVP allowance for gasoline containing ethanol at 9 to 10 volume percent (vol%) applicable to Pennsylvania. When Chapter 126, Subchapter C is no longer applicable, a maximum RVP of 10.0 psi will be allowed for gasoline blended with ethanol in all areas of this Commonwealth except the Philadelphia area where a different type of gasoline is Federally mandated.

This final-form rulemaking applies to gasoline refiners, importers, distributors, resellers, terminal owners and operators, carriers, retailers and wholesale purchaser-consumers who sell, exchange or supply gasoline in the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year. These entities include owners and operators of facilities and infrastructure in the gasoline supply chain, such as bulk gasoline stations and terminals, other gasoline wholesaler facilities, gasoline stations with and without convenience stores, tanker trucks and petroleum pipelines. When this final-form rulemaking is promulgated and the EPA

approves the Non-Interference Demonstration SIP revision, Chapter 126, Subchapter C will no longer apply to these entities.

The Department's assessment of how many entities will potentially be affected by this final-form rulemaking began with searching the North American Industry Classification System (NAICS) codes and the Standard Industrial Classification (SIC) system codes to identify the gasoline-related industry sectors performing activities currently subject to Chapter 126, Subchapter C. Using the NAICS and SIC codes, a review of multiple Department databases identified 33 to 1,252 businesses that may be subject to Chapter 126, Subchapter C. Additionally, the Commonwealth's Small Business Development Center's Environmental Management Assistance Program (EMAP) performed a query of the Hoover's database for a list of potentially subject businesses using NAICS codes provided by the Department. EMAP provided the Department with a list of 768 businesses that are potentially subject to Chapter 126, Subchapter C, of which 642 entities were identified as small businesses. The Department also identified approximately 1,100 potentially affected entities through American FactFinder, a web-based tool of the United States Census Bureau. The Department estimates that as many as 84% of the entities identified from all sources may be small businesses, based on the fact that approximately 84% of the 768 entities identified by EMAP qualified as small businesses.

Based on the available data, after promulgation of this final-form rulemaking and upon EPA approval of the Non-Interference Demonstration SIP revision, refineries may save as much as 0.5 cpg, retailers and wholesale purchaser-consumers may save between 1.4 cpg and 3.2 cpg, and consumers may save between 1.6 cpg and 9.2 cpg. Actual cost savings for an individual refiner will be directly dependent on how much 7.8 psi RVP gasoline a refiner produces during the applicable time period. Actual cost savings for retailers, wholesale purchaser-consumers, and consumers will be directly dependent on how much gasoline is purchased from an entity subject to Chapter 126, Subchapter C during the applicable time period.

The Air Quality Technical Advisory Committee (AQTAC) was briefed on this final-form rulemaking on June 15, 2017. Twelve of the 15 members of AQTAC present voted to concur with DEP's recommendation to move this final-form rulemaking forward to the Board for consideration. Two AQTAC members opposed moving this final-form rulemaking forward, but did not provide concerns or comments at the meeting. The remaining member abstained. When AQTAC reviewed the proposed rulemaking at its December 10, 2015, meeting, five AQTAC members did not concur in moving the proposed rulemaking forward to the Board based on concerns over the loss of emission reduction benefits as a result of the repeal, the calculation of emission reduction benefits, and the process that would be used by the Department to demonstrate continued compliance with Federal NAAQS through the use of commensurate emission reductions.

The Small Business Compliance Advisory Committee (SBCAC) was briefed on this final-form rulemaking on July 26, 2017. The members of the SBCAC voted unanimously to concur with DEP's recommendation to move this final-form rulemaking forward to the Board for consideration.

This final-form rulemaking was discussed with the Citizens Advisory Council (CAC) Policy and Regulatory Oversight Committee on June 27, 2017. On the recommendation of that Committee, the members of the CAC concurred on September 19, 2017, with DEP's recommendation to forward this final-form rulemaking to the Board.

The AQTAC, SBCAC, and CAC meetings are advertised and open to the public.

E. Summary of Final-Form Rulemaking and Changes from Proposed to Final-Form Rulemaking

§ 121.1. Definitions

This section contains terms and definitions relating to the air quality regulations. The following terms were proposed to be deleted: "compliant fuel," "importer," "low RVP gasoline" and "Pittsburgh-Beaver Valley Area." The final-form rulemaking no longer includes these deletions, because the final-form rulemaking does not repeal Chapter 126, Subchapter C and the terms will remain until it is repealed.

§ 126.301. Compliant fuel requirement

This section describes when and where low RVP gasoline is required and details the restrictions on selling, exchanging, supplying, blending, mixing, storing and transferring compliant and noncompliant fuel during the applicable period. This section was proposed to be rescinded. This final-form rulemaking retains this section and adds subsection (d), which reads as follows: "This subchapter will no longer be applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the EPA of the removal, suspension or replacement of this subchapter as a part of the Commonwealth's SIP." This section will no longer be applicable when § 126.301(d) is satisfied.

§ 126.302. Recordkeeping and reporting

This section describes the recordkeeping and reporting requirements of the subchapter, including when records are required, who shall maintain the records and what must be included in the records. This section was proposed to be rescinded but is retained in this final-form rulemaking. This section will no longer be applicable when § 126.301(d) is satisfied.

§ 126.303. Compliance and test methods

This section identifies the approved methodology for sampling and testing gasoline to determine RVP. This section was proposed to be rescinded but is retained in this final-form rulemaking. This section will no longer be applicable when § 126.301(d) is satisfied.

F. Summary of Major Comments and Responses

The Board approved publication of the proposed rulemaking at its meeting of October 18, 2016. The proposed rulemaking was published at 47 Pa.B. 1157 (February 25, 2017), with a 66-day public comment period. Three public hearings were held on March 28, 29 and 30, 2017, in

Pittsburgh, Norristown and Harrisburg, respectively. No testimony was provided at the hearings. The public comment period closed on May 1, 2017. Comments were received from members of the public, the regulated industry and members of the Pennsylvania House of Representatives. Comments were also received from the Independent Regulatory Review Commission (IRRC). The comments received on the proposed rulemaking are summarized in this section and are more extensively addressed in a comment and response document which is available from the Department.

IRRC Comments – Consistency with the Intent of the General Assembly

IRRC noted that the proposed rulemaking implements Act 50 by deleting Chapter 126, Subchapter C and four related definitions from § 121.1, relating to definitions. IRRC further noted that the Preamble to the proposal stated that if the rulemaking was published as a final-form rulemaking, it would be submitted to the EPA for approval as a SIP revision. IRRC commented that the Board's plan for implementation of Act 50 would appear to conflict with the legislative directive in Act 50 to promulgate the required regulations after approval of revisions to the Commonwealth's SIP by EPA.

IRRC asked why the Board was proceeding with this proposal prior to securing approval of the Commonwealth's SIP revisions from the EPA. IRRC further asked how this plan for implementation was consistent with the intent of the General Assembly. IRRC requested that the Board provide an explanation in the Preamble of this final-form rulemaking to explain the Board's implementation plan and why it believes the plan is consistent with Act 50.

In response, the proposed rulemaking attempted to satisfy both the intent of the General Assembly and the policy in place in EPA Region 3 at the time in order to accomplish the two substantive requirements of Act 50: rescinding the regulation and demonstrating commensurate emission reductions. Prior to a recent decision by EPA Region 5 relating to Ohio's repeal of its low RVP gasoline volatility regulation, it was the policy of EPA not to approve the removal of a regulation from a state's SIP unless the regulation had first been repealed at the state level and then submitted as a revision to the state's SIP. In Ohio, rather than repealing its low RVP gasoline volatility regulation, Ohio amended its regulation to make it no longer effective upon approval by EPA Region 5 of a SIP revision removing the provisions from Ohio's SIP. The Department discussed this decision with EPA Region 3 and, with the concurrence of EPA Region 3, recommended using Ohio's approach in this final-form rulemaking.

This final-form rulemaking adds language to § 126.301 that will make Chapter 126, Subchapter C no longer applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the EPA of the removal, suspension or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP. The Department is separately preparing for submittal to the EPA a Non-Interference Demonstration SIP revision that will show continued compliance with the applicable NAAQS and protection of the public health and welfare through the use of commensurate emission reductions to offset the slight increases in VOC and NO_x emissions that will likely result in the near term from removing Chapter 126, Subchapter C as a Federally enforceable control measure from the SIP and making Chapter 126, Subchapter C no longer effective in this Commonwealth. This Non-Interference Demonstration SIP revision will include

a request for the EPA to remove Chapter 126, Subchapter C from the Commonwealth's Federally approved SIP.

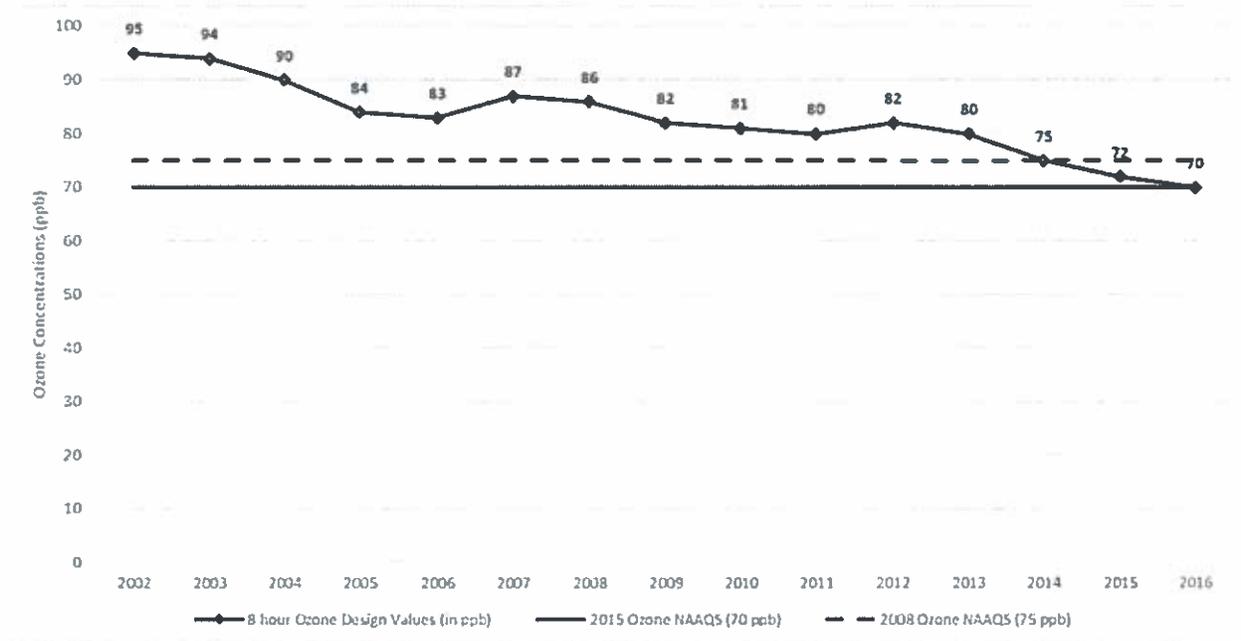
The coordination of this final-form rulemaking and the Non-Interference Demonstration SIP submittal to the EPA allows for the regulated industry and affected citizens to benefit immediately upon EPA's approval of the Non-Interference Demonstration SIP, which is consistent with the goals of the General Assembly in Act 50. The Department will publish a notice in the *Pennsylvania Bulletin* to inform the public immediately following SIP approval. After publication of the *Pennsylvania Bulletin* notice, the Department plans to begin a rulemaking to remove Chapter 126, Subchapter C from the *Pennsylvania Code* by repealing it.

IRRC Comment – Protection of the Public Health, Safety, and Welfare

IRRC asked if the health, safety and welfare of the citizens of the Commonwealth would be adequately protected if the proposed rulemaking was published as a final-form rulemaking and the EPA did not approve revisions to the Commonwealth's SIP.

The final-form rulemaking is designed to ensure that Chapter 126, Subchapter C will not be applicable under Commonwealth or Federal law when the EPA approves the necessary Non-Interference Demonstration SIP revision to the Commonwealth's SIP. Significant adverse impact on the health, safety or welfare of the citizens of this Commonwealth is not anticipated from removing the low RVP requirements for the Pittsburgh-Beaver Valley Area. Ambient air monitoring in the Pittsburgh-Beaver Valley Area has demonstrated decreasing levels of ozone concentrations since 2002. The chart presented in Figure 1 shows the downward trend in ozone design values for the Pittsburgh-Beaver Valley Area for the years 2002 through 2016. The design value is the annual fourth-highest daily maximum 8-hour ozone concentration measured at an ambient air quality monitor averaged over 3 years. In 2014, the Pittsburgh-Beaver Valley Area came into compliance with the 2008 Ozone NAAQS and in 2016 came into compliance with the more stringent 2015 Ozone NAAQS.

