

Final Supporting Statement
For
Information Collection Request
Cellulosic Production Volume Projections and Efficient Producer Reporting
40 CFR Part 80, Subpart M

EPA ICR 2551.01

Office of Transportation and Air Quality
U.S. Environmental Protection Agency

A. JUSTIFICATION

1. Identification of the Information Collection

a. Title: Information Collection Request: Cellulosic Production Volume Projections and Efficient Producer Reporting; Information Collection Request (ICR) No. 2551.01, OMB Control Number 2060-NEW.

b. Short characterization:

Section 1501 of the Energy Policy Act of 2005 (the Act) describes the renewable fuel program, also known as the Renewable Fuel Standard (RFS) program or RFS1. This provision was added to the Clean Air Act as Section 211(o), and required EPA to establish a program to ensure that U.S. gasoline contains specific volumes of renewable fuel for each calendar year 2006 through 2012. The program started in 2006 and was covered by EPA ICR No. 2242.02, OMB Control Number 2060-0600 which is now discontinued due to the expansion of the RFS1 program under the Energy Independence and Security Act, now referenced as RFS2 and covered under EPA ICR Number 2380.02 and OMB Control Number 2060-0637 and EPA ICR Number 2333.03 and OMB Control Number 2060-0640.

Among other obligations under the RFS program, the Agency needs to determine and publish the applicable renewable fuel standard for each year and maintain a compliance program including recordkeeping and reporting requirements. This supporting statement describes new information collection instruments designed to help implement the RFS program by projecting cellulosic production volumes for the coming year and facilitating compliance with existing statutory obligations.

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.

b. Practical Utility/Uses of the Data

These instruments will facilitate the collection of information associated with existing reporting requirements and projecting cellulosic production volumes. The data will be used to evaluate compliance with statutory requirements and to provide information to inform EPA's projection of cellulosic production volumes.

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

a. Non-duplication

Efforts have been made to eliminate duplication in this information collection. The information is not considered general in nature and is not found in other databases, directories or sources. The data submitted to EPA is specific to a company's business practices.

b. Public Notice

In compliance with the 1995 Paperwork Reduction Act, EPA solicited comments for sixty (60) days on this ICR prior to submitting this ICR to OMB. During this public comment period EPA received one public comment in support of the RFS program. EPA considered this comment prior to submitting this Final Supporting Statement and this comment is available in docket EPA-HQ-OAR-2015-0207. EPA published a second notice in the Federal Register which announced submittal of this ICR to OMB and initiated a thirty (30) day public comment period.

c. Consultations

EPA has consulted two parties regarding cellulosic production volume projections. Mr. Delayne Johnson, Chief Executive Officer of Quad County Corn Processors can be reached at (712) 282-4305. Mr. Johnson agreed with EPA's burden estimates regarding cellulosic volume projections. EPA also consulted Johannes Escudero, Executive Director of the Coalition for Renewable Natural Gas, who can be reached at (916) 520-4764. Mr. Escudero generally agreed with EPA's burden estimates although suggested a slightly greater amount of time and cost estimate. EPA has considered this consultation in analyzing party burden and believes an estimate of 2 hours per response at an average labor cost of \$114 per hour accurately estimates the burden associated with this action. EPA also consulted Mr. Geoff Cooper Senior Vice President of the Renewable Fuels Association (RFA) regarding efficient producer reporting. Mr. Cooper can be reached at (636) 594-2284. Mr. Cooper, based on conversations with RFA member companies, estimated slightly higher burden hours and burden costs, and also estimated the respondent universe will continue to expand. Based on this feedback EPA updated its estimates for burdens and the respondent universe.

d. Effects of Less Frequent Data Collection

The first instrument included in this ICR addresses annual submission of data on anticipated cellulosic production volumes, which is a voluntary activity used to inform EPA's statutory obligation to set annual volumes. Updates and clarifications will only be requested on an as-needed basis and no less frequent collection is possible. The second instrument included in this ICR is a new data template for the existing RIN generation report. Therefore the data collected would be submitted on a quarterly reporting schedule. Less frequent collection of data would hinder the EPA's ability to monitor compliance and could lead to noncompliance.

e. General Guidelines

This information collection does not exceed any of the OMB guidelines.

f. Confidentiality

We 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 fall into the following general industry categories: petroleum refineries (324110/2911), ethyl alcohol manufacturers (325193/2869), other basic organic chemical manufacturing (325100/2869), chemical and allied products merchant wholesalers (424690/5169), and petroleum and petroleum products merchant wholesalers (422720/5172).

Using the terminology associated with the RFS2 Rule, we have assumed the following classes of party which are covered by this information collection.

