

AIR RESOURCES BOARD

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**Notice of Decision and
Response to Significant Environmental Issues**

Item: NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE SMALL REFINER PROVISIONS IN THE REGULATION LIMITING THE AROMATIC HYDROCARBON CONTENT OF CALIFORNIA MOTOR VEHICLE DIESEL FUEL -- SMALL REFINER VOLUME LIMITS

Adopted by: Executive Order G-94-049
Signed: June 9, 1995

Approved by: Resolution 94-52

Agenda Item No.: 94-8-1

Public Hearing Date: July 29, 1994

Issuing Authority: Air Resources Board

Comment: The Air Resources Board staff report, which is incorporated by reference herein, identified significant adverse environmental impacts that could result from the proposed amendments. The increased volume of 20 percent aromatic hydrocarbon content diesel fuel that small refiners would be permitted to produce and supply under the proposal would reduce the oxides of nitrogen (NOx) and particulate matter (PM10) emissions benefits which would otherwise occur as a result of compliance with Title 13, California Code of Regulations, section 2282 in 1995 and thereafter. The staff report described the staff's efforts to identify any feasible mitigation and alternatives, and staff's conclusion that it could not identify any alternative that would reduce the adverse environmental impacts while still achieving the compelling objectives of the proposed amendments.

Comments were received identifying significant environmental issues pertaining to this item. These comments are summarized and responded to in the Final Statement of Reasons, which is incorporated by reference herein.

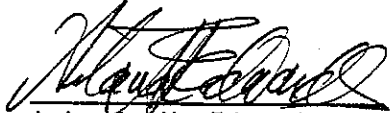
In Resolution 94-52, which is incorporated herein by reference, the Board determined that the amendments pertaining to the small refiner exempt volume limits could result in a reduction in emission benefits of up to 3 tons per day NOx and up to 0.6 tons per day in PM10 during 1995 and thereafter. However, these temporary reductions in the benefits of the regulation represent the maximum potential adverse environmental impacts. They will be fully realized only if the small refiners produce and market

20 percent aromatic hydrocarbon content of diesel fuel in their full exempt volumes. Since the estimated costs for small refiners to produce diesel fuel meeting the 20 percent or equivalent aromatic hydrocarbon content limit are greater than the estimated costs for large refiners to meet the 10 percent or equivalent standard, whether the small refiners produce their full exempt volumes will depend on market demand.

In Resolution 94-52, the Board found that the ARB had investigated whether there are any feasible mitigation measures or alternatives that would lessen or eliminate the significant adverse emission impacts of the amendments, and has not identified any such mitigation measures or alternatives which would also allow the remaining small refiners to produce diesel fuel in an economically viable manner. No feasible mitigation measures or alternatives have been identified which would reduce or eliminate the adverse environmental impacts of the amendments pertaining to exempt volumes while still allowing the remaining small refiners to produce diesel fuel in an economically viable manner.

Response: See above.

Certified:



Artavia M. Edwards
Regulations Coordinator

Date:

June 9, 1995