Figure 1. Chart displaying trend in 8-hour Ozone Design Values from 2002 through 2016 for the Pittsburgh-Beaver Valley Area



Although the Department projects a small increase in emissions in the affected area in the near term from switching from low RVP gasoline to conventional RVP gasoline, the emission reduction benefits achieved by low RVP gasoline have been declining and will continue to decline steadily in future years, decreasing from 1.63 tons of VOC per day in 2017 to 1.33 tons of VOC per day by 2030. The decline in emission reduction benefits achieved by the low RVP gasoline is due to the implementation of technologies such as electric vehicles and onboard refueling vapor recovery canisters in gasoline-powered vehicles, as well as permanent and enforceable control measures established by the EPA’s multiple tiers of fuel and vehicle emission standards that have been implemented beginning in the early 2000s. In addition to the emission reduction benefits of the mobile source control measures, permanent and enforceable control measures for industry and stationary sources have contributed to the consistent downward trend in monitored ozone design values for the Pittsburgh-Beaver Valley Area. Therefore, the removal of the low RVP gasoline volatility requirements as an ozone pollution control measure is very unlikely to have an adverse impact on ozone air quality and the public health and welfare in the Pittsburgh-Beaver Valley Area.

The revised approach taken in this final-form rulemaking will ensure that the health, safety and welfare of the citizens of this Commonwealth will not be negatively impacted if the EPA does not approve the Non-Interference Demonstration revision to the SIP that the Department is preparing to submit. The amendment to § 126.301 ensures that Chapter 126, Subchapter C will remain in effect and the emission reduction benefits from the existing regulation will continue to occur until the EPA approves the Non-Interference Demonstration SIP revision.

Compliance with Act 50

Twenty members of the Pennsylvania House of Representatives commented that the proposed rulemaking continues to carry out the legislature's directive from Act 50. They also commented that Act 50, which was enacted with substantial bipartisan support in both Chambers of the General Assembly, was enacted in response to the concerns expressed by residents of western Pennsylvania. The Board thanks the Representatives for their support and agrees that the proposed rulemaking complied with the intent of the legislature's directive in Act 50. Although this final-form rulemaking alters the approach being used to carry out Act 50 in response to other comments received, the amended approach achieves the goals of Act 50.

General Support

Several commentators expressed general support for the repeal of Chapter 126, Subchapter C, also referred to by some commentators as 'low RVP gasoline' or 'summer gas' requirements. The Board thanks the commentators for the support.

Reduce Costs and Improve Operations

Several commentators stated that eliminating the gasoline volatility requirements of Chapter 126, Subchapter C will help to reduce the cost of gasoline to the consumer. The Department's analysis of refining costs and terminal and retail prices shows that costs may be reduced for refiners and distributors and possibly gasoline retailers and consumers, if the upstream cost savings are passed through the gasoline supply chain. The exact cost savings benefit that may result from the removal of Chapter 126, Subchapter C is difficult to quantify due to the many factors used to establish the price of petroleum products, as well as the evolving nature of the petroleum products industry in the United States.

The Department's analysis of terminal prices indicated that during the summer months (May 1 – September 15) of 2006 through 2012 (excluding summer 2009), seasonal average rack (terminal) prices in the Pittsburgh metropolitan area ranged from \$0.095 below to \$0.032 above the Pennsylvania statewide average rack (terminal) prices. See Table 6 in the Regulatory Analysis Form for this final-form rulemaking. The Department's analysis of retail gasoline prices indicated that during the summer months (June – September) of 2005 through 2014, seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.037 below to \$0.092 above the Pennsylvania statewide average retail gasoline prices. In the winter months (October – May), seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.015 below to \$0.101 above the Pennsylvania average retail gasoline prices. See Table 7 in the Regulatory Analysis Form for this final-form rulemaking.

In the most recent 5 years of data, Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania average retail gasoline prices in both summer and winter. Because both winter and summer prices have been higher, it is unclear how much of the summer price differential is due to the low RVP gasoline requirement and how much is due to local market forces and other factors. It is also difficult to determine if the cost savings that may

result from this final-form rulemaking action will be passed on to the consumer when Chapter 126, Subchapter C is no longer applicable.

Further, if Chapter 126, Subchapter C is no longer applicable, this may allow for petroleum products to be supplied to western Pennsylvania from Midwestern refineries due to repurposing and switching directions of product flow in the gasoline supply pipelines. These and other potential changes for the area's gasoline supply could influence the price for gasoline blends in the Pittsburgh-Beaver Valley Area going forward as much as, or more than, Chapter 126, Subchapter C becoming no longer applicable.

Two commentators did not agree with the statement in the Executive Summary of the Proposed Rulemaking, that businesses involved in gasoline transport and storage are unlikely to see much impact, if any, as the type of gasoline being transported does not directly affect the business operation. The commentators stated that logistics companies must set aside tanks each summer and, on an annual basis, segregate batches of the boutique 7.8 psi RVP gasoline for the Pittsburgh-Beaver Valley Area, resulting in resupply limitations, constrained assets and an ongoing need to protect the restrictive 7.8 psi RVP of the Pittsburgh fuel along the pipeline. The commentators stated that less tank segregation would create efficiencies in distribution, which should improve the flow of petroleum products within the state. The Board appreciates the insight provided by these commentators and the Executive Summary and the Regulatory Analysis Form for this final-form rulemaking have been revised to reflect this clarification.

One commentator stated that the Board's analysis in the Regulatory Analysis Form severely underestimated the total amount of low RVP gasoline consumed in the Pittsburgh-Beaver Valley Area in the summer months. The estimate was that fuel consumption in the area was 16.7 million gallons for the summer months (June – September) of 2013. The Board thanks the commentator for this information. The Department determined that the data source it used for estimating the 2013 statewide retail gasoline sales during the development of the proposed rulemaking was inaccurate. The Department used statewide retail gasoline sales data collected by the Commonwealth's Department of Revenue for this final-form rulemaking. Total estimated Commonwealth retail gasoline sales during the low RVP season (May 1 through September 15) based on 2016 Department of Revenue data were approximately 1.92 billion gallons. As in the original analysis, statewide retail gallons sold were apportioned to the Pittsburgh-Beaver Valley Area based on the percentage of vehicle miles travelled by gasoline-powered vehicles in the Pittsburgh-Beaver Valley Area as a portion of statewide gasoline-powered vehicle miles travelled, which is about 18.3%. Based on this percentage, the 2016 total for low RVP gasoline retail sales during the summer months in the Pittsburgh-Beaver Valley Area is estimated at approximately 352 million gallons. Note that this does not change the Department's estimates of emission reductions, because the emission reductions were developed independently of gallons of gasoline sold. Emissions were estimated with a computer model. Highway vehicle emissions were estimated using EPA's MOVES2014 Model. Nonroad emissions were estimated using version MOVES2014a. The model estimates emissions using a variety of inputs, including, among other factors, traffic volumes, vehicle speeds, vehicle fleet mix, fuel characteristics, and parameters of the state's vehicle inspection and maintenance testing program. Gasoline consumption is not used as an input into the computer model.

Another commentator estimates that the historical difference in retail price between the 7.8 psi low RVP gasoline and 9.0 psi (with a 1.0 psi waiver) RVP gasoline in the surrounding Pennsylvania counties to be approximately 9 cpg. The commentator estimated that the savings for the area could be as much as \$8,900,000 for the May 1 – September 15 time frame. This estimate appears to be based on the volume of fuel delivered to the area by this commentator only and does not include fuel delivered by other entities. The Department’s examination of retail prices for the proposed rulemaking indicated that retail prices for low RVP fuel in the Pittsburgh metropolitan area were 9 cpg more on average than the Pennsylvania statewide average retail gasoline price during the June – September 2014 summer season. However, retail prices for low RVP gasoline were between 1.6 cpg and 9.2 cpg more on average for the 5 most recent years of available data (2011 – 2015). The Department updated its estimates of potential cost savings in the Regulatory Analysis Form for this final-form rulemaking based on the revised data relating to fuel consumption in the affected area. For the purposes of this estimate, the Department assumed that consumers in the Pittsburgh metropolitan area will be paying the Pennsylvania average retail gasoline prices if Chapter 126, Subchapter C is no longer applicable. Based on the 5 most recent years of available data, consumers would potentially save from 1.6 cpg to 9.2 cpg. Using a summer season (May 1 – September 15) fuel consumption estimate of approximately 352 million gallons in the Pittsburgh-Beaver Valley Area, the Department estimated that the potential total cost savings for consumers resulting from this final-form rulemaking would range from \$5,632,000 (1.6 cpg x 352 million gallons x \$1/100 cents) to \$32,384,000 (9.2 cpg x 352 million gallons x \$1/100 cents). This calculation is based on the assumption that consumers may be purchasing low RVP fuel as early as the May 1 compliance date for refiners and terminals, rather than the later June 1 compliance date for retailers and wholesale purchaser-consumers. Potential cost savings for an individual consumer would be directly dependent on how much low RVP gasoline a consumer would purchase from a retail entity subject to Chapter 126, Subchapter C from June 1 through September 15; low RVP fuel may be available for purchase from retailers as early as May 1, which would increase the period in which consumers could experience cost savings from the removal of the Chapter 126, Subchapter C requirements. For example, a consumer that purchases a total of 100 gallons of low RVP gasoline could potentially save from \$1.60 (1.6 cpg x 100 gallons x \$1/100 cents) to \$9.20 (9.2 cpg x 100 gallons x \$1/100 cents) for the season.

Several commentators stated that requiring the use of a “boutique” gasoline blend has a direct economic cost on the residents of western Pennsylvania. The Board agrees that making Chapter 126, Subchapter C no longer applicable may result in cost savings for affected entities in the Pittsburgh-Beaver Valley Area; however, as previously mentioned, many factors influence the pricing of gasoline.

Many commentators stated that improved emission controls on vehicles and new requirements for fuel content eliminate the need for the low RVP gasoline requirements. As mentioned previously, the Board notes that improvements in vehicle technology, such as onboard refueling vapor recovery systems, and more stringent regulations for vehicle emission controls and fuel content, such as EPA’s Tier 3 regulations (Control of Air Pollution From Motor Vehicles: Tier 3 Motor Vehicle Emission and Fuel Standards, 81 FR 23414 (April 28, 2014)), will likely result in diminishing emission reduction benefits from the low RVP gasoline blend. Although the emission reduction benefits diminish over time, the Department plans to demonstrate that the

remaining lost emission reduction benefits from making Chapter 126, Subchapter C no longer applicable are offset by commensurate emission reductions in the Non-Interference Demonstration SIP revision submitted to the EPA.

Issues Concerning Air Quality

Several commentators stated that there will likely be minimal adverse impact on local air quality due to the repeal of the low RVP gasoline requirement. The Board agrees that the environmental benefits of the low RVP gasoline requirements will likely diminish over the next 10-15 years. Using EPA-approved computer models, the Department modeled the change in emissions that would result from 7.8 psi RVP gasoline being replaced by 10.0 psi RVP gasoline. The modeling indicates that emissions from gasoline-powered highway and nonroad sources using 10.0 psi RVP gasoline in the Pittsburgh-Beaver Valley Area will increase by 1.63 tons of VOC emissions and 0.35 tons of NO_x emissions per summer day in the year 2017, compared to the baseline emissions of these sources when using 7.8 psi RVP gasoline. These increased emissions will diminish to 1.33 tons per day of VOC emissions and 0.01 tons per day of NO_x emissions by 2030. The Department plans to demonstrate through a Non-Interference Demonstration SIP revision submittal to the EPA that removing the low RVP gasoline volatility requirements from the Commonwealth's SIP will not interfere with attainment or reasonable further progress for any applicable NAAQS, by offsetting the lost emission reductions with emission reductions from other control measures and projects.

A commentator stated that the emission reduction benefits of the low RVP gasoline volatility program in the Pittsburgh market have diminished due to the EPA implementing the regulatory requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP) from Gasoline Terminals and Pipelines Facilities (40 CFR Part 63 Subpart BBBB). The NESHAP requires more stringent controls, monitoring, recordkeeping and reporting for gasoline distribution bulk terminals, bulk plants and pipeline facilities. The Board agrees that emissions from gasoline storage tanks are well controlled. The Department's emissions inventory indicates that total emissions in the Pittsburgh-Beaver Valley Area from storage tanks that store gasoline, both fixed roof and floating roof tanks, are less than 10 tons of VOCs per year or 0.03 tons per day. The methodology for estimating these emissions indicates that the change in total emissions resulting from storing gasoline with an RVP of 10.0 psi instead of 7.8 psi will be minimal.

