the small refiner gasoline sulfur content standards. EPA may grant such a
petition, effective July 1 of the compliance period following receipt of such
petition (or effective June 1, 2006, if applicable). Upon such effective date, all
gasoline produced by the refiner must meet the gasoline sulfur content stand-
ards under subpart H of this part as if there had been no extension of the
small refiner gasoline sulfur content standards under this section. Upon
such effective date, the refiner shall not be subject to the requirements of
this section.

(l) The provisions of this section
shall apply separately for each refinery
of a refiner.

[66 FR 5136, Jan. 18, 2001, as amended at 69
FR 39179, June 29, 2004; 71 FR 25718, May 1,
2006]

§ 80.554 What compliance options are
available to NRLM diesel fuel small
refiners?

(a) Option 1: A refiner that has been
approved by EPA as a NRLM diesel fuel
small refiner under §80.551(g) may
produce NRLM diesel fuel from crude
oil from June 1, 2007 through May 31,
2010, that is exempt from the standards
under §80.510(a), but only for a refinery
located outside the areas specified
under §80.510(g)(1).

(1) The volume of NRLM diesel fuel
that is exempt from §80.510(a) must be
less than or equal to 105 percent of
BNRLM as defined under §80.533, less any
volume of heating oil produced.

(2) Any volume of NRLM diesel fuel
in excess of the volume allowed under
paragraph (a)(1) of this section will be subject to
the 500 ppm sulfur standard under
§80.510(a).

(3) High-sulfur NRLM produced under
this paragraph must—

(i) Be dyed red pursuant to the provi-
sions of §80.520 at the point of produc-
ton or importation;

(ii) Be associated with a product
transfer document that bears a unique
product code as specified under §80.590;
and

(iii) Not be delivered into areas speci-
fied under §80.510(g)(1).

(4) From June 1, 2007 through May 31,
2010, a refiner that has been approved by
EPA as a NRLM diesel fuel small re-
finer under §80.551(g) may produce at a
refinery located in §80.510(g)(2) NRLM
diesel fuel that is exempt from the
standards under §80.510(a) only if the
refiner first obtains approval from the
Administrator for a compliance plan.
The compliance plan must detail how
the refiner will segregate any fuel pro-
duced that does not meet the standards
under §80.510(a) from the refinery
through to the ultimate consumer from
fuel having any other designations and
from fuel produced by any other re-
finer. The compliance plan must also
identify all ultimate consumers to
whom the refiner supplies the fuel that
does not meet the standards under
§80.510(a).

(b) Option 2: A refiner that has been
approved by EPA as a NRLM diesel fuel
small refiner under §80.551(g) may
produce NR diesel fuel from crude oil
from June 1, 2010, through May 31, 2014,
and NRLM diesel fuel from crude oil
from June 1, 2012 through May 31, 2014
that is subject to the standards under
§80.510(a), but only for a refinery lo-
cated outside the areas specified under
§80.510(g)(1).

(1) The volume of NR diesel fuel that
may be subject to the 500 ppm sulfur
standard from June 1, 2010 through
June 30, 2011 must be less than or equal
to 113 percent of BNRLM, and from July
1, 2011 through May 31, 2012 must be
less than or equal to 96 percent of
BNRLM, as defined under §80.533, less any
volume of locomotive and marine die-
sel fuel produced.

(2) The volume of NRLM diesel fuel
that may be subject to the 500 ppm sul-
fur standard from June 1, 2012 through
June 30, 2013 must be less than or equal
to 113 percent of BNRLM, and from July
1, 2013 through May 31, 2014 must be
less than or equal to 96 percent of
BNRLM, as defined under §80.533.

(3) NRLM diesel fuel produced in ex-
cess of the volume allowed under para-
graph (b)(1) of this section will be sub-
ject to the standards under §80.510(b)
and (c).

(4) 500 ppm sulfur NRLM diesel fuel
produced under this paragraph must—

(i) Bear a unique product code as
specified under §80.590; and

(ii) Not be sold or delivered into
areas specified under §80.510(g)(1).

