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entity, or any of its registered facilities, becomes incomplete or inaccurate.

(f) *Issuance of registration numbers.* EPA will supply a registration number to each entity and a facility registration number to each of an entity's facilities that is identified, which shall be used in all reports to the Administrator.

[69 FR 39190, June 29, 2004, as amended at 70 FR 70510, Nov. 22, 2005; 71 FR 25720, May 1, 2006]

§ 80.598 What are the designation requirements for refiners, importers, and distributors?

(a) *Designation requirements for refiners and importers.* (1) Any refiner or importer shall accurately and clearly designate all fuel it produces or imports for use in diesel motor vehicles as either motor vehicle diesel fuel meeting the 15 ppm sulfur standard under § 80.520(a)(1) or as motor vehicle diesel fuel meeting the 500 ppm sulfur standard under § 80.520(c).

(2) Subject to the restrictions in paragraph (a)(3) of this section, beginning June 1, 2006, any refiner or importer shall accurately and clearly designate each batch of diesel fuel or distillate fuel for which they transfer custody to another entity, according to the following categories, including specifying its volume:

(i) Designate the fuel as one of the following fuel types:

(A) Motor vehicle, nonroad, locomotive or marine (MVNRLM) diesel fuel;

(B) Heating oil;

(C) Jet fuel;

(D) Kerosene;

(E) No. 4 fuel;

(F) Distillate fuel for export only; or

(G) Exempt distillate fuels such as fuels that are covered by a national security exemption under § 80.606, fuels that are used for purposes of research and development pursuant to § 80.607, and fuels used in the U.S. Territories pursuant to § 80.608 (including additional identifying information).

(ii) From June 1, 2006 through May 31, 2014 any batch designated as MVNRLM diesel fuel must also be designated as one of the following:

(A) Motor vehicle diesel fuel; or

(B) NRLM diesel fuel.

(iii) From June 1, 2010 through May 31, 2012 any batch designated as NRLM must also be designated as one of the following:

(A) NR diesel fuel; or

(B) LM diesel fuel.

(iv) Until June 1, 2014, any batch designated as MVNRLM diesel fuel must also be designated according to one of the following three sulfur level specifications:

(A) 15 ppm if its sulfur content is less than or equal to 15 ppm.

(B) 500 ppm if its sulfur content is less than or equal to 500 ppm.

(C) High Sulfur if its sulfur content is greater than 500 ppm.

(v) From June 1, 2006 through May 31, 2010, any batch designated as motor vehicle diesel fuel must also be designated according to one of the following two distillation classifications that most accurately represents the fuel:

(A) #1D.

(B) #2D.

(C) NP diesel (NP).

(3) The following restrictions and clarifications apply:

(i) Prior to June 1, 2006, any batch of MVNRLM not containing visible evidence of red dye under § 80.520(b) must be designated as motor vehicle diesel fuel.

(ii) Any distillate fuel containing visible evidence of dye may not be designated as motor vehicle diesel fuel unless it is further designated as tax exempt motor vehicle diesel fuel.

(iii) Any distillate containing the marker required pursuant to the provisions of § 80.510(d) through (f) must be designated as heating oil, except that from June 1, 2010 through May 31, 2012 it may also be designated as LM diesel fuel, pursuant to § 80.510(e).

(iv) Prior to June 1, 2009 all 15 ppm sulfur MVNRLM diesel fuel must be designated as motor vehicle diesel fuel. A refiner that has been approved as a NRLM diesel fuel small refiner under § 80.551(g) and has elected to use the compliance option specified under § 80.554(d) may also designate 15 ppm sulfur MVNRLM fuel as NRLM diesel fuel beginning June 1, 2006.

(v) Beginning June 1, 2010 any distillate fuel having a sulfur content

greater than 15 ppm may not be designated as motor vehicle diesel fuel.

(vi) Beginning June 1, 2014, any distillate fuel having a sulfur content greater than 15 ppm may not be designated as MVNRLM diesel fuel.

(vii) Any batch of #1D fuel which is suitable for use as MVNRLM and which is also suitable for use as kerosene or jet fuel (*i.e.*, commonly referred to as dual use kerosene) may be designated as MVNRLM, kerosene, or jet fuel (as applicable).

(viii) Beginning June 1, 2007, any distillate fuel with a sulfur content greater than 500 ppm distributed or intended for distribution in the area specified in §80.510(g)(1), may not be designated as MVNRLM diesel fuel.

(ix) From June 1, 2010 through May 31, 2012, any distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the area specified in §80.510(g)(1), may not be designated as NR diesel fuel.