G. Benefits, Costs and Compliance

Benefits and costs of this final-form rulemaking, and compliance with it, will occur when §§ 126.301—126.303 become no longer applicable as a result of the EPA approving the Non-Interference Demonstration SIP revision.

Benefits

The benefits of this final-form rulemaking are expected to outweigh the costs and short-term environmental effects of making the requirements for low RVP gasoline no longer applicable upon the effective date of EPA approval of the removal, suspension or replacement of Chapter 126, Subchapter C as a Federally-enforceable control measure in the Commonwealth's SIP. The

VOC emission reduction benefits from requiring low RVP gasoline in the Pittsburgh-Beaver Valley Area steadily decline in future years, decreasing from VOC emission reductions of 1.63 tons per day in 2017 to VOC emission reductions of 1.33 tons per day by 2030. The NO_x emission reduction co-benefits of low RVP gasoline decline from 0.35 ton per day in 2017 to 0.01 ton per day in 2030. The Commonwealth plans to demonstrate to the EPA through a Non-Interference Demonstration SIP revision that these small increases in VOC emissions will be offset with VOC emission reductions achieved from other control measures when the low RVP gasoline requirements are no longer effective.

One potential benefit of this final-form rulemaking is the elimination of the costs for blending gasoline with an RVP of 7.8 psi or less to be exchanged, supplied or sold in the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year. These cost savings may be passed down through the gasoline supply chain, potentially lowering costs for consumers. Another potential benefit may be a reduction in the recordkeeping and reporting obligations experienced by the regulated community to comply with Chapter 126, Subchapter C.

As previously discussed, owners and operators of facilities and infrastructure in the gasoline supply chain, including refineries, bulk gasoline stations and terminals, other gasoline wholesaler facilities, gasoline stations with and without convenience stores, tanker trucks and petroleum pipelines, may benefit from this final-form rulemaking both financially and through reduced recordkeeping and reporting obligations. As many as 84% of these entities may be small businesses.

The population of the Pittsburgh-Beaver Valley Area was approximately 2,353,045 in 2015. Most gasoline consumers in the Pittsburgh-Beaver Valley Area likely use gasoline for operating gasoline-powered vehicles and off-road equipment. Gasoline consumers in the Pittsburgh-Beaver Valley Area, consumers in the adjacent counties who purchase gasoline in the Pittsburgh-Beaver Valley Area and consumers traveling through the Pittsburgh-Beaver Valley Area may benefit economically if cost savings are passed through to the retail establishments and the ultimate consumers.

Compliance costs

For the reasons discussed above, this final-form rulemaking is expected to result in cost savings or little to no adverse financial impact for most affected entities. Businesses involved in the sale of gasoline, including gas stations, bulk terminals and wholesalers will likely see an economic benefit from the elimination of the requirement to obtain and sell gasoline with an RVP of 7.8 psi or less if the cost savings of blending the special fuel are passed down the supply chain from the refinery and terminal to the retail gas station. The ultimate consumer may or may not see a cost savings at the pump. Businesses involved in gasoline transport and storage will likely see some cost reductions, due to the increased efficiency resulting from not having to segregate the 7.8 psi RVP gasoline.

Recordkeeping requirements for all affected entities may be reduced or simplified since the businesses will not be required to document the transfer of gasoline with an RVP of 7.8 psi. This

may or may not lead to cost savings as the records kept are likely to continue to be kept for business purposes by terminals and retailers.

Compliance assistance plan

The Department does not anticipate that compliance assistance will be required, as this final-form rulemaking will make requirements, including recordkeeping and reporting requirements, no longer applicable upon the effective date of EPA approval of the removal, suspension or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP. The Department will respond to questions that affected facilities may have about transitioning from 7.8 psi RVP gasoline to 9.0 or 10.0 psi RVP gasoline through the Department's ongoing compliance assistance program.

In addition, the Department will rescind policy document # 273-4000-008, "Policy for Sampling and Determination of Compliance with Low RVP Gasoline Requirements in the Pittsburgh-Beaver Valley Ozone Non-attainment Area," when Chapter 126, Subchapter C is no longer applicable.

Paperwork requirements

The owner or operator of a facility subject to Chapter 126, Subchapter C is required to maintain records sufficient to demonstrate compliance with the applicable requirements. This final-form rulemaking will make the recordkeeping and reporting requirements for owners and operators of affected facilities no longer applicable upon the effective date of EPA approval of the removal, suspension or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP.

H. Pollution Prevention

The Pollution Prevention Act of 1990 (42 U.S.C.A. §§ 13101—13109) established a National policy that promotes pollution prevention as the preferred means for achieving state environmental protection goals. The Department encourages pollution prevention, which is the reduction or elimination of pollution at its source, through the substitution of environmentally friendly materials, more efficient use of raw materials and the incorporation of energy efficiency strategies. Pollution prevention practices can provide greater environmental protection with greater efficiency because they can result in significant cost savings to facilities that permanently achieve or move beyond compliance.

Although slight increases in VOC and NO_x emissions are expected with the ending of the low RVP gasoline requirements, the emission increases are expected to be offset by emission reductions from other control measures. The ozone air quality in the Pittsburgh-Beaver Valley Area has consistently improved since the first Ozone NAAQS was implemented and is expected to continue to do so as a result of current permanent and enforceable control measures and regulations. To demonstrate compliance with Act 50 and with the Non-Interference Clause, the Commonwealth plans to identify equivalent emission reductions to offset the emission

reductions that will be lost in future years after Chapter 126, Subchapter C is no longer applicable.

I. Sunset Review

Upon the effective date of EPA approval of the removal, suspension or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP, Chapter 126, Subchapter C will no longer be applicable.

J. Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on February 10, 2017, the Department submitted a copy of the notice of proposed rulemaking, published at 47 Pa.B. 1157, to IRRC and the Chairpersons of the House and Senate Environmental Resources and Energy Committees for review and comment.

Under section 5(c) of the Regulatory Review Act, IRRC and the House and Senate Committees were provided with copies of the comments received during the public comment period, as well as other documents when requested. In preparing this final-form rulemaking, the Department has considered all comments from IRRC, the House and Senate Committees and the public.

Under section 5.1(j.2) of the Regulatory Review Act (71 P. S. § 745.5a(j.2)), on DATE, this final-form rulemaking was deemed approved by the House and Senate Committees. Under section 5.1(e) of the Regulatory Review Act, IRRC met on DATE and approved this final-form rulemaking.

K. Findings

The Board finds that:

(1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P. S. §§ 1201 and 1202) and regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.

(2) At least a 60-day public comment period was provided as required by law and all comments were considered.

(3) This final-form rulemaking does not enlarge the purpose of the proposed rulemaking published at 47 Pa.B. 1157.

(4) These regulations are necessary and appropriate for administration and enforcement of the authorizing acts identified in Section C of this preamble.

L. *Order*

The Board, acting under the authorizing statutes, orders that:

(a) The regulations of the Department, 25 Pa. Code Chapter 126, Subchapter C, are amended by adding § 126.301(d) to read as set forth in Annex A.

(b) The Chairperson of the Board shall submit this order and Annex A to the Office of General Counsel and the Office of Attorney General for review and approval as to legality and form, as required by law.

(c) The Chairperson of the Board shall submit this order and Annex A to IRRC and the Committees as required by the Regulatory Review Act.

(d) The Chairperson of the Board shall certify this order and Annex A, as approved for legality and form, and deposit them with the Legislative Reference Bureau as required by law.

(e) This final-form rulemaking will be submitted to the EPA as a revision to the Pennsylvania SIP.

(f) This order shall take effect immediately upon publication in the *Pennsylvania Bulletin*.

PATRICK McDONNELL,
Chairperson

FINAL RULEMAKING
Annex A
TITLE 25. ENVIRONMENTAL PROTECTION
PART I. DEPARTMENT OF ENVIRONMENTAL PROTECTION
Subpart C. PROTECTION OF NATURAL RESOURCES
ARTICLE III. AIR RESOURCES
CHAPTER 121. GENERAL PROVISIONS

§ 121.1. Definitions.

The definitions in section 3 of the act (35 P.S. § 4003) apply to this article. In addition, the following words and terms, when used in this article, have the following meanings, unless the context clearly indicates otherwise:

* * * * *

Compliant coating—A coating that meets the applicable emission limits specified in Chapter 129 (relating to standards for sources).

{Compliant fuel—Low RVP gasoline.}

Computer diskette jacket manufacturing adhesive—An adhesive intended by the manufacturer to glue the fold-over flaps to the body of a vinyl computer diskette jacket.

* * * * *

Immersion cold cleaning machine—An open top cold cleaning machine in which the parts are immersed in the solvent when being cleaned.

{Importer—A person who imports gasoline or gasoline blending stocks or components from a foreign country into the United States.}

Incineration—The combustion of wastes, including municipal wastes, in an enclosed device with the products of combustion directed to a flue as defined in this section.

* * * * *

Lithographic printing—A printing process in which the image and nonimage areas are in the same plane on the surface of a lithographic plate. The image and nonimage areas are chemically differentiated; the image area is oil receptive and the nonimage area is water receptive. The substrate can be fed to the press as either an individual sheet or a rolled web.

{Low RVP gasoline—Gasoline that has an RVP of 7.8 pounds per square inch or less as determined in accordance with the appropriate sampling and testing methodologies in 40 CFR Part 80, Appendix E (relating to test for determining Reid vapor pressure (RVP) of gasoline and gasoline-oxygenate blends).}

Lower Beaver Valley air basin—All of Beaver County except for the following political subdivisions: Darlington Borough, Darlington Township, Economy Borough, Frankfort Springs

Borough, Franklin Township, Hanover Township, Independence Township, Marion Township, New Sewickley Township and South Beaver Township.

* * * * *

Phase 2 outdoor wood-fired boiler—An outdoor wood-fired boiler that has been certified or qualified by the EPA as meeting a particulate matter emission limit of 0.32 pounds per million Btu output or lower and is labeled accordingly.

{Pittsburgh-Beaver Valley Area—The seven-county area comprised of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland.*}*

Plastic cement welding adhesive—

* * * * *

CHAPTER 126. MOTOR VEHICLE AND FUELS PROGRAMS
Subchapter C. {GASOLINE VOLATILITY REQUIREMENTS} (~~Reserved~~)

§ 126.301. **{Compliant fuel requirement} (~~Reserved~~).**

{(a) This subchapter applies to gasoline which is sold or transferred into or within the Pittsburgh-Beaver Valley Area during the period May 1 through September 15, 1998, and continuing every year thereafter.

(b) A refiner, importer, distributor, reseller, terminal owner and operator or carrier, may not:

(1) Sell, exchange or supply gasoline that is not a compliant fuel during the period described in subsection (a).

(2) Blend, mix, store or transport or allow blending, mixing, storing or transporting of compliant fuel with noncompliant fuel during the period described in subsection (a).

{(c) A retailer or wholesale purchaser-consumer may not sell, exchange or supply gasoline that is not a compliant fuel during the period June 1 through September 15, 1998, and continuing every year thereafter.}

(d) THIS SUBCHAPTER WILL NO LONGER BE APPLICABLE TO THE PITTSBURGH-BEAVER VALLEY AREA UPON THE EFFECTIVE DATE OF APPROVAL BY THE EPA OF THE REMOVAL, SUSPENSION OR REPLACEMENT OF THIS SUBCHAPTER AS A PART OF THE COMMONWEALTH'S STATE IMPLEMENTATION PLAN.

§ 126.302. **{Recordkeeping and reporting} (~~Reserved~~).**

{(a) Beginning with the terminal owner or operator who sells or transfers gasoline intended for use in the Pittsburgh-Beaver Valley Area during the period described in §

126.301(a) (relating to compliant fuel requirements), each time the physical custody of or title to a shipment of gasoline changes hands, other than when gasoline is sold or transferred for use in motor vehicles at a retail outlet or wholesale purchaser-consumer's facility, the transferor shall provide to the transferee a copy of the record described in this subsection. This record shall legibly and conspicuously contain, at a minimum, the following information:

- (1) The date of the sale or transfer.**
- (2) The name and address of the transferor.**
- (3) The name and address of the transferee.**
- (4) The location of the gasoline at the time of transfer.**
- (5) The volume of gasoline which is being sold or transferred.**
- (6) A statement or grade code certifying that the gasoline has an RVP of 7.8 pounds per square inch or less per gallon.**

(b) A person who transports, stores or sells compliant fuel that is intended for use in the Pittsburgh-Beaver Valley Area during the period described in § 126.301(a), shall segregate the compliant fuel from noncompliant fuel and the documentation described in subsection (a) shall accompany the compliant fuel at all times.

(c) Each person in the gasoline distribution network shall maintain records containing the compliance information listed in subsection (a). These records shall be retained for at least 2 years from the date of the sale or transfer of compliant fuel.

