Summary of Comments Received and Responses Following July 8, 2016 Stakeholder Workshop
January 27, 2017

Comment #	Rule Section	Comment	Response
1	701	Clarify under the definition of biodiesel blend (or elsewhere) that a biodiesel blend is a biodiesel content of 6% or greater	Clarified.
2	701	Does the definition of motor fuel include electricity? The definition of motor vehicle excludes electric power.	The definition of motor fuel does not include electricity. ARS 3-3414(B) provides authority for the associate director to inspect metering devices, including devices used to measure usage of electricity. Additionally, R3-7-302(A) includes requirements to follow the method of sale in Handbook 130, which includes Retail Sales of Electricity Sold as a Vehicle Fuel (Section 2.34, Uniform Regulation for the Method of Sale of Commodities). Therefore, we have removed the method of sale requirements from section R3-7-705.
3	701	Modify definition of terminal since another terminal may have ownership. "Terminal" means an owner or operator of a motor fuel storage tank facility that accepts custody~~, but not ownership,~~ of a motor fuel from a registered supplier, oxygenate blender, pipeline, or other terminal and relinquishes custody of the motor fuel to a transporter or another terminal	Clarified per suggestion with minor modification.
4	701,705	The 2016 edition of the NIST handbook is incorporate and explicitly does not encompass subsequent editions or amendments. It may be helpful to clarify in Article 7, section 705 that the same definition and constraint applies for Article 7 as for Article 1. It would also be helpful to explain with the initial rule whether the restriction to the 2016 edition is because state law or regulation disallows incorporation by reference of future, not yet published content.	Arizona law requires adoption of materials as of a specific date to allow public comment prior to adoption. Article 1 states all materials are applicable to the entire chapter, which includes Article 7.
5	702	Update to most recent publications of ASTM and SAE specifications	This is incorporated by reference in R3-7-702(A)(1). It is not customary to include effective dates.

		(A)(1) The most recent update to 16 CFR 306 was published on January 14, 2016, however we would like to note that the effective date of the rule was July 14, 2016. It may add clarity to list the effective date of the rule.	
6	702(A)	Add NIST handbook 130 in this section?	This is in R3-7-101, which applies to the entire chapter.
7	702(B)	Is there another SIP approval pending?	Yes. Arizona submitted a SIP in August 2013, updated in May 2014, which is still pending approval. R3-7-702(B) has been clarified to indicate the SIP being referenced.
8	704(A)6 and (7)	(A)(6) Adds clarity that fuels meeting ASTM D975, including up to B5, may be labeled as "Diesel" (A)(7) Updated Arizona Code subsection reference 6. Describes ~~diesel~~ ~~the~~ fuel that meets ASTM D975 [CVX1]as Diesel No. 1-~~diesel~~, Diesel #1-~~diesel~~, Diesel No. 2-~~diesel~~, Diesel #2 ~~diesel~~, or premium diesel. Describes other fuel for use in compression ignition engines as biodiesel, or biodiesel blend; ~~and~~ 7. Describes gasoline ethanol blends meeting the requirements of ~~R20~~R3-~~2~~7-705(E) as ethanol flex fuel; and	Clarified per suggestion.
9	704(B)	We agree with the definitions provided. Automakers do not support sale of gasoline with an octane lower than 87 AKI.	No action requested.
10	705	Establish your state labeling requirement for biomass-based diesel other than biodiesel consistent with FTC (orange and black label). The Truck and Engine Manufacturers Association still does not have an official position on the use of this product (even when it meets D975) in some of their member companies' engines. Recommended language:	Clarified per suggestion with modifications.