(x) From June 1, 2012 through May 31, 2014, any distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the area specified in §80.510(g)(1), may not be designated as NRLM diesel fuel.

(xi) Beginning June 1, 2007, any distillate fuel with a sulfur content greater than 500 ppm distributed or intended for distribution in the area specified in §80.510(g)(2) may not be designated as NRLM diesel fuel unless EPA has first approved a compliance plan for the refiner for segregating the fuel from all other types of NRLM diesel fuel from the refinery gate to the ultimate consumer, as specified under §80.554(a)(4).

(xii) From June 1, 2010 through May 31, 2012, any distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the area specified in §80.510(g)(2) may not be designated as NR diesel fuel unless EPA has first approved a compliance plan for the refiner for segregating the fuel from all other types of NRLM diesel fuel from the refinery gate to the ultimate consumer, as specified under §80.554(b)(4).

(xiii) From June 1, 2012 through May 31, 2014, any distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the area specified in §80.510(g)(2) may not

be designated as NRLM diesel fuel unless, EPA has first approved a compliance plan for the refiner for segregating the fuel from all other types of NRLM diesel fuel from the refinery gate to the ultimate consumer, as specified under §80.554(b)(4).

(xiv) Beginning June 1, 2014, any distillate fuel with a sulfur content greater than 15 ppm may not be designated as MVNRLM diesel fuel.

(b) *Designation requirements for fuel distributors.* (1) Pursuant to the provisions of paragraphs (b)(2) through (b)(9) of this section, beginning June 1, 2006, any distributor shall accurately and clearly designate each batch of diesel fuel or distillate fuel for which they transfer custody to another facility, including specifying its volume, as specified in this paragraph (b). Distributors must also accurately and clearly classify such diesel fuel and distillate fuel by sulfur content, while it is in their custody between receipt and delivery.

(2) From June 1, 2006 through May 31, 2009, whenever custody of a batch of 15 ppm sulfur motor vehicle diesel fuel is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) #1D 15 ppm sulfur motor vehicle diesel fuel.

(ii) #2D 15 ppm sulfur motor vehicle diesel fuel.

(iii) Fuel that meets the requirements specified in §80.616 which is transferred by a pipeline facility to a terminal facility outside of the State of California pursuant to §80.617(b) may be designated as California diesel fuel. Such fuel must subsequently be redesignated by the receiving terminal as either #1D or #2D 15 ppm motor vehicle diesel fuel, or segregated for delivery by tank truck to a retail or wholesale purchaser consumer facility inside the State of California pursuant to §80.617(b)(2).

(iv) NP 15 ppm sulfur motor vehicle diesel fuel.

(3) From June 1, 2009 through May 31, 2010, whenever custody of a batch of 15 ppm sulfur MVNRLM diesel fuel is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch

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as one of the following and specify its volume:

(i) #1D 15 ppm sulfur motor vehicle diesel fuel.

(ii) #2D 15 ppm sulfur motor vehicle diesel fuel.

(iii) 15 ppm sulfur NRLM diesel fuel.

(iv) Fuel that meets the requirements specified in § 80.616 that is transferred by a pipeline facility to a terminal facility outside of the State of California pursuant to § 80.617(b) may be designated as California diesel fuel. Such fuel must either be redesignated by the receiving terminal as either #1D or #2D 15 ppm motor vehicle diesel fuel as prescribed in paragraph (b)(9)(xvi) of this section, or segregated for delivery by tank truck to a retail or wholesale purchaser consumer facility inside the State of California pursuant to § 80.617(b)(2).

(v) NP 15 ppm sulfur motor vehicle diesel fuel.

(4) From June 1, 2006 through May 31, 2010, whenever custody of a batch of undyed, 500 ppm sulfur MVNRLM is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) #1D 500 ppm sulfur motor vehicle diesel fuel;

(ii) #2D 500 ppm sulfur motor vehicle diesel fuel; or

(iii) 500 ppm sulfur NRLM diesel fuel.

(iv) NP 500 ppm sulfur motor vehicle diesel fuel.

(5) From June 1, 2007 through May 31, 2010, whenever custody of a batch of distillate fuel (other than jet fuel, kerosene, No. 4 fuel, or fuel for export) having a sulfur content greater than 500 ppm is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) High sulfur NRLM diesel fuel (HSNRLM);

(ii) Heating oil; or

(iii) Exempt distillate fuels such as fuels that are covered by a national security exemption under § 80.606, fuels that are used for purposes of research and development pursuant to § 80.607, and fuels used in the U.S. Territories

pursuant to § 80.608 (including additional identifying information).