(d) The records containing the compliance information in subsection (a) for the period described in subsection (c) shall be kept onsite at each point in the distribution network except for retail outlets. Retail outlets shall retain these records for the period described in subsection (c) and only those records for the current period described under § 126.301(c) shall be kept onsite. At the end of each period described under § 126.301(c), these records may be transferred to an alternate location for the remainder of the period described under subsection (c) and be made available to the Department upon request.}

§ 126.303. {Compliance and test methods} (Reserved).

{Compliance with the 7.8 pounds per square inch RVP standard shall be determined by use of the sampling and testing methods specified in this section. Sampling or testing of gasoline required by this chapter shall be accomplished as follows:

(1) Sampling of gasoline for the purpose of determining compliance with this subchapter shall be conducted in accordance with 40 CFR Part 80, Appendix D (relating to sampling procedures for fuel volatility).

(2) Testing of gasoline for purposes of determining compliance with this rule shall be conducted in accordance with 40 CFR Part 80, Appendix E (relating to test for determining Reid Vapor Pressure (RVP) of gasoline and gasoline-oxygenate blend).}



pennsylvania
DEPARTMENT OF ENVIRONMENTAL
PROTECTION

Bureau of Air Quality

**PROPOSED REPEAL OF
GASOLINE VOLATILITY REQUIREMENTS**

25 Pa. Code Chapter 121
and Chapter 126, Subchapter C
47 Pa.B. 1157 (February 25, 2017)
Environmental Quality Board Regulation #7-529
(Independent Regulatory Review Commission #3162)

Comment and Response Document

Proposed Repeal of Gasoline Volatility Requirements

On February 25, 2017, the Environmental Quality Board (Board, EQB) published a notice in the *Pennsylvania Bulletin* (Pa.B.) (47 Pa.B. 1157) of public hearings and a written comment period on the proposed rulemaking to amend Title 25 of the *Pennsylvania Code* (Pa. Code), Chapters 121 and 126 (relating to general provisions; and motor vehicle and fuels programs). The proposed rulemaking would have amended Chapter 121 to delete four terms and definitions from § 121.1 (relating to definitions) and rescinded Chapter 126, Subchapter C (relating to gasoline volatility requirements) as codified at §§ 126.301—126.303 (relating to compliant fuel requirement; recordkeeping and reporting; and compliance and test methods). Chapter 126, Subchapter C was promulgated on November 1, 1997 (27 Pa.B. 5601), and established requirements for gasoline with a Reid vapor pressure (RVP) of 7.8 pounds per square inch (psi) or less (low RVP gasoline) to be sold or transferred into or within the Pittsburgh-Beaver Valley Area between May 1 and September 15 of each year. The U.S. Environmental Protection Agency (EPA) published a notice of direct final rulemaking on June 8, 1998 (63 FR 31116), approving Chapter 126, Subchapter C as a revision to the Commonwealth's State Implementation Plan (SIP). The requirements were codified in the Code of Federal Regulations (CFR) at 40 CFR 52.2020—52.2063 (Subpart NN – Pennsylvania), effective July 23, 1998, as a Federally-enforceable control measure to attain and maintain the 1-hour Ozone National Ambient Air Quality Standards (NAAQS) in the Pittsburgh-Beaver Valley Area to protect the public health and welfare. The Pittsburgh-Beaver Valley Area includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

The Pennsylvania General Assembly added section 4(18.3) to the Pennsylvania Air Pollution Control Act (APCA) in the act of May 14, 2014 (P.L. 674, No. 50) (Act 50). Act 50 was effective May 14, 2014, and amended the APCA to require the Department and the Board to:

Within sixty (60) days of the effective date of this clause, initiate the process of amending the State implementation plan. Upon approval of a revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions by the EPA, the board shall promulgate regulations to repeal the provisions of 25 Pa. Code Ch. 126 Subch. C (relating to gasoline volatility requirements).

The Senate Co-Sponsorship Memorandum for Senate Bill 1037, dated June 5, 2013, indicates that Act 50 was proposed to address the price differential between low RVP gasoline and conventional gasoline in the Pittsburgh-Beaver Valley Area, cited by the Legislative sponsors as being as much as a 10-to-15 cents per gallon (cpg) price difference between the two fuels.

The proposed rulemaking was designed to address the Legislative mandate to the Board to promulgate regulations to rescind Chapter 126, Subchapter C. The Commonwealth is required to ensure that the rescission of Chapter 126, Subchapter C complies with section 110(l) of the Clean Air Act (CAA) (42 U.S.C.A. § 7410(l)) (Non-Interference Clause). The Non-Interference Clause prohibits the EPA Administrator from approving a SIP revision if the revision would interfere with any applicable requirement concerning attainment of a NAAQS or reasonable

further progress in attaining a NAAQS, or any other applicable requirement of the CAA. The Department intends to demonstrate noninterference to the EPA through the use of “commensurate emission reductions,” as mandated by Act 50.

Public Comment Period and Public Hearings

The public comment period opened on February 25, 2017, and closed on May 1, 2017. Three public hearings were held on the proposed rulemaking as follows:

March 28, 2017 1:00 pm	Department of Environmental Protection Southwest Regional Office Waterfront Conference Rooms A and B 400 Waterfront Drive Pittsburgh, PA 15222
March 29, 2017 1:00 pm	Department of Environmental Protection Southeast Regional Office Delaware and Schuylkill Conference Rooms 2 East Main Street Norristown, PA 19401
March 30, 2017 1:00 pm	Department of Environmental Protection Rachel Carson State Office Building Conference Room 105 400 Market Street Harrisburg, PA 17105

Comments and Responses

This document summarizes the written comments received from the public during the public comment period. Members of the Pennsylvania House of Representatives submitted written comments. The Independent Regulatory Review Commission (IRRC) submitted written comments following the public comment period, which are summarized at the beginning of the comments portion of this document. Responses are provided for all comments. No testimony was received during the public hearings. Each comment is listed with an identifying commentator number. A list of the commentators, including name and affiliation, can be found below.

Copies of all comments received are posted on the IRRC website at <http://www.irrc.state.pa.us>. Search by IRRC # 3162 or Regulation # 7-529.

Table of Commentators to the Environmental Quality Board

ID	Name/Address	Submitted One-Page Summary for distribution to EQB	Provided Testimony	Requested Copy of Final Rulemaking following EQB Action
1	William Brethauer Prospect, PA			
2	Barbara Richards Freedom, PA			
3	John Stewart III Clinton, PA			
4	Julie Grimm Rochester, PA			
5	Betty Heim Rochester, PA			
6	Kenneth R. Pingatore Conway, PA			
7	Joseph DiCicco Aliquippa, PA			
8	Jason L. Mengel Buckeye Partners, L.P. 9999 Hamilton Blvd. Five TEK Park Breinigsville, PA 18031			
9	Edward M. Dougherty Sunoco, LLC 3801 West Chester Pike Ellis Preserve Newtown Square, PA 19073			
10	John Baillie GASP 1133 South Braddock Ave Suite 1A Pittsburgh, PA 15218			

11	Rep. Dave Reed 62 nd Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
12	Rep. Mark Mustio 44 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
13	Rep. George Dunbar 56 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
14	Rep. Matthew Dowling 51 st Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
15	Rep. Donald 'Bud' Cook 49 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
16	Rep. Aaron Bernstine 10 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
17	Rep. Daryl Metcalfe 12 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
18	Rep. Cris Dush 66 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
19	Rep. Jeff Pyle 60 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			

20	Rep. Jesse Topper 78 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
21	Rep. Donna Oberlander 63 rd Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
22	Rep. Eric Nelson 57 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
23	Rep. R. Lee James 64 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
24	Rep. John Maher 40 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
25	Rep. Jason Ortity 46 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
26	Rep. Tedd Nesbit 8 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
27	Rep. Judith Ward 80 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
28	Rep. Rick Saccone 39 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			

29	Rep. Parke Wentling 17 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
30	Rep. Brad Roae 6 th Legislative District PA House of Representatives PO Box 202062 Harrisburg, PA 17120			
31	David Sumner Independent Regulatory Review Commission (IRRC) 333 Market Street, 14 th Floor Harrisburg, PA 17101			

COMMENTS AND RESPONSES

Comments of the Independent Regulatory Review Commission (IRRC)

IRRC provided the following comments to the Board on the proposed rulemaking for Gasoline Volatility Requirements:

Act 50 amended the Air Pollution Control Act (35 P.S. § 4001—4106) to require the Department of Environmental Protection to:

Within sixty (60) days of the effective date of this clause, initiate the process of amending the State implementation plan. Upon approval of a revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions by the Environmental Protection Agency, the board shall promulgate regulations to repeal the provisions of 25 Pa. Code Ch. 126 Subch. C (relating to gasoline volatility requirements). 35 P.S. § 4004(18.3).

This proposed rulemaking implements Act 50 by deleting Chapter 126, Subchapter C and four related definitions from § 121.1, relating to definitions.

The Preamble to this proposal states that if the rulemaking is published as a final-form rulemaking, it will be submitted to the Environmental Protection Agency (EPA) for approval as a revision to the Commonwealth’s State Implementation Plan (SIP). The Board’s plan for implementation of Act 50 would appear to conflict with the legislative directive to promulgate the required regulations after approval of revisions to the Commonwealth’s SIP by EPA.

Why is EQB proceeding with this proposal prior to securing approval of the Commonwealth’s SIP revisions from EPA? How is this plan for implementation consistent

with the intent of the General Assembly? If this proposal is published as a final-form rulemaking and the EPA does not approve revisions to the Commonwealth's SIP, would the health, safety and welfare of the citizens of the Commonwealth be adequately protected? In the Preamble to the final-form rulemaking, we ask the Board to provide an explanation for its implementation plan and why it believes it is consistent with Act 50.

Consistency with the Intent of the General Assembly

1. Comment: IRRC asked why the Board is proceeding with this proposal prior to securing approval of the Commonwealth's SIP revisions from the EPA and further asked how this plan for implementation is consistent with the intent of the General Assembly. (31)

Response: The proposed rulemaking to rescind Chapter 126, Subchapter C attempted to satisfy both the intent of the General Assembly and the policy in place in EPA Region 3 at the time in order to accomplish the two substantive requirements of Act 50: repealing the regulation and demonstrating commensurate emission reductions. Prior to a recent decision by EPA Region 5, which includes oversight of the state of Ohio, relating to Ohio's repeal of its low RVP gasoline volatility regulation, it was the policy of EPA to not approve the removal of a regulation from a state's SIP unless the regulation had first been repealed at the state level and then submitted as a revision to the state's SIP. In Ohio, rather than repealing its low RVP gasoline volatility regulation, Ohio amended its regulation to make it no longer effective upon approval by EPA Region 5 of a SIP revision removing the provisions from Ohio's SIP. The Department discussed this decision with EPA Region 3 and, with the concurrence of EPA Region 3, recommended using Ohio's approach in this final-form rulemaking. The final-form rulemaking adds language to § 126.301 that will make Chapter 126, Subchapter C no longer applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a part of the Commonwealth's SIP.

The Department is separately preparing for submittal to the EPA a Non-Interference Demonstration SIP revision. This revision will show continued compliance with the applicable NAAQS and protection of the public health and welfare through the use of commensurate emission reductions to offset the slight increases in VOC and NO_x emissions that will likely result in the near term from removing Chapter 126, Subchapter C as a Federally enforceable control measure from the SIP and making Chapter 126, Subchapter C no longer effective in this Commonwealth. This Non-Interference Demonstration SIP revision will include a request for the EPA to remove Chapter 126, Subchapter C from the Commonwealth's Federally approved SIP.

