



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 2 2005

THE ADMINISTRATOR

Governor Mark Warner
Office of the Governor
State Capitol
Richmond, VA 23219

Re: Emergency Fuel Waiver Concerning RFG in Richmond, Virginia, September 2005

Dear Governor:

The Virginia Department of Mines, Minerals and Energy has informed the United States Environmental Protection Agency (EPA) that Hurricane Katrina is impacting the State of Virginia's supply of reformulated gasoline and diesel fuels.

EPA, in consultation with the Department of Energy, continues to evaluate the prospect of fuel supply problems being experienced in many states as a result of Hurricane Katrina. On August 31, 2005, I waived the summertime volatility standard for gasoline and the 500 ppm sulfur standard for motor vehicle diesel fuel until September 15, 2005. Based on EPA's further evaluation of the fuel supply situation and with the concurrence of the Department of Energy, EPA has decided to take the following additional actions to minimize or prevent supply disruptions of gasoline.

Use of Conventional Gasoline in certain Reformulated Gasoline in Richmond, Virginia

The Clean Air Act (CAA) and EPA's implementing regulations at 40 C.F.R. Part 80, subpt. D, require the use of reformulated gasoline (RFG) in "covered areas." We recognize the environmental benefits of the RFG program. However, in order to provide greater flexibility to the gasoline market and minimize potential gasoline supply disruptions caused by Hurricane Katrina, EPA is waiving the requirements to sell RFG in the Richmond, Virginia covered area. The Richmond covered area consists of following Virginia counties: Stafford, Charles City, Chesterfield, Colonial Heights, Hanover, and Henrico; and the following Virginia Cities: Hopewell and Richmond. See, 40 C.F.R. § 80.70. Thus, EPA will allow parties to distribute and sell conventional gasoline (CG) meeting the requirements of winter gasoline in this covered area, as allowed under my August 31, 2005 waiver. This waiver is effective immediately and will continue through September 9, 2005. However, retail outlets or wholesale purchaser-consumers that receive CG under the terms of this waiver may continue selling or dispensing this fuel after

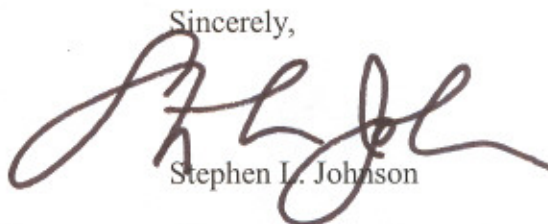
September 9, 2005, until their supplies are depleted. Refiners and importers that provide CG to RFG covered areas pursuant to this waiver should exclude the waiver gasoline from their annual average compliance calculations under 40 C.F.R. § 80.67.

I have determined that an "extreme and unusual fuel supply circumstance" exists that will prevent the distribution of an adequate supply of fuel that meets Federal standards. CAA § 211 (c)(4)(C). This fuel circumstance is the result of Hurricane Katrina, a natural disaster, that could not reasonably have been foreseen or prevented and is not attributable to a lack of prudent planning on the part of the suppliers of the fuel to these affected States. Id. Furthermore, I have determined that it is in the public interest to grant this waiver.

To the extent practicable, regulated parties must take all reasonable steps to distribute and sell on-hand inventories of RFG. Thus, regulated parties must distribute and sell RFG that is available before distributing CG under this waiver.

If you have questions, please call Adam M. Kushner at 202-564-2260.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Johnson", written over the typed name.

Stephen L. Johnson

cc: Secretary Samuel W. Bodman, Department of Energy