

Guidance for Small Importers of Finished Fuels

The purpose of this document is to provide guidance to Small Importers of Finished Fuels. There are many provisions in the Clean Fuels Program that are designed to help small businesses comply. There is also an [Overview of the Clean Fuels Program](#).

Finished fuels means a transportation fuel used directly in a motor vehicle without requiring additional chemical or physical processing. In Oregon, finished fuels are clear gasoline (unblended), E10 (gasoline blended with 10 percent ethanol), clear diesel (unblended) and B5 (diesel blended with 5 percent biodiesel).

Import means to have ownership title to transportation fuel from locations outside of Oregon at the time it is brought into Oregon by any means of transport other than in the fuel tank of a motor vehicle for the purpose of propelling the motor vehicle.

Small importers of finished fuels are businesses that import 500,000 gallons or less of finished fuels per year. To comply with the Clean Fuels Program, small importers must:

- [Register](#) with DEQ Oregon;
- Keep records for all transportation fuel imported into Oregon;
- Submit annual reports using the [EZ-Fuels Online Reporting Tool for Fuel Distributors](#).

Exemptions

Fuels used in the following applications are exempt from the regulations: aircraft, construction equipment, farm tractors, farm vehicles, implements of husbandry, locomotives, log trucks, military tactical vehicles and tactical support equipment, racing activity vehicles and watercraft. If an importer can document that fuel goes to these uses, it can be subtracted from the total volume used to determine whether it is a large or small importer.

Credits and deficits

Deficits are generated when the carbon intensity of a specific fuel exceeds the clean fuel standard in a given year. Credits are generated when the carbon intensity of a specific fuel is lower than the clean fuel standard in a given year.

Clean fuel standards

Regulated parties must balance their credits and deficits each calendar year to be in compliance with the clean fuels standards. Since all finished fuels have a higher carbon intensity than the standard, they generate deficits in the program. However, by statute, small importers of finished fuels are exempt from having to balance their deficits to comply with the carbon reduction requirements. Nonetheless, it is important to understand how to keep track and manage credits and deficits when doing business with other companies.

Transfer of obligations

The term “obligations” refers to the credits or deficits that a fuel generates in the Clean Fuels Program. Credits and deficits are generated by the importer that has ownership of the fuel when it first enters into Oregon but can then be retained or transferred as the fuel is distributed to fuel users.

Here are some examples of how to manage obligations involving small importers of finished fuels:



State of Oregon
Department of
Environmental
Quality

Oregon Clean Fuels Program

<http://www.oregon.gov/deq/air/programs/Pages/Clean-Fuels.aspx>

700 NE Multnomah St.
Suite 600
Portland, OR 97232
OregonCleanFuels@deq.state.or.us

DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon’s air, land and water.

Accessibility

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.state.or.us.

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1. If a small importer of finished fuels sells fuel to a business who is not a regulated party (not an importer), then no obligations are ever generated. Since small importers of finished fuels report into [EZ Fuels](#), DEQ will be able to monitor the amount of fuel imported by these businesses.
2. If a small importer of finished fuels sells to a business who is a regulated party (an importer of blendstocks or a large importer of finished fuels), then the product transfer document (PTD) must indicate that the obligations are transferred to the recipient of the fuel. The regulated party must report the purchase with obligation in the [CFP Online System](#).
3. If a regulated party sells to a small importer of finished fuels, then the PTD must indicate that the obligations are retained by the regulated party.

General Tips

Here are some general tips and reminders:

- ❖ Businesses can change their practices to reduce the amount of transportation fuel they import or eliminate it entirely.
- ❖ Businesses should keep track of their imported volumes throughout the year and immediately modify their registration with the Clean Fuels Program. If a business exceeds the 500,000 gallon threshold, all fuel imported within the calendar year (retroactive to January 1st of the same year) will be subject to the reduction requirements.
- ❖ DEQ will audit the EZ Fuels reporting system to check that small importers remain under the 500,000 gallon per year threshold.
- ❖ Many of the small importers are already registered in the CFP Online System used by the larger importers. DEQ will inactivate those accounts but not remove them so the larger importers can still access their business partners.

Want more information?

For information about the Clean Fuels Program, go to the program webpage at <http://www.oregon.gov/deq/aq/programs/Pages/Clean-Fuels.aspx>.

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