		R3-7-705 **I.** All ~~other~~ motor fuels shall meet the labeling requirements of 16 CFR 306. Additionally, the following requirements apply: **D.** Biodiesel blends. The owner or operator of a motor fuel dispensing site shall ensure that a motor fuel dispenser that offers biodiesel or biodiesel blends meets the following requirements: 1. The labeling requirements established under A.R.S. § 3-3433(K); 2. The diesel grade component as contained within ASTM D975 for grades other than No. 2 diesel shall be identified; ~~and~~ ~~3. Every motor fuel dispenser that dispenses biodiesel, B99 or B100, or a biodiesel blend containing diesel fuel with a biodiesel percentage greater than five percent shall be labeled with the following information on the upper 50 percent of the front panel of each motor fuel dispenser: "CHECK OWNER'S MANUAL" in a type at least 1/4 inch in height by 1/32 inch stroke and block style letters of a color that contrasts with the background color.~~ **E.** Ethanol flex fuel. The owner or ~~f~~ operator of a motor fuel dispensing site shall ensure that a motor fuel dispenser that offers ethanol flex fuel with an ethanol concentration of no less than 51 and no more than 83 volume percent is labeled in accordance with 16 CFR 306. **F.** Electricity sold as a motor vehicle fuel. Electricity sole as a motor vehicle fuel shall meet the requirements of Handbook 130, Uniform Regulation for the Method of Sale of Commodities, Section 2.34. **G.** Premium diesel. Fuel labeled as "premium diesel" shall meet the specifications in R20-2-714(D). **H.** Unattended retail motor fuel dispensers. In addition to all labeling and sign requirements in this Article, the owner or operator of a motor fuel dispensing site that is unstaffed shall post on or next to each motor fuel dispenser a sign or label, in public view, that conspicuously lists the owner's or operator's name, address, and telephone number. ~~I. All other motor fuels shall meet the labeling requirements of 16 CFR 306.~~ **J.** All dispensers shall have decal that with the Division's name and phone number displayed in the upper 50 percent of the front panel of each dispenser. A template of the decal shall be placed on the Weights and Measures Services Division website for use by retailers. The seal placed by the Division under A.R.S. 3-3414(A)(13) satisfies this requirement. **J.** All labels required under this section shall be clean, legible, and visible at all times.	
11	705(A)(4)	Allows for dispensers that can display multiple prices to reset the per gallon price to the highest price, until an action by the consumer (such as inserting club card or phone #) results in displaying a lower price. Additional comments are in the marked up copy. 4. Displays the highest price of motor fuel sold from the dispenser prior to any deliberate action of the customer resulting in a discounted price being displayed, provided ~~if~~ the dispenser is capable of dispensing and computing the price ~~of multiple grades of~~ motor fuel at more than one price;[CVX2]	Clarified per suggestion.
12	705(C)(1)	We propose clarifying language to read: "The owner or operator of a motor fuel dispenser that offers gasoline containing fuel ethanol that results in a gasoline blend containing 10 percent or higher by volume of oxygen (E11 or higher) is clearly labeled with the fuel ethanol volume percent information. Each face of each motor fuel dispenser shall be clearly labeled with the oxygenate volume information if greater than 10 percent fuel ethanol by volume." This will avoid mixing weight vs. volume percent, and confusing consumers by trying to label for <E11. Test methodology included in the Arizona regulations may need to be	The requirement to label the dispenser for the consumers is applicable if the ethanol-gasoline blend is 1.5 percent or more by weight of oxygen or 4.3 percent by volume fuel ethanol. The actual label required to be on the dispenser must indicate the maximum percent by volume oxygenate by stating

		updated to volume rather than weight percent (or a conversion to volume percent).	"May contain up to ____% fuel ethanol." Per this comment and comment #31, we agree that clarity is lacking regarding where E15 can be sold and labeling requirements. We have added a statement in R3-7-705(E) regarding E15 labeling requirements and have removed a requirement in R3-7-708 that provides for a maximum oxygen content of 4.0 percent by weight for fuel ethanol.
13	705(C)(5)	Suggest a reasonable limit is specified. Detectable lower limits by ASTM D5599 = 0.1%wt. ASTM D4814 defines a gasoline-ethanol blend as gasoline along with a substantial amount (more than 0.35% by mass oxygen) of ethanol. Ethanol free gasoline could be added to a tank truck containing a heel of E10 and the resulting gasoline could have a detectable level of ethanol. 5. The owner or operator of a motor fuel dispensing site shall not label gasoline as "non-ethanol containing" if the gasoline contains ~~a detectable amount of~~ more than 1.0 volume percent ethanol.[CVX3]	Modified to no more than 0.5 percent by volume.
14	705(D)	Align the rules with Handbook 130 and 16 CFR 306. "Consult Owner's Manual" for biodiesel blends above B20 (instead of B5)	Modified per suggestion.
15	705(D)	Only 3 states require "Check Owner's Manual" labels on dispensers (CA, FL & TN). We believe these labels are not necessary and customers don't even look at them.	For consistency and clarity, we have adopted the FTC requirements for motor fuel labeling as amended January 14, 2016, effective July 14, 2016.
16	705(D)(3) 751(B)(7)(a) and (b)	We strongly support a label for biodiesel blends >B5 directing consumers to "CHECK OWNERS MANUAL." This provides consumers with a reminder that their vehicle (or other equipment) may require different fuel than is being offered at a particular pump. Many light duty vehicles on the road today were designed for no more than B5 blends, while many trucks and some passenger vehicle s are warranted for use of up to B10 or B20. For the same reasons we support the need to label the % of biodiesel (FAME) content in the final product blend.	For consistency and clarity, we have adopted the FTC requirements for motor fuel labeling as amended January 14, 2016, effective July 14, 2016.
17	705(E)	Arizona's prior provision was consistent with NCWM Handbook 130(2016) calling for precautionary language "CHECK OWNER'S MANUAL" for ethanol flex fuel, but	For consistency and clarity, we have adopted the FTC requirements for