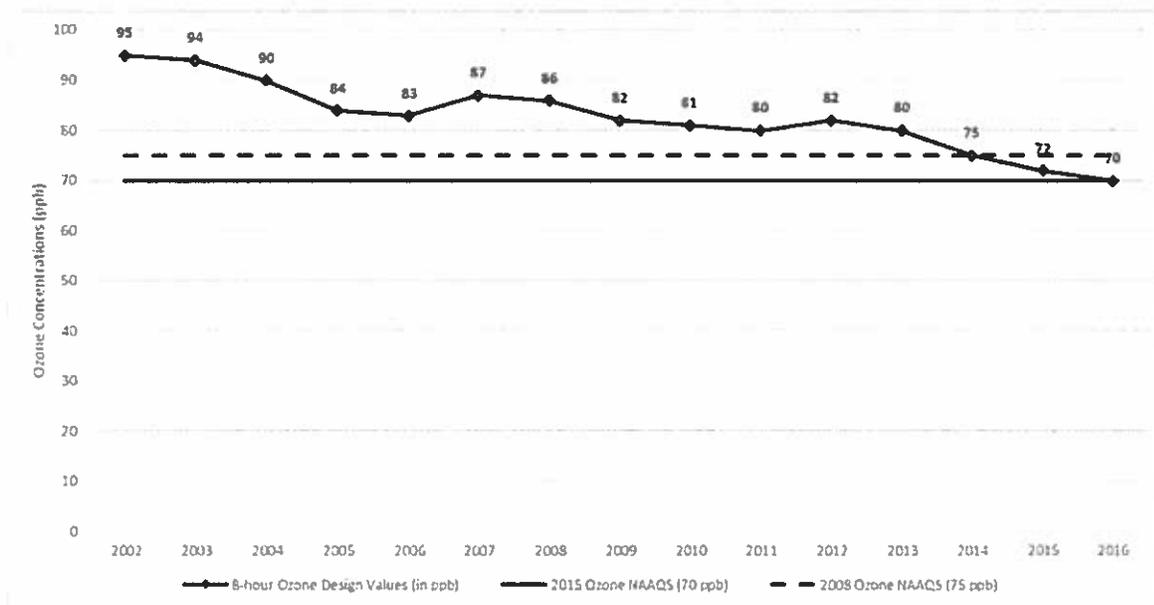
The coordination of this final-form rulemaking and the Non-Interference Demonstration SIP submittal to the EPA will allow for the regulated industry and affected citizens to benefit immediately upon EPA's approval of the Non-Interference Demonstration SIP, which is consistent with the goals of the General Assembly in Act 50.

Protection of the Public Health, Safety, and Welfare

2. Comment: IRRC asked if the health, safety, and welfare of the citizens of the Commonwealth would be adequately protected if the proposal was published as a final-form rulemaking and the EPA did not approve revisions to the Commonwealth’s SIP. (31)

Response: The final-form rulemaking is designed to ensure that Chapter 126, Subchapter C will not be applicable under Commonwealth or Federal law when the EPA approves the necessary Non-Interference Demonstration SIP revision to the Commonwealth’s SIP. Significant adverse impact on the health, safety or welfare of the citizens of this Commonwealth is not anticipated from removing the low RVP requirements for the Pittsburgh-Beaver Valley Area. Ambient air monitoring in the Pittsburgh-Beaver Valley Area has demonstrated decreasing levels of ozone concentrations since 2002. The chart presented in Figure 1 shows the downward trend in ozone design values for the Pittsburgh-Beaver Valley Area for the years 2002 through 2016. The design value is the annual fourth-highest daily maximum 8-hour ozone concentration measured at an ambient air quality monitor averaged over 3 years. In 2014 the Pittsburgh-Beaver Valley Area came into compliance with the 2008 Ozone NAAQS and in 2016 came into compliance with the more stringent 2015 Ozone NAAQS.

Figure 1. Chart displaying trend in 8-hour Ozone Design Values from 2002 through 2016 for the Pittsburgh-Beaver Valley Area



Although the Department projects a small increase in emissions in the affected area in the near term from switching from low RVP gasoline to conventional RVP gasoline, the emission reduction benefits achieved by low RVP gasoline have been declining and will continue to decline steadily in future years, decreasing from 1.63 tons of VOC per day in 2017 to 1.33 tons of VOC per day by 2030. The decline in emission reduction benefits achieved by the low RVP gasoline is due to the implementation of technologies like electric vehicles and onboard refueling vapor recovery canisters in gasoline-powered vehicles, as well as permanent and enforceable

control measures established by the EPA's multiple tiers of fuel and vehicle emission standards that have been implemented beginning in the early 2000s. In addition to the emission reduction benefits of the mobile source control measures, permanent and enforceable control measures for industry and stationary sources have contributed to the consistent downward trend in monitored ozone design values for the Pittsburgh-Beaver Valley Area. Therefore, the removal of the low RVP gasoline volatility requirements as an ozone pollution control measure is very unlikely to have an adverse impact on ozone air quality and the public health and welfare in the Pittsburgh-Beaver Valley Area.

The revised approach taken in this final-form rulemaking will ensure that the health, safety, and welfare of the citizens of this Commonwealth will not be negatively impacted if the EPA does not approve the Non-Interference Demonstration revision to the SIP that the Department is preparing to submit. The amendment to § 126.301 will ensure that Chapter 126, Subchapter C will remain in effect and the emission reduction benefits from the existing regulation will continue to occur until the EPA approves the Non-Interference Demonstration SIP revision.

Implementation Procedures

3. Comment: IRRC requested that the Board provide an explanation in the Preamble of the final-form rulemaking to explain its implementation plan and why the Board believes the plan is consistent with Act 50. (31)

Response: An explanation of the revised approach being implemented in the final-form rulemaking and why this approach is consistent with Act 50 is included in the Preamble for the final-form rulemaking.

Compliance with Act 50 of 2014

4. Comment: The commentators, all members of the Pennsylvania House of Representatives, stated that with this proposed rulemaking, the Department continues to carry out the legislature's directive from Act 50 of 2014. (11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department thanks the Representatives for their support and agrees that the proposed rulemaking complied with the intent of the legislature's directive in Act 50. Although this final-form rulemaking alters the approach being used to carry out Act 50 in response to comments received, the amended approach achieves the goals of Act 50. Please also see the responses to Comments #1 and #2 for additional explanation.

5. Comment: The commentators, all members of the Pennsylvania House of Representatives, stated that Act 50, which was enacted with substantial bipartisan support in both Chambers of the General Assembly, was enacted in response to the concerns expressed by residents of western Pennsylvania. (11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department appreciates the Representatives' attention to the concerns of those residents.

General Support for Rulemaking

6. Comment: The commentators expressed general support for the repeal of the Gasoline Volatility Requirements (Chapter 126, Subchapter C) regulation, also referred to by some commentators as ‘low RVP gasoline’ or ‘summer gas’ requirements. (1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department thanks the commentators for the support.

7. Comment: This commentator also expressed support for “the reasons Mr. Vogel has submitted.” (5)

Response: No comments were received from a Mr. Vogel. Senator Vogel of the Pennsylvania General Assembly was a co-sponsor of Act 50, and the reasons for the bill are expressed in the Senate Co-Sponsorship Memorandum posted at <http://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=S&SPick=20130&cosponId=12920>. The memorandum states that:

In 1998, the Department of Environmental Protection adopted a 7.8psi RVP fuel standard for southwestern Pennsylvania to address federal air pollution control measures. Since that time, ethanol became mandated by the federal government, increasing the RVP value of fuel. This resulted in an exclusive “boutique” fuel mandate for southwestern Pennsylvania. In recent years, we have seen higher gas prices averaging 10 to 15 cents higher in western Pennsylvania than in neighboring counties and also across the border in Ohio. In Pennsylvania, this boutique fuel is only required for the Pittsburgh region, and demand for the product is low. This equates to a hidden tax drivers must pay in southwestern Pennsylvania that is not required anywhere else.

The Board addressed these reasons in its preamble to the proposed rulemaking and has addressed them again in the preamble to the final-form rulemaking.

Reduce Costs and Improve Operations

8. Comment: Several commentators stated that eliminating the Gasoline Volatility Requirements of Chapter 126, Subchapter C will help to reduce the cost of gasoline to the consumer. (1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department’s analysis of refining costs and terminal and retail prices shows that costs may be reduced for refiners and distributors, and possibly gasoline retailers and consumers, if the upstream cost savings for not refining gasoline to an RVP of 7.8 are passed through the gasoline supply chain. The exact cost savings benefit that may result from the removal of the requirements of Chapter 126, Subchapter C is difficult to quantify due to the many factors used to establish the price of petroleum products, as well as the evolving nature of the petroleum products industry in the United States.

The Department's analysis of terminal prices indicated that during the summer months (May 1 – September 15) of 2006 through 2012 (excluding summer 2009), seasonal average rack (terminal) prices in the Pittsburgh metropolitan area ranged from \$0.095 below to \$0.032 above the Pennsylvania statewide average rack (terminal) prices. See Table 6 in the Regulatory Analysis Forms for the proposed and final-form rulemakings. The Department's analysis of retail gasoline prices indicated that during the summer months (June 1 – September 30) of 2005 through 2014, seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.037 below to \$0.092 above the Pennsylvania statewide average retail gasoline prices. In the winter (October 1 – May 31), seasonal average retail gasoline prices in the Pittsburgh metropolitan area ranged from \$0.015 below to \$0.101 above the Pennsylvania average retail gasoline prices. See Table 7 in the Regulatory Analysis Forms for the proposed and final-form rulemakings.

In the most recent 5 years of data, Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania average retail gasoline prices in both summer and winter. Because both summer and winter prices have been higher, it is unclear how much of the summer price differential is due to the low RVP gasoline requirement and how much is due to local market forces and other factors. It is also difficult to determine if the cost savings that may result from the final-form rulemaking action will be passed on to the consumer when the Gasoline Volatility Requirements are no longer applicable.

Further, if the requirements of Chapter 126, Subchapter C are no longer applicable, this may allow for petroleum products to be supplied to western Pennsylvania from Midwestern refineries due to repurposing and switching directions of product flow in the gasoline supply pipelines. These and other potential changes for the area's gasoline supply could influence the price for gasoline blends in the Pittsburgh-Beaver Valley Area going forward as much as or more than the requirements of Chapter 126, Subchapter C becoming no longer applicable.

In addition, the effective energy content of summer gasoline may be lowered as a result of the removal of the requirements of Chapter 126, Subchapter C since gasoline could be manufactured with a higher volatility to meet the Federal standard of 9 psi or 10 psi. This higher volatility could reduce the number of miles per gallon of gasoline a vehicle achieves (fuel efficiency). The effect on a vehicle's fuel efficiency will probably be small. Please see the response to Comment #18 for additional information.

9. Comment: The commentators did not agree with the statement in the Executive Summary of the Proposed Rulemaking that businesses involved in gasoline transport and storage are unlikely to see much impact, if any, as the type of gasoline being transported does not directly affect the business operation. The commentators stated that logistics companies must set aside tanks each summer and, on an annual basis, segregate batches of the boutique 7.8 psi RVP gasoline for the Pittsburgh-Beaver Valley Area, resulting in resupply limitations, constrained assets, and an ongoing need to protect the restrictive 7.8 psi RVP of the Pittsburgh fuel along the pipeline. The commentators stated that less tank segregation would create efficiencies in distribution which should improve the flow of petroleum products within the state. (8, 9)

Response: The Department appreciates the insight provided by the commentators. The Executive Summary and the Regulatory Analysis Form for the final-form rulemaking have been revised to reflect this clarification.

10. Comment: The commentator stated the Department's analysis in the Regulatory Analysis Form severely underestimated the total amount of low RVP gasoline consumed in the Pittsburgh-Beaver Valley Area in the summer months. The estimate was that the fuel consumption in the area was 16.7 million gallons for the summer months (June – September) of 2013. (8)

Response: The Department thanks the commentator for this information. The Department determined that the data source it used for estimating the 2013 statewide retail gasoline sales during the development of the proposed rulemaking was inaccurate. The Department is using statewide retail gasoline sales data collected by the Pennsylvania Department of Revenue for the final-form rulemaking. Total estimated Pennsylvania retail gasoline sales during the low RVP season (May 1 through September 15) based on 2016 Department of Revenue data were approximately 1.92 billion gallons. As in the original analysis, statewide retail gallons sold were apportioned to the Pittsburgh-Beaver Valley Area based on the percentage of vehicle miles travelled by gasoline-powered vehicles in the Pittsburgh-Beaver Valley Area as a portion of statewide gasoline-powered vehicle miles travelled, which is about 18.3%. The 2016 total for low RVP gasoline retail sales during the summer months in the Pittsburgh-Beaver Valley Area is estimated at approximately 352 million gallons (1.92 billion gallons x 18.3% = ~352 million gallons). This 2016 total for low RVP gasoline retail sales compares well to the 2009 total of 329.91 million gallons cited in the study developed by E.H. Pechan & Associates, Inc., "Fuel Costs for Pennsylvania Gasoline Blends."

Note that the revised estimated total for low RVP gasoline retail sales in the Pittsburgh-Beaver Valley Area does not change the Department's estimates of emission reductions, because the emission reductions were developed independently of gallons of gasoline sold. Emissions were estimated with a computer model. Highway vehicles emissions were estimated using EPA's MOVES2014 Model. Nonroad emissions were estimated using version MOVES2014a. The model estimates emissions using a variety of inputs, including, among other factors, traffic volumes, vehicle speeds, vehicle fleet mix, fuel characteristics, and parameters of the state's vehicle inspection and maintenance testing program. Gasoline consumption is not used as an input into the computer model.

