NOTICE OF SUBSTANTIVE POLICY STATEMENT

ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES

1. **Subject of the substantive policy statement and the substantive policy statement number by which the policy is referenced:**

   AZRBOB T50 specification as defined within the Statement of Interpretation.

   SP #1

2. **Date the substantive policy statement was issued and the effective date of the policy statement if different from the issuance date:**

   January 29, 2002

3. **Summary of the contents of the substantive policy statement:**

   The purpose of this substantive policy statement is to increase the existing AZRBOB T50 specification of 226 degrees Fahrenheit (F) to 237 degrees F, as proposed by and in response to concerns raised by Arizona Cleaner Burning Gasoline stakeholders and registered suppliers.

4. **A statement as to whether the substantive policy statement is a new statement or a revision:**

   This is a revised substantive policy statement.

5. **The name and address, and telephone number of the person to whom questions and comments about the substantive policy statement may be directed:**

Name:	Amelia Altamirano
Address:	4425 West Olive Avenue, Suite 134, Glendale AZ 85302
Telephone:	623-463-9935
Fax:	602-255-1950

6. **Information about where a person may obtain a copy of the substantive policy statement and the costs for obtaining the policy statement:**

   A copy of the substantive policy statement may be obtained from the Arizona Department of Weights and Measures, 4425 West Olive Avenue, Suite 134, Glendale, AZ 85302 for a 20 cent per page copying charge. Payment is accepted in cash.

AGENCY RECEIPT

SUBSTANTIVE POLICY STATEMENT

SP #1

INCREASE OF AZRBOB T50 SPECIFICATION FROM 226 DEGREES FAHRENHEIT (F) TO 237 DEGREES F

1. **Agency Name:**

   Arizona Department of Weights and Measures

2. **The subchapters, if applicable; the Articles; the Parts, if applicable; and the Section involved in the rulemaking listed in alphabetical and numerical order:**

   Subchapters, Articles, Parts and Sections:

   R20-2-753 (A)(2)
   R20-2-753 (C), (E), and (F)

JANE DEE HULL
GOVERNOR

SANDY WILLIAMS
DIRECTOR

ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES

4425 WEST OLIVE AVENUE, SUITE 134, GLENDALE, AZ 85302-3844
(602) 255-5211 FAX (602) 255-1950 1-800-277-6675
www.weights.az.gov

STATEMENT OF INTERPRETATION (Revised 1/29/02)
R20-2-753(A)(2); R20-2-753(C), (E), and (F)

Background. A requirement that Arizona Cleaner Burning Gasoline (CBG) be Type 2 gasoline blended with 10% ethanol began November 2, 2000 (A.R.S. § 41-2124(B); A.A.C. R20-2-751(D); Table 2). Registered suppliers have raised concerns to the Arizona Department of Weights and Measures (ADWM) regarding the quality of reformulated blendstock for oxygenate blending (AZRBOB) that can go into a pipeline under CBG rules (20 A.A.C. 2, Article 7). On November 16, 2001, ADWM called a meeting of stakeholders to discuss the Agency's approach to enforcement of gasoline quality. This statement describes how ADWM interprets two relevant agency rules and will be listed in the Arizona Administrative Register as a substantive policy statement.

Rule: R20-2-753(A)(2) states that "A pipeline or 3rd-party terminal shall not accept Arizona CBG or AZRBOB for transport unless . . . [t]he supplier provides written verification that the gasoline is Arizona CBG or AZRBOB and complies with the standards in R20-2-751(A) or R20-2-751(B), as applicable, without reproducibility or rounding."

Interpretation: For AZRBOB, it is not necessary that the supplier verify to a pipeline that the AZRBOB itself complies with the standards in R20-2-751(B). The verification should be that the AZRBOB <u>will</u> comply with R20-2-751(B) after actual blending with ethanol.

Reasoning: R20-2-755(A)(1) provides that in "[d]etermining whether AZRBOB complies with Arizona CBG standards . . . the fuel properties and performance standards of the final [AZRBOB] blend for purposes of compliance with Tables 1 or 2 are determined by adding the specified type and amount of oxygenate to a representative sample and using the test methods in R20-2-759." Although R20-2-755(A)(1) most obviously applies to certification under R20-2-751(E), it is logical to apply it to the supplier's verification to a pipeline also. If it is not necessary for certification purposes that AZRBOB comply with Table 2 until after it has been blended, it would be illogical to require for the verification to a pipeline that the AZRBOB comply with R20-2-751(B) <u>before</u> it has been blended.

Rule: R20-2-753(C), (E) and (F). "C. A pipeline shall conduct quality control testing of Arizona CBG or AZRBOB at a frequency of not less than 1 sample from 1 batch completing shipment per supplier per day at each input location."
"E. If any batch does not meet the standards in R20-2-751(A) or (B), as applicable, but is within reproducibility, . . ."

"F. If any batch does not meet the standards in R20-2-751(A) or (B), as applicable, including reproducibility, . . ."

Interpretation: For the reasons explained above interpreting R20-2-753(A)(2), ADWM interprets R20-2-753(C) to require that a pipeline determine that the AZRBOB will comply with R20-2-751(B) after blending. Furthermore, for the general purposes of pipeline oversight set forth in R20-2-753(C), it is permissible for a pipeline to make that determination in either of two ways: by either physically adding the oxygenate to the AZRBOB prior to determining the properties of the final blend, or, by first determining the properties of the AZRBOB and then projecting the properties of the final blend after addition of 10% ethanol. Projection using the table below, as found in 13 California Code of Regulations, Section 2266.5, effective August 20, 2001, will be presumed adequate without hand-blending ethanol prior to analysis:

	R20-2-751(B) CBG Cap	AZRBOB Cap[1]
Sulfur:	80 ppm (max)	89 ppm
Aromatics:	30% (max)	33.1%
Olefins:	10% (max)	11.1%
T90:	330°F (max)	335°F
T50:	220°F (max)	237°F
RVP:	9.0 psi (max)	8.0 psi

[1]Without reproducibility or rounding except as provided in R20-2-753(E) and (F).

Reasoning: There is no requirement that pipeline oversight and quality control testing under R20-2-753(C) take place after actual blending of each sample with oxygenate as required for certification. In addition, hand-blending ethanol with AZRBOB prior to blending introduces another source of error. The supplier's certification of the AZRBOB as Type 2 CBG already indicates that it meets the standards in Table 2 after blending. A projection of the final blend's values such as the one shown above will provide sufficient oversight.

1/29/02

Signature of Agency Chief Executive Officer — Date of signing

Sandy Williams — Director

Printed or typed name of signer — Title of signer