		we did not see that language in this draft. We urge this language continue to be required on all dispensers distributing higher than E10 ethanol blends, in additions to the FTC language in 16 CFR 306 to remind consumers to check what is appropriate for their vehicle and also other types of engines.	motor fuel labeling as amended January 14, 2016, effective July 14, 2016.
18	707	(A)(9)(c) Per A.R.S . 3433.L. PTD disclosure is not required unless biodiesel blends contain more than 5% biodiesel. (A)(9)(d), (e) Aligns with FTC requirements for biomass-based diesel labeling b. Biodiesel shall contain a declaration of the volume percent biodiesel in the blend, for blends containing more than 5 percent by volume, as well as the grade of diesel in the blend[CVX4]; c. Biomass-based diesel containing more than 5 up to 20 percent by volume, shall disclose "contains biomass-based diesel in quantities between 5 percent and 20 percent" as well as the grade of diesel in the blend[CVX5]; d. Biomass-based diesel shall contain a declaration of the volume percent biomass-based diesel in the blend, for blends containing more than 20 percent by volume, as well as the grade of diesel in the blend; e. All other biofuel or biofuel blends shall contain the percentage of biofuel in the finished product; and;	Modified this section to mirror the biodiesel requirements of declaring any amount over 5 percent. Because the FTC rules require labeling dispensers if the diesel contains over 5% biomass-based diesel, this information would need to be relayed in the PTD to notify the station owner/operator to ensure dispensers may be properly labeled.
19	708(A)	It would beneficial to also write the provision for maximum oxygen content in terms of the allowable volume percent ethanol. If necessary, a parenthetical could be added and use a separate section from ethanol provisions to address other oxygenates.	Due to density variation in gasoline blendstocks, the oxygen content of an oxygenated fuel may vary on a weight basis even though the volume percent remains fixed. This standard was implemented to mirror EPA requirements. (See Question 3, EPA Reformulated Gasoline and Anti-Dumping Questions and Answers July 1, 1994 through May 2, 1996).
20	708(B)	Enforcement testing is by D4815 and the results are only measuring pure ethanol not, denatured fuel ethanol. The required denaturant is 1.96 v% and currently 5% max, going down to 3 v% in 2017. Recommend the following B. Special provisions for gasoline ethanol blends. 1. A gasoline ethanol blend that meets the requirements in subsections (B)(1)(a) and (b) shall not exceed the vapor pressure specified in ASTM D4814 by more than 1 psi: a. ~~The gasoline ethanol blend shall contain fuel ethanol.~~ The concentration of ~~the fuel~~ ethanol~~, excluding the required denaturing agent,~~ shall be: i. From May 1 through September 15, at least nine percent and no more than 10 percent by volume of the gasoline ethanol blend; and ii. From September 16 through April 30, at least 1.5 percent by weight and no more than 10 percent by volume of the gasoline ethanol blend; and b. The ~~fuel~~ ethanol content of the gasoline ethanol blend shall: i. Be determined using ~~the appropriate test method listed in~~ ASTM ~~D4814, and~~ ASTM method D4815 ~~ii. Not exceed any applicable waiver condition under Section 211(f) of the Clean Air Act.~~	Language regarding fuel ethanol clarified. D4815 is referee method, but other methods exist (D5501). We refer to D4814 for all gasoline-related test methods instead of incorporating by reference all of the various test methods that may be used.

