



ENVIRONMENTAL PROTECTION AGENCY

(6560-50-P)

EPA-HQ -OAR-2007-1158; FRL – 9928-36-OAR

Proposed Information Collection Request; Comment Request; RFS2 Voluntary RIN Quality Assurance Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: The Environmental Protection Agency is planning to submit an information collection request (ICR), “RFS2 Voluntary RIN Quality Assurance Program” (EPA ICR No.2473.03, OMB Control No. 2060-0688 to the Office of Management and Budget (OMB) for review and approval in accordance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Before doing so, EPA is soliciting public comments on specific aspects of the proposed information collection as described below. This is a proposed extension of the ICR, which is currently approved through December 31, 2017. An Agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: Submit your comments, referencing Docket ID No. EPA-HQ-OAR-2005-0161, online using www.regulations.gov (our preferred method), or by mail to: EPA Docket Center, Environmental Protection Agency, Mail Code 28221T, 1200 Pennsylvania Ave., NW, Washington, DC 20460.

EPA's policy is that all comments received will be included in the public docket without change including any personal information provided, unless the comment includes profanity,

threats, information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute.

FOR FURTHER INFORMATION CONTACT: Mary Manners, USEPA National Vehicle and Fuel Emissions Laboratory/OAR, 2565 Plymouth Road, Rm #N07, Ann Arbor, MI 48105; telephone number: 734-214-4288; fax number: 734-214-4873; email address: manners.mary@epamail.epa.gov.

SUPPLEMENTARY INFORMATION:

Supporting documents which explain in detail the information that the EPA will be collecting are available in the public docket for this ICR. The docket can be viewed online at www.regulations.gov or in person at the EPA Docket Center, WJC West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The telephone number for the Docket Center is 202-566-1744. For additional information about EPA's public docket, visit <http://www.epa.gov/dockets>.

Pursuant to section 3506(c)(2)(A) of the PRA, EPA is soliciting comments and information to enable it to: (i) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (ii) evaluate the accuracy of the Agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (iii) enhance the quality, utility, and clarity of the information to be collected; and (iv) minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. EPA will consider the comments received and amend the

ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval. At that time, EPA will issue another Federal Register notice to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB.

Abstract: The Renewable Fuel Standard (RFS) program began in 2006 pursuant to the requirements in Clean Air Act (CAA) section 211(o) which were added through the Energy Policy Act of 2005 (EPAAct). The statutory requirements for the RFS program were subsequently modified through the Energy Independence and Security Act of 2007 (EISA), resulting in the promulgation of major revisions to the regulatory requirements on March 26, 2010.

The RFS program requires that specified volumes of renewable fuel be used as transportation fuel, heating oil, and/or jet fuel each year. To accomplish this, the Environmental Protection Agency (EPA) publishes applicable percentage standards annually that apply to the sum of all gasoline and diesel produced or imported. The percentage standards are set so that if every obligated party meets the percentages, then the amount of renewable fuel, cellulosic biofuel, biomass-based diesel, and advanced biofuel used will meet the volumes required on a nationwide basis.

Obligated parties demonstrate compliance with the standards through the acquisition of unique Renewable Identification Numbers (RINs) assigned by the producer or importer to every batch of renewable fuel produced or imported. Validly generated RINs show that a certain volume of qualifying renewable fuel was produced or imported. The RFS program also includes provisions stipulating the conditions under which RINs are invalid, the liability carried by a party that transfers or uses an invalid RIN, and how invalid RINs must be treated.

The RIN system within the RFS program contains unique features that make it somewhat

challenging for the obligated parties that need RINs for compliance purposes to verify that those RINs have been validly generated. Several cases of fraudulently generated RINs have compelled some obligated parties to limit their business relationships to only those parties that appear most trustworthy. This reaction by the obligated parties made it more difficult for smaller renewable fuel producers to sell their RINs and reduced the overall liquidity of the RIN market. To ensure that RINs are validly generated, individual obligated parties are now conducting their own audits of renewable fuel production facilities, potentially duplicating one another's efforts. These circumstances have created inefficiencies in the RIN market, prompting requests for an additional regulatory mechanism that would reduce the risk of potentially invalid RINs, return liquidity to the RIN market, and reduce the cost of verifying the validity of RINs.

Form Numbers: 8.

RFS 1400 – RFS Renewable Fuel Producers Reporting Fuels	5900-354
RFS 1500 – RFS Renewable Fuel producers Reporting Fuels (Finished Fuel Blending)	5900-355
RFS 1600 – RFS Renewable Fuel producers Reporting Fuels (Blending Contact)	5900-356
RFS 2000 – RFS Independent Third Party Batch Verification	5900-357
RFS 2100 – RFS Independent Third Party Batch Verification	5900-358
<i>Aggregate RIN Verification</i>	
RFS 2200 – RFS Independent Third Party On-Site Audit Report	5900-359
RFS 2300 – RFS Independent Third Party List of Potentially Invalid RINs	5900-360
RFS 2400 - Independent Third Party Mass Balance	5900-361

Respondents/affected entities: Renewable Producers, obligated parties

Respondent's obligation to respond: Voluntary

Estimated number of respondents: 1313 (total).

Frequency of response: On occasion

Total estimated burden: 263,744 hours (per year). Burden is defined at 5 CFR 1320.03(b)

Total estimated cost: \$22,386,702 (per year), includes no annualized capital or operation & maintenance costs.

Changes in Estimates: This regulation will allow EPA to monitor compliance with the RFS program. The quality assurance program would help to ensure that the RIN system operates as originally intended. The primary impacts of the quality assurance program would be improved liquidity in the RIN market and improved opportunities for smaller renewable fuel producers to sell their RINs. The data generated by the QAP program will assist obligated parties and smaller renewable fuel producers comply with the requirements of the RFS program by supporting the validity of RINs. This regulation will allow regulated parties to voluntarily submit Quality Assurance Plans (QAPs) to EPA to demonstrate the validity of the RINs they generate. This is a new collection with no industry cost for comparison.

Dated: May 20, 2015.

Byron Bunker, Director

Compliance Division

Office of Transportation and Air Quality

Office of Air and Radiation

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