



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR

Andy Beshear  
GOVERNOR

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June 9, 2022

Mr. Michael S. Regan  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460  
Mail code 1101A

Ms. Janet McCabe  
Deputy Administrator  
Office of Enforcement and Compliance Assurance (OECA)  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460  
Mail Code 1101A

Dear Mr. Regan and Ms. McCabe

Under 42 U.S.C.A. § 7545(c)(4)(C)(ii), I request a temporary waiver from the reformulated gasoline ("RFG") requirements in Jefferson County, a portion of Bullitt County and a portion of Oldham County ("RFG covered areas") within the Commonwealth of Kentucky. These RFG covered areas are required to use reformulated gasoline under 40 C.F.R. §§ 1090.285(c).

I request that you determine that an extreme and unusual fuel supply circumstance exists that prevents the distribution of an adequate supply of gasoline to consumers in these RFG covered areas of Kentucky (CAA § 211(c)(4)(C)(ii)(I); 42 U.S.C. § 7545(c)(4)(C)(ii)(I)). This extreme and unusual fuel circumstance is the result of the ongoing global supply disruptions as noted in April 20, 2022 Reid Vapor Pressure Fuel Waiver by the EPA, further impacted by barge traffic delays on the Ohio River and RFG petroleum terminal congestion at the Louisville terminals. It does not appear to be attributable to a lack of prudent planning on the part of suppliers of fuel to the RFG covered areas (CAA § 211(c)(4)(C)(ii)(II); 42 U.S.C. § 7545(c)(4)(C)(ii)(II)).

Kentucky relies on the Marathon Petroleum Corporation's refinery in Catlettsburg, Kentucky for shipments of RFG to the Louisville area via barge and pipeline RFG through the Robinson pipeline sourced from Marathon's Robinson refinery in southeastern, Illinois.

Petroleum resupply constraints have been caused by the ongoing global petroleum fuel supply disruptions, coupled with Greenup Lock closure that began May 1 and continuing through June 29, which has resulted in 20-plus hours of delay at Greenup Lock on the Ohio River. According to at least one petroleum supply chain participant who has reached out to the Commonwealth, these circumstances have resulted in "just-in-time" deliveries, threatening the safety stocks of petroleum supplies in the Louisville area. With the reliance on barge traffic and the Robinson pipeline for terminal deliveries and the inability of at least one supplier to receive both pipeline and barge deliveries at the same time into the terminal, the Louisville area is reportedly experiencing petroleum fuel supply congestion that negatively affects petroleum fuel supply in the RFG covered areas.

In addition, the high and increasing gas prices in Louisville pose a hardship to Kentucky citizens in the RFG area. Consequently, I request that you determine 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)(ii)(III), (iii)(I); 42 U.S.C. § 7545(c)(4)(C)(ii)(III), (iii)(I)).

Therefore, to minimize or prevent disruptions with RFG in this area, I am requesting that you issue a waiver of the federal RFG requirements in the RFG covered areas of Kentucky effective immediately for the twenty-day maximum period of time. Under this temporary waiver, regulated parties would be able to sell and distribute conventional gasoline (CG) in these areas. Specific information supporting this request is enclosed.

Please contact me or my staff below if you need additional information to act on this request.

John Lyons  
Deputy Secretary,  
Energy and Environment Cabinet  
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Michael Kennedy, Director  
Division for Air Quality  
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Office of Energy Policy  
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Because of the current supply disruptions, I would appreciate an expedited review of and response to this request. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink that reads "Andy Beshear". The signature is written in a cursive style with a large initial "A" and "B".

Andy Beshear  
Governor

Encl.



Below illustrates weekly RFG prices by region. Kentucky is located in PADD2 region. For the week of 5/30/22, PADD 2 has trended higher than the national average.