- Producers of renewable fuels.
- Importers of renewable fuels.

b. Information Requested

i. Reporting: Cellulosic Production Volume Projections

Annual cellulosic biofuel producer questionnaire forms are due on March 31 each year. Respondents will be required to use the collection instrument included in this ICR and submit the following information:

- Nameplate capacity of the cellulosic biofuel production facility.
- General description of the cellulosic biofuel production process.
- Name(s) of technology providers (if applicable).
- Date construction of the cellulosic biofuel production facility was completed (or projected date).
- Date commissioning of the cellulosic biofuel production facility began (or projected date).
- Date production of commercial scale quantities of fuel began (or projected date).
- Date nameplate capacity production rate is achieved.
- Date of facility registration under the RFS program (or projected date).

- Brief description of fuel off-take agreements (if applicable).

ii. Reporting: Renewable Fuel Producers Using Efficient Producer Processes

Respondents will be required to use the collection instrument included in this ICR and submit the following information for operations associated with fuel production at their facility as part of their existing quarterly reporting obligations under the RFS program:

- Number of Feedstocks Used
- Types of Feedstocks Used
- Number of Fuels Produced
- Types of Fuels Produced
- Daily amounts of feedstocks used (dry pounds)
- Daily natural gas use (scf).
- Daily biogas methane use (scf).
- Daily grid electricity use (kWh).
- Daily coal use (tons).
- Daily biomass use (dry pounds).
- Daily fuel production (standard gallons).
- Daily 365-day rolling average lifecycle GHG emissions (kgCO₂e/mmBtu fuel) based on formulas specified by EPA.

Quarterly reports are due as follows:

Quarterly Reporting Schedule for RFS2 Program

Quarter Covered by Quarterly Report	Due Date for Quarterly Report
January - March	June 1.
April - June	September 1.
July - September	December 1.
October - December	March 31.

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

a. Agency Activities

- EPA will develop a data form for the quarterly RIN generation report and a questionnaire form for cellulosic biofuel producers.
- Reporting data forms may be reviewed by EPA for completeness.
- The efficient producer data form may be reviewed for potential violations.
- Potential report violations will be referred to enforcement personnel.
- Reporting parties will be contacted if there is a problem with their submission.

- EPA will store data received.
- EPA may contact reporting parties for clarification of information submitted.

b. Collection and Methodology and Management

Collection methodology and management of the information collected is similar to the process used for other 40 CFR Part 80 fuels programs. The information must be reported electronically via a format specified by the Administrator. EPA anticipates receiving reports from producers which will include the collection instrument in a simplified and secure fashion via the Agency's electronic Central Data Exchange (CDX). Information claimed as CBI will be stored in appropriately controlled areas. When the submittal is received, EPA will review it for completeness. EPA may also review respondents' records as a part of its enforcement effort to ensure the accuracy and validity of the data submitted. Non-confidential data will be made available upon request. EPA also anticipates receiving data forms from cellulosic biofuel producers through CDX. Information claimed as CBI will similarly be stored in appropriately controlled areas. The information contained in the cellulosic biofuel producer questionnaire forms will be used to inform EPA's projections of cellulosic biofuel production for use in establishing our annual standards under the RFS program.

c. Small Entity Flexibility

This collection will not adversely affect small entities. The flexibility provisions that are available to small entities are found in 40 CFR § 80.1441 and § 80.1442. These refiners have less than 1,500 employees corporate-wide and corporate average crude oil capacity less than or equal to 155,000 barrels per calendar day. There are only six refiners that meet this definition registered in DCFUEL under the RFS2 program.

d. Collection Schedule

The efficient producer data form will be submitted quarterly. The cellulosic biofuel producer questionnaire forms will be submitted annually.

6. Estimating the Burden and Cost of Collection

a. Estimating the Respondent Universe

We drew upon experience implementing RFS2 and previous EPA fuel programs among the same entities to develop estimates of the burden associated with this collection. The number of each participating party was based on the number of efficient producer petitions EPA has received and the number of facilities registered as cellulosic biofuel producers. The time per response assumptions came from EPA's experience implementing the RFS program and having knowledge from industry on how long it takes to produce compliance documents and entry of data in the Central Data Exchange (CDX) and EPA Moderated Transaction System (EMTS).

