

## EPA Gasoline Bulk Plant Vapor Recovery

### Background

In September 2022, the Energy Marketers of America (EMA) submitted comments regarding EPA's proposed revisions to the National Emissions Standards for Hazardous Air Pollutants [NESHAP Subpart BBBBBB (small bulk gasoline plants)]. EPA's proposed rule would require vapor balancing equipment both for delivering to a storage tank and loading a cargo tank at all gasoline bulk plants with a maximum design throughput of 4,000 gallons per day or more. Unfortunately, the EPA significantly underestimated the economic impact of the proposed rule on small business energy marketers and affect the availability of gasoline in rural areas and on the farmers, businesses, and first responders that rely on these small energy marketers for gasoline.

Gasoline is typically shipped to customers daily in large tank vehicles that pickup product at a large supply terminal and deliver a full truckload directly into customer storage tanks. However, some customers, including state and local governments, farmers, ranchers, commercial end-users, and first responders, require a smaller volume of gasoline than a full truckload on an even less frequent delivery schedule. In those instances, hardworking Americans—small, family-owned companies'—bulk storage plants are used as intermediaries. Small gasoline bulk plants using smaller tank vehicles factor into the small gasoline distribution segment. If finalized, this rulemaking would require the installation of gasoline vapor balancing equipment for delivering to a bulk storage plant and loading a cargo tank wagon, as well as modifications to small tank vehicles at virtually all small bulk plants that supply gasoline, forcing many of these bulk plants to discontinue the supply of gasoline.

### Compliance Costs likely to Shut Down Small Business Operations

The compliance costs associated with the proposed NESHAP Subpart BBBBBB rule would make the storage and distribution of gasoline from these bulk plants unworkable. Based on gasoline bulk plant surveys and upgrade cost information collected by EMA, the cost to upgrade a gasoline bulk plant to a vapor balance system for both transport unloading and tank vehicle loading will be in excess of \$120,000 per facility. These costs include upgrading the loading rack to accommodate bottom loading for all products, installing vapor return piping to a gasoline storage tank from the load rack and the transport delivery area, and upgrading two tank vehicles for bottom loading. EMA estimates that the proposed requirements could affect as many as 3,000 gasoline bulk plants nationwide based on EPA's estimates of the total number of gasoline bulk plants.

This infeasibility is directly tied to the rule's proposal to lower the compliance threshold for small gasoline bulk plants from 20,000 gallons per day of actual throughput to just 4,000 gallons of daily maximum design capacity. Since the proposed threshold in the NESHAP Subpart BBBBBB rule is based on a theoretical maximum design capacity rather than actual daily throughput, almost every small bulk plant in the nation would be negatively impacted by its requirements – forcing them to close or face the high cost of compliance. In other words, the proposal will inevitably and implicitly lead to higher fuel costs or the elimination of gasoline storage at small bulk plants, impacting supply to end users offering vital services to their local communities and potentially cutting off whole communities during an emergency.

### EPA Should Withdraw Proposed NESHAP BBBBBB Rule that Apply to Small Gasoline Bulk Plants

EMA is working with bipartisan lawmakers on both sides of Capitol Hill to urge EPA to withdraw provisions of the proposed NESHAP BBBBBB rule that apply to small bulk plant facilities and convene a Small Business Advocacy Review panel to actively engage small business energy marketers in a meaningful discussion on the full extent of the regulatory impact of the proposed rule, as required under the Small Business Regulatory Enforcement Fairness Act.

### **The “Ask”**

Urge lawmakers to sign a bicameral letter led by Senator Kevin Cramer (R-ND) and Rep. John Joyce (R-PA). The staff contacts are Drew Lingle (Cramer) [Drew.Lingle@cramer.senate.gov](mailto:Drew.Lingle@cramer.senate.gov) and Parker Bennett (Joyce), [Parker.Bennett@mail.house.gov](mailto:Parker.Bennett@mail.house.gov). **The deadline to sign the letter is Wednesday, May 17<sup>th</sup>.**

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