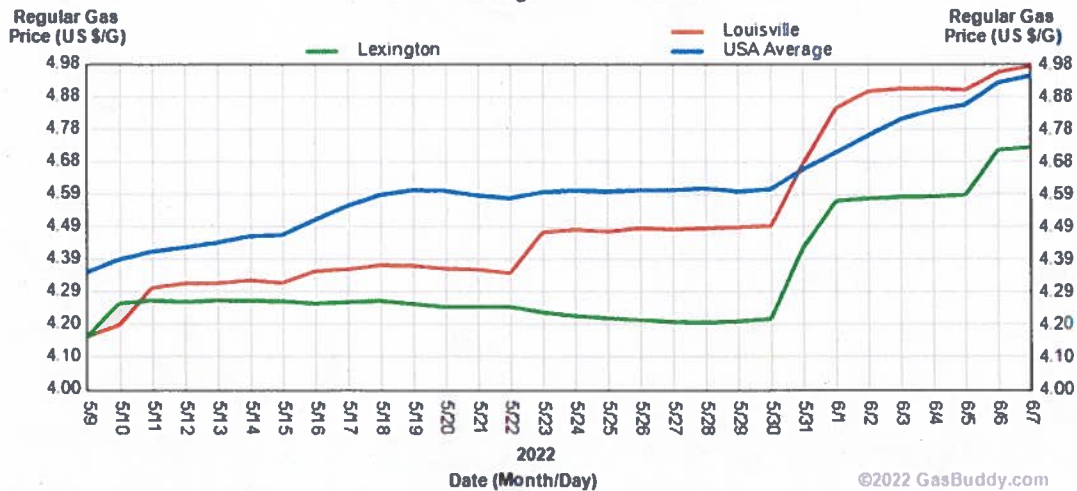
### Weekly Retail Gasoline and Diesel Prices

(Dollars per Gallon, Including Taxes)

Product:  Period:

Download Series History		Definitions, Sources & Notes								
Show Data By:		Graph								View History
<input type="radio"/> Product <input checked="" type="radio"/> Area		Clear	05/02/22	05/09/22	05/16/22	05/23/22	05/30/22	06/06/22		
U.S.			4.512	4.695	4.862	4.994	5.027	5.256	1994-2022	
East Coast (PADD1)			4.195	4.424	4.590	4.707	4.706	4.900	1994-2022	
New England (PADD 1A)			4.171	4.372	4.599	4.695	4.710	4.941	1994-2022	
Central Atlantic (PADD 1B)			4.229	4.487	4.647	4.769	4.761	4.897	1994-2022	
Lower Atlantic (PADD 1C)			4.098	4.274	4.295	4.448	4.435	4.801	1994-2022	
Midwest (PADD 2)			4.299	4.497	4.741	4.905	5.049	5.345	1994-2022	
Gulf Coast (PADD 3)			3.882	3.991	4.151	4.284	4.215	4.610	1994-2022	
West Coast (PADD 5)			5.377	5.503	5.642	5.781	5.863	6.052	1994-2022	
West Coast less California			4.554	4.663	4.800	5.096	5.136	5.356	1998-2022	
<b>States</b>										
California			5.526	5.654	5.793	5.904	5.993	6.178	1995-2022	
Massachusetts			4.190	4.397	4.647	4.711	4.724	4.977	2003-2022	
New York			4.228	4.503	4.774	4.843	4.867	4.807	2000-2022	
Texas			3.882	3.991	4.151	4.284	4.215	4.610	2000-2022	
<b>Cities</b>										
Boston			4.213	4.413	4.661	4.749	4.769	5.005	2003-2022	
Chicago			4.467	4.672	4.929	5.133	5.264	5.579	2000-2022	
Houston			3.795	3.992	4.139	4.226	4.212	4.571	2000-2022	
Los Angeles			5.545	5.634	5.765	5.857	5.942	6.134	2000-2022	
New York City			4.199	4.462	4.684	4.799	4.810	4.879	2000-2022	
San Francisco			5.557	5.770	5.921	6.042	6.155	6.335	2000-2022	

1 Month Average Retail Price Chart



As is noted above, API cited issues with barge traffic transporting product to the Louisville terminal. According to American Commercial Barge Lines, from 5/1 through 6/29, the main chamber at Greenup Lock was planned to be closed for repairs. Auxiliary chamber will be available but delays have been expected to transit and fleet shifting in the area during this closure. According to the American Commercial Barge Lines website accessed on 6/7/2022, the barge traffic is "Currently seeing 20+ hrs delay" at Greenup.

Greenup Lock is on the path from Marathon's Catlettsburg Refinery to the Louisville area. The Louisville area is supplied both via the Robinson Pipeline from Marathon's Robinson refinery in Illinois and via barge from Marathon Catlettsburg.

Compounding the global supply and geopolitical situation, and according to reports from petroleum stakeholders, a terminal congestion issue is further evolving. The pipeline to the terminal is fully subscribed and at least one supplier has reported to us that offloading from the pipeline can't be done simultaneously with barge offloading to the terminals. According to reports, non-contracted customers and exchange agreement customers of Marathon are experiencing more of a "just-in-time" supply situation and some are not able to re-supply their safety stocks which could present a fuel security issue at the terminals.