(6) From June 1, 2010 through May 31, 2012, whenever custody of a batch of distillate fuel (other than jet fuel, kerosene, No. 4 fuel, or fuel for export) having a sulfur content greater than 15 ppm is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) 500 ppm sulfur NR diesel fuel;

(ii) 500 ppm sulfur LM diesel fuel;

(iii) Heating oil; or

(iv) Exempt distillate fuels such as fuels that are covered by a national security exemption under § 80.606, fuels that are used for purposes of research and development pursuant to § 80.607, and fuels used in the U.S. Territories pursuant to § 80.608 (including additional identifying information).

(7) From June 1, 2012 through May 31, 2014, whenever custody of a batch of distillate fuel (other than jet fuel, kerosene, No. 4 fuel, or fuel for export) having a sulfur content greater than 15 ppm is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) 500 ppm sulfur NRLM diesel fuel;

(ii) Heating oil; or

(iii) Exempt distillate fuels such as fuels that are covered by a national security exemption under § 80.606, fuels that are used for purposes of research and development pursuant to § 80.607, and fuels used in the U.S. Territories pursuant to § 80.608 (including additional identifying information).

(8) Beginning June 1, 2014, whenever custody of a batch of distillate fuel (other than jet fuel, kerosene, No. 4 fuel, or fuel for export) having a sulfur content greater than 15 ppm is transferred to another facility, the entity transferring custody must accurately and clearly designate the batch as one of the following and specify its volume:

(i) 500 ppm sulfur LM diesel fuel;

(ii) Heating oil; or

(iii) Exempt distillate fuels such as fuels that are covered by a national security exemption under § 80.606, fuels that are used for purposes of research and development pursuant to § 80.607,

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and fuels used in the U.S. Territories pursuant to § 80.608 (including additional identifying information).

(9) The following restrictions and clarifications apply. Subject to the provisions of this paragraph (b)(9) and subject to the dye and marker provisions of § 80.520(b) and § 80.510(d) through (f), when custody of a batch of distillate fuel is transferred, the designation provided by the entity transferring custody pursuant to paragraphs (b)(1) through (b)(8) of this section may be different from the designation of the fuel when that same entity received custody.

(i) Any 500 ppm sulfur diesel fuel designated under this paragraph (b) and containing visible evidence of red dye may not be designated as motor vehicle diesel fuel.

(ii) Any distillate fuel containing greater than or equal to 0.10 milligrams per liter of marker solvent yellow 124 required under § 80.510(d), (e), or (f) must be designated as heating oil except that from June 1, 2010 through October 1, 2012 it may also be designated as LM diesel fuel as specified under § 80.510(e).

(iii) Any batch of #1D fuel which is suitable for use as MVNRLM diesel fuel and which is also suitable for use as kerosene or jet fuel (*i.e.*, commonly referred to as dual use kerosene) may be designated as either MVNRLM diesel fuel, kerosene, or jet fuel (as applicable).

(iv) Any MVNRLM diesel fuel with a sulfur content of 500 ppm or less in inventory as of June 1, 2007 may be designated as motor vehicle diesel fuel.

(v) Batches or portions of batches of fuel received designated as 15 ppm sulfur #2D motor vehicle diesel fuel may be re-designated as 500 ppm sulfur motor vehicle diesel fuel, but only in accordance with the limitations of § 80.527(c).

(vi) Batches or portions of batches received designated as 500 ppm sulfur NRLM diesel fuel may be re-designated as 500 ppm sulfur motor vehicle diesel fuel by a truck loading terminal only if the terminal maintains a neutral or positive balance at the end of each quarterly compliance period on their motor vehicle diesel fuel volume from

June 1, 2006 as calculated in § 80.599(b)(4).

(vii) Batches or portions of batches received designated as 500 ppm sulfur NRLM diesel fuel may be re-designated as 500 ppm sulfur motor vehicle diesel fuel by a facility other than a truck loading terminal only if the following restrictions are met:

(A) At the end of each annual compliance period, the facility has a neutral or positive balance on its motor vehicle diesel fuel volume from June 1, 2007 as calculated in § 80.599(b)(4); and

(B) At the end of each annual compliance period, the facility's balance for motor vehicle diesel fuel volume, from the beginning of the compliance period must be less than two percent of the total volume of motor vehicle diesel fuel received during the compliance period, as calculated in § 80.599(b)(5).

