

66 Morris Avenue, P.O. Box 477, Springfield, NJ 07081-0477
973-467-1400 • Fax 973-467-4066 • www.fmanj.org



July 7, 2006

TO: NJDEP Work Group Coordinators
FROM: Eric DeGesero, Executive Vice President
RE: **WHITE PAPERS COMMENTS**

The Fuel Merchants Association of New Jersey (FMA) represents small businessmen and women who distribute heating oil, gasoline and diesel fuel in the state. Our members distribute heating oil to residential, commercial and industrial customers and distribute branded and unbranded gasoline and diesel fuel to service stations they own and to service stations they supply as well as to state and local governments and commercial fleets. FMA's members also install and service central heating and air conditioning equipment.

FMA offers the following comments on white papers prepared by various work groups within the NJDEP.

VOC003 Vapor Recovery Systems at Gasoline Service Stations

FMA opposes this recommendation.

Over the best few years the NJDEP has mandated extensive new Stage II testing which has added costs to operating vapor recovery systems.

Under Effectiveness it is stated that based on manufacturer specifications the effectiveness of the membrane system is 99%. Under Cost Effectiveness it states "Estimate a 99% reduction based on the addition of a membrane system". What is meant by these two statements? Does the NJDEP mean that 99% more of the emissions are returned that aren't currently or does it mean that the system operates at 99% efficacy? If the former, that would question the logic behind Stage II i.e., a lot of vapors are not being returned, if the latter then the NJDEP is stating that the current regulation requiring 98%

efficiency is not stringent enough and that it is “cost effective” to spend \$50,000 for a 1% increase in efficiency?

How many gas stations in the state have a throughput of six million gallons per year? Would this membrane be required only of those locations? If a station does less than six million gallons per year but has a vacuum assist system would it be required to have this membrane? How many gas stations are there that do not have both Stage I and Stage II? Is the NJDEP going to implement a requirement that has only one known supplier?

Has the NJDEP ascertained how many vehicles in the state are equipped with on board diagnostic (OBD) technology? Is it more than 50% of the vehicle fleet? If so, the NJDEP should request of the USEPA a roadmap that would allow New Jersey to begin phasing out Stage II vapor recovery as it was originally to have been an interim measure until OBD was in “widespread use.”

VOC008 Public Outreach regarding gasoline dispensing

The second bullet under Implementation states “Improved operations and maintenance of Stage II recovery equipment”

See comments under VOC 003.

Why aren't the significant changes recently made enough? What type of “new system” does the NJDEP envision as it relates to returning product to storage tanks after conducting the volumetric tests required by Weights and Measurers?

HR001 Regional Sulfur Fuel Controls

FMA believes that the NJDEP should work within the NESCAUM framework and that regulators, heating oil refiners, and heating oil distributors should work on a collaborative regional basis to implement a lower sulfur heating oil product.

While there are benefits to be derived from lowering the sulfur content in fuel oil there are also significant cost and fuel availability issues regarding this proposal.

In light of the changes that the fuel refining and distribution systems are undergoing related to the recent lowering of the sulfur content of both gasoline and diesel fuel and since the potential benefits between heating oil and PM 2.5 is not conclusively understood there is no rationale to move forward with the unattainable timeframe outlined for 500 ppm heating oil by 2009 in New Jersey. If needed refiners should be afforded the same seven year implementation as they were for the other sulfur rules.

SCS002 Biodiesel: An alternative to be Considered

FMA believes that the NJDEP should monitor the potential benefits of biofuel but not mandate any aspect of its use at this time. Foremost, availability of biofuel in our area is extremely limited at this time.

Our industry is working collaboratively with equipment manufacturers, laboratories, and the biofuel industry to better understand its potential. One of the issues with biofuel is its cold flow properties. In December 2005 both Colorado and Minnesota (where there is a biofuel mandate) experienced problems with school buses as a result of “gelling” of biofuel. While it is true that straight diesel will gel also it normally does so at a lower temperature than biofuel.

NA007 Stage II Vapor Recovery Compatibility for Boat Fueling and Marina

If the Coast Guard requires boat fuel tanks to be vented to the atmosphere how does requiring vapor recovery at marinas minimize VOC emissions? If the Coast Guard requires boat fuel tanks to be vented to the atmosphere how does requiring or a service station with a vapor balance stage II vapor recovery system where a “rubber donut adapter” is utilized minimize VOC emissions, especially when there are no adapters currently available?

The Considerations section states, “The workgroup did not believe it is technologically prohibitive to develop this mechanism.” What does this mean? Will the workgroup or any of its participants develop any economically viable “mechanism”? No “mechanism” is “technologically prohibitive to develop” provided there is a reasonable rate of return for the manufacturer.

This recommendation should be withdrawn as there is no way it can be achieved.