



THE ADMINISTRATOR
WASHINGTON, D.C. 20460

April 25, 2024

The Honorable Katie Hobbs
Governor of Arizona
1700 W. Washington Street
Phoenix, Arizona 85007

Dear Governor Hobbs:

This letter responds to your April 23, 2024, request for a waiver under the Clean Air Act to address a fuel supply emergency caused by an unplanned service disruption and resulting delay on the western pipeline that supplies Cleaner Burning Gasoline (CBG) from California refineries. This service delay has resulted in a reduced supply of summer compliant CBG that is projected to delay terminal tank transitions and cause outages at retail stations that sell CBG.

The April 23, 2024 letter requests that the U.S. Environmental Protection Agency (EPA) grant a waiver of certain requirements for the sale and distribution of CBG required by Arizona's federally-approved State Implementation Plan (SIP) that covers Maricopa County and parts of Pinal and Yavapai Counties (CBG covered area).¹ The SIP requires gasoline sold in the CBG covered area to have a maximum Reid vapor pressure (RVP) of 7.0 pounds per square inch from May 31 through September 30. *See* 69 Fed. Reg. 10,161 (Mar. 4, 2004); 40 C.F.R. § 52.120(c). Regulations promulgated under the Act and the federally approved SIP require the use of low volatility gasoline during the summer months to limit the formation of ozone pollution. *See* 40 C.F.R. § 1090.215(a)(5); *see also* <https://www.epa.gov/gasolinestandards/gasoline-reid-vapor-pressure>.

The waiver request is limited to the CBG covered area. The fuel supply shortage caused by the unplanned pipeline disruption can be reduced by waiving the CBG (7.0 psi RVP) gasoline requirement such that terminal operators, retail outlets, and wholesale purchasers-consumers have additional time to transition tankage to summer compliant CBG.

The EPA and the Department of Energy (DOE) have been actively monitoring the supply of gasoline to the CBG covered area. The EPA has concluded, with DOE's concurrence, that it is necessary and appropriate to take action to minimize or prevent the disruption of an adequate supply of gasoline to consumers. I have determined that an "extreme and unusual fuel [] supply circumstance" exists that will prevent the distribution of an adequate supply of compliant gasoline to consumers. Section 211(c)(4)(C)(ii)(I) of the Act, 42 U.S.C. § 7545(c)(4)(C)(ii)(I).

¹ See Arizona Revised Statutes (ARS) § 49-541 (designating boundaries of the CBG covered area).

The extreme and unusual fuel supply circumstance is the result of unplanned pipeline service disruptions that could not reasonably have been foreseen and is not attributable to a lack of prudent planning. Section 211(c)(4)(C)(ii)(II) of the Act, 42 U.S.C. § 7545(c)(4)(C)(ii)(II). Furthermore, I have determined that it is in the public interest to grant this waiver and that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances. Section 211(c)(4)(C)(ii)(III) and (iii)(I) of the Act, 42 U.S.C. § 7545(c)(4)(C)(ii)(III) and (iii)(I).

Therefore, to minimize or prevent disruptions of the supply of gasoline in the CBG covered area, I am issuing this waiver of the federal RVP requirements in the federally approved Arizona SIP and the requirements at 40 C.F.R. § 1090.215(a)(5) that apply in the CBG covered area. Under this temporary waiver, retail outlets and wholesale purchaser-consumers may sell and dispense CBG gasoline in the CBG covered area with an RVP of no more than 9.0 psi. However, gasoline that does not meet the applicable summertime CBG requirements may not be introduced into retail outlet and wholesale purchaser-consumer tanks for sale or dispensing in the CBG covered area. This waiver is effective May 31, 2024, and will continue for 15 days through June 14, 2024. I have concluded that this is the shortest practicable time necessary to permit the correction of the extreme and unusual circumstances preventing distribution of an adequate supply of compliant gasoline.

This waiver only applies to the requirements cited above, which are applicable in the CBG covered area. Other state or local requirements or restrictions related to this matter may need to be addressed by the appropriate authorities. Should conditions warrant, this waiver may be modified or terminated as appropriate.

If you have questions, you are welcome to contact me, or your staff may contact John Lucey, Deputy Associate Administrator for Intergovernmental Relations, at lucey.john.d@epa.gov or 202-564-1820.

Sincerely yours,

A handwritten signature in black ink that reads "Michael S. Regan". The signature is written in a cursive, flowing style.

Michael S. Regan

cc: Jennifer M. Granholm
Secretary of Energy