

Regulation of Fuels and Fuel Additives: Renewable Fuel Standard Program

Summary and Analysis of Comments

Chapter 7 Compliance Requirements (Registration, Reporting, Recordkeeping)

Assessment and Standards Division
Office of Transportation and Air Quality
U.S. Environmental Protection Agency



RFS Summary and Analysis of Comments

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7 COMPLIANCE (REGISTRATION, RECORDKEEPING, REPORTING)

What We Proposed:

The comments in this section correspond to Section IV of the preamble to the proposed rule and are targeted at the registration, recordkeeping, and reporting requirements of the rule. A summary of the comments received and our response to those comments are located below.

7.1 Workshops for Reporting Parties

What Commenters Said:

EPA received a comment from the American Coalition for Ethanol (ACE) expressing interest in co-hosting, with EPA and other interested parties, workshops designed for ethanol producers and others to become familiar with the registration, recordkeeping, and reporting requirements of the RFS program.

Letters:

American Coalition for Ethanol (ACE) OAR-2005-0161-0218

Our Response:

EPA welcomes the participation of all interested parties in workshops to assist in implementation of the RFS rule. We anticipate these workshops will take place shortly after issuance of the final rule. We will announce workshops on our web page and will notify groups like trade associations in order to get information out to interested parties.

7.2 Registration

7.2.1 Registering Parties

7.2.1.1 Renewable Fuel Producers and Importers

What Commenters Said:

EPA received comments from ExxonMobil and the National Petrochemical and Refiners Association (NPRA) who believe that both renewable fuel producers and importers should be required to register with EPA.

Letters:

ExxonMobil OAR-2005-0161-0197

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Our Response:

EPA agrees that registration of renewable fuel producers and importers is essential to the creation of Renewable Identification Numbers (RINs) and that EPA-assigned company and facility ID numbers are key components of the RIN. Many importers may already be registered under the reformulated gasoline (RFG) and anti-dumping program or the diesel sulfur program, and if so, they will not have to register again for the RFS program.

7.2.1.2 Publication of Registration Numbers

What Commenters Said:

EPA received a comment from NPRA suggesting that EPA publish a list of renewable fuel producer and importer company and facility registration numbers prior to the effective date of the RFS program. The commenter noted that EPA had published a list of registration numbers prior to the June 2006 effective date for the highway diesel rule and that this action proved to be beneficial for implementation purposes.

Letters:

National Petrochemical and Refiners Association (NPR) OAR-2005-0161-0170, -0232

Our Response:

We will post an initial list of producer and importer registration numbers on our website in early August 2007. On or about September 1, 2007, the start date of the program, we will post an updated list, and will continue to update it periodically.

7.2.1.3 Requirements for Parties Other Than Renewable Fuel Producers and Obligated Parties

What Commenters Said:

EPA received a comment from CHS suggesting that if renewable fuel producers sell fuel directly to retail outlets, those outlets should be required to register, record product transfer documents (PTDs), and report to EPA as would an obligated party. The commenter agreed with EPA's proposed provision that parties who intend to own RINs, and who are not obligated parties, exporters of renewable fuels, or renewable fuel producers or importers must also register before ownership of RINs, and that with registration must come reporting and recordkeeping requirements.

Letters:

CHS Inc. OAR-2005-0161-0203

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Our Response:

A retail outlet must register with EPA before they may take ownership of any RINs, in the same way that any party involved in RIN transactions must register with EPA prior to any RIN transactions. In addition, all registered parties, including registered retail outlets, must engage in recordkeeping and reporting consistent with the role they perform (e.g., renewable fuel producer, refiner, broker, etc.)

7.2.1.4 RFS Registration Numbers for Parties Already Registered with EPA

What Commenters Said:

EPA received a comment from Sutherland Asbill Brennan requesting clarification on which registration numbers a currently-registered party and/or facility would record and report under the RFS program, considering that some parties are subject to multiple EPA fuels programs and have more than one registration number. On the same subject, NPRA supported EPA's proposal to utilize the same basic reporting forms for registration that were used for the RFG and anti-dumping programs and allowing currently registered refiners and importers to use their EPA-issued 4-digit company and 5-digit facility identification numbers.

