

are only valid for use in the compliance year that they are made available.

(2) Cellulosic biofuel waiver credits are nonrefundable.

(3) Cellulosic biofuel waiver credits are nontransferable.

(4) Cellulosic biofuel waiver credits may only be used for an obligated party's current year cellulosic biofuel RVO and not towards any prior year deficit cellulosic biofuel volume obligations.

(c) *Purchase of cellulosic biofuel waiver credits.*—(1) Only parties with an RVO for cellulosic biofuel may purchase cellulosic biofuel waiver credits.

(2) Cellulosic biofuel waiver credits shall be purchased from EPA at the time that a party submits its annual compliance report to EPA pursuant to §80.1451(a)(1).

(3) Parties may not purchase more cellulosic biofuel waiver credits than their current year cellulosic biofuel RVO minus cellulosic biofuel RINs with a D code of 3 that they own.

(4) Cellulosic biofuel waiver credits may only be used to meet an obligated party's cellulosic biofuel RVO.

(d) *Setting the price of cellulosic biofuel waiver credits.* (1) The price for cellulosic biofuel waiver credits shall be set equal to the greater of:

(i) \$0.25 per cellulosic biofuel waiver credit, adjusted for inflation in comparison to calendar year 2008; or

(ii) \$3.00 less the wholesale price of gasoline per cellulosic biofuel waiver credit, adjusted for inflation in comparison to calendar year 2008.

(2) The wholesale price of gasoline will be calculated by averaging the most recent twelve monthly values for U.S. Total Gasoline Bulk Sales (Price) by Refiners as provided by the Energy Information Administration that are available as of September 30 of the year preceding the compliance period.

(3) The inflation adjustment will be calculated by comparing the most recent Consumer Price Index for All Urban Consumers (CPI-U) for All Items expenditure category as provided by the Bureau of Labor Statistics that is available at the time EPA sets the cellulosic biofuel standard to the most recent comparable value reported after December 31, 2008. When EPA must set

the price of cellulosic biofuel waiver credits for a compliance year, EPA will calculate the new amounts for paragraphs (d)(1)(i) and (ii) of this section for each year after 2008 and every month where data is available for the year preceding the compliance period at the time EPA sets the cellulosic biofuel standard.

(e) Cellulosic biofuel waiver credits under this section will only be able to be purchased on forms and following procedures prescribed by EPA.

§80.1457 Petition process for aggregate compliance approach for foreign countries.

(a) EPA may approve a petition for application of the aggregate compliance approach to planted crops and crop residue from existing agricultural land in a foreign country if EPA determines that an aggregate compliance approach will provide reasonable assurance that planted crops and crop residue from the country in question meet the definition of renewable biomass and will continue to meet the definition of renewable biomass, based on the submission of credible, reliable, and verifiable data.

(1) As part of its evaluation, EPA will consider all of the following:

(i) Whether there has been a reasonable identification of the "2007 baseline area of land," defined as the total amount of cropland, pastureland, and land that is equivalent to U.S. Conservation Reserve Program land in the country in question that was actively managed or fallow and nonforested on December 19, 2007.

(ii) Whether information on the total amount of cropland, pastureland, and land that is equivalent to U.S. Conservation Reserve Program land in the country in question for years preceding and following calendar year 2007 shows that the 2007 baseline area of land identified in paragraph (a)(1)(i) of this section is not likely to be exceeded in the future.

(iii) Whether economic considerations, legal constraints, historical land use and agricultural practices and other factors show that it is likely that producers of planted crops and crop residue will continue to use agricultural land within the 2007 baseline area

of land identified in paragraph (a)(1)(i) of this section into the future, as opposed to clearing and cultivating land not included in the 2007 baseline area of land.

(iv) Whether there is a reliable method to evaluate on an annual basis whether the 2007 baseline area of land identified in paragraph (a)(1)(i) of this section is being or has been exceeded.

(v) Whether a credible and reliable entity has been identified to conduct data gathering and analysis, including annual identification of the aggregate amount of cropland, pastureland, and land that is equivalent to U.S. Conservation Reserve Program land, needed for the annual EPA evaluation specified in § 80.1454(g)(1), and whether the data, analyses, and methodologies are publicly available.

(2) [Reserved]

(b) Any petition and all supporting materials submitted under paragraph (a) of this section must be submitted both in English and its original language (if other than English), and must include all of the following or an explanation of why it is not needed for EPA to consider the petition:

(1) Maps or electronic data identifying the boundaries of the land for which the petitioner seeks approval of an aggregate compliance approach.

(2) The total amount of land that is cropland, pastureland, or land equivalent to U.S. Conservation Reserve Program land within the geographic boundaries specified in paragraph (b)(1) of this section that was cleared or cultivated prior to December 19, 2007 and that was actively managed or fallow and nonforested on that date, and

(3) Land use data that demonstrates that the land identified in paragraph (b)(1) of this section is cropland, pastureland or land equivalent to U.S. Conservation Reserve Program land that was cleared or cultivated prior to December 19, 2007, and that was actively managed or fallow and nonforested on that date, which may include any of the following:

- (i) Satellite imagery or data.
- (ii) Aerial photography.
- (iii) Census data.
- (iv) Agricultural survey data.
- (v) Agricultural economic modeling data.

