Alternative Diesel Fuels Regulation
Workshop on
Reporting and Recordkeeping Requirements

California Air Resources Board
Sacramento, California
May 23, 2016
Overview

• ADF Regulation Background
• **Reporting** General Requirements
  • Applicable Parties
  • Where and How to Submit the Reports
• **Recordkeeping** General Requirements
  • Applicable Parties
• Example Fuel Supply Streams
• Next Steps
• Q and A
ADF Regulation - Background

• Need for Alternative Diesel Fuels Regulation
  • Need to maintain environmental & public health protections
  • Emerging ADFs need market certainty, clear framework for commercialization in CA
• ADF Regulation adopted in September 2015
ADF Regulation

• General provision
  • Three-stage fuel evaluation process

• Biodiesel provision
  • In-use requirements for \( \leq \) B20 blends (Jan 1, 2018)
  • B100 blendstock specifications (Jan 1, 2016)
  • Reporting and recordkeeping requirements (Jan 1, 2016)
Additional ADF Regulation Info.

• Biodiesel Provisions are applicable to blends B20 and below.
• Blends above 20 (B20) need a Stage 1 Executive Order before commercial sale in California.
• Renewable Diesel is not an alternative diesel fuel.
ADF Reporting Requirements
Purpose of Reporting Requirements

• To confirm the use of B20 and below blends without NOx impact
• As of January 2018, confirms biodiesel meeting NOx in-use requirements
• In-use requirements are how biodiesel blend comply with NOx control levels; examples:
  • Testing saturation for high saturation biodiesel
  • Using additives to reduce NOx for B20 blends
Biodiesel Reporting Requirements

- Quarterly Reporting
- Reporting due by the end of the subsequent reporting period

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Duration</th>
<th>Report Due Date</th>
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<tbody>
<tr>
<td>1st</td>
<td>Jan 1 – Mar 31</td>
<td>June 30</td>
</tr>
<tr>
<td>2nd</td>
<td>Apr 1 – June 30</td>
<td>Sept 30</td>
</tr>
<tr>
<td>3rd</td>
<td>July 1 – Sept 30</td>
<td>Dec 31</td>
</tr>
<tr>
<td>4th</td>
<td>Oct 1 – Dec 31</td>
<td>Mar 31</td>
</tr>
</tbody>
</table>
All Reporting – Monthly Data

Volume aggregated monthly

Mar 2016
Feb 2016
Jan 2016

1st qtr. reports due June 30

1st qtr. Report
2016
Applicable ADF Reporting Parties

B100/B99 Producers

Importers

Blenders
Reporting Form

Reporting form is available at:

• [http://www.arb.ca.gov/fuels/adf/adf.htm](http://www.arb.ca.gov/fuels/adf/adf.htm) (under What’s New)

or at:

• [http://www.arb.ca.gov/fuels/adf/adfdocs.htm](http://www.arb.ca.gov/fuels/adf/adfdocs.htm) (Alternative Diesel Fuels Related Documents Webpage)
Producer (of B100/B99)

Definition:

“...with respect to any fuel, the entity that made or prepared the fuel”

- ADF refers to LCFS Regulation CCR, title 17, section 95481(a)
Producers Reporting Requirements

ADF Regulation
Section 2293.8 (b)(2)(A)

1) B100/B99 Volume produced
2) B100/B99 Volume sold to downstream purchasers
3) Transaction information including purchaser information

Do you perform blending? Then Blenders Reporting Requirements apply. See 2293.8(b)(2)(C)
Save Producer Report as:

2016-Jan-Name-Producer-Location.xlsx

Feb
Mar

- Enter location (e.g., Fresno) if more than one location.
- Separate reporting data required per production facility.
**Importer**

**Definition:**

“...means the person who owns the transportation fuel or blendstock, in the transportation equipment that held or carried the product, at the point the fuel entered California...”

- ADF refers LCFS Regulation CCR, title 17, section 95481(a)
Importers Reporting Requirements

ADF Regulation Section 2293.8 (b)(2)(B)

1) Volume of B100/B99 or any blends imported into California
2) Volume of B100/B99 or any blends sold to downstream purchaser
3) Transaction information include purchaser information

Do you perform blending? Then Blenders Reporting Requirements apply. See 2293.8(b)(2)(C)
Save Importer Report as:

2016*Name*Importer.xlsx

Feb
Mar
Blender

Definition:

“...means any person who blends an ADF with another fuel.”