21	710(B)	Remove reference to CBG	R3-7-755 and R3-7-756 provide restrictions on blending AZRBOB and CBG which would prohibit blending of a CBG with a gasoline containing 20 percent by volume oxygenate. Additionally, it is questionable that addition of a gasoline with 20 percent by volume of oxygenate to a gasoline with low oxygenate would result in a compliant gasoline. Therefore, this section has been modified to require written permission to allow such blending.
22	710(B)(3)	Change to "Empty the storage tank."	It is clear that the end result is to have compliant gasoline in the tank.
23	712	We agree 1" should be the max.	No change.
24	703	(A)(8) In alignment with ASTM D975, allows blends of biodiesel or renewable diesel up to 5% by volume to be labeled as diesel ~~7.~~ 8. Biodiesel or biodiesel blend, for blends containing more than 5 percent by volume, or	Clarified as suggested.
25	713(E)	This seems to prohibit dropping premium gasoline into midgrade or regular or premium diesel into a regular diesel tank	Clarified.
26	714(C)	Suggest deleting and renumber following subsections. The state requirements for grades of gasoline are established in R3-7-704(B). Dispensing sites can rely on PTDs given them per 16 CFR 306.	Deleted 714(C) and clarified 704(B)
27	714(F)	Infers that blenders are not producers which conflicts with definition of producer	Clarified. There are separate definitions for biofuel blender and biofuel producer.

28	715	The words "certify" and "ensure" are particularly important. A "certification" is done by a producer who is obligated to certify the quality of a given motor fuel. Anyone downstream, unless altered, ensues that the certification from the producer is carried through to the end user. You should consider that testing to ensure claims of premium diesel is expensive. The rules should be clear that producer shall certify that it meets the standards. **R3-7-715. Motor Fuel ~~Quality~~ Testing Methods and Requirements** **A.** Unless otherwise required in A.R.S. Title ~~41~~ 3, Chapter ~~15~~ 19, or this Chapter, the producer of a motor fuel shall ~~test the motor fuel for its motor fuel properties using the methodologies in R20 2 702~~ R3 7 702 ~~and ensure~~ certify that the motor fuel produced was tested under, and meets the requirements of, those applicable test methodologies and specifications ~~meets the applicable specifications in the material~~ incorporated by reference in ~~R20 2 702~~ R3-7-702. **B.** Unless otherwise required in A.R.S. Title ~~41~~ 3, Chapter ~~15~~ 19, or this Chapter, ~~a person testing~~ #1 ~~or~~ and #2 diesel fuel shall ~~use the methodologies~~be tested under, and meet the requirements of, those applicable test methodologies and specifications incorporated by reference in R3-7-702. ~~and meet the specifications of requirements in ASTM D975.~~ **C.** The owner or operator of a transmix ~~or production~~processing facility shall ensure that the octane rating of all gasoline sold or offered for sale from the facility ~~outside the CBG covered area has its octane rating determined and certified~~is tested in accordance with 16 CFR 306, ~~using~~ and defined by the sum of the road octane number (RON), ~~the average of~~as determined by the ASTM D2699 test method and the motor octane number (MON), as determined by the ASTM D2700 test method, divided by 2. ~~also known as the (R+M)/2 method~~. **D.** The owner or operator of a motor fuel dispensing site shall ensure that the octane rating of all gasoline sold or offered for sale ~~outside the CBG covered area has its octane ratings~~ posted in accordance with 16 CFR 306. **~~D~~E.** A marketer or jobber who transfers gasoline shall ~~certify~~ ensure that the octane rating of all gasoline transferred is provided to the transferee in accordance with 16 CFR 306. **~~E~~F.** Unless otherwise required in A.R.S. Title 3, Chapter 19, or this Chapter, the producer of ~~Premium~~ premium diesel shall ~~be certified to meet~~ certify that the premium diesel was tested under, and meets the requirements of, those methodologies and specifications incorporated by reference in R3-7-702 for diesel fuel and the~~all performance properties~~requirements outlined ~~within~~under Handbook 130, Uniform Engine Fuels and Automotive Lubricants Regulations, Section 2.2.1(a) through 2.2.1(d). **G.** The owner or operator of a motor fuel dispensing site shall ensure that all premium diesel sold or offered for sale meets the requirements of this Chapter.	After review of this section, it was streamlined and clarified by only addressing 3 areas: 1) Producers must test and certify motor fuel per the applicable standard; 2) the octane rating shall be determined and certified per 16 CFR 306, which would include any party in the chain to whom this is applicable (producer, supplier, marketer, jobber, etc.); and 3) sets standards for certification of premium diesel.
29	715(B),(C) And (D)	Paragraphs (B) and (C) are unnecessary, they are covered above. Paragraph (D) is unnecessary as PTDs fulfill this requirement.	This section was clarified as indicated above.
30	717	We support use of uniform dispenser pump handle colors for diesel and diesel blends (Green) and ethanol flex fuel (51% to 83% ethanol)(yellow). It should be specified that if a mid-level ethanol gasoline blend up to E50 is dispensed for use in a flex fuel vehicle only, the dispenser handle color should also remain yellow. Ideally, a national color code system would be of benefit to consumers. We also support requiring proper SAE J285 nozzle specifications as a key means to prevent consumer misfueling.	The requirements of A.R.S. 3-3436 have been incorporated into rule.
31	707(C)(3)	We recommend amending to: All Biodiesel, biodiesel blends, diesel, and kerosene dispensers at a flow rate of 15 gallons per minute or lower have a 10-micron or smaller nominal pore-sized filter. High flow rate dispensers with a flow above 15 gallons per minute may have a 30-	This is a topic that has been discussed at the National Conference of Weights and Measures and has not been incorporated in the handbooks to date. The Division will review this