11. Comment: The commentator estimated that the historical difference in retail price between the 7.8 psi low RVP gasoline and 9.0 psi (with a 1.0 psi waiver) RVP gasoline in the surrounding Pennsylvania counties to be approximately 9 cents per gallon (cpg). The commentator estimated savings for the area could be as much as \$8,900,000 for the May 1 – September 15 time frame. [Department's note: This estimate appears to be based on the volume of fuel delivered to the area by this commentator only and does not include fuel delivered by other entities.] (9)

Response: The Department's examination of retail prices for the proposed rulemaking indicated that retail prices for low RVP fuel in the Pittsburgh metropolitan area were 9 cpg more on average than the Pennsylvania statewide average retail gasoline price in the 2014-2015 summer season (June – September 2014). However, retail prices for low RVP gasoline were between 1.6

cpg and 9.2 cpg more on average for the 5 most recent years of available data (2011 – 2015). The Department updated its estimates of potential cost savings in the final-form rulemaking Regulatory Analysis Form based on the revised data relating to fuel consumption in the affected area. For the purposes of this estimate, the Department assumed that consumers in the Pittsburgh metropolitan area will be paying the Pennsylvania average retail gasoline prices if the requirements of Chapter 126, Subchapter C are no longer applicable. Based on the 5 most recent years of available data, consumers would potentially save from 1.6 cpg to 9.2 cpg.

The Department recalculated the potential cost savings for consumers based on summer season retail sales of 352 million gallons in the Pittsburgh-Beaver Valley Area. Using the same range of potential cost savings for consumers of 1.6 cpg to 9.2 cpg given in the Regulatory Analysis Form for the proposed rulemaking, the total estimated cost savings for consumers resulting from the proposed rulemaking would range from \$5,632,000 (1.6 cpg x 352 million gallons x \$1/100 cents) to \$32,384,000 (9.2 cpg x 352 million gallons x \$1/100 cents). This calculation is based on the assumption that consumers may be purchasing low RVP fuel as early as the May 1 compliance date for refiners and terminals, rather than the later June 1 compliance date for retailers and wholesale purchaser-consumers. The potential cost savings for an individual consumer would be directly dependent on how much gasoline a consumer purchases from a retail entity subject to Chapter 126, Subchapter C during the during the time period of June 1 through September 15; low RVP fuel may be available for purchase from retailers as early as May 1, which would increase the period in which consumers could experience cost savings from the removal of the Chapter 126, Subchapter C requirements. For example, a consumer that purchased a total of 100 gallons of low RVP gasoline could potentially save from \$1.60 (1.6 cpg x 100 gallons x \$1/100 cents) to \$9.20 (9.2 cpg x 100 gallons x \$1/100 cents) for the season.

It should be further noted that in the most recent 5 years of data evaluated by the Department, the Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania statewide average retail gasoline prices in both summer and winter. Because of this higher average retail price year-round, it is unclear how much of the summer price differential is due to the low RVP gasoline requirement and how much is due to local market forces and other factors.

12. Comment: The commentators stated that requiring the use of a “boutique” gasoline blend has a direct economic cost on the residents of western Pennsylvania. (8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department agrees that making Chapter 126, Subchapter C no longer applicable may result in cost savings for affected entities in the Pittsburgh-Beaver Valley Area; however, as previously mentioned, many factors influence the pricing of gasoline. Pittsburgh metropolitan area average retail gasoline prices have been higher than the Pennsylvania average retail gasoline prices in both summer and winter for the most recent 5 years of available data. It is unclear how much of the price differential in summer is due to the low RVP gasoline requirement and how much is due to local market forces and other factors, including supply networks. It is also difficult to determine if the cost savings that may result from this final-form rulemaking action will be passed on to the consumer when Chapter 126, Subchapter C is no longer effective.

13. Comment: The commentators stated that the recent repeal of low RVP gasoline requirements in areas in Ohio and other areas of the United States have resulted in the Pittsburgh-Beaver Valley Area becoming isolated as the lone area in the Eastern U.S. requiring a “boutique” gasoline blend. (8, 9)

Response: The Department agrees.

14. Comment: The commentator stated that the repeal of the regulation should be expedited to relieve consumers of the cost associated with low RVP gasoline. (8)

Response: The Department appreciates the commentator’s concern. The rulemaking process, however, is strictly defined by Pennsylvania statute and the Department’s ability to expedite this rulemaking process is limited. Please also see the responses to Comments #8, 11, 12, and 15 for discussions of how removing the low RVP gasoline requirements may affect consumer costs.

15. Comment: The commentator stated that people in western Pennsylvania can travel to Ohio to purchase cheaper gasoline. Less gasoline will be sold in Pennsylvania as consumers travel across state borders to save money. (5)

Response: The Department agrees that this is possible. The Department has amended § 126.301 by adding language that will make Chapter 126, Subchapter C no longer applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the EPA of the removal, suspension, or replacement of Chapter 126, Subchapter C as a part of the Commonwealth’s SIP. Upon the EPA’s approval of a revision to the SIP that removes, suspends, or replaces Chapter 126, Subchapter C, the requirements of Chapter 126, Subchapter C will no longer be applicable at either the Federal or the state level.

This action will align Pennsylvania’s gasoline RVP requirements with the requirements of the bordering states, removing RVP content from the equation for comparing costs across state borders. This may enable Pennsylvania retail gasoline prices in the Pittsburgh-Beaver Valley Area to be more competitive with other states. It is important to note, however, that other factors affect the retail price of gasoline between states and localities, including state taxes and fees on the purchase of gasoline at the retail level. The total of state taxes and fees on the retail purchase per gallon of gasoline in the surrounding states range from 15.80 – 36.90 cpg lower than in Pennsylvania; Ohio state gasoline taxes and fees are 28.01 cpg, which is 31.29 cpg lower than Pennsylvania’s current rate of taxes and fees on the retail purchase per gallon of gasoline of 59.30 cpg. The Department does not have state-specific historic fuel retail price data for the surrounding states, but differences in state and local gasoline taxes and fees may have as much or more influence on the difference in gasoline prices across state borders as the influence of the low RVP gasoline requirements.

16. Comment: The commentator stated that when the Chapter 126, Subchapter C Gasoline Volatility Requirements are rescinded and the RVP requirement is relaxed from 7.8 psi to 9.0 psi, the maximum RVP for the state will be 10.0 psi, including a 1.0 psi waiver for gasoline containing ethanol between 9 and 10 volume percent, during the May 1 through September 15 time period, exclusive of the Philadelphia region. The commentator states that revoking the

Gasoline Volatility Requirements will improve the supply of gasoline to the Pittsburgh-Beaver Valley Area. (9)

Response: The Department agrees that eliminating the requirement for 7.8 psi RVP gasoline may improve supply logistics and enable the area to be supplied by additional sources (distributors, bulk terminals, etc.) that have 9.0 (or 10.0) psi RVP gasoline available but did not have 7.8 psi RVP gasoline available for sale. Having these additional sources of 9.0 (or 10.0) psi RVP gasoline may improve the supply of gasoline in the area. It is important to note, however, that potential changes to the petroleum product supply chain, such as a gasoline supply pipeline switching directions, may have a far more significant impact on the supply of gasoline blends in the Pittsburgh-Beaver Valley area than the removal of the requirements for 7.8 psi RVP gasoline.

17. Comment: The commentators stated that the repeal of the low RVP Gasoline Volatility Requirements will lead to less fuel segregation in storage tanks, which will allow for more efficient supply logistics. (8, 9)

Response: The Department agrees. Please also see the response to Comment #16.

18. Comment: These commentators asserted that the removal of the requirement for low RVP will improve efficiency for vehicles and equipment that operate on gasoline. (1, 2, 4)

Response: The Department assumes the commentators are referring to the fuel efficiency of gasoline-powered vehicles and equipment. The Department notes that replacing a 7.8 psi RVP gasoline with a gasoline that has an RVP of 10.0 psi may decrease fuel efficiency. The switch to higher-volatility gasoline could result in a loss in fuel efficiency due to a lower hydrocarbon energy content in the gasoline, although the effect would likely be small. One can see why if summer and winter gasoline blends are examined. Higher RVP gasoline sold in the winter contains more butane, which has a higher vapor pressure than traditional hydrocarbon gasoline constituents. The higher RVP means more gasoline exists in the vapor phase in colder weather, which aids in starting cold vehicles. Butane, however, displaces traditional hydrocarbon gasoline constituents that have higher energy content. On a per-volume basis, butane contains about 20% less energy than traditional hydrocarbon gasoline constituents. Winter gasoline blends normally have about 1.8% less total energy content than summer gasoline, but can have as much as 7.8% less total energy content than summer gasoline.

The difference in total energy content between low RVP gasoline and conventional gasoline during the summer months is probably less than the 1.8% mentioned above. The conventional summer gasoline could be blended by adding either more butane or ethanol. Like butane, ethanol also has a lower energy content than the typical hydrocarbon constituents in gasoline. Higher butane or ethanol content could lower the energy content by a small amount per unit volume of gasoline that is purchased at the pump. This would lead to lower fuel efficiency (miles per gallon) in vehicles. Also, conventional gasoline with a higher RVP content than the 7.8 psi RVP content gasoline will evaporate more readily, which will lead to less of the purchased gasoline being available for combustion.

19. Comment: The commentators stated that improved emission controls on vehicles and new requirements for fuel content eliminate the need for the Gasoline Volatility Requirements regulation. (1, 2, 4, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department agrees that improvements in vehicle technology, such as onboard refueling vapor recovery systems, and more stringent regulations for vehicle emission controls and fuel content, such as EPA's Tier 3 regulations, will likely result in diminishing emission reduction benefits from the existing regulation, nearing zero over the next 10-15 years. Although the emission reduction benefits diminish over time, the Department plans to demonstrate in the Non-Interference Demonstration SIP revision submitted to the EPA that the remaining lost emission reduction benefits from making Chapter 126, Subchapter C no longer applicable are offset by commensurate emission reductions. Please see the responses to Comments #22 and #23 for additional details on the emission reduction benefits of Chapter 126, Subchapter C.

21. Comment: The commentator stated that the population of the Pittsburgh-Beaver Valley Area should enjoy the same benefits as other areas that repealed low RVP gasoline requirements, including Florida, Ohio, North Carolina, Alabama, and Tennessee. The commentator did not specify what those benefits include. (8)

Response: The Department agrees that there will likely be economic benefits to the Pittsburgh-Beaver Valley Area resulting from the removal of the requirements of Chapter 126, Subchapter C. However, as noted in the Department's analysis of terminal and retail gasoline prices in the area, market forces in the local area will determine if the Pittsburgh-Beaver Valley Area sees beneficial impacts similar to the outcomes in the states listed in the comment.

Issues Concerning Air Quality

22. Comment: The commentators stated that there should be minimal adverse impact on local air quality due to the repeal of the low RVP gasoline requirement. (1, 2, 4, 5, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30)

Response: The Department agrees. The environmental benefits of Chapter 126, Subchapter C will likely diminish over the next 10-15 years. Using the EPA-approved MOVES2014 computer model, the Department modeled the change in emissions that would result from 7.8 psi RVP gasoline being replaced by 10.0 psi RVP gasoline. The modeling indicates that emissions from gasoline-powered highway and nonroad sources using 10.0 psi RVP gasoline in the Pittsburgh-Beaver Valley Area will increase by 1.63 tons of VOC emissions and 0.35 tons of NO_x emissions per summer day in the year 2017, compared to the baseline emissions of these sources when using 7.8 psi RVP gasoline. These increased emissions will diminish to 1.3 tons per day of VOC emissions and 0.01 tons per day of NO_x emissions by 2030. The Department plans to demonstrate through a Non-Interference Demonstration SIP submittal to the EPA that removing Chapter 126, Subchapter C from the Commonwealth's SIP will not interfere with attainment or reasonable further progress for any applicable NAAQS, by offsetting the lost emission reductions with emission reductions from other control measures and projects.

23. Comment: The commentator stated that the emission benefits of the low RVP gasoline volatility program in the Pittsburgh market have diminished as a result of the EPA implementing the regulatory requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP) from Gasoline Terminals and Pipelines Facilities (40 CFR Part 63 Subpart BBBBBB). The NESHAP requires more stringent controls, monitoring, recordkeeping, and reporting for gasoline distribution bulk terminals, bulk plants, and pipeline facilities. (8)

Response: The Department agrees. Emissions from gasoline storage tanks are well controlled. The change in total emissions from gasoline storage tanks in the Pittsburgh-Beaver Valley Area will likely be very small. The Department's emissions inventory indicates that total emissions in the Pittsburgh-Beaver Valley Area from storage tanks that store gasoline, both fixed roof and floating roof tanks, are less than 10 tons of VOC per year or 0.03 ton per day. The methodology for estimating these emissions indicates that the change in total emissions resulting from storing gasoline with an RVP of 10.0 psi instead of 7.8 psi will be minimal.