- ADF Regulation  Section 2293.2 (a)(14)
Blenders Reporting Requirements

ADF Regulation Section 2293.8 (b)(2)(C)

1) Volume of B100/B99 purchased or obtained
2) B100/B99 supplier information
3) Blend level/ volume produced
4) Blends level/ volume offered/supplied/sold
Save Blender Report as:

2016 Jan Name Blender Location.xlsx
Feb
Mar

- Enter location (e.g., Fresno) if more than one location
- Separate reporting data required per blending facility.
Blending Methods
Blending Method 1
In-line Blending

B100 A
Diesel
≤ B20
Blending Method 2
Tank blending

Diesel

≤ B20
Blending Method 3
Splash blending

Diesel

Blender

≤ B20
Blenders Reporting
Q & A
Q) Can a producer and an importer also be a blender?

A) Yes, a producer and an importer who produces or imports and blends on site must report:
   - B100/B99 production/imported volume (as a producer or an importer)
   - Blend level and volume produced (as a blender)
Q) Can a blender supply their fuel (e.g., B50) to a downstream blender for further blending down (e.g., B5)?

A) Yes, and both blenders must report individually to reflect the applicable fuel blending.
Q) Does each blending terminal report individually, although multiple blending terminals may belong to the same parent entity?

A) Yes, each blending terminal is a separate blender, therefore must report separately to reflect blendstock volume obtained and final blends produced at each terminal.
Q) Does volume obtained/produced have to match volume supplied/sold each month?

A) No, we understand that the entire volume produced/obtained during a month may not be supplied/sold during the production month.
Reporting Examples
Reporting
Example 1

Producer Facility A

Distributor 1

Distributor 2

Distributor 3

Blender

Producer Report:
- B100 volume produced/supplied
- B100 volume sold (title transfer)
- B100 purchaser (Distributor 1) information

Blender Report:
- B100 volume purchased or obtained from Distributor 3
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.
Reporting Example 2

Producer Report:
- B100 volume produced/supplied
- B100 volume sold (title transfer)
- B100 purchaser (Distributor 3) information

Blender Report:
- B100/B99 volume purchased or obtained from Distributor 3
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.
Reporting
Example 3

Producer report:
- B100 volume produced/supplied
- B100 volume sold
- B100 purchaser information (Blender)

Blender report:
- B100/B99 volume purchased or obtained from Distributor 3
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold

No reporting requirements for Distributors 1, 2 or 3. Recordkeeping only.
Reporting
Example 4

Producer Report:
- B100 volume produced/supplied
- B100 purchaser information (Blender)

Blender Report:
- B100/B99 volume purchased or obtained from a Producer
- Blend level (e.g., B5) and the total volume produced
- Blend level and the total volume offered, supplied or sold
Report Submittal

Electronic submittals are preferred.
Please e-mail to:

adf@arb.ca.gov

Or mail in:
Oil and Gas and GHG Mitigation Branch Chief
1001 I St. P.O. Box 2815
Sacramento CA 95812
Recordkeeping Requirements
Applicable Recordkeeping Parties

- Applicable Regulation Section: 2293.8 (c)(3)(A), (B), (C), (D) and (E)
Recordkeeping Requirements

Records must be kept for 5 years and made available within 15 business days upon request by ARB or its designee

- Effective January 1, 2016
  - Product Transfer Document/Quarterly Reports
- Effective January 1, 2018
  - Product Transfer Document/Quarterly Reports
  - Method of NOx control or exemption notice
    (ADF Regulation Section 2293.8(c)(1))
Product Transfer Document

• PTD may include bill of ladings, invoices, contract and other substantiating document that authenticates the product transfer

• Generally contains:
  • Seller/Supplier information
  • Purchaser/Receiver information
  • Transaction Date
  • Volume in transaction
  • Carbon Intensity pathway info, if available
Distributors

- Syn: Traders, Common Carriers, Jobbers
- May or may not hold title of the blendstock or finished fuel
- Do not blend or change the fuel composition. If you do, then you are a blender.
- Only recordkeeping requirements
Retailers

- Retailers provide fuels to the end users.
- Only recordkeeping requirements.
- On-site blenders may both be a blender and a retailer.
  - They would need to report as a blender and keep records as a blender and a retailer.
Example Reporting and Recordkeeping Schemes
Example 1

1. Common Carrier Truck with B100

2. Splash Blending

3. Petroleum Co.

4. <B5

5. Diesel

6. Petroleum Co. Retail Station
Next Steps

• Post Reporting Form Revision
• Post FAQs Revision
Contact Info

• Elizabeth Scheehle  
  Branch Chief, Oil and Gas and Greenhouse Gas Mitigation Branch  
  (916) 322-7630  
  Elizabeth.Scheehle@arb.ca.gov

• Alexander “Lex” Mitchell  
  Manager, Emerging Technology Section  
  (916) 327-1513  
  Alexander.Mitchell@arb.ca.gov

• Susie Chung  
  Air Pollution Specialist, Emerging Technology Section  
  (916) 327-0647  
  Susie.Chung@arb.ca.gov
ADF Webpage:

http://www.arb.ca.gov/fuels/adf/adf.htm

End of the presentation