		micron or smaller nominal pore-sized filter. The 10-micron filtration for slower flow rates is needed for fuel cleanliness requirement for light duty diesel vehicles.	requirement if/when it is incorporated into the handbooks.
31	708(B)(1)(a) and (b)	We have heard that by Arizona statute, only up to 10% ethanol (E10) is allowed in Arizona's Clean Burning Gasoline (CBG) (analogous to RFG), required in Phoenix and surrounding county areas. We also understand that CBG-required areas represent about half the volume of gasoline sold in the State. We further understand that E15 and Ethanol Flex Fuel can be sold in the "conventional gasoline" areas of Arizona not subject to RFG (CBG or SIP) mandates. However, from the face of the proposed regulatory language, we found the status of ability to sell E15 and Flex Fuel ambiguous. It would be helpful to better explain their status in the regulation or at least in a Preamble with any final rule. If an additional workshop will be held, this would be a good topic to cover in more depth.	We agree that this is a good topic to discuss in more depth with interested parties and will discuss further at the next workshop.
32	708, 751(A)(6)	We had a difficult time tracking the interaction of all the different (not co-located) provisions regarding vapor pressure limits for various gasoline products and seasons. **We suggest that the final regulations include or at least incorporate by reference a single, comprehensive table showing all of the State's gasoline vapor pressure requirements,** for all months of the year, for CBG, conventional gasoline, ethanol gasoline blends, E15, Mid-Level Blends/Flex Fuel, and showing the relevant jurisdictions (*i.e.*, those covered by CBG or other specific gasoline/ethanol blend requirements, as well the conventional gasoline jurisdictions). Also, in 7-708 (B) (2) (b) and 7-751 (A) (6), there is no rationale provided for allowing 10 psi gasoline for CBG covered areas only in the month of April, versus maintaining a consistent RVP requirement of 9 psi with March and May.	We will take this suggestion under consideration to prepare a summary table that can be placed on the website. April falls outside of the winter and summer RVP control timeframes; and therefore, reverts to ASTM standards.
33	708, 751(A)(6)	**We support implementation of a 9 psi RVP cap on all high ozone season (aka summer) gasoline and ethanol gasoline blends, and keeping E10 at 9 psi *including* its extra 1 psi RVP waiver under the Clean Air Act, (i.e., there should be no 10 psi RVP E10).** This should apply to fuels not otherwise covered by lower vapor pressure caps in place pursuant to CBG, or other SIP requirements. Such limiting of vapor pressure will help reduce ozone precursor and other emissions statewide not only from vehicles but other equipment and storage tanks.	A.R.S. 3-3491 states "From and after September 30 through March 31 of each year, in area B, blends of gasoline with ethanol may exceed the volatility requirements prescribed by section 3-3433 and rules adopted by the associate director under that section by up to one