24. Comment: The commentator stated that the proposed rulemaking does not specify the quantity of VOC emissions that are prevented by the Pittsburgh-Beaver Valley Area's low RVP requirement. (10)

Response: The Board addressed the quantity of emission reduction benefits that would be achieved by the low RVP gasoline requirement in Section F of the preamble to the proposed rulemaking under benefits. See 47 Pa.B. 1158. The Board stated that "[R]escinding the requirements for low RVP gasoline in the Pittsburgh-Beaver Valley Area will likely result in slightly increased emissions of VOCs into the atmosphere for the next few years. The VOC emission reduction benefits from requiring low RVP gasoline in the Pittsburgh-Beaver Valley Area steadily decline in future years, decreasing from VOC emission reductions of 1.636 tons per day in 2017 to VOC emission reductions of 1.329 tons per day by 2030. The NO_x emission reduction co-benefits of low RVP gasoline decline from 0.354 ton per day in 2017 to 0.007 ton per day in 2030." Further, Table 5 in the proposed rulemaking's Regulatory Analysis Form listed the anticipated amount of emission reduction benefits for the low RVP gasoline program for highway and nonroad sources for VOC and NO_x in tons per day for the years 2017, 2025 and 2030. Emission reduction benefits for low RVP gasoline were estimated using MOVES2014, the EPA-approved mobile source emission model.

25. Comment: The commentator described a state's obligations under Section 110(l) of the Federal Clean Air Act (CAA) relating to demonstrating non-interference with the attainment, reasonable further progress, and any other applicable requirements for all NAAQS in effect in the area subject to the SIP revision. (10)

Response: These comments are outside the scope of this proposed rulemaking. The Department is developing a revision to the Commonwealth's SIP to demonstrate compliance with Section 110(l) of the CAA. This Non-Interference Demonstration SIP revision will be proposed separately by the Department and have its own 30-day public comment period and opportunity for public hearing. The Department suggests that the commentator submit its comments to the Department during the public comment period for that proposed SIP revision.

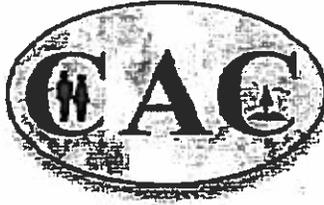
26. Comment: The commentator stated that the proposed rulemaking does not specify either the type of emission reductions in the Pittsburgh-Beaver Valley Area that are proposed to offset the increased VOC emissions that will result from any rescission of the low RVP standard, or the sources of such reductions. (10)

Response: This comment is beyond the scope of this proposed rulemaking. The type of emission reductions that will be used to offset any increases in emissions that may result from the removal of the requirements of Chapter 126, Subchapter C from the Commonwealth's SIP will be addressed by the Department in the Non-Interference Demonstration SIP revision described in response to Question #25.

Pennsylvania Vehicle Inspection and Maintenance Program

27. Comment: The commentator stated that the Pennsylvania Vehicle Inspection and Maintenance Program should be eliminated. (4)

Response: The comment is beyond the scope of this proposed rulemaking.



September 19, 2017

Allegheny County
Cynthia Carrow
John J. Walliser, Esq

Bedford County
William Fink

Chester County
Donald S. Welsh

Cumberland County
Walter N. Heine
James Welty
R. Timothy Weston, Esq

Fayette County
John R. Over, Jr.

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Indiana County
John St. Clair

Lancaster County
James Sandoe

Lebanon County
John Hines

Philadelphtha County
Dr. Joi Spraggins

Tioga County
Thaddeus K. Stevens

Washington County
Mark Caskey

Secretary Patrick
McDonnell, Ex-officio

Krishnan Ramamurthy
Bureau of Air Quality
Office of Waste, Air, Radiation and Remediation
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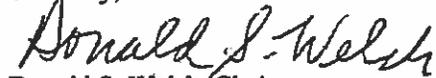
Dear Mr. Ramamurthy:

On June 27, 2017, the Policy and Regulatory Oversight Committee ("Committee") of the Citizens Advisory Council ("CAC") was provided a presentation by Bureau of Air Quality staff and Department counsel on the *Final Rulemaking for Gasoline Volatility Requirements*. After the presentation, a Motion was made and seconded by members of the Committee recommending that the Department move forward with the final regulation. This motion was adopted by a unanimous vote of the Committee and a letter was sent on July 11, 2017 acknowledging that the Committee supported the continued movement of the final rulemaking through the Department's internal process, but would bring the issue before the full CAC at its September 19, 2017 meeting for consideration.

Upon the CAC's review of the *Final Rulemaking for Gasoline Volatility Requirements* at today's meeting, the CAC supports having the final rule be forwarded to the Environmental Quality Board. The CAC would like to thank the Department for its hard-work and diligence in looking beyond the Commonwealth's borders to find a thoughtful approach to solve the timing issue between the regulation and the State Implementation Plan approval by the EPA.

Please feel free to contact me if any further clarification of the CAC's position is needed.

Sincerely,


Donald S. Welsh, Chair
Citizen Advisory Council

Small Business Compliance Advisory Committee

to the Pennsylvania Department of Environmental Protection

PO Box 8468

Harrisburg, PA 17105-8468

July 26, 2017

Honorable Patrick McDonnell
Secretary
Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

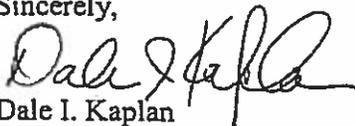
Re: Final rulemaking amendments for Gasoline Volatility Requirements

Dear Secretary McDonnell:

On July 26, 2017, the Small Business Compliance Advisory Committee (Committee) discussed the final rulemaking draft Annex A to amend 25 Pa. Code Chapter 126, Subchapter C (relating to gasoline volatility requirements) as codified in 25 Pa. Code §§ 126.301–126.303 (relating to compliant fuel requirements; recordkeeping and reporting; and compliance and test methods). The final rulemaking draft Annex A reverses the action of the proposed rulemaking by not repealing Chapter 126, Subchapter C and the supporting definitions outright. The final rulemaking amendment adds language to § 126.301 to render §§ 126.301–126.303 no longer effective upon the effective date of approval by the U.S. Environmental Protection Agency (EPA) of the removal, suspension, or replacement of the requirements of Subchapter C as a part of the Commonwealth's State Implementation Plan (SIP). This amendment satisfies the requirements of the Air Pollution Control Act added by the act of May 14, 2014, P.L. 674, No. 50 (Act 50 of 2014). Act 50 of 2014 first directs the Department of Environmental Protection (Department) to initiate the process of amending the SIP by demonstrating continued compliance with the National Ambient Air Quality Standards through the use of commensurate emission reductions, and then for the Environmental Quality Board to promulgate regulations to repeal §§ 126.301–126.303 from the Pennsylvania Code after the EPA approves the revision to the SIP. The regulations and supporting definitions will be repealed from the Pennsylvania Code through a future rulemaking after the EPA takes action to either remove the regulations from the SIP, suspend federal enforcement of the requirements, or replace the requirements.

The Committee commends DEP on their excellent work improving air quality and eliminating regulatory burdens for the 7-county Pittsburgh-Beaver Valley Area. The Committee voted 6-0-0 (yes; no; abstain) to concur with the Department's recommendation to present the final rulemaking to the Environmental Quality Board for consideration.

Sincerely,


Dale I. Kaplan
Chair

Hon. Patrick McDonnell

2

July 26, 2017

cc: Krishnan Ramamurthy, Acting Director, PA DEP BAQ
Samantha Harmon, PA DEP BAQ
Nancy Herb, PA DEP BAQ
Susan Hoyle, PA DEP BAQ

Air Quality Technical Advisory Committee

to the Pennsylvania Department of Environmental Protection

PO Box 8468

Harrisburg, PA 17105-8468

June 15, 2017

Honorable Patrick McDonnell
Secretary
Department of Environmental Protection
Rachel Carson State Office Building
P.O. Box 2063
Harrisburg, PA 17105-2063

Re: Final rulemaking amendments for the Repeal of Gasoline Volatility Requirements

Dear Secretary McDonnell:

On June 15, 2017, the Air Quality Technical Advisory Committee (Committee) discussed the final rulemaking draft Annex A to repeal 25 *Pa. Code* Chapter 126, Subchapter C (relating to gasoline volatility requirements) as codified in 25 *Pa. Code* §§ 126.301–126.303 (relating to compliant fuel requirements; recordkeeping and reporting; and compliance and test methods) to satisfy the requirements of the Air Pollution Control Act added by the act of May 14, 2014, P.L. 674, No. 50 (Act 50 of 2014). Act 50 of 2014 directed the Department of Environmental Protection (Department) to initiate the process of amending the Commonwealth's State Implementation Plan to repeal the provisions of Chapter 126, Subchapter C.

The Committee voted 12-2-1 (yes; no; abstain) to concur with the Department's recommendation to present the final rulemaking amendments to the Environmental Quality Board for consideration.

Sincerely,



Patrick K. O'Neill Esq.
Chair

cc: Krishnan Ramamurthy, Acting Director, PA DEP BAQ
Susan Hoyle, PA DEP BAQ
Samantha Harmon, PA DEP BAQ

January 22, 2018

David Sumner
Executive Director
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17120

Re: Final-Omitted Rulemaking: Administration of the Land Recycling Program (#7-538)
Final Rulemaking: Gasoline Volatility Requirements (#7-529)
Final Rulemaking: Disinfection Requirements Rule (#7-520)

Dear Mr. Sumner:

Pursuant to Section 5(a) of the Regulatory Review Act, please find enclosed copies of one final-omitted rulemaking and two final-form rulemakings for review and comment by the Independent Regulatory Review Commission (IRRC). The Environmental Quality Board (Board) adopted these rulemakings at its December 12, 2017 meeting.

The **Administration of the Land Recycling Program (#7-538)** final-omitted rulemaking is being made under the authority of section 303(a) of the Land Recycling and Environmental Remediation Standards Act (35 P.S. §§ 6026.303(a)), known as “Act 2,” which directs the Environmental Quality Board (EQB) to promulgate Statewide health standards for regulated substances for each environmental medium and the methods used to calculate the standards. Section 303(c) of Act 2 requires the Department of Environmental Protection (Department) to develop risk-based Statewide health standards using valid scientific methods, reasonable exposure pathways assumptions and exposure factors for residential and nonresidential land use which are no more stringent than the standard default exposure factors established by EPA.

The amendments included in this final-omitted rulemaking correct transcription and input errors for the toxicity values for Aldrin, beryllium, and cadmium in 25 Pa. Code Chapter 250. Appendix A, published at 46 Pa.B. 5655 (August 27, 2016), which resulted in the calculation of incorrect Statewide health standard Medium Specific Concentrations (MSCs). This final-omitted rulemaking does not change the method by which the calculation is made.

These corrections to the Land Recycling Program regulations will affect owners, operators and purchasers of properties and facilities who volunteer or are required to perform remediation of contaminated sites. This rulemaking is not expected to add costs, overall, to the cleanup of contaminated sites under this program. The decrease in the Aldrin MSC will only impact ten sites. Remediators of these sites can use either the background standard or the site-specific standard if the reduction in the Aldrin MSC impacts their project. The beryllium and cadmium corrections result in increases in their respective MSC values and are not anticipated to have an adverse impact on the regulated community.

This final-omitted rulemaking was discussed with and received the support of the Cleanup Standards Scientific Advisory Board (CSSAB) at its November 16, 2016, meeting.

Public notice and comment procedures may be omitted under section 204 of the Commonwealth Documents Law (45 P.S. § 1204) when they are unnecessary or contrary to the public interest. For this rulemaking, a public comment period is not necessary, as public comment would not alter the need to correct these errors. In addition, these corrections will ensure that any remediation of Aldrin, beryllium, or cadmium conforms to current science relating to the protection of human health and is consistent with the requirements of Chapter 250, which is in the public interest.

The **Gasoline Volatility Requirements (#7-529)** final-form rulemaking is designed to address the legislative mandate to the Board to promulgate regulations to rescind 25 Pa. Code Chapter 126, Subchapter C (relating to gasoline volatility requirements). Act 50 of 2014 (P.L. 674, No. 50), amended the Pennsylvania Air Pollution Control Act to add section 4(18.3), which requires the Department to “[W]ithin sixty (60) days of the effective date of this clause, initiate the process of amending the State implementation plan. Upon approval of a revision which demonstrates continued compliance with Federal national ambient air quality standards through utilization of commensurate emission reductions by the Environmental Protection Agency, the board shall promulgate regulations to repeal the provisions of 25 Pa. Code Ch. 126 Subch. C (relating to gasoline volatility requirements).” Section 4(18.3) was effective May 14, 2014. The Senate Co-Sponsorship Memorandum for Act 50 indicates that the impetus for directing the Department to begin the process of revising the State Implementation Plan (SIP) was to reduce the costs of gasoline to consumers in the area.

