

SUPPORTING STATEMENTPART A

PRODUCTION OUTLOOK REPORTS FOR UN-REGISTERED RENEWABLE FUELS PRODUCERS

A. JUSTIFICATION

1. Identification of the Information Collection

a. Title: Production Outlook Reports for Un-Registered Renewable Fuels Producers; EPA ICR No. 2409.02; OMB Control Number 2060-0640

b. Short characterization:

With this information collection request (ICR), we are seeking permission to accept production outlook reports from domestic or foreign renewable fuel producers who are not currently regulated parties under the RFS2 program. The respondents for this ICR are not regulated parties under the RFS2 program and are therefore, not required to register or report under the RFS2 regulations. Submission of production outlook information to EPA under this ICR will be on a voluntary basis.

The information that respondents provide will allow EPA to more accurately project cellulosic biofuel volumes for the following calendar year, and these volume projections will form the basis of the percentage standards EPA sets under the RFS2 program. Without information from these respondents, EPA's volume projections are more likely to fall below actual projection volumes. Under such circumstances, actual supply for cellulosic biofuel will exceed the demand created by the standards EPA sets, and the value of cellulosic biofuel Renewable Identification Numbers (RINs) will fall. RINs are marketable credits that correspond to a given volume of renewable fuel. Since RIN market price directly affects the economic viability of cellulosic biofuel production, low RIN prices could present economic difficulties to producers. Thus, it is in the interests of these respondents to provide this information to EPA, as doing so could ensure that the market price of RINs appropriately reflects the value of their cellulosic biofuel. This information also serves a more general program purpose, because it will assist EPA in setting the annual RFS2 standards more accurately for biomass-based diesel, advanced biofuel, and total renewable fuel. Compiling this information may also assist respondents with their planning and compliance activities. We believe that many parties would wish to submit this information in order to receive better assistance in understanding and complying with the RFS2 regulations.

We anticipate that approximately 2 parties will elect to participate in this information collection. The format for submitting the production outlook information to EPA would follow the "RFS2 Production Outlook Form, Report Form ID: RFS0900, EPA external number 5900-283." Reporting by regulated parties is covered under the RFS2 ICR, OMB Control No. 2060-0640. A copy of the current RFS0900 form and its instructions are available at:

- Instructions: www.epa.gov/otaq/regs/fuels/rfs0900.pdf
- Form: www.epa.gov/otaq/regs/fuels/rfs0900.xls

2. Need For, and Use of, the Collection

a. Authority for the Collection

Sections 114 and 208 of the Clean Air Act (CAA), 42 U.S.C. §§ 7414 and 7542, authorize EPA to require recordkeeping and reporting regarding enforcement of the provisions of Title II of the CAA. This voluntary collection of information is related to the RFS2 program.

b. Practical Utility/Uses of the Data

As discussed above in “Short Characterization,” collection of this information will assist EPA in setting accurate annual standards under the RFS2 rule and will assist respondents with their planning and compliance activities.

3. Non-duplication, Consultation, and other Collection Criteria

a. Non-duplication

Efforts have been made to eliminate duplication in this information collection.

b. Public Notice

EPA sought comment on reporting requirements via notice February 6, 2014 (78 FR 02571). EPA received no comments in the docket after the 60 day comment period.

c. Consultations

We have drawn upon our experience with RFS2, and with similar fuels regulations to develop the estimates in this supporting statement. DCFUEL database was consulted for the number of reports collected over the three year collection period for this ICR. Upon review, only 2 distinct companies have submitted either a RFS0900 or RFS0901 report under the ID number ‘9999. EPA is concluding that the estimates from the last reporting collection were overstated. To better reflect the activity for report collection, the number of reports will be changed to 2 per year. EPA has made an asserted effort to seek industry comment for this ICR. EPA contacted Lindsay Fitzgerald, Director of Regulatory Affairs at the National Biodiesel Board and Can be contacted on (202) 737-8801 and by e-mail lfitzgerald@biodiesel.org who believed that the cost to the industry was reasonable and fair.

d. Effects of Less Frequent Data Collection

This is a voluntary information collection. If EPA could not collect this information, then both the respondent and the Agency would be disadvantaged. EPA would base its RFS2 standard setting on incomplete information, and this in turn would have a negative effect upon the respondents. Collecting this information would allow EPA to assist the respondents in compliance, as the respondents would be subject to the RFS2 regulations in the future.

e. General Guidelines

This rule does exceed the OMB guidelines. EPA requests an exception to the OMB guidelines that agencies may only require records to be maintained for no more than three years. Records can be kept either electronically or on paper. EPA needs to make sure regulated parties keep records long enough to be evaluated for compliance during this time period. Section 40 CFR Part 80.1454(l) requires record retention for five years from the date the records were created.

f. Confidentiality

We will inform respondents that they may assert claims of business confidentiality (CBI) for information they submit. Any information claimed as confidential will be treated in accordance with 40 CFR Part 2 and established Agency procedures. Information that is received without a claim of confidentiality may be made available to the public without further notice to the submitter under 40 CFR § 2.203.

g. Sensitive Information

This information collection does not require submission of any sensitive information.

4. The Respondents and the Information Requested

a. Respondents/with NAICS and SIC Codes

The respondents to this information collection are renewable fuel producers who are expected to fall under the general category of petroleum refineries (324110/2911), ethyl alcohol manufacturers (325193/2869), and/or other basic organic chemical manufacturing (325199/2869). We expect that 2 parties per year will elect to participate in this information collection. (Since this information collection is voluntary in nature, the actual number is determined by the respondents themselves.)

b. Information Requested

The information requested includes the information collected on the RFS0900 form. Parties may submit some, or all, of the information and submission of the information is voluntary. Parties do not have to use the form, but we plan to provide it as a convenience for those who wish to use it.