Letters:

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232
Sutherland Asbill Brennan OAR-2005-0161-0210

Our Response:

A party who has registered under another program covered by 40 CFR Part 80, such as the RFG and anti-dumping programs or the diesel sulfur program, does not have to register for the RFS program and may use their existing company and facility ID numbers. However, if a party, such as a renewable fuels producer, is registered only under the fuel and fuel additive registration program (FFARS) of 40 CFR Part 79, then that party must register for the RFS program.

A party is responsible for keeping its registration information current and changes may be submitted via the registration form. If a party is uncertain of its prior registration status, then that party should contact EPA's reporting staff for assistance.

7.2.1.5 Registration Requirements for Importers and Exporters of Renewable Fuels

What Commenters Said:

Archer Daniels Midland Company (ADM) submitted a comment to EPA asking for clarification on what registrations are needed for import and export of renewable fuels, and whether one registration would apply to both imports and exports.

Letters:

Archer Daniels Midland Company (ADM) OAR-2005-0161-0227

Our Response:

If a single registrant fulfills multiple roles - e.g., if one registrant is both an importer and an exporter - then that party will use the same EPA-issued ID numbers for all of its reports. However, a party performing multiple roles must be sure to keep appropriate records and submit appropriate reports related to all the roles it engages in under the RFS program.

7.2.2 Registration Timing

7.2.2.1 Registration Deadline and Program Start Date

What Commenters Said:

EPA received several comments on our proposed start date of the RFS program and the registration deadline for renewable fuel producers and obligated parties. Shell/Motiva, ExxonMobil, the American Petroleum Institute (API), and NPRA commented that the implementation date for obligated parties and the registration date for renewable fuel producers should be aligned by eliminating the 30 day gap in the proposal between the proposed effective date of the rule and the date by which producers are required to register. BlueFire Ethanol commented that EPA should clarify the registration deadline for obligated parties in order to avoid alienating future obligated parties.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185

BlueFire Ethanol OAR-2005-0161-0200, -0224

ExxonMobil OAR-2005-0161-0197

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Shell/Motiva OAR-2005-0161-0215

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Our Response:

We understand the commenters' concerns about aligning the implementation date for obligated parties and the registration date for renewable fuel producers. In the final rule, the registration deadline for all parties, including renewable fuel producers and obligated parties, has been eliminated. However, the final rule states that no party can own RINs or engage in any RIN activities until they have registered and received EPA ID numbers. For example, if a renewable fuel producer is not registered by the program start date, the producer is prohibited from generating RINs until they complete the registration process. With the elimination of the registration deadline, the final rule ensures that future obligated parties will not be alienated from participating in the program.

7.2.2.2 Registration Lead Time

What Commenters Said:

The Renewable Fuels Association (RFA) commented that in the credit program under Clean Air Act (CAA) Section 211(m) [*sic*], EPA provides new registrants three months to register “in advance of the first date that such person will produce or import reformulated gasoline or [reformulated blendstock for oxygenate blending] RBOB or conventional gasoline.” RFA suggested that a similar time frame could be provided for the RFS program.

Letters:

Renewable Fuels Association (RFA) OAR-2005-0161-0192, -0228 (hearing)

Our Response:

It is true that EPA had a lengthier registration period under the RFG and anti-dumping program than under the RFS program. The RFG and anti-dumping program was the first program under 40 CFR Part 80 to utilize our current registration forms, and we needed extra time to develop the forms and to disseminate them to the regulated community. The RFG and anti-dumping program registration also began before Internet access was widespread and before we had a well-developed web page.

In the case of the RFS program, the registration forms are simple and require only basic information like company name, address, contact person, etc. We estimate that many registrants will be able to fill the forms out and fax them to us in under an hour. In addition, many parties (particularly refiners and importers) are already registered with EPA under 40 CFR Part 80 programs and will not have to register again under RFS. We believe that new registrants will find the forms easy to fill out and submit, and we will have staff available to assist new registrants should they have any questions about their registration status or about the forms themselves.

7.2.2.3 Early Registration

What Commenters Said:

EPA received comments from NPRA and CHS encouraging EPA to urge ethanol producers, importers, and RFS obligated parties to register for the program early.