The Chapter 126, Subchapter C requirements for gasoline with a Reid vapor pressure (RVP) of 7.8 pounds per square inch (psi) or less (low RVP gasoline) to be sold or transferred into or within the Pittsburgh-Beaver Valley Area, between May 1 and September 15 of each year for refiners, importers, distributors, resellers, terminal owners and operators and carriers and between June 1 and September 15 of each year for retailers and wholesale purchaser-consumers, were promulgated at 27 Pa.B. 5601 on November 1, 1997. These requirements were approved by the U.S. Environmental Protection Agency (EPA) at 63 FR 31116 on June 8, 1998, as a revision to the Commonwealth’s State Implementation Plan (SIP) codified in the Code of Federal Regulations (CFR) at 40 CFR 52.2020—52.2063 (Subpart NN – Pennsylvania), effective July 23, 1998, as a Federally-enforceable control measure to help attain and maintain the 1-hour Ozone National Ambient Air Quality Standards (NAAQS) in the Pittsburgh-Beaver Valley Area to protect the public health and welfare. The Pittsburgh-Beaver Valley Area includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

In response to a comment from the Independent Regulatory Review Commission (IRRC), this final-form rulemaking changes the action of the proposed rulemaking from rescinding Chapter 126, Subchapter C. This final-form rulemaking retains §§ 126.301–126.303 and adds subsection (d) to § 126.301, which reads as follows: “This subchapter will no longer be applicable to the Pittsburgh-Beaver Valley Area upon the effective date of approval by the EPA of the removal, suspension or replacement of this subchapter as a part of the Commonwealth’s SIP.”

The four terms and definitions proposed for deletion from § 121.1 (relating to definitions) are retained in this final-form rulemaking, since the final-form rulemaking does not rescind §§ 126.301—126.303.

This approach of amending rather than rescinding Chapter 126, Subchapter C as proposed ensures that EPA approval of the Non-Interference Demonstration SIP revision will occur prior to (or coincident with) Chapter 126, Subchapter C becoming no longer effective as a regulation in the *Pennsylvania Code*. Upon promulgation of the final-form rulemaking and EPA approval of the Department's Non-Interference Demonstration SIP revision, Chapter 126, Subchapter C will no longer be applicable for the Pittsburgh-Beaver Valley Area. The Department will publish a notice in the *Pennsylvania Bulletin* to inform the public immediately following SIP approval. After publication of the *Pennsylvania Bulletin* notice, the Department plans to remove Chapter 126, Subchapter C from the *Pennsylvania Code* through a separate rulemaking to repeal it.

The coordination of this current final-form rulemaking and the Non-Interference Demonstration SIP submittal will ensure that affected entities will not be at risk of enforcement proceedings at either the Federal or the Commonwealth level upon the effective date of EPA approval of the Non-Interference Demonstration and will achieve the objectives of Act 50.

When §§ 126.301—126.303 are no longer applicable as a result of the EPA approving the Non-Interference Demonstration SIP revision, certain parties will be affected. Businesses involved in the sale of gasoline, including gas stations, bulk terminals, and wholesalers, may see some economic benefit from the elimination of the requirement to obtain and sell gasoline with an RVP of 7.8 psi or less if the cost savings of blending the specialty fuel are passed down the chain from the refinery and terminal to the retail gas station. Cost savings at refineries may be as much as 0.5 cents per gallon (cpg). Cost savings for retailers and wholesale purchaser-consumers may be as much as 1.4 – 3.2 cpg. Additionally, cost savings for state and local government and for public consumers may be as much as 1.6 – 9.2 cpg. However, end-users may or may not see a cost savings at the retail pump. Businesses involved in gasoline transport and storage may see some cost reductions, due to the increased efficiency resulting from not having to segregate the 7.8 psi RVP gasoline. Recordkeeping requirements for all affected entities may be reduced or simplified, since the businesses will no longer be required to document the transfer of gasoline with an RVP of 7.8 psi.

The proposed rulemaking was approved by the EQB at its meeting of October 18, 2016, and published in the *Pennsylvania Bulletin* on February 25, 2017, with a 66-day public comment period (47 Pa.B. 1157). Three public hearings were held on March 28, 29, and 30, 2017, in Pittsburgh, Norristown, and Harrisburg, respectively. The public comment period closed on May 1, 2017. Written comments were received from members of the public, the regulated industry, members of the Pennsylvania House of Representatives, and the Independent Regulatory Review Commission (IRRC). Most members of the public, as well as the Representatives, expressed support for the proposed rulemaking. One commentator expressed concerns and asked for information about the commensurate emission reductions that would be used to demonstrate continued compliance with the NAAQS. As previously noted, IRRC expressed concerns about the Board's plan for implementing Act 50 and the consistency of this

plan with Act 50. The comments and concerns have all been addressed in this final-form rulemaking.

The Air Quality Technical Advisory Committee (AQTAC) was briefed on this final-form rulemaking on June 15, 2017. The members of AQTAC voted 12-2-1 to concur with the Department's recommendation to move this final-form rulemaking forward to the Board for consideration. The two AQTAC members who were opposed did not provide concerns or comments at this meeting. The Small Business Compliance Advisory Committee (SBCAC) was briefed on this final-form rulemaking on July 26, 2017. The members of the SBCAC voted unanimously to concur with the Department's recommendation to move this final-form rulemaking forward to the Board for consideration. This final-form rulemaking was discussed with the Citizens Advisory Council (CAC) Policy and Regulatory Oversight Committee on June 27, 2017. On the recommendation of that Committee, the members of the CAC concurred on September 19, 2017, with DEP's recommendation to forward this final-form rulemaking to the Board.

The Disinfection Requirements Rule (#7-520) final-form rulemaking amends Safe Drinking Water regulations in 25 Pa. Code Chapter 109 to strengthen water system requirements relating to microbial protection and disinfection. These amendments will protect public health through a multi-barrier approach designed to guard against microbial contamination by ensuring the adequacy of treatment designed to inactivate microbial pathogens and by ensuring the integrity of drinking water distribution systems. Safe drinking water is vital to maintaining healthy and sustainable communities. Proactively avoiding incidents such as waterborne disease outbreaks can prevent loss of life, reduce the incidence of illness, and reduce health care costs. Proper investment in public water system infrastructure and operations helps ensure a continuous supply of safe drinking water; enables communities to plan and build future capacity for economic growth; and ensures their long-term sustainability for years to come.

The amendments include minor clarifications to the Stage 2 Disinfectants/ Disinfection Byproducts Rule (Stage 2 DBPR), Long Term 2 Enhanced Surface Water Treatment Rule (LT2) and the Lead and Copper Rule Short-Term Revisions (LCRSTR) to obtain or maintain primacy.

The amendments also include new monitoring and reporting requirements to ensure compliance with an *existing* treatment technique regarding log inactivation. The proposed amendments also clarify that the minimum residual disinfectant level at the entry point is 0.20 mg/L to ensure water suppliers will maintain a residual that is equal to or greater than 0.20 mg/L. Currently, levels of 0.15 mg/L or higher round up to 0.2 mg/L and are considered in compliance. A level of 0.20 mg/L is necessary due to the importance of meeting log inactivation and of maintaining an adequate disinfectant residual in the water entering the distribution system. Log inactivation and entry point disinfectant residual requirements are existing Federal requirements in 40 CFR 141.72(b) (relating to disinfection).

The amendments will also strengthen the distribution system disinfectant residual requirements by increasing the minimum residual in the distribution system to 0.2 mg/L free or total chlorine. DEP's existing disinfectant residual treatment technique requirement for distribution systems has not been substantially updated since 1992 and requires the maintenance of a detectable residual

that is defined as 0.02 mg/L. This treatment technique is not protective of public health because a residual of 0.02 mg/L does not represent a true detectable residual and the level is inadequate to protect against microbial growth within the distribution system.

Language has been added to the final-form rule to clarify the monitoring and compliance determinations for the distribution system disinfectant residual treatment technique. Language has also been added to defer implementation for the distribution system disinfectant residual requirements in response to advisory committee and public comments. The disinfectant residual sampling plan has been deferred for six months; and the nitrification control plan and monitoring, reporting and treatment technique requirements for the disinfectant residual in the distribution system have been deferred for one year.

Additional language was included for bottled, vended, retail and bulk water hauling systems in response to comments from EPA to ensure state regulations are at least as stringent as federal regulations.

These amendments will affect all 1,949 community water systems and those noncommunity water systems that have installed disinfection (746) for a total of 2,695 public water systems. These public water systems serve a total population of 11.3 million people. All 1,949 community water systems (CWS) and 746 noncommunity water systems (NCWS) are affected by at least one of these provisions as follows:

1. Revisions relating to log inactivation for surface water and groundwater under the direct influence of surface water (GUDI) filter plants will apply to all 353 filter plants which are operated by 319 water systems. Water suppliers should already be monitoring the data elements used in log inactivation calculations because this data is needed to properly operate filtration plants. Costs associated with the new reporting requirements should be minimal due to the availability of EPA's CT Calculator tool (CT is the product of residual disinfectant concentration (C) and disinfectant contact time (T)) and the use of summary forms for reporting data for compliance purposes.
2. Revisions to the disinfectant residual requirements affect all 1,949 CWS, 607 nontransient noncommunity water systems (NTNCWS) that have installed chemical disinfection, and 139 transient noncommunity water systems (TNCWS) that have filtration for SW or GUDI sources or that have installed 4log disinfection of groundwater sources for a total of 2,695 PWSs.

The draft proposed rulemaking was originally included in the Draft Proposed Revised Total Coliform Rule (RTCR), which was presented to the TAC on June 18, and September 23, 2014, for review and comment. On April 21, 2015, the EQB approved the proposed RTCR with modifications which included separating the non-RTCR provisions for additional stakeholder input. Additional TAC meetings were convened on May 18, May 26, June 16, and June 30, 2015. During these meetings, 14 water systems and organizations delivered presentations to help inform the discussion. Two additional meetings were held with large water systems on June 29, and July 16, 2015. As a result of these additional stakeholder meetings, several revisions were made during the rulemaking development, including revisions to the minimum required

January 22, 2018

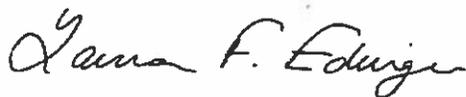
disinfectant residual levels, monitoring and reporting requirements, and compliance determinations. The TAC provided a final set of recommendations on July 15, 2015 and the proposed rule was approved by the EQB on November 17, 2015.

The proposed rulemaking was published on February 20, 2016, with a 60-day public comment period. Public hearings were held in Harrisburg on March 28, 2016, in Norristown on April 5, 2016, and in Pittsburgh on April 7, 2016. Twenty public commentators and the Independent Regulatory Review Commission provided comments on the proposed rulemaking. The final-form rulemaking was presented to the TAC Board on July 13 and August 24, 2017. As a result of the TAC recommendations and public comments received, several revisions were made to the proposed rulemaking, including deferred implementation dates and additional clarification for the distribution system disinfectant residual monitoring requirements.

The Department will provide assistance as necessary to facilitate IRRC's review of the enclosed rulemakings under Section 5.1(e) of the Regulatory Review Act.

Please contact me by e-mail at ledinger@pa.gov or by telephone at 717.783.8727 if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Laura F. Edinger". The signature is written in a cursive style with a large initial "L".

Laura Edinger
Regulatory Coordinator

Enclosures



**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO
THE REGULATORY REVIEW ACT**

I.D. NUMBER: 7-529
SUBJECT: Coalmine Volatility Requirements
AGENCY: DEPARTMENT OF ENVIRONMENTAL PROTECTION

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

RECEIVED
IRRC
2018 JAN 22 P 4: 27

FILING OF REGULATION

DATE

SIGNATURE

DESIGNATION

1-22-18 M.L. Klein

Majority Chair, HOUSE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY
Representative John Medler

1/22/18 Richard Fox

Minority Chair, HOUSE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY
Representative Mike Carroll

1/22/18 Paula C. Dwyer

Majority Chair, SENATE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY
Senator Gene Yaw

1/22/18 [Signature]

Minority Chair, SENATE COMMITTEE ON ENVIRONMENTAL RESOURCES & ENERGY
Senator John Yudichak

1/22/18 K Cooper

INDEPENDENT REGULATORY REVIEW COMMISSION
David Sumner

ATTORNEY GENERAL (for Final Omitted only)

LEGISLATIVE REFERENCE BUREAU (for Proposed only)

