

## **THE ADMINISTRATOR** WASHINGTON, D.C. 20460

August 28, 2024

The Honorable JB Pritzker Governor of Illinois State Capitol 207 Statehouse Springfield, Illinois 62706

The Honorable Eric Holcomb Governor of Indiana State House, Room 206 Indianapolis, Indiana 46204

The Honorable Gretchen Whitmer Governor of Michigan P.O. Box 30013 Lansing, Michigan 48909

The Honorable Tony Evers Governor of Wisconsin 115 East State Capitol Madison, Wisconsin 53707

Re: Fuel Waiver for gasoline volatility requirements in Illinois, Indiana, Michigan, and Wisconsin

Dear Governors:

This letter extends an emergency fuel waiver that EPA issued on August 1, 2024, in response to requests made by you or on your behalf for waivers under the Clean Air Act (CAA) to address a fuel supply emergency caused by a power outage and resulting emergency shutdown of the ExxonMobil Joliet refinery when tornadoes touched down in and around the Chicago, Illinois area on July 15, 2024. You requested that the U.S. Environmental Protection Agency grant a waiver of the federal fuels regulations and federally enforceable State Implementation Plans (SIPs) that require certain low Reid Vapor Pressure (RVP) standards in both conventional gasoline (CG), and reformulated gasoline (RFG) to be sold during the summer months in Illinois,

Indiana, Michigan, and Wisconsin ("waiver area"). See 40 C.F.R. § 1090.215, see also https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure. These regulations are designed to limit the formation of ozone pollution.

The EPA and the U.S. Department of Energy (DOE) have been actively monitoring the supply of gasoline to the waiver area including the impact of the prior waiver actions. The EPA has concluded, with DOE's concurrence, that it is necessary and appropriate to take action to minimize or prevent disruption of an adequate supply of gasoline to consumers by extending the waiver through September 15, 2024. I have determined that an "extreme and unusual fuel [ ] supply circumstance" exists that will prevent the distribution of an adequate supply of compliant gasoline to consumers in the waiver area. CAA § 211(c)(4)(C)(ii)(I), 42 U.S.C. § 7454(c)(4)(C)(ii)(I).

This extreme and unusual fuel circumstance is the result of an extreme weather event which caused the power outage at ExxonMobil's Joliet refinery, an event that could not reasonably have been foreseen and is not attributable to a lack of prudent planning on the part of suppliers of fuel to the waiver area. Given the length of the refinery shut down and short timeframe before the end of the summer volatility control season on September 15, 2024, a transition back to low-volatility gasoline immediately prior to September 15, 2024, would create supply constraints in the affected region. CAA § 211(c)(4)(C)(ii)(II), 42 U.S.C. § 7545(c)(4)(C)(ii)(II). Furthermore, I have determined that it is in the public interest to grant this waiver and that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances. CAA § 211(c)(4)(C)(iii)(I), 42 U.S.C. § 7545(c)(4)(C)(iii)(I).

Therefore, to minimize or prevent disruptions of the supply of gasoline in waiver area, I am issuing this waiver of the federal Reid vapor pressure requirements for reformulated gasoline at 40 C.F.R. § 1090.215(a)(3), and of the Michigan federally-approved low volatility gasoline SIPs and the requirements at 40 C.F.R. § 1090.215(a)(5), that apply in the waiver area.<sup>1</sup> Under this temporary waiver, regulated parties may produce, sell, and distribute gasoline in the waiver area with a Reid vapor pressure of no more than 9.0 psi (10.0 psi if the gasoline contains from 9% to 15% ethanol). This waiver is effective August 28, 2024, and will continue through the end of the summer volatility control season on September 15, 2024. I have concluded that this is the shortest practicable time necessary to permit the correction of the extreme and unusual circumstances preventing distribution of an adequate supply of compliant gasoline.

This waiver applies only to the applicable federal requirements cited above. Regulated parties who produce, sell, and distribute gasoline in the waiver area must continue to comply with all applicable requirements and conditions that do not relate to RVP requirements in 40 C.F.R. Part

<sup>&</sup>lt;sup>1</sup> The waiver area is limited to the following counties. In Illinois - Cook, Du Page, Kane, Lake, McHenry, Will, Grundy (only Aux Sable Township and Goose Lake Township), and Kendall (only Oswego Township) counties. In Indiana – Lake and Porter counties. In Wisconsin - Kenosha, Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties. In Michigan - Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne counties.

1090 Other state or local requirements or restrictions related to this matter may need to be addressed by the appropriate authorities. The effective date of this decision is August 28, 2024, and, pursuant to 40 C.F.R. § 23.3, on that date, it will be deemed issued for purposes of judicial review.

If you have questions, you are welcome to contact me, or your staff may contact Michelle Marchello, EPA's Senior Advisor for State and Local Governments, at <u>Marchello.Michelle@epa.gov</u> or 771-474-5377.

Sincerely yours,

& Regan

Michael S. Regan

cc: Jennifer M. Granholm Secretary of Energy