

California Reformulated Gasoline Program
Transition Subcommittee
Final Summary for September 20, 1995

I. Introduction

The California Reformulated Gasoline Transition Subcommittee held a meeting on September 20, 1995 in Sacramento, from 9:00 am to 12:00 pm.

The key issues discussed were:

- o Pipeline & Terminal Operations for California RFG
- o CEC Preliminary Analysis of Fuel Distribution Patterns
- o California RFG Balance Update
- o Regulatory Issues
 - September 6, 1995 "Housekeeping" Consultation Meeting
 - ARB Variance Guidelines & SB 709

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. Pipeline & Terminal Operations for California RFG

Representatives from both Santa Fe Pacific Pipeline, and CALNEV Pipeline/GATEX, made presentations regarding how their respective pipeline and terminal operations are evolving in order to accommodate the introduction of cleaner burning gasoline. Topics addressed included general pipeline and terminal operations and layout, pipeline fungible specifications, transmix blending and processing, and ethanol blending. Each speaker provided copies of their presentation materials which are attached to this meeting summary.

Contact: Mary Morgan, Santa Fe Pacific Pipeline (213) 486-7830
Rob Kennedy, CALNEV Pipeline/GATEX (909) 387-9517

III. CEC Preliminary Analysis of Fuel Distribution Patterns

An analysis of past motor vehicle gasoline production volumes and distribution patterns was presented by California Energy Commission staff. Much of the analysis was based on information obtained pursuant to the Petroleum Industry Information Reporting Act. The analyses separately addressed both northern and southern California production and distribution patterns for the refining centers in each area. For northern California, the analysis also included efforts to determine the amount of gasoline exported out of state via pipeline which flows back into California by tanker truck. A copy of the presentation materials is attached to this meeting summary.

Contact: James Fore (916) 654-4870

IV. California RFG Balance Update

On October 18, 1994, California Energy Commission staff presented an initial assessment of the RFG supply/demand balance to the Transition Subcommittee. As additional information becomes available staff updates their analysis and presents results to the subcommittee. Today, CEC staff presented the latest of these updates dated September 20, 1995 (copy attached). This update is based upon new information obtained from the CEC/CARB Joint RFG Survey forms, updated CARB RFG Compliance Plans, and ongoing communications with industry representatives.

The primary finding of this evaluation is that California refiners have the ability to provide adequate volumes of RFG during the first full year of the regulation, even under a worst case high demand scenario. The analysis indicates that gasoline demand has been relatively flat since 1992 and is not expected to approach the worst case high demand scenario growth rate of two percent by 1996.

Contact: Gordon Schremp (916) 654-4887

V. Regulatory Issues

ARB staff provided a brief overview of the September 6, 1995 "Housekeeping" Consultation Meeting which was held in order to discuss various requested modifications to the CaRFG regulations. Areas of concern included downstream blending of oxygenates (CARBOB), averaging methodologies and reporting requirements, and various considerations regarding RVP allowances.

Staff also provided a brief status report on the ARB variance guidelines and SB 709 which if signed into law requires a variance procedure for CaRFG to be adopted as a state regulation by ARB. At the time of this meeting the bill had been approved by both legislative bodies and was awaiting signature by the Governor. ARB is proceeding on the assumption that the legislation will be approved and is working expeditiously on preparing such a regulatory item for presentation to the board.

Contact: Dean Simeroth (916) 322-6020

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