		p. 35, Therefore, we support striking the last phrase in Sec. 3-7-708 (B) (1) ("by more than 1 psi"), so this provision would now read: "A gasoline ethanol blend that meets the requirements in subsection B (1)(a) and (b) shall not exceed the vapor pressure specified in ASTM D4814." We also support changing (B) (1) (b) (ii) to read: The fuel ethanol content of the gasoline ethanol blend shall: "Not exceed 9 psi, including any applicable waiver condition under Section 211(f) of the Clean Air Act." Also, (B) (2) should also disallow 10 psi RVP E10 or other gasoline ethanol blends in high ozone season outside the CBG area, *and* should not be making an exception for the month of April for CBG areas.	pound per square inch if the base fuel meets the requirements of ASTM D4814 and the final gasoline-ethanol blend contains at least six percent ethanol by volume but does not exceed United States environmental protection agency waivers. For any other locations and period of time, blends of gasoline with ethanol shall meet the volatility requirements as determined by division rule." Additionally, 3-3491(D) contains requirements for lowering the RVP via removal of the 1 pound waiver.
34	708(B)(3)	Although the ASTM D4814 specification was updated to resolve some of the issues this section meant to address, there may still be an issue related to the TV/L=20 specification. Please review.	After review and discussion with stakeholders, it was determined that the removal exemption for TV/L=20 may be problematic. Therefore, to avoid issues, this will not be removed from rule.
35	718(A)	Not one state we blend biodiesel in requires that the retail blender has to report the total amount of biodiesel blended over the whole year or even any volumes at all. We believe this is over-burdensome on the retailer.	ARS 3-3433(M)(3) states the associate director shall adopt rules regarding registration and reporting requirements for producers, blenders and suppliers of biofuels and biofuel blends. Maintaining a registration and reporting requirement provides the agency with information regarding what sites need to be inspected for biofuel quality and compliance.
36	718(B)(1)	No other states have a requirement for the biodiesel blender to implement a QA/QC Program. We believe this is over-burdensome on the retailer.	ARS 3-3433(M)(5) states the associate director shall adopt rules for quality assurance and quality control programs. We believe that facilities producing, blending, and supplying biofuels, or

			other fuels, should have a program in place to ensure the quality of the fuel meets the standards. Our goal is to meet statutory requirements while alleviating unnecessary burdens on regulated entities. As such, we have removed the requirements detailing sample analysis and retention, but retained the requirement that a producer or blender shall evaluate the QA/QC program and make additional changes to bring the site into compliance if the department identifies fuel that does not meet ASTM standards.
37	718(B)(3)	We agree that all biodiesel producers we purchase product from must be EPA facility registered. However, not one state we blend biodiesel requires that the blender have a Sampling and Testing Program and retain samples for 30 days. We believe this is not necessary and over-burdensome on the retailer. We believe it is the supplier at the rack that is responsible to disclose biodiesel % in all diesel loads on the BOL/PTD. Retailers cannot test every diesel load being delivered to their store. We agree that testing of a tank that has been inactive for 30 days is necessary.	See comment above. We have retained the requirement to either test or assume the diesel contains 5% biodiesel for blending when the product transfer documentation states that the diesel fuel may contain up to 5% biodiesel.
38	718(C)	Title – delete "and testing methodologies" as they have not been described We agree with the Biofuel standards and testing methodologies. Just like all states we blend biodiesel, the diesel and biodiesel must meet ASTM specs (D975 & D6751). Blends higher than B5 must meet D7467.	We have deleted the testing methodologies from this section, as testing methodologies for motor fuels (including biofuels) are included under R3-7-715.
39	718(C)(2)(b)	Specify "percent by volume" b. A biodiesel blend containing more than five percent by volume but less than 20 percent by volume biodiesel by volume meets the requirements in ASTM D7467, and	Section deleted per comment above.
40	718(D)(1)(d) and (D)(2)(c)	Should be amended to read: "Any … fuel sold…or dispensed was received from AND (*not or*) traceable to a person registered with the Department under subsection (A)(1) AND (*not or*) EPA under 40 CFR 80, subparts K or M. It is critical	Section clarified.

		to the auto industry that the supply chain be clearly documented at every stage. Therefore, the provisions in (D) should also be augmented to specify within this section that the owner or operator of motor fuel dispensing sites must maintain records documenting the registration status of their suppliers for a stated time period.	
41	718(E)	1. It is important for regulations to be written clearly to be able to identify and hold accountable all appropriate parties, in the event of quality issues for any type of motor fuel. Therefore, we support changing this proposal to require "biofuel producers, suppliers or blenders located *outside* of Arizona and supplying biofuel to a registered biofuel producer, biofuel supplier or blender located within Arizona" to <u>also</u> register, and ideally maintain records documenting which registered or other biofuel producers, suppliers or blenders they have supplied. In the alternative, at a minimum, State registered producers, suppliers, and blenders should have to document the identity and contact information for their unregistered out-of-state suppliers in reports to the Department under 7-718(A). 2. While 7-718 nominally applies to biofuels and biofuel blends, the rationale for the exemptions in (E)(2) for diesel and up to 5% biodiesel, (E)(3) for Biomass Diesel blends, and (E)(4) for "up to E10" gasoline is puzzling. The regulations should either cross reference in this provision where there are comparable provisions for registration, quality assurance, and retailer record keeping for these exempted fuels, or otherwise explicitly include them and broaden the scope of 7-718.	1. The Department holds accountable only the parties that are producing, blending, and supplying biofuels within Arizona. The QA/QC provisions require a biofuel producers and blenders to retain documentation regarding the traceability of the products used in the biofuel blend. Additionally, R 3-7-707 includes provisions for product transfer documentation for traceability purposes. 2. ARS 3-3433(M) only provides requirements and the authority to adopt registration, reporting, QA/QC requirements for biofuels and biofuel blends. By definition, this does not include gasoline meeting ASTM D4814 standards or diesel meeting ASTM D975 standards.