(viii) For facilities in areas other than those specified in § 80.510(g)(1) and (g)(2), batches or portions of batches of unmarked distillate received designated as heating oil may be re-designated as NRLM or LM diesel fuel only if the following restrictions are met:

(A) From June 1, 2007 through May 31, 2010, for any compliance period, the volume of high sulfur NRLM diesel fuel delivered from a facility cannot be greater than the volume received, unless the volume of heating oil delivered from the facility is also greater than the volume it received by an equal or greater proportion, as calculated in § 80.599(c)(2); and

(B) Beginning June 1, 2010, for any compliance period, the volume of fuel designated as heating oil delivered from a facility cannot be less than the volume of fuel designated as heating oil received, as calculated in § 80.599(c)(4).

(ix) For facilities in areas other than those specified in § 80.510(g)(1) and (g)(2), from June 1, 2010 through May 31, 2012, batches or portions of batches received designated as 500 ppm LM diesel fuel may be redesignated as 500 ppm NR diesel fuel only if for any compliance period the following restrictions are met:

(A) The volume of fuel designated as 500 ppm sulfur NR diesel fuel delivered from the facility cannot be greater

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than the volume received as calculated in § 80.599(d)(2)(i); or

(B) The volume of fuel designated as 500 ppm sulfur NR diesel fuel delivered from the facility in relation to the volume received is not a greater proportion than the volume of fuel designated as 500 ppm sulfur LM diesel fuel delivered from the facility in relation to the volume received, as calculated in § 80.599(d)(2)(ii).

(x) Notwithstanding the provisions of paragraph (b)(5) of this section, beginning October 1, 2007,

(A) No distillate fuel with a sulfur content greater than 500 ppm distributed or intended for distribution in the areas specified in § 80.510(g)(1) and (g)(2), may be designated as NRLM diesel fuel, including LM diesel fuel except as provided in paragraph (b)(9)(xiii) of this section; and

(B) Distillate fuel with a sulfur content greater than 500 ppm distributed from within the areas specified in § 80.510(g)(1) and (g)(2) to areas outside these areas is subject to the provisions of paragraph (b)(5) of this section.

(xi) Notwithstanding the provisions of paragraphs (b)(6) through (b)(8) of this section, beginning October 1, 2010—

(A) No distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the areas specified in § 80.510(g)(1) and (g)(2), may be designated as NR diesel fuel, except as provided in paragraph (b)(9)(xiv) of this section; and

(B) Distillate fuel with a sulfur content greater than 15 ppm distributed from within the areas specified in § 80.510(g)(1) and (g)(2) to areas outside these areas is subject to the provisions of paragraphs (b)(6) through (b)(7) of this section.

(xii) Notwithstanding the provisions of paragraphs (b)(7) and (8) of this section, beginning October 1, 2012—

(A) No distillate fuel with a sulfur content greater than 15 ppm distributed or intended for distribution in the areas specified in § 80.510(g)(1) and (g)(2), may be designated as NRLM diesel fuel, including LM diesel fuel, except as provided in paragraph (b)(9)(xv) of this section; and

(B) Distillate fuel with a sulfur content greater than 15 ppm distributed

from within the areas specified in § 80.510(g)(1) and (g)(2) to areas outside these areas is subject to the provisions of paragraphs (b)(7) and (8) of this section.

(xiii) From June 1, 2007 through September 30, 2010, in the area specified in § 80.510(g)(2) only segregated batches of distillate fuel received designated as HSNRLM diesel fuel may be distributed designated as HSNRLM diesel fuel and must remain segregated from fuel with any other designations unless otherwise approved by EPA in a refiner compliance plan under § 80.554(a)(4).

(xiv) From June 1, 2010 through September 30, 2012, in the area specified in § 80.510(g)(2) only segregated batches of distillate fuel received designated as 500 ppm sulfur NR diesel fuel may be distributed designated as 500 ppm sulfur NR diesel fuel and must remain segregated from fuel with any other designations and from any other 500 ppm sulfur NRLM diesel fuel from any other sources, except as approved by EPA in a refiner compliance plan under § 80.554(a)(4).

(xv) From June 1, 2012 through September 30, 2014, in the area specified in § 80.510(g)(2) only segregated batches of distillate fuel received designated as 500 ppm sulfur NRLM diesel fuel may be distributed designated as 500 ppm sulfur NRLM diesel fuel and must remain segregated from fuel with any other designations and from any other 500 ppm sulfur NRLM diesel fuel from any other sources, except as approved by EPA in a refiner compliance plan under § 80.554(a)(4).

(xvi) Fuel designated as California diesel fuel under paragraph (b)(3)(iv) of this section that is received by a terminal facility pursuant to the provisions of § 80.617(b)(1) must be redesignated as either #1D or #2D 15 ppm motor vehicle diesel fuel as prescribed in paragraph (b)(9)(xvi) of this section, or segregated for delivery by tank truck to a retail or wholesale purchaser consumer facility inside the State of California pursuant to § 80.617(b)(2).