5. The Information Collected, Agency Activities, Collection Methodology, and Information Management

a. Agency Activities

The Agency may contact respondents if there is a question about their submission. We already perform this activity for required reports submitted under the RFS2 program and do not anticipate that this will add any significant burden.

b. Collection and Methodology and Management

We anticipate accepting this information in various formats, including electronically. Information claimed as CBI will be stored in appropriately controlled areas.

c. Small Entity Flexibility

This collection will not adversely affect small entities. This collection is a voluntary collection and there will be no adverse consequences if a party elects not to submit the information.

d. Collection Schedule

This would be a voluntary collection and, as result, this collection is not subject to any set collection schedule. Respondents may submit all, or some, of the information on the production outlook report at will.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

(a) ESTIMATING THE RESPONDENT BURDEN

We drew upon experience implementing similar regulations among the same entities to develop estimates of the burden associated with this collection.

b. Estimating the Respondent Burden and Cost

Three labor categories are involved: managerial (includes legal and professional review), technical, and clerical. The estimates used the Bureau of Labor Statistics figures from "National Industry-Specific Occupational Employment & Wage Estimate "Petroleum and Coal Products Manufacturing" (May 2011), with a 3% annual inflation

factor applied to bring the values to the present. Using this method, the following wages and benefits apply by category:

Wages and Benefits

Managerial \$67.44 per hour
 Technical \$65.56 per hour
 Clerical \$22.17 per hour

Doubling for company overhead beyond wages and benefits, and for convenience, rounding up to the dollar, gives the following rates for this ICR:

Total Employer Cost

Managerial \$135.00 per hour
 Technical \$132.00 per hour
 Clerical \$ 45.00 per hour

It is assumed that for each hour of activity the mix will be about 0.1 hour managerial, 0.7 hour technical, and 0.2 hour clerical. This gives an average labor cost of \$115 per hour rounded up, which will be used in this ICR. The Agency estimates that it will take 12 hours to complete 1 report and estimates no more than 2 notifications with an annual burden of 24 burden hours per year and for three years 72 burden hours. This collection includes no annualized capital or operation and maintenance cost.

Number of Respondents	Number of Reports per Respondent	Annual Hours per Response*	Cost per Response @ \$115/hr.	Total Hours/Year	Total Cost In Dollars/Year (\$)
2	1	12	\$1380	24	\$2,760

** We believe that each report would take up to 12 hours to complete at \$115/hour to determine the annual burden covered by this ICR.*

c. Estimating the Agency Burden and Cost

This is a voluntary information collection. This activity will present no significant, quantifiable burden to the Agency. We have drawn upon our experiences with the Renewable Fuel program and estimate no more than 2 notifications with an annual burden of 4 burden hours per year and for three years, 12 burden hours. We have one full-time GS-13 technical worker working two hours per response.

The Agency burden consists of a GS-13 technical worker costs at \$89.94 an hour including overhead, for an Agency burden of \$89.94 per response. The agency’s annual burden cost for this collection is \$360 rounded to the nearest dollar.

These estimates are derived from "OPM Salary Table 2014-DCB," effective January 2014. This table may be found at <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/>

2014/DCB.pdf. The extreme of step 10 was assumed for all categories. All values were multiplied by 1.6 (which is a common factor utilized in ICRs to account for overhead costs). We rounded the resulting dollar value to the nearest tenth.

d. Estimating the Respondent Universe

We were able to estimate the number of regulated entities drawing upon experience regulating the same or similar entities and the number of reports submitted in DCFUELS during the last collection period. Only 2 distinct companies have submitted either a RFS0900 or RFS0901 report under the ID number '9999. EPA is concluding that the estimates from the last reporting collection were overstated and assuming for this collection 2 reports per year.

e. Bottom Line Burden Hours and Costs

From "Estimating the Respondent Burden and Cost," we estimate the following totals:

TOTAL NO. OF RESPONDENTS:	2
TOTAL NO. OF RESPONSES:	2
TOTAL ANNUAL HOURS:	24
TOTAL ANNUAL COST:	\$ 2,760

f. Reason for Change in Burden

There is an increase of hours per response from 4 to 12, an increase of 8 in the total estimated respondent burden compared with the ICR currently approved by OMB. The respondent universe decreased due to the comparison of reported number of submissions in the DCFUEL database. The actual number is determined by the respondents themselves choosing to participate in voluntary reporting. The number of respondents decreased by 33 per year lowering the total number of reports collected. These decreases have lowered cost to the industry by \$7,180 per year even though the cost to report per response has risen due to better numbers used to calculate the industry burden and to account for inflation.

g. Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to be 12 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and

review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID number EPA-HQ-OAR-2010-0161, which is available for online viewing at www.regulations.gov, or in person viewing at the Air Docket in the EPA Docket Center in Washington, DC (EPA/DC). The docket is located in the EPA West Building, 1301 Constitution Avenue, NW, Room 3334, and is open from 8:30 a.m. to 4:30 p.m., Eastern Standard Time, Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742.

You may use www.regulations.gov to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number EPA-HQ-OAR-2010-0161. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2010-0161 and OMB Control Number 2060-0640 in any correspondence.