

Stage II Vapor Recovery: An Exercise in Redundancy

Colorado Wyoming Petroleum
Marketers And Convenience
Store Association

Overview

- **Redundancy Why?**
- **Expected Costs... who bears them and why?**
- **Implementation achieving obsolescence**
- **Nationwide trends**
- **Summary**

Stage II Redundancy

This Control strategy is unique in the consideration of Oil and Gas Emissions Sources. It is unique because over the last 6 years a more efficient strategy that controls the same emissions is being implemented.

Onboard Refueling Vapor Recovery

- **ORVR exists on every new car beginning in 2000. (later for trucks and SUV's 03-06)**

Vehicle Class	40%	80%	100%
Passenger	1998	1999	2000
LD Trucks & MDV (<6000 lbs)	2001	2002	2003
MD Vehicles (6001-8500 lbs)	2004	2005	2006

Redundancy Continued...

- According to the RAQC and Air Division presentations almost 6 out of every 10 vehicles have already controlled the emissions that Stage II seeks to target.
- ORVR is more cost efficient, less prone to failure and requires less upkeep than Stage II.

Redundancy...The Final Factor

- The EPA has recognized that ORVR is superior to Stage II and allows areas of moderate and severe non-attainment to remove Stage II requirements when ORVR penetration has been achieved.

Incompatibility Excess Emissions

- General Motors and the CARB have documented and studied IEE's
- When Stage II and ORVR are both used it works at cross purposes, possibly causing damage to both systems and reducing the emissions benefit of ORVR.

Financial Considerations

2007 yearly profit for a service station in the front range was approx \$30,000.00.

Industry experts estimate a \$66,000.00 per station cost (twice last years per station profit) for a total of \$52,000,000.00 for regional implementation.

Implementation

- Given the required excavation, the state of the supporting industries currently in Colorado, and factoring in consumer buying habits, CWPMA believes that by the time Stage II is fully integrated there will be little to no meaningful reduction benefits.

Nationally

- **Regions and states across the country have done away with Stage II requirements. (Florida, Pittsburgh)**
- **Georgia and New Hampshire are looking to remove their programs as soon as possible.**
- **The Northeast States for Coordinated Use Management have asked EPA when Widespread use will occur so that they can disband their programs.**

Stage II Inefficiency

- In the Phoenix area over 50% of all Stage II stations fail unannounced inspections. (15% fail planned inspections)
- Failure rates nationwide are dependent on the frequency of inspections.

Costs Passed On

- **Regions without Stage II vapor recovery consistently enjoy lower prices at the pump due to the lack of costs incurred by the merchants that are ultimately passed on to the consumer.**

Colorado Remains One of the Lowest Cost Regions

States	6/16/2008	6/23/2008	6/30/2008	Change from week ago	Change from year ago
California	4.588	4.585	4.573	-0.012	1.416
Colorado	3.958	3.952	3.959	0.007	0.873
Florida	4.019	4.014	4.024	0.010	1.132
Massachusetts	4.044	4.040	4.047	0.007	1.138
Minnesota	3.909	3.885	3.932	0.047	0.997
New York	4.259	4.267	4.278	0.011	1.157
Ohio	3.968	4.011	3.999	-0.012	1.170
Texas	3.947	3.925	3.929	0.004	1.088
Washington	4.325	4.350	4.367	0.017	1.303

Summary

Ignoring the substantial industry costs, the reality is that Stage II vapor recovery will not achieve any meaningful emissions reductions by the time it is fully phased in.

We continue to challenge anyone to bring forward *ANY* technical reason that supports any benefit of forcing the citizens of this region to pay higher gas prices for a strategy that is redundant to technology that they have already or will purchase.