42	718(E)	R3-7-718 **E.** Exemptions. 1. A biofuel producer, biofuel supplier, or blender located outside of Arizona and supplying biofuel to a registered biofuel producer, biofuel supplier, or blender located within Arizona is not required to register under subsection (A)(1)(a); 2. Diesel fuel containing five percent or less biodiesel is exempt from this Section if the following conditions are met: a. The diesel fuel meets the standards of ASTM D975; and b. If the initial volume percent of biodiesel content is unknown, the person blending the biodiesel into diesel fuel analyzes the diesel fuel to verify the initial biodiesel content and ensure the resulting blend meets the requirements in ASTM D975. 3. A biofuel producer, biofuel supplier, or blender who produces, supplies, or blends diesel fuel blended with a biomass-based diesel where the resulting fuel meets the requirements in ASTM D975 is exempt from this section. According to FTC 16 CFR 306, Biomass-based diesel other than biodiesel (renewable hydrocarbon diesel) has labeling requirements, which mirror the biodiesel labeling requirements, only the labels are orange and black instead of blue and black. By changing the text in section R3-7-705 to start with all motor fuels shall meet the labeling requirements of 16 CFR 306, Arizona would be mirroring both FTC and NIST Handbook 130. 4. Gasoline containing up to 10 percent ethanol is exempt from this section.	Modified in R3-7-704 to include FTC labeling for motor fuels.
43	718(E)(2)	Specify "percent by volume" 2. Diesel fuel containing five percent by volume or less biodiesel is exempt from this Section if the following conditions are met: a. The diesel fuel meets the standards of ASTM D975; and	Clarified as suggested.
44	749	May already have ownership, so technically not accepting "Third-party terminal" means an owner or operator of a gasoline storage tank facility that accepts custody Arizona CBG or AZRBOB from a registered supplier, oxygenate blender, pipeline, or other third-party te custody of the Arizona CBG or AZRBOB to a transporter or other terminal.	Clarified as suggested.
45	751(A)(1)	Lower sulfur max to match EPA downstream cap of 95 ppm or 80 ppm cap for wintertime requirements.	Updated summer sulfur downstream limit to 95 ppm as suggested. Wintertime downstream limit is currently 80 ppm.
46	751(A)(1)-(3) 751(B)(1) and (2)	These values need to be updated to reflect federal requirements in the U.S. EPA Tier 3 Final Rule (see 79 Federal Register 23414, April 28, 2014). The "refinery annual average" sulfur limit for gasoline/blends is now 10 ppm; and at retail there is a not to exceed 95 ppm downstream cap (see Tier 3 for more details).	Clarified as suggested (see above).
47	751(B)(7)(a) and (b)	The provisions for CBG say in (a)(i) that the minimum oxygenate content is 10 percent fuel ethanol by volume in certain months; and in (b) the maximum oxygenate content is 4 percent by weight for fuel ethanol. It would be less confusing to just specify 10 percent by volume fuel ethanol is required (as both a min and max). If necessary, a parenthetical could be added that the maximum oxygen content not exceed 4 percent by weight and use a separate section to cover other oxygenates.	There are two standards that must be met: 1) 10% by volume ethanol; and 2) 4.0 percent by weight oxygen content. Due to density variation in gasoline blendstocks, the oxygen content of an oxygenated fuel may vary on a weight basis even though the volume percent

