

Greenhouse Gas Reporting Rule Fuel Supplier Meeting

Meetings Notes for June 8, 2010

Location: Department of Ecology, Lacey

Time: 9:00 AM – 10:00 AM

Meeting Objectives:

- Background information
- What needs to be reported?
- Rule development process
- How to stay involved?
- Questions and discussion

Fuel Suppliers Present:

Christopher Allen (Acme Fuel Co.), Aaron Essman (Jackson Oil Co.), Paul Johnson (Dept of Licensing), Brad Buckhalter (Associated Petroleum Products), Frank Holmes (WSPA), Todd Ellis (Imperium Renewables), Cameron Hewes (General Biodiesel), Norman Stewart (Tesoro Oil), Cassandra Garnes Bautista (Pettit Oil Co.), Scott Kuehn (RPMG), Enrique Litonjua (PNEC Corporation), Barry Walling (ConocoPhillips), Cynthia Westbrook (CityServiceValcon, LLC), Tracy Cowan (Tesoro Refining and Marketing), Camille Roshau (Wilson Oil Inc.), Vic Dugan (ExxonMobil), Al Chang (Byrnes Oil Company Inc), Kim Raczynski (Mieco, Inc.), Richard Lowell (Mieco, Inc.), James Lee (4Refuel), Jim Man (Bretthauer Oil Co.), Susan Jensen (Connell Oil), Anna Hiramatsu (Chemoil Corporation), Ramzi Chamoun (Tower Energy Group), Joan Gororo (Elbow river Marketing LP), Lynn Holly (Avfuel Corporation), Ronald Travis (ExxonMobil Corp), Rebecca Esparza (Plains All American), Karl Iams (U.S. Oil & Refining Co.), Cassandra Lake (Sun Pacific Energy), Sarah Garman (Glencoe Ltd.), Jennifer LeRow (Murex N.A., Ltd.), Sarah Froman (EPA), Eric Rajski (Imperium Renewables, Inc.), Keely Hitt (Circle K Stores Inc.), Carolyn Remington (Busch Distributors, Inc.), Scott Roginske (CHS Inc.), Matthew Kolata (Sound Refining), Amanda Beals (Fred Meyer Stores), Kristi Nelson (Northwest CPA Group), Bruce Anthony (Holiday Companies), Thomas Kim (IPC (USA), Inc.), Teresa Carroll (Gavilon, LLC), Larry Schmieder (Circle K Stores Inc), Chunjiang Huang (The Boeing Company), Greg Anderson (Conoco Phillips Company), Traci Ebert (Rainier Petroleum Corporation), Dave Moore (Boeing), Stella Huang (Boeing).

Ecology Staff Present:

Neil Caudill, Nancy Pritchett, Sarah Rees, Linda Witcher, Lindsey Blain, Richelle Perez, Alan Newman, Kathy Stone.

Background

The meeting began at 9am.

Neil gave a brief presentation that discussed the following:

- Legislative history of the rule,
- Greenhouse Gas Rule from EPA and differences from Ecology's rule,
- Who will need to report,
- What reporting might look like,
- Rulemaking timeline, process, and advisory committee.

Neil opened the meeting up to questions.

Obtaining Reports from Dept. of Licensing

Neil explained that they are exploring the possibility of receiving data from the Department of Licensing (DOL). But there are some legal and logistical complications.

C: Everyone submits their information to DOL using paper. DOL is at least two years away from having an electronic reporting system.

Q: What are the legal complications?

A: Some legal issues exist when someone submits reports of behalf of someone else (DOL reporting for a supplier) because the statute puts the burden of reporting on the fuel supplier. Additionally, some issues may exist with confidentiality of any data that would come from DOL. However, Ecology wants to use the existing data to the extent possible.

Q: Is there a specific enforcement need?

A: Ecology wants to make sure that the person responsible for the data is the person that is held accountable.

C: Dept. of Agriculture and DOL work closely on the biodiesel program. Ecology might want to see if that program has the same concerns.

C: This information isn't report by company.

**Q: Is Ecology willing to use DOL data if they can get around legal and technical challenges?
What would help make this happen?**

A: Because of the timeline of this rulemaking, Ecology and DOL may not have enough time to work out an agreement to share data. Additionally, DOL receives data monthly through paper submittals. Ecology needs annual reports, by fuel type, submitted electronically.

Advisory Committee

Neil explained that the members of the advisory committee are listed on the webpage. The members were selected by identifying who is impacted the most by the rule.

Q: Is Biodiesel represented?

A: As a result of this question, Ecology invited a member of the biodiesel industry onto the advisory committee.

Q: Suggest Frank Holmes of Western States Petroleum Association (WSPA) be added to advisory committee. WSPA represents refiners who also own/operate terminals.

A: Frank Holmes has been involved from the beginning and will continue to participate. Matt Cohen officially represents WSPA on the committee.

Q: When can we expect draft rule language?

A: Ecology plans to have a draft rule in early July. You may comment on the rule language during advisory committee meeting before Ecology submits the final draft for the CR102.

Questions about Reporting

Q: How will Ecology avoid double-counting?

A: Ecology is exploring the best way to avoid double-counting. For land based fuel, one idea is to base the requirement on taxation. However, for aviation fuel it would not prove as easy to base it on taxation.

Q: Will this rule affect ethanol producers?

A: The reporting requirements affect suppliers, not producers. A producer in WA may fall under the facility reporter category. A license to supply fuels triggers the reporting requirement as a fuel supplier.

Q: How much is 10000 MT in gallons?

A: Please refer to the table in the presentation.

Q: Will Ecology post the presentation on their web site?

A: Yes, here is the link

http://www.ecy.wa.gov/programs/air/globalwarm_RegHaze/GHGonroadworkshops.htm

Q: Will the reporting requirements include an exemption for exports?

A: As long as the export goes to someone with an export license.

Q: If statute requires 2010 reporting for 2009 sales how can Ecology legally change reporting date to 2011 for 2010 sales?

A: The statute allows phasing of some reporting options. Ecology feels that phasing in reporting requirements seems reasonable given the timing of the rule development.

Q: Will the report require a breakdown of type of end user?

A: Ecology will get the information they need from the fuel type and type of license.

Reporting deadline

Q: Ecology asked the group if March 31 or October 31 would provide a more reasonable reporting deadline.

A: The majority preferred March 31st as the reporting deadline.

C: Dave Moore offered to try and get Neil more information on fuel types and exempt fuels.

10am closed meeting