Letters:

CHS Inc. OAR-2005-0161-0203

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Our Response:

EPA will accept registration forms as soon as the final rule is published in the Federal Register. We will post registration forms on the EPA website shortly before the final rule is published, and we will work with industry trade groups to help disseminate instructions on registering for the program. While there is no specified registration deadline, a party must be registered prior to owning RINs or engaging in RIN transactions, and we must have adequate time to process registration applications and assign company and facility ID numbers.

7.3 RIN Tracking for Reporting Purposes

7.3.1 Renewable Fuels Tracking System

What Commenters Said:

EPA received a comment from the American Farm Bureau Federation (AFBF), the National Corn Growers Association (NCGA), and the National Council of Farmer Cooperatives (NCFC) that the RFS program will require renewable fuel producers to create a costly tracking system which will require time to develop upon finalization of the rule.

Letters:

American Farm Bureau Federation (AFBF), National Corn Growers Association (NCGA), National Council of Farmer Cooperatives (NCFC)
OAR-2005-0161-0188

Our Response:

We have made every attempt to keep the RFS program as simple and straightforward as possible while still ensuring the program accomplishes the requirements of the Energy Policy Act. The burdens associated with the RFS program are no greater for renewable fuels producers than they are for refiners and importers. The RFS regulations are designed to preserve flexibility for individual parties to determine

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how to meet regulatory requirements. The program requires renewable fuel producers to keep records, to report on each batch of renewable fuel they produce, and to include RIN and transferee/transferor information on transaction documents. The system chosen to fulfill these requirements is up to each producer.

7.3.2 RIN Tracking Mechanism

What Commenters Said:

EPA received a comment from Sutherland Asbill Brennan requesting guidance on the appropriate accounting mechanism (e.g., first-in-first-out) for tracking the accumulation, sale, purchase, or compliance use of RINs.

Letters:

Sutherland Asbill Brennan OAR-2005-0161-0210

Our Response:

EPA will not require a specific accounting method for tracking RIN compliance. This approach will permit regulated parties maximum flexibility in meeting regulatory requirements. As the comment points out, a common accounting method is first-in/first-out (FIFO), and this method may be used by some companies. We do not believe it is necessary for us to establish a preferred accounting method and will leave it to individual parties to take into account their specific needs and the needs of their trading partners.

7.4 Reporting and Attest Engagements

7.4.1 Reporting Parties and Report Types

7.4.1.1 Requirements for Parties Holding RINs

What Commenters Said:

EPA received comments from ExxonMobil and API supporting the proposed requirement that any party holding RINs be subject to the reporting and recordkeeping requirements of the program.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185

ExxonMobil OAR-2005-0161-0197

Our Response:

We have tied registration, recordkeeping, and reporting requirements to the ownership of RINs. Any party that wishes to own RINs or engage in any transaction involving RINs must register prior to engaging in such activities.

7.4.1.2 Reporting Frequency

What Commenters Said:

EPA received comments from Baker Commodities and Griffin Industries claiming that the recordkeeping requirements of the RFS proposal for renewable fuel producers would make it very difficult for small biodiesel producers to be in compliance, and the commenters requested that EPA consider lessening the frequency of and the number of different reports required under the regulation.

Letters:

Baker Commodities OAR-2005-0161-0003 through -0006, -0173

Griffin Industries OAR-2005-0161-0189

Our Response:

The number of reports submitted is proportional to the number of activities and transactions in which a party is engaged. Frequent production of small batches or active RIN trading may result in a larger number of reports for EPA. We have adopted quarterly reporting because it is necessary to ensure the validity of RINs and to demonstrate compliance with RIN/volume inventory requirements. Reports were designed to provide EPA with the minimum information necessary to administer this program. Small producers and importers (those who produce or import < 10,000 gallons per year or renewable fuels) are exempt from these requirements.

7.4.1.3 Combining Reports

What Commenters Said:

EPA received a comment from FutureFuel urging that the detailed RIN activity report and the summary RIN activity report should be combined into one report.

Letters:

FutureFuel OAR-2005-0161-0198

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Our Response:

The activity and summary reports are designed for different purposes and complement each other. The detailed activity report (RIN transaction report) provides detailed transactional information. A separate RIN transaction report is required for each RIN purchase and sale, and for each retired or expired RIN. The summary RIN activity report focuses on the total number of RINs owned at the start and end of the quarter, and the total number of RINs purchased, sold, retired, and expired during the quarter. We will endeavor to design the reporting formats to be as easy to use and to create as little additional burden as possible. For practical purposes, we intend to permit parties to use a highly simplified method of electronic reporting via the EPA Central Data Exchange (CDX). This method will be simpler than using paper reports, will permit data to be submitted in a variety of common formats, and will provide enhanced security.