(c) Notwithstanding the provisions of paragraph (b) of this section, an entity is not required to designate heating oil that is delivered from a facility that only receives heating oil which is

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marked pursuant to §80.510(d) through (f).

(d) Notwithstanding the provisions of paragraph (b)(4) of this section, an entity is not required to designate 500 ppm sulfur MVNRLM diesel fuel that is delivered from a facility that only receives 500 ppm sulfur MVNRLM diesel fuel on which taxes have been paid or into which red dye has been added pursuant to §80.520(b).

(e) Notwithstanding the provisions of paragraph (b)(6) of this section, an entity is not required to designate 500 ppm sulfur LM diesel fuel that is delivered from a facility that only receives 500 ppm sulfur LM diesel fuel which is marked pursuant to §80.510(e).

(f) Any entity that is both a distributor and a refiner or importer must comply with the provisions of paragraph (a) of this section for all distillate fuel produced or imported, and the provisions of paragraph (b) of this section for all distillate fuel for which it acted as distributor but not refiner or importer.

(g) No refiner, importer, or distributor may use the designation provisions of this section to circumvent the standards or requirements of §80.510, 80.511, or 80.520.

[69 FR 39191, June 29, 2004, as amended at 70 FR 70511, Nov. 22, 2005; 71 FR 25720, May 1, 2006]

§80.599 How do I calculate volume balances for designation purposes?

(a) Quarterly compliance periods. The quarterly compliance periods are shown in the following table:

Beginning date of quarterly compliance period	Ending date of quarterly compliance period
June 1, 2006	September 30, 2006.
October 1, 2006	December 31, 2006.
January 1, 2007	March 31, 2007.
April 1, 2007	May 31, 2007.
June 1, 2007	September 30, 2007.
October 1, 2007	December 31, 2007.
January 1, 2008	March 31, 2008.
April 1, 2008	June 30, 2008.
July 1, 2008	September 30, 2008.
October 1, 2008	December 31, 2008.
January 1, 2009	March 31, 2009.
April 1, 2009	June 30, 2009.
July 1, 2009	September 30, 2009.
October 1, 2009	December 31, 2009.
January 1, 2010	March 31, 2010.
April 1, 2010	May 31, 2010.
June 1, 2010	September 30, 2010.

(1) Annual compliance periods. The annual compliance periods before the period beginning July 1, 2016 are shown in the following table:

Beginning date of annual compliance period	Ending date of annual compliance period
June 1, 2006	May 31, 2007.
June 1, 2007	June 30, 2008.
July 1, 2008	June 30, 2009.
July 1, 2009	May 31, 2010.
June 1, 2010	June 30, 2011.
July 1, 2011	May 31, 2012.
June 1, 2012	June 30, 2013.
July 1, 2013	May 31, 2014.
June 1, 2014	June 30, 2015.

(2) The annual compliance periods for the period beginning July 1, 2015 shall be from July 1, through June 30.

(b) *Volume balance for motor vehicle diesel fuel.* (1) A facility's motor vehicle diesel fuel volume balance is calculated as follows:

$$MVB = MV_1 - MV_O - MV_{INVCHG}$$

Where:

MVB = the volume balance for motor vehicle diesel fuel for the compliance period.

MV₁ = the total volume of all batches of fuel designated as motor vehicle diesel fuel received for the compliance period. Any motor vehicle diesel fuel produced by or imported into the facility shall also be included in this volume.

MV_O = the total volume of all batches of fuel designated as motor vehicle diesel fuel delivered for the compliance period.

MV_{INVCHG} = the total volume of 15 ppm sulfur and 500 ppm sulfur motor vehicle diesel fuel in inventory at the end of the compliance period minus the total volume of 15 ppm sulfur and 500 ppm sulfur motor vehicle diesel fuel in inventory at the beginning of the compliance period, including accounting for any corrections in inventory due to volume swell or shrinkage, difference in measurement calibration between receiving and delivering meters, and similar matters, where corrections that increase inventory are defined as positive.

(2) Calculate the motor vehicle diesel fuel received, as follows:

$$MV_1 = MV_{15_1} + MV_{500_1}$$

Where:

MV_{15₁} = the total volume of all the batches of fuel designated as 15 ppm sulfur motor vehicle diesel fuel received for the compliance period. Any motor vehicle diesel fuel produced by or imported into the facility shall also be included in this volume. Any untaxed and undyed California diesel fuel received by a terminal pursuant to §80.617 (b)(1) shall be included in this volume.