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 2012), with a three percent 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 – Petroleum and Coal Products Manufacturing

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	\$131.00	per hour
Clerical	\$ 44.00	per hour

It is assumed that for each hour of activity the mix will be about 0.3 hour managerial, 0.5 hour technical, and 0.2 hour clerical. This gives an average labor cost of \$116 per hour, which will be used in this ICR for purposes of calculating burdens associated with the RFS Efficient Producer Data form. For purposes of calculating burdens associated with the RFS Cellulosic Biofuel Producer Questionnaire Form, 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 \$114 per hour. There are no operating and maintenance costs associated with this collection.

c. Estimating the Agency Burden and Cost

EPA must generate two data forms and instructions/guidance must be prepared by Agency personnel. Forms will be processed by contractors and must be reviewed by Agency personnel. Submitting parties must be contacted if there is a problem with their submission. Using the initial RFS2, the RFG and anti-dumping, and other recent fuels-related ICRs as a guide in developing these initial estimates for RFS, we anticipate that activities associated with this ICR may require the equivalent labor of 1/16 time GS-13 technical employee for a total of \$11,600, and labor costs of \$7,300 in the clerical category and \$7,800 in the management category.¹

1 These estimates are derived from "OPM Salary Table 2013-DCB," effective January 2013. This table may be found at <http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2013/general-schedule/washington-baltimore-northern-virginia-dc-md-va-wv-pa-annual-rates-by-grade-and-step/>. The extreme of step 10 was assumed for all categories. We have assumed a GS-7 clerical worker working one-twelfth of his/her time, a GS-13 technical worker working one-sixteenth of his/her time, and a GS-15 manager working one-thirty second of his/her time managing this project. 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 hundred. This cost is per year.

This support statement considers all Agency costs associated with accepting the efficient producer data form and cellulosic producer questionnaire. Since we are using the CDX for submission of the efficient producer data form, some costs incurred by the Agency will be tied to the number forms received. There are costs associated with use of CDX which are born by the agency.² However, the number of forms received as a result of this ICR is expected to represent a very small fraction of forms submitted through CDX. EPA estimates approximately 5% of CDX usage will be attributable to the forms contained in this ICR. Adding the following values results in an annual estimated Agency burden as follows:

One GS-13 technical employee (1/16 time) =	11,600
One GS-7 clerical worker (1/12 time) =	7,300
One GS-15 manager (1/32 time) =	7,800
Annual CDX subscription fee =	10,000
Annual contract costs =	13,300
Testing and development=	10,000
TOTAL =	\$60,000

As with all items in this supporting statement, we strongly encourage comment on the estimated Agency burden and on the Agency activities associated with this proposed information collection.

d. Estimating the Respondent Universe

We were able to estimate the number of regulated entities drawing upon experience regulating the same or similar entities.

e. Bottom Line Burden Hours and Costs

From the tables, we estimate the following annual totals:

TOTAL NO. OF RESPONDENTS:	90
TOTAL NO. OF RESPONSES:	240
TOTAL BURDEN HOURS:	880
TOTAL COST TO RESPONDENTS:	\$101,920

f. Reason for Change in Burden

There is no previous ICR for this collection.

g. Burden Statement

² There is an annual "subscription cost" associated with the use of CDX that is passed on to the EPA program office, EPA estimates that registrants in the RFS program will cost our office approximately \$200,000 per year in 2015, 2016 and 2017. We anticipate \$267,000 in annual contract costs related to registration and reporting activities. We anticipate IT development and testing costs at \$600,000 divided by three years to yield an annual cost of \$200,000.

The annual reporting and recordkeeping burden for this collection of information is estimated to be 4 hours per response (total number of hours divided by total number of responses) for the Efficient Producer Data Form and 2 hours response for the Cellulosic Biofuel Producer Questionnaire Form. 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-2015-0207, 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 William Jefferson Clinton 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-2015-0207. 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-2015-0207 and OMB Control Number 2060-NEW in any correspondence.

Information Collection Burden by Type of Party

Table I- Annual Reports of Projected Cellulosic Biofuel Production Using RFS Cellulosic Biofuel Producer Questionnaire Form (Producers and Importers)

Collection Activity	Number of Respondents	Number of Responses per Party	Total Number of Responses	Time per Response (hours)	Cost per Response (dollars)	Total Hours	Total Cost (dollars)
Annual reports from cellulosic biofuel producers and importers	40	1	40	2	\$228	80	\$9,120
TOTAL							\$9,120

Information Collection Burden by Type of Party

Table II- Quarterly Reports of Biofuels Party Using Efficient Producer Data Form (Producer and Importers)

Collection Activity	Number of Respondents	Number of Responses per Party	Total Number of Responses	Time per Response (hours)	Cost per Response (dollars)	Total Hours	Total Cost
Quarterly Reports for Producers and Importers of Biofuels Using Efficient Producer Data Form - Generation and Assignment of RINS	50	4	200	4	\$464	800	\$92,800
TOTAL	50		200			800	