(5) From June 1, 2010 through May 31,
2012, for NR diesel fuel, and from June
1. 2012 through May 31, 2014 for NRLM diesel fuel, a refiner that has been approved by EPA as a NRLM diesel fuel small refiner under §80.551(g) may produce, at a refinery located in Alaska, NR and NRLM diesel fuel, as applicable, from crude oil that is subject to the standards of §80.510(a), only if the refiner first obtains approval from the Administrator for a compliance plan. The compliance plan must detail how the refiner will segregate any fuel produced subject to the standards under §80.510(a) from the refinery through to the ultimate consumer from fuel having any other designations and from fuel produced by any other refiner. The compliance plan must also identify all ultimate consumers to whom the refiner supplies the fuel that does not meet the standards under §80.510(a).

(c) Option 3: A refiner that has been approved by EPA as a NRLM diesel fuel small refiner under §80.551(g) may generate diesel fuel credits under the provisions of §80.535(b) and (d), except as provided in paragraph (d)(1)(i) of this section.

(d) Option 4: (1) In lieu of Options 1, 2, and 3 of this section, a refiner that has been approved by EPA as a NRLM diesel fuel small refiner under §80.551(g) may choose to adjust its small refiner gasoline sulfur standards, subject to the following conditions:

(i) From June 1, 2006 until the expiration of the refiner’s small refiner gasoline sulfur standards (through December 31, 2007 or 2010) 95 percent of the total MVNRLM diesel fuel produced by the refiner must be accurately designated under §80.598(a) as meeting the 15 ppm sulfur standard of §80.510(b).

(ii) The refiner must produce MVNRLM diesel fuel each year or partial year under paragraph (d)(1)(i) of this section at a volume that is equal to or greater than 85 percent of \( B_{MVNRLM} \), as defined in §80.533, calculated on an annual basis.

(2)(i) For a refiner meeting the conditions of paragraph (d)(1)(i) of this section, beginning January 1, 2004, the applicable small refiner’s annual average and per-gallon cap gasoline sulfur standards will be the standards of §80.240(a) or §80.553 (i.e., through calendar years 2007 or 2010).

(ii) In no case may the per-gallon cap exceed 450 ppm.

(3)(i) If the refiner fails to produce the necessary volume of 15 ppm sulfur MVNRLM diesel fuel by June 1, 2006 and every year thereafter through the deadlines specified under paragraph (d)(1)(i) of this section, the refiner must report this in its annual report under §80.604, and the adjustment of gasoline sulfur standards under paragraph (d)(2)(i) of this section will be considered void as of January 1, 2004.

(ii) If such a refiner had produced gasoline above its interim gasoline sulfur standard of §80.240(a) prior to June 1, 2006, such fuel will not be considered in violation of the small refiner standards under §80.240(a), provided the refiner obtains and uses a quantity of gasoline sulfur credits equal to the volume of gasoline exceeding the small refiner standards multiplied by the number of parts per million by which the gasoline exceeded the small refiner standards.

(e) Multiple refineries. The provisions of this section shall apply separately for each refinery owned or operated by a NRLM diesel fuel small refiner.

(f) Other provisions. From June 1, 2007 through May 31, 2010, a refiner who is an approved motor vehicle diesel fuel small refiner under §80.550(a) but does not qualify as a NRLM diesel fuel small refiner under §80.550(b) may produce NRLM diesel fuel that is exempt from the per-gallon sulfur standard and the cetane or aromatics standard of §80.510(a). This exemption does not apply to diesel fuel sold or intended for sale in the areas listed in §80.510(g)(1) or (g)(2). From June 1, 2010 through May 31, 2012, NR and LM diesel fuel produced by such refineries is subject to the standards under §80.510(b) and beginning June 1, 2012, all NRLM diesel fuel is subject to the standards under §80.510(c).

[69 FR 39179, June 29, 2004, as amended at 71 FR 25718, May 1, 2006]