



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

Street address: 629 East Main Street, Richmond, Virginia 23219

Mailing address: P.O. Box 1105, Richmond, Virginia 23218

www.deq.virginia.gov

Molly Joseph Ward
Secretary of Natural Resources

David K. Paylor
Director

(804) 698-4000
1-800-592-5482

JUL 27 2016

Ms. Gina McCarthy, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, D.C. 20460

Dear Ms. McCarthy:

Several areas in Virginia participate in the reformulated gasoline (RFG) program. This Clean Air Act measure is an environmentally beneficial, cost-effective control program that helps to address emissions resulting from the use of on-road and non-road engines. As industrial facilities reduce emissions, on-road and non-road emissions are becoming increasingly important for maintaining and improving air quality.

In the last several years, refiners have changed the contents of RFG. In 2005, the Energy Policy Act removed the oxygenate requirement from RFG, and in 2007, the Energy Independence and Security Act provided incentives to increase the use of renewable fuels in transportation. Even though no mandate to include ethanol in RFG currently exists, these legislative actions had the effect of increasing the use of ethanol in all fuels, including RFG.

The increased use of renewable fuels such as ethanol is an important step toward reducing greenhouse gas emissions as well as reducing our country's dependence on foreign oil. However, in certain limited applications, the use of ethanol in gasoline may cause engine performance problems and other issues, especially around water. Virginia has many lakes and rivers as well as thousands of miles of shoreline and is home to a large population of recreational and commercial watercraft. For the owners of such equipment located in conventional gasoline areas, suppliers and refiners offer products that are ethanol-free. However, at this time, an ethanol-free product meeting RFG specifications is not available, and gasoline-powered watercraft in the northern Virginia, Richmond-Petersburg, and Hampton Roads areas only have the option of using gasoline blended with ethanol.

To address the issues and concerns regarding the use of ethanol-blended gasoline in watercraft, the Virginia General Assembly passed Senate Bill 557 during the 2016 legislative session.

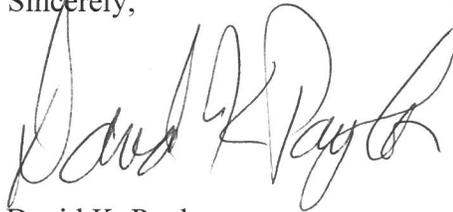
Be it enacted by the General Assembly of Virginia:

1. § 1. *That the Department of Environmental Quality be directed to seek from the U.S. Environmental Protection Agency (EPA) an exemption from the federal reformulated gasoline (RFG) program for the sale by a qualifying marina of conventional, ethanol-free gasoline. A qualifying marina shall be one that sells gasoline exclusively to the marine recreational or commercial trade. No ethanol-free gasoline sold by such marina shall be used in any road vehicle. (See Chapter 54 of the 2016 Acts of Assembly.)*

The Virginia Department of Environmental Quality is therefore requesting that EPA offer marinas the option of selling ethanol-free gasoline to watercraft in RFG areas where no RFG-compliant, ethanol-free fuel is available. This option should not adversely affect air quality. The gasoline-powered, marine emissions inventory accounts for a small fraction of Virginia's overall emissions inventory. Additionally, the department used federally-approved estimation techniques to compare emissions from watercraft in these areas using ethanol-free, conventional fuel and from watercraft in these areas using RFG blended with 10% ethanol. The results show that no NO_x or VOC increases would be associated with this change for watercraft.

Thank you for your consideration of this request, and please contact Mr. Michael G. Dowd at 804-698-4284 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David K. Paylor". The signature is fluid and cursive, with a large, stylized initial "D".

David K. Paylor

DKP/dam