3238

## **Kathy Cooper**

From:	ecomment@pa.gov
Sent:	Monday, September 9, 2019 5:50 PM
To:	Environment-Committee@pasenate.com; IRRC; eregop@pahousegop.com;
Cc:	environmentalcommittee@pahouse.net; regcomments@pa.gov; ntroutman@pasen.gov c-jflanaga@pa.gov
Subject:	Comment received - Proposed Rulemaking: Revision of the Maximum Allowable Sulfur
	Content Limit for No. 2 and Lighter Commercial Fuel Oil



## **Re: eComment System**

The Department of Environmental Protection has received the following comments on Proposed Rulemaking: Revision of the Maximum Allowable Sulfur Content Limit for No. 2 and Lighter Commercial Fuel Oil.

Commenter Information: Ted Harris Pennsylvania Petroleum Association (tharris@papetroleum.org) 911B South Eisenhower Blvd RECEIVED SEP 10 2019 Independent Regulatory Review Commission

Comments entered:

Middletown, PA 17057 US

The Pennsylvania Petroleum Association represents over 225 petroleum marketers who supply the majority of heating oil to an estimated 800,000 Pennsylvania homes. Our association and industry support the IRRC No. 3238 Revision of the Maximum Allowable Sulfur Content Limit for No. 2 and Light Commercial Fuel. We respectfully ask the IRRC to move forward in the transition of 15 PPM ultra low sulfur heating oil with the intended implementation date of summer 2020.

The transition to ultra-low sulfur fuels has been pursued by the EPA for more than a decade. Refiners have been producing ultra-low sulfur diesel for both highway and off-highway applications for years. Pennsylvania is currently the only member of the MANE-UV that has not already adopted an ultra-low sulfur heating oil standard. Individuals within the Commonwealth will benefit from lower sulfur dioxide emissions which in turn will improve air quality across the state. These reduced emissions are already recognized in neighboring states.

Heating oil consumers will not only benefit from improved air quality but also from cost savings. The National Oilheat Research Alliance (NORA) estimates that consumers could save up to 12 cents per gallon. This can be achieved through increased heating system efficiency, reduced need for annual heating system maintenance, and increased heating system longevity. These cost savings will offset any potential rack price differentials that currently exist between the high and low sulfur products. Consumers will also benefit from a seamless transition to ULSHO which doesn't require any cost or course of action to accept the low sulfur product.

The regional storage infrastructure will be greatly enhanced when diesel and heating oil are the

same 15 ultra low sulfur ppm specification. The current storage capabilities for two varying spec fuels will be combined to one fuel, thus creating the efficiency of the storage capacity dramatically. ULSHO will also aid pipeline capacity into the terminals across the state who already operate near capacity. This will be very beneficial to the heating oil industry as the need to bring in supply from other parts of the country will increase due to the closure of Philadelphia Energy Solutions which previously produced approximately 40% of the heating oil within the state.

The current proposed rule suggests an effective date that begins 60 days after publication of the proposed rulemaking. The PPA acknowledges the efforts of PA DEP in establishing a reasonable time for the industry to make this transition assuming it occurs during summer months when demand is low. The PPA has received some concern from upstream suppliers indicating the 60-day transition period may not be enough time to fully cycle through the existing 500 ppm product. While we do not disagree with this concern, we are supportive of the current 60-day period. The association plans to work closely with PA DEP in the upcoming months to communicate any variables that would negatively impact petroleum supplier's ability to meet the 60-day transition period. An example of this would be an above average winter which would create lower demand and excess supply of 500 ppm within the distribution system.

No attachments were included as part of this comment.

Please contact me if you have any questions.

Sincerely, Jessica Shirley

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