7.4.2 Reporting on Facility or Corporate Level

What Commenters Said:

EPA received a comment from API noting that for obligated parties who report obligations and submit compliance reports under aggregated approaches, a corporation will need to be recognized as a "facility" to facilitate trades between obligated entities. The commenter believed that EPA's regulation should clarify this approach.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185

Our Response:

Facility IDs are required from renewable producers when reporting renewable batch information. Facility IDs are also required from obligated parties demonstrating annual compliance on a facility-by-facility basis. However, facility IDs are not required from obligated parties who demonstrate compliance on an aggregated basis. No party is required to use facility IDs when reporting RIN transactions (purchase, sale, retirement, or expiration), as they will be done at the corporate level.

7.4.3 Quarterly Reporting vs. Annual Reporting

What Commenters Said:

We received comments on our proposal to require all RFS reports on an annual basis. The Independent Fuel Terminal Operators Association (IFTOA), FutureFuel, Flint Hills Resources (FHR), ExxonMobil, API, and NPRA supported annual reporting. However, RFA believed that quarterly reporting would not add a significant burden and would provide EPA with more accurate information. Lyondell went a step further and

commented that EPA should collect and issue quarterly summaries of changing RIN credit supplies for use by the credit trading market, to prevent unnecessary supply shortfalls and maintain an efficient use of resources and invested capital for these commodities.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185
ExxonMobil OAR-2005-0161-0197
Flint Hills Resources (FHR) OAR-2005-0161-0222
FutureFuel OAR-2005-0161-0198
Independent Fuel Terminal Operators Association (IFTOA) OAR-2005-0161-0213
Lyondell OAR-2005-0161-0165
National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232
Renewable Fuels Association (RFA) OAR-2005-0161-0192, -0228 (hearing)

Our Response:

EPA believes that quarterly reporting is necessary to demonstrate compliance with quarterly RIN/volume inventory requirements. An added benefit of quarterly reporting is that it will allow us to verify that RINs circulating in the market are valid and that RIN transactions are being reported properly. Therefore, all parties involved in the generation of RINs or who participate in RIN transactions will have quarterly reporting requirements. In addition, obligated parties will continue to have an annual requirement to demonstrate compliance with the renewable volume obligation.

7.4.4 Reporting Deadlines

What Commenters Said:

EPA received a comment from NPRA related to the proposed deadline for annual compliance reports. NPRA commented that in order to permit RIN trading in January and February for compliance in the previous year, annual reports submitted by obligated parties should be due by April 30 rather than the proposed due date of February 28. Furthermore, if EPA decides to promulgate April 30 as the due date for annual reports submitted by obligated parties, the commenter suggested that the proposed due date of May 31 for attest engagements (§80.1164(c)) be changed to June 30.

Letters:

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Our Response:

EPA evaluated several options with regards to an annual reporting deadline. We shared these options with NPRA, API, and other stakeholders. In the end, we decided to retain the February 28 due date, the due date for all other fuels reporting programs, which

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will allow refiners to submit all annual fuels reports for 40 CFR Part 80 programs at the same time via one Central Data Exchange (CDX) submission. However, in the first year of the RFS program only, obligated parties and exporters will be given an extra quarter to submit their list of RINs used to demonstrate compliance. This information must be reported by May 31, 2008, for the 2007 compliance period.

7.4.5 Reporting Errors

What Commenters Said:

EPA received a few comments on reporting errors and how the RFS program should handle them. API commented that obligated parties using RINs that are later found to be invalid should be given the opportunity to “cure” a shortfall caused by “invalid” RINs without penalty. FHR suggested that EPA outline a program whereby discrepancies are communicated back to reporting parties, giving each party a reasonable period of time to research and correct their reporting. According to the commenter, given the length of the RIN and the tedious process required to capture the number sequence correctly, especially if manual input is involved, EPA should provide reporting parties some mechanism for identifying errors and making corrections when a party in good faith reports RINs they believe to be valid. FHR also commented that rather than each party being responsible for contacting all its counter parties to validate transactions prior to reporting to EPA, EPA could perform and communicate such reconciliation easily.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185