			remains fixed. ARS 3-3492 states that gasoline "….shall contain not less than ten percent by volume of ethanol nor more than the maximum percentage of oxygen allowed by provisions of a waiver issued or other limits established by the United States environmental protection agency." Therefore, the limits of 10% by volume ethanol and 4.0 percent by weight oxygen were established.
48	752(F)(3)(d)	Must they owners be registered suppliers?? Why not independent if owned by four or more entities??	R3-7-725(F)(3)(c)(i) allows the laboratory to be operated by entities other than a registered supplier.
49	752(F)(3)(e)	Add "upon notification by the department" at the end. If the Department has no knowledge of laboratory ineligibility under this clause, how is the registered supplier supposed to know??	The registered supplier should ensure that the laboratory has the necessary qualifications to perform the work required per the requirements through auditing, contracting, and/or other means.
50	752(F)(4)(d)	Add "retained in accordance with R3-7-752(F)(4)(b). Seems strange to have a Director request for a sample in the quarterly report section. Labs keep samples 45 days; suppliers keep samples 60 days. Samples in the report are up to 105 days old.	This section of the rule provides requirements that the registered supplier must ensure are met by their designated independent laboratory. Section (4)(b) requires retention of samples for at least 45 days unless the time is extended by the Director up to 180 days. Section (4)(d) requires the registered supplier to ensure the laboratory supplies a duplicate of the sample to the Director upon request. This request could come for a variety of reasons, and is not necessarily related to reporting.

51	753(F)	Unnecessary to list communication avenues available. Delete "by fax."	Has been clarified that the notification may be done by fax or email.
52	755(C)	Note this section prohibits remediation of over and under oxygenated product at a motor fuel dispensing site or fleet vehicle fueling facility described in R3-7-710. Suggests adding #3 and #4: 3. Use as the hydrocarbon component of ethanol flex fuel. 4. Downgrade to conventional fuel or transmix	If the fuel is downgraded it would no longer be AZRBOB and these restrictions would no longer be applicable.
53	755(J)	Is this still necessary?	Yes, this is still applicable. The State Implementation Plan (SIP) submitted by ADEQ to EPA in August 2013 and supplemented in July 2014 has not been approved. This section and others in the rule have been clarified to indicate the dates of the SIP submittals.
54	757(A)(8)(b)	Serves no purpose, delete.	While this does not appear to provide great benefit, it also does not appear to provide harm.
55	757(A)(9)(a)	Needs clarification.	Modified as suggested.
56	757(F)	Suggest rewrite: As transferor or transferee, a ~~A~~ registered supplier, oxygenate blender, third-party terminal, or pipeline shall retain product transfer documents involving every transaction of Arizona CBG or AZRBOB for 60 months. Documents for the current and previous month shall be maintained onsite. ~~for each shipment of Arizona CBG or AZRBOB transferred during the 60 months he most recent transfer. The transferee shall maintain product transfer documents for each shipment of Arizona CBG or AZRBOB transferred during the 30 days preceding the most recent transfer at the business address listed on the product transfer document. The transferee may maintain all remaining product transfer documents for the preceding 60 months elsewhere.~~	We believe the current language is clear and remains unchanged.
57	757(G)	Ethanol is not a blend component of AZRBOB.	Clarified as suggested to remove the term "blend component."
58	759(E)	Delete if SIP approved	The Department is awaiting SIP approval. Language was clarified to denote when the SIP was submitted to clarify.

59	Table A	Why list benzene if uncontrolled? Is it because it is probably a requirements to pass a CARB predictive model? If so, is AZ claiming authority to regulate this toxic? EPA issues here.	Benzene is a parameter required for the predictive model and is included in Table A to identify the test method. There is no standard set for benzene.
60	760(D)	Do we have the same statement applicable for non-compliance survey fuels, or should this be stricken as an understood course of action.	Generally speaking, enforcement actions for a failure of a sample at retail would be taken for the retailer and/or the supplier, terminal or other party linked to the violation. This section provides authority for enforcement against the registered supplier.
61	760(F)(1) and (2)	Language should state from May 1 through September 15 as in other sections.	Modified per suggestion.
62	760(G)(2)	Aren't we looking for E200 and E300 during summer time compliance surveys?	When the rules were developed E200 and E300 were not defined in D86 and T50 and T90 were the parameters that EPA used.
63	761(C)(2)	Suggest adding #3: In situations where the noncompliance was discovered after beginning of transport in a pipeline, section 2(a) shall not apply. Delivery of the noncompliant fuel shall be coordinated through the Department to determine the applicability of section 2(b).	If a compliance issue is identified after a batch of AZRBOB is already in route via the pipeline, R3-7-731(C)(2) would apply. The transportation of the fuel would be ceased upon arrival at its destination and the situation would have to be remedied prior to further transport and sale of the AZRBOB or CBG.
64		Incorporate requirements for CNG and LNG passed by NCWM in July 2016.	We are updating the references for Handbook 44, 130, and 133 to the 2017 versions, which include the items passed by NCWM in July 2016. R3-7-302 requires that a person shall comply with all packaging, labeling, and method of sale requirements in Handbook 130,

			except as otherwise stated in this Chapter.