

Phase 2 Reformulated Gasoline

Transition Subcommittee

Final
Meeting Summary
May 17, 1995

California Air Resources Board

-FINAL-

I. Introduction

The Phase 2 Reformulated Gasoline Transition Subcommittee held a meeting on May 17, 1995 in Sacramento, from 9:00 am to 12:00 pm.

The key issues discussed were:

- o Phase 2 RFG Supply/Demand Update - North/South Split
- o CEC/ARB Joint RFG Survey - Preliminary Aggregated Product Slate
- o "What If" Scenarios
- o Phase 2 RFG Information Clearinghouse Concept

Attached for your information are copies of the presentations which were made to the subcommittee, and a copy of the meeting attendance list. Inquiries about this meeting summary should be directed to Mr. Greg Allen, Transition Subcommittee Secretary, at (916) 327-5599.

II. Phase 2 RFG Supply/Demand Update - North/South Split

This presentation was in response to previous subcommittee discussions regarding CEC's forecast for the Phase 2 RFG supply/demand balance in California. CEC staff presented the results of further analysis which produced separate balance forecasts for northern and southern California. The north/south split was established at Bakersfield, with Bakersfield included in the northern area. It was felt that such an evaluation may prove beneficial in future distribution system analyses without compromising any specific refiner's confidentiality.

The results indicate that through the year 2000, Northern California's maximum RFG capacity will exceed its high demand forecast, while Southern California's demand will eventually exceed its maximum RFG capacity. This suggests that as we approach the turn of the century, Southern California may rely on Northern California supply to meet the shortfall if one exists.

In addition to separate RFG balances, separate balance forecasts for conventional gasoline were also presented. Conventional gasoline is exported by pipeline to Reno from northern California, and to the Las Vegas/Phoenix area from southern California. Northern California's production capacity is expected to greatly exceed the limited transport capacity of the Reno pipeline. However, due to the expected continuation rapid growth in the Las Vegas and Phoenix markets, supplies of conventional gasoline from throughout California will be needed to meet the southern California pipeline export demand. Furthermore, as California refiners begin to increase their production of Phase 2 RFG to meet a steadily increasing demand, production of conventional gasoline may decrease result in higher reliance on imports to meet the pipeline export demand.

Contact: Gordon Schremp (916) 654-4887

III. CEC/ARB Joint RFG Survey - Preliminary Aggregated Product Slate

In response to desires expressed by refiners regarding the type of analysis performed on the RFG survey data, CEC staff presented preliminary aggregates of essentially the entire product slate in California. Because are certain products with a limited number of producers, the analysis add statewide aggregates only. A north/south split of this analysis will not made publicly available in order to avoid compromising the confidentiality data obtained from certain refiners. The results of this analysis were presented in graphical format; a copy of the presentation materials is enc for your reference.

Contact: Gordon Schremp (916) 654-4887

IV. "What If" Scenarios

Efforts to assist "what if" scenario planning include the identification o key process units necessary for a typical California refinery to produce Phase 2 RFG. CEC and ARB staff have been meeting with refiners on an individual basis to obtain a better understanding of the operational intricacies of these reconfigured facilities. Discussions with individual refiners addressed the various options available when a key unit goes down and the effect of such an unscheduled outage on production capabilities. that participated in these meetings feel that they were very beneficial an expressed great appreciation of the various refiners' cooperative efforts. due to the confidential nature of specific refinery operational informatio discussion of these meetings before the subcommittee was quite limited and in very general terms.

Contact: Tom Glaviano (916) 654-4874

V. Phase 2 RFG Information Clearinghouse Concept

CEC staff presented a conceptual outline of a "Phase 2 RFG Information Clearinghouse." The role of the clearinghouse would be to collect and analyze data from a variety of sources related to all aspects of RFG production, distribution, and marketing. The data would be collected for first year of the program and would be used as an early warning system to detect potential major problems which arise. The concept is basically an expansion of existing data tracking performed by the CEC. The presentatio materials provide a fairly detailed overview of the sources and types of d to be collected and analyzed.

There was concern expressed by several subcommittee members regarding the dissemination of the data collected. It was quickly pointed out that the term "clearinghouse" is probably inappropriate in this application because there will be very little, if any, dissemination of data. The results of the data collection and analysis will primarily be u to keep ARB program management abreast of developing problems in the syste and to brief the Governor when necessary during emergency or crisis situat It was agreed that future development of this concept will use terms other than "clearinghouse'" in any descriptive titles.

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