Guidance for Large Importers of Finished Fuels: September 2017

The purpose of this document is to provide guidance to businesses that are registered in the Clean Fuels Program as Large Importers of Finished Fuels.

Background
The Clean Fuel Program rules require regulated parties to demonstrate compliance with their 2016 and 2017 obligations in the 2017 annual report, which is due at the end of April 2018. An exception was made for large importers of finished fuel to give them the option of demonstrating compliance with their 2016 through 2018 obligations when the 2018 annual report is due at the end of April 2019.

The additional flexibility was given to these businesses because they only import fuels that generate deficits in the program as imported finished fuels have carbon intensities higher than the program’s annual standards. In order to comply, they will have to find a way to:

- Generate credits themselves
- Purchase credits from other companies that have over-complied with the program’s standards; or
- Reduce their imports below 500,000 gallons in a calendar year to qualify as a small importer of finished fuels and therefore be exempt from complying with the standards

That change in how they currently do business will take time to develop and implement, hence they were given the additional year to comply. The Oregon Department of Environmental Quality would like to note that Large Importers of Finished Fuels can also choose to be proactive and demonstrate compliance with their 2016 and 2017 obligations by retiring credits against their obligations in April 2018. After 2018, all compliance will be on an annual basis.

Applicability
A Large Importer of Finished Fuels must meet all of the following conditions:

- Large means more than 500,000 gallons of finished fuels in a given calendar year.
- Importer means the person who has ownership title to the 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.
- 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).

Action Needed
All companies that are currently registered as Large Importers of Finished Fuel must contact the CFP at OregonCleanFuels@deq.state.or.us by Dec. 1, 2017 to:

- Confirm that they still meet the definition above; and
- Whether they plan to comply in 2018 or 2019.

If you are importing biodiesel, renewable diesel, or ethanol in their clear or otherwise unfinished versions, such as B99, R99, or E99, then you must re-register as an Importer of Blendstocks.

If you have any questions regarding this issue, please contact OregonCleanFuels@deq.state.or.us.