Flint Hills Resources (FHR) OAR-2005-0161-0222

Our Response:

With regard to the comment that an obligated party that uses RINs should be given an opportunity to “cure” the shortfall caused by the invalid RINs without penalty, the application of a penalty to a good faith purchaser under the RFS program would not be automatic. Enforcement personnel take into account the circumstances surrounding a violation when determining who is liable and what penalty to seek. Permitting a party who has acted in good faith to apply RINs to make up for a shortfall is one possible outcome to an enforcement situation. (For more discussion on this topic, see Section 11.5.1 -- Enforcement and Attestation/Audit Provisions -- of this document.)

While EPA will make every effort to notify reporting parties of apparent discrepancies, the burden of accurately maintaining and reporting valid RINs falls on the RIN producer, owner(s), and obligated party. Accurate and valid transactional information is necessary to comply with RFS recordkeeping and PTD requirements. Reported information is expected to accurately reflect actual transactions or summaries of quarterly activity. One check we have implemented is the attest engagement

requirement. Our reporting staff routinely checks reports for possible errors or reported violations and will contact a party if a report appears to contain erroneous information.

7.4.6 Neat Motor Fuel and Reporting

What Commenters Said:

EPA received a comment from West Park Associates suggesting that in the proposed annual transactional report, the renewable fuel producer would identify the parties to whom the renewable fuel had been sold for use as a neat motor fuel, in order to confirm the right of the producer to separate RINs from the batches of renewable fuel used in neat form.

Letters:

West Park Associates OAR-2005-0161-0202

Our Response:

A renewable fuel producer or importer that produces or imports a volume of renewable fuel shall have the right to separate any RINs that have been assigned to that volume if the renewable fuel is designated as motor vehicle fuel (i.e., as a neat motor fuel that is not, for example, blended with gasoline, gasoline blendstocks, diesel fuel or diesel fuel blendstocks) and is used as motor vehicle fuel. The commenter's suggested approach would involve tracking volumes of renewable fuel sold as neat motor fuel and not RINs. However, the reporting and compliance mechanism for RFS is based on RIN ownership transactions and not on renewable volume transactions. EPA will rely on producer batch reporting and recordkeeping requirements to ensure proper transfer and use of renewable fuel used in its neat form. A renewable fuel producer who separates RINs from a volume of renewable fuel must designate this volume as motor vehicle fuel on the production batch report. The renewable fuel producer must also keep records to demonstrate that the renewable fuel was in fact used as neat motor vehicle fuel.

7.4.7 Attest Engagements

What Commenters Said:

We received a comment from NPRA on our proposed attest engagement requirements for obligated parties. The commenter expressed concern that the requirements were overly burdensome, emphasizing that the purpose of an attest engagement is a spot check of a subset of records, not a comprehensive review of every record.

Letters:

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Our Response:

We agree that examination of representative samples of RIN transaction documents would provide sufficient oversight and that the requirement included in the proposed regulations may be unnecessarily burdensome. As a result, the attest engagement provisions have been modified to require the auditor to examine only representative samples of RIN transaction documents.

7.5 Product Transfer Documents (PTDs)

7.5.1 Invoices vs. Bills of Lading

What Commenters Said:

EPA received many comments on the use of PTDs for conveying RIN information. Some comments related to the types of documents that should be viewed as PTDs. Marathon Petroleum Company (MPC), Magellan, and API commented that RIN PTD requirements should apply to invoices (ownership documents) and not bills of lading (custody documents). Shell/Motiva agreed with EPA's proposal to require that any documentation used to transfer custody of or title to a batch from one party to another identify the RINs assigned to that batch. Ethanol Products, on the other hand, supported the allowance of a parallel reporting document that would essentially separate RINs from their respective physical gallons, thereby enabling sellers to transfer RINs in an electronic format to their larger customers.