(4) Historical land use data for the land within the geographic boundaries specified in paragraph (b)(1) of this section to the current year, which may include any of the following:

- (i) Satellite imagery or data.
- (ii) Aerial photography.
- (iii) Census data.
- (iv) Agricultural surveys.
- (v) Agricultural economic modeling data.

(5) A description of any applicable laws, agricultural practices, economic considerations, or other relevant factors that had or may have an effect on the use of agricultural land within the geographic boundaries specified in paragraph (b)(1) of this section, including information regarding the efficacy and enforcement of relevant laws and regulations.

(6) A plan describing how the petitioner will identify a credible and reliable entity who will, on a continuing basis, conduct data gathering, analysis, and submittal to assist EPA in making an annual determination of whether the criteria specified in paragraph (a) of this section remains satisfied.

(7) A letter, signed by a national government representative at the ministerial level or equivalent, confirming that the petition and all supporting data have been reviewed and verified by the ministry (or ministries) or department(s) of the national government with primary expertise in agricultural land use patterns, practices, data, and statistics, that the data support a finding that planted crops and crop residue from the specified country meet the definition of renewable biomass and will continue to meet the definition of renewable biomass, and that the responsible national government ministry (or ministries) or department(s) will review and verify the data submitted on an annual basis to facilitate EPA's annual evaluation of the 2007 baseline area of land specified in § 80.1454(g)(1) for the country in question.

(8) Any additional information the Administrator may require.

(c) EPA will issue a FEDERAL REGISTER notice informing the public of receipt of any petition submitted pursuant to this section and will provide a 60-day period for public comment. If

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EPA approves a petition it will issue a FEDERAL REGISTER notice announcing its decision and specifying an effective date for the application of the aggregate compliance approach to planted crops and crop residue from the country. Thereafter, the planted crops and crop residue from the country will be covered by the aggregate compliance approach set forth in §80.1454(g), or as otherwise specified pursuant to paragraph (d) of this section.

(d) If EPA grants a petition to establish an aggregate compliance approach for planted crops and crop residue from a foreign country, it may include any conditions that EPA considers appropriate in light of the conditions and circumstances involved.

(e)(1) EPA may withdraw its approval of the aggregate compliance approach for the planted crops and crop residue from the country in question if:

(i) EPA determines that the data submitted pursuant to the plan described in paragraph (b)(6) of this section does not demonstrate that the amount of cropland, pastureland and land equivalent to U.S. Conservation Reserve Program land within the geographic boundaries covered by the approved petition does not exceed the 2007 baseline area of land;

(ii) EPA determines based on other information that the criteria specified in paragraph (a) of this section is no longer satisfied; or

(iii) EPA determines that the data needed for its annual evaluation has not been collected and submitted in a timely and appropriate manner.

(2) If EPA withdraws its approval for a given country, then producers using planted crops or crop residue from that country will be subject to the individual recordkeeping and reporting requirements of §80.1454(b) through (d) in accordance with the schedule specified in §80.1454(g).

[75 FR 76829, Dec. 9, 2010]

§§ 80.1458–80.1459 [Reserved]

§ 80.1460 What acts are prohibited under the RFS program?

(a) *Renewable fuels producer or importer violation.* Except as provided in §80.1455, no person shall produce or import a renewable fuel without com-

plying with the requirements of §80.1426 regarding the generation and assignment of RINs.

(b) *RIN generation and transfer violations.* No person shall do any of the following:

(1) Generate a RIN for a fuel that is not a renewable fuel, or for which the applicable renewable fuel volume was not produced.

(2) Create or transfer to any person a RIN that is invalid under §80.1431.

(3) Transfer to any person a RIN that is not properly identified as required under §80.1425.

(4) Transfer to any person a RIN with a K code of 1 without transferring an appropriate volume of renewable fuel to the same person on the same day.

(5) Introduce into commerce any renewable fuel produced from a feedstock or through a process that is not described in the person's registration information.

(6) Generate a RIN for fuel for which RINs have previously been generated.

(c) *RIN use violations.* No person shall do any of the following:

(1) Fail to acquire sufficient RINs, or use invalid RINs, to meet the person's RVOs under §80.1427.

(2) Use a validly generated RIN to meet the person's RVOs under §80.1427, or separate and transfer a validly generated RIN, where the person using the RIN ultimately uses the renewable fuel volume associated with the RIN in an application other than for use as transportation fuel, jet fuel, or heating oil (as defined in §80.1401).

(3) Use a validly generated RIN to meet the person's RVOs under §80.1427, or separate and transfer a validly generated RIN, where the person ultimately uses the renewable fuel volume associated with the RIN in an application other than for use as transportation fuel, jet fuel, or heating oil (as defined in §80.1401).

(d) *RIN retention violation.* No person shall retain RINs in violation of the requirements in §80.1428(a)(5).

(e) *Causing a violation.* No person shall cause another person to commit an act in violation of any prohibited act under this section.