Environmental Protection Agency

§ 80.530

(4) Except as provided in paragraph (e) of this section, compliance with the limitation of paragraph (c)(1) of this section shall be as calculated under § 80.599(e).

(d) Diesel fuel in violation of the 15 ppm standard. Where motor vehicle diesel fuel subject to the 15 ppm sulfur standard of § 80.520(a)(1) is found to be in violation of any standard under § 80.520(a) and is consequently downgraded to 500 ppm sulfur motor vehicle diesel fuel, the person having custody of the fuel at the time it is found to be in violation must include the volume of such downgraded fuel toward its 20 percent volume limitation under paragraph (c)(1) of this section, unless the person demonstrates that it did not cause the violation.

(e) Special provisions for retail outlets and wholesale purchaser-consumer facilities. Notwithstanding the provisions of paragraph (c)(1) of this section, retailers and wholesale purchaser-consumers shall comply with the downgrading limitation as follows:

(1) Retailers and wholesale purchaser-consumers who sell, offer for sale, or dispense motor vehicle diesel fuel that is subject to the 15 ppm sulfur standard under § 80.520(a)(1) are exempt from the volume limitations of paragraph (c)(1) of this section.

(2) A retailer or wholesale purchaser-consumer who does not sell, offer for sale, or dispense motor vehicle diesel fuel subject to the 15 ppm sulfur standard under § 80.520(a)(1) must comply with the downgrading limitations of paragraph (c) of this section, such that it may not downgrade a volume of motor vehicle diesel fuel, designated as subject to the 15 ppm sulfur standard, for more than 20% of the total volume of motor vehicle diesel fuel that it sells, offers for sale, or dispenses in any compliance period.

(f) Termination of downgrading limitations. The provisions of this section shall not apply after May 31, 2010.

§§ 80.528–80.529 [Reserved]

TEMPORARY COMPLIANCE OPTION

§ 80.530 Under what conditions can 500 ppm motor vehicle diesel fuel be produced or imported after May 31, 2006?

(a) Beginning June 1, 2006, a refiner or importer may produce or import motor vehicle diesel fuel subject to the 500 ppm sulfur content standard of § 80.520(c) if all of the following requirements are met:

(1) Each batch of motor vehicle diesel fuel subject to the 500 ppm sulfur content standard must be designated by the refiner or importer as subject to such standard, pursuant to § 80.598(a).

(2) The refiner or importer must meet the requirements for product transfer documents in § 80.590 for each batch subject to the 500 ppm sulfur content standard.

(3)(i) The volume of motor vehicle diesel fuel that is produced or imported during a compliance period (V₅₀₀ₐ), as provided in paragraph (a)(5) of this section, may not exceed the following volume limit:

(A) For the compliance periods prior to the period from July 1, 2009 through May 31, 2010, 20 percent of the volume of motor vehicle diesel fuel that is produced or imported during a compliance period (Vₜ), plus an additional volume of motor vehicle diesel fuel represented by credits properly generated and used pursuant to the requirements of §§ 80.531 and 80.532.

(B) For the compliance period from July 1, 2009 through May 31, 2010, 20 percent of the volume of motor vehicle diesel fuel that is produced or imported during a compliance period (Vₜ), plus an additional volume of motor vehicle diesel fuel represented by credits properly generated and used pursuant to the requirements of §§ 80.531 and 80.532. From January 1, 2010 through May 31, 2010, the volume of motor vehicle diesel fuel that is produced or imported shall not exceed the volume represented by credits used pursuant to § 80.532.

(ii) The terms V₅₀₀ₐ and Vₜ have the meaning specified in § 80.531(a)(2).

(4) Compliance with the volume limit in paragraph (a)(3) of this section must
§ 80.531  How are motor vehicle diesel fuel credits generated?

(a) Generation of credits from June 1, 2006 through December 31, 2009.  (1) A refiner or importer may generate credits during the period June 1, 2006 through December 31, 2009, for motor vehicle diesel fuel produced or imported that is designated as subject to the 15 ppm sulfur content standard under §80.520(a)(1). Credits may be generated only if the volume of motor vehicle diesel fuel designated under §80.598(a) as subject to the 15 ppm sulfur standard of §80.520(a) exceeds 80 percent of the total volume of motor vehicle diesel fuel produced or imported as described in paragraph (a)(2) of this section.

(2) The number of motor vehicle diesel fuel credits generated shall be calculated for each compliance period (as specified in §80.530(a)(5)) as follows:

\[
C = V_{15} - (0.80 \times V_t)
\]

Where:

- \(C\) = the positive number of motor vehicle diesel fuel credits generated, in gallons.
- \(V_{15}\) = the total volume in gallons of diesel fuel produced or imported that is designated under §80.598 as motor vehicle diesel fuel and subject to the standards of §80.520(a) during the compliance period.
- \(V_t\) = \(V_{15}\) + \(V_{500}\)
- \(V_{500}\) = the total volume in gallons of diesel fuel produced or imported that is designated under §80.598(c) as motor vehicle diesel fuel and subject to the 500 ppm sulfur standard under §80.520(c) plus the total volume of any other diesel fuel (not including \(V_{15}\), diesel fuel that is dyed in accordance with §80.520(b) at the refinery or import facility where the diesel fuel is produced or imported, or diesel fuel that is designated as NRLM under §80.598(a)) represented as having a sulfur content less than or equal to 500 ppm.

(3) Credits shall be generated and designated as follows:

(i) Credits shall be generated separately for each refinery of a refiner.

(ii) Credits shall be generated separately for each credit trading area (CTA), as defined in paragraph (a)(5) of this section, into which motor vehicle diesel fuel is imported by an importer.

(iii) Credits shall be designated separately by year of generation and by CTA of generation. In the case of a refiner, credits shall also be designated by refinery, and in the case of an importer, credits shall also be designated by port of import.