Letters:

American Petroleum Institute (API) OAR-2005-0161-0185

Ethanol Products OAR-2005-0161

Magellan OAR-2005-0161-0208

Marathon Petroleum Company (MPC) OAR-2005-0161-0175

Shell/Motiva OAR-2005-0161-0215

Our Response:

EPA agrees that RIN PTD requirements apply to ownership documents, not custody documents. We intended the term PTD to apply broadly to a variety of RIN ownership documents, including those referred to as invoices or by other names. After lengthy discussions with stakeholders, including Ethanol Products, we determined that a fungible system for both renewable fuel and RINs is of paramount importance for the RFS program to succeed. This system is described in the preamble to the final rule. The final rule requires that assigned RINs be transferred simultaneously with ownership of renewable volume. This may be achieved by directly listing assigned RINs on a PTD or by referencing in the PTD a parallel document (electronic or paper) listing assigned RINs included in the transaction.

7.5.2 Reporting Location of Renewable Fuel

What Commenters Said:

FHR requested that EPA eliminate the requirement that the location of the renewable fuel at the time of transfer be identified, claiming that RIN information will likely be communicated on invoice PTDs and that often title changes during transit and therefore the location at the time of transfer is difficult or impossible to identify.

Letters:

Flint Hills Resources (FHR) OAR-2005-0161-0222

Our Response:

EPA agrees that RINs will likely be a part of invoices or other ownership documents when transferring title of renewable fuels. Since EPA does not intend to track changes in custody of renewable fuel during transit, we have removed location of the renewable fuel at the time of transfer from the recordkeeping and PTD requirements in the final rule.

7.5.3 Reporting RIN Separation

What Commenters Said:

We received a few comments on our proposal regarding PTDs for renewable fuel from which RINs have been separated. We proposed requiring sellers of renewable fuel from which RINs were separated to affirmatively state this fact on PTDs. FHR and Magellan did not support this requirement, but the Society of Independent Gasoline Marketers of America and the National Association of Convenience Stores (SIGMA/NACS) did. Magellan suggested that, if EPA determines that such notification is necessary, the best solution would be to note the separation or removal of the RIN on the invoice that accompanies the fuel.

Letters:

Flint Hills Resources (FHR) OAR-2005-0161-0222

Magellan OAR-2005-0161-0208

Society of Independent Gasoline Marketers of America, National Association of
Convenience Stores (SIGMA/NACS) OAR-2005-0161-0234

Our Response:

The final rule requires that the PTD used to transfer ownership of renewable fuel from which RINs have been separated, or for renewable fuel that has no RINs, include

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the statement “No RINs transferred.” Since a renewable volume may only exist as either a volume with RINs or a volume without RINs, EPA felt that it was reasonable to require specific language for each case. This requirement also eliminates any possibility for confusion during renewable ownership transactions, given that PTDs for volumes with RINs attached are permitted to report actual RINs separately, but in parallel, with the main PTD document (e.g. an invoice).

7.6 Recordkeeping

7.6.1 Obligations of Non-Owners

What Commenters Said:

We received two comments related to the reporting and recordkeeping obligations of parties who gain custody of renewable fuel for the purpose of blending or transferring the fuel but do not gain ownership. FutureFuel commented that the final RFS rule should clarify that a terminal operator who does not own renewable fuel, but merely stores or transfers it, should have no obligation to provide information about any RINs associated with the fuel. In the same vein, KinderMorgan referenced terminals “for hire” and suggested that EPA clarify that recordkeeping, reporting and PTD requirements remain with the title owner of the fuel and not with the third party terminal that only has custody of the fuel.

Letters:

FutureFuel OAR-2005-0161-0198
KinderMorgan OAR-2005-0161-0231

Our Response:

The RFS program does not include a designate and track accounting requirement like the one that exists for the diesel sulfur program at 40 CFR Part 80, subpart I. For the RFS program, RIN transactions are based solely on the transfer of RIN ownership. Therefore, in the case of the terminal operator who does not take ownership of the renewable fuel, but only possession of it, they would not be responsible for reporting the RINs associated with it. However, a terminal that takes ownership of renewable fuel with RINs attached has all of the recordkeeping and reporting responsibilities of a RIN owner.

7.6.2 Fuel Used at Cellulosic Ethanol Plants

What Commenters Said:

EPA received a comment from NPRA that renewable fuel producers, not obligated parties and exporters, should be required to maintain records on the amount and type of fossil fuel used at plants producing cellulosic ethanol.

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Letters:

National Petrochemical and Refiners Association (NPRA) OAR-2005-0161-0170, -0232

Our Response:

EPA agrees that only producers of cellulosic ethanol or waste-derived ethanol are required to keep records of fuel feedstock.