STATEMENT OF INTERPRETATION

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

Background. A new requirement that Arizona Cleaner Burning Gasoline (CBG) be Type 2 gasoline blended with ethanol begins 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 be transported by pipeline under current CBG rules. On October 3, 2000, ADWM called a meeting of suppliers to discuss the Agency's approach to enforcement of gasoline quality. This statement describes how ADWM interprets two relevant agency rules and, once approved by the Director of ADWM, 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 the 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 the 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 verification to the pipeline that the AZRBOB complies 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 the pipeline determine that the AZRBOB will comply with R20-2-751(B) after blending. Furthermore, for the general purposes of the pipeline oversight set forth in R20-2-753(C), it is permissible for the 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, adapted from a September 29, 2000, proposed CARB rule, 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)	≤ 226°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 the 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.

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Signature of Agency Director Date of signing

Sandy Williams Director

Printed or typed name of signer Title of signer