



March 22, 2024

---

### Skill Game Rally at the Capitol next Tuesday

As you know, Senate Bill 212, which will bring back skill games, currently sits on the governor's desk. We and other allies still working hard to urge him to sign the bill into law! Please mark your calendars for a Skill Game Rally at the Capitol next **Tuesday, March 26 at 11:00 am**. The flyer with info can be found below. Please arrive at 10am at 101 N 9th St. in Capitol Square.

**SKILL GAME RALLY**

**@ THE BELL TOWER CAPITAL SQUARE (RICHMOND)**

**MARCH 26 11 AM**

SHOW YOUR SUPPORT FOR SKILL GAMES & **URGE THE GOVERNOR TO VOTE YES ON SB 212!**

**DATE: TUESDAY, MARCH 26**

**TIME: ARRIVE - 10:00 AM RALLY - 11:00 AM**

**LOCATION: THE BELL TOWER @ CAPITOL SQUARE IN RICHMOND 101 N 9TH ST, RICHMOND, VA 23219**

**SUPPORT SKILL GAMES. SUPPORT SMALL BUSINESSES.**

## 2024 VPCMA Scholarship Applications Now Accepted

We are pleased to announce that applications are now being accepted for the VPCMA 2024 Scholarship Program. This program is open to VPCMA members, their employees, and the children of VPCMA member company employees. Awards are made after review by the Association's scholarship committee, which considers need as well as academic achievement in their evaluations. Recipients must be high school graduates by June of this year and attend a post secondary institution of higher education in the fall of 2024. You can view the [application here](#). Complete applications must be received by May 15. You may also distribute or post [this flyer](#) for your employees.

---

## EPA's Tailpipe Emission Standard Expected to Promote EV's at the Expense of Cleaner Fuels

*From EMA*

This week, EPA finalized stringent new [greenhouse gas\(GHG\) emission standards](#) for light-duty cars and trucks. The final rule is predicted to significantly increase the domestic market share for electric vehicles (EVs) over the 2027-2032 phase-in period. By 2032, the rule calls for automakers to meet a fleetwide average emissions rate of 85 grams per mile, down from 192 grams for current model year 2024 vehicles. While the final rule does not mandate any particular technology to meet the new tailpipe emission standard, auto manufacturers are expected to comply by significantly ramping up the manufacture of EVs. The EPA estimates the final rule will increase EV market share to 55% of all new cars sold nationwide by 2032 while electric plug-in hybrid vehicle sales will increase to 13% over the same period, according to the agency. By contrast, in 2023 EVs made up just 7% of vehicle sales and plug-in hybrids another 2%. Automakers were able to convince the EPA to relax annual GHG reduction goals during the early part of the phase-in period to give them more time to retrofit for EV manufacturing. The new GHG standards for light duty cars and trucks comes just one year after the EPA proposed GHG tailpipe emission reductions for heavy-duty trucks through model year 2032. Under the proposed rule, the EPA projected 50% of heavy-duty vehicles, 35% of short-haul trucks and 25% of long-haul trucks would be electric by 2032. The heavy-duty truck rule is expected out this Spring.

Congressional Republicans seeking to overturn the rule are already sharpening their strategy. Sens. Pete Ricketts of Nebraska and Dan Sullivan of Alaska said Wednesday that they plan to introduce legislation to overturn the regulation. "This rule is delusional. This is the Biden Administration's attempt to get rid of the internal-combustion engine without congressional authority," the senators said in a joint

statement. Sen. Shelley Moore Capito (R-W.Va.), the top Republican on the Senate Environment Committee, dinged the Biden Administration for "deciding for Americans which kinds of cars they are allowed to buy, rent and drive" and said she appreciates Ricketts' and Sullivan's efforts to overturn the rule. In addition, lawsuits by the major refiners and some environmental groups may slow down implementation of the stringent new GHG standards.

Earlier this year, EMA's 48 state and regional trade associations, along with the American Farm Bureau, American Fuel & Petrochemical Manufacturers, API, Clean Fuels Alliance America, Growth Energy, National Corn Growers Association, NACS, NATSO, Renewable Fuels Association, SIGMA, U.S. Chamber of Commerce and several other organizations urged the Biden Administration to reconsider its GHG standards proposed rule for light and medium-duty vehicles for model years 2027 and later. Unfortunately, the focus on EV production will fundamentally eliminate an opportunity to provide clean green liquid fuels such as renewable diesel, biodiesel, renewable gasoline, clean hydrogen and ethanol that immediately lower emissions not only for new vehicles, but for the vehicles currently on the road. In addition, the rule will limit consumer choice on cleaner internal combustion engines and threaten the viability and jobs of small business energy marketers around the country. [CLICK HERE](#) to read the letter.

Even though automakers are committed to boosting EVs, many of them, as well as members on Capitol Hill, are raising questions about the Biden Administration's new approach, from securing critical materials needed for EV batteries, to the availability of EV charging stations and the ability of electric grids to meet power needs. China's stranglehold on the critical minerals industry and mining in Africa is a major concern.

"Unfortunately, President Biden's aggressive attempt to electrify the transportation sector will limit consumer choice on cleaner greener ICEs, increase Americans' utility bills to subsidize a massive expansion of the electric grid for EV charging and threaten the viability and jobs of small business energy marketers around the country, whether they deliver gasoline and diesel or renewable fuels like ethanol, biodiesel and renewable diesel," said EMA President Rob Underwood.

### *Legal Challenges Playing Out*

EMA is part of business groups and States who have already asked the courts to review EPA's prior tailpipe emissions standards for model year 2025 and 2026 vehicles and the Agency's reinstatement of California's Clean Air Act waiver to issue climate-based vehicle emissions standards. Whether California can blaze its own trail on combatting

climate change also implicates the “major questions doctrine,” which holds that courts should not defer to agencies on questions of “vast economic or political significance” unless Congress has provided explicit authority to the agencies. The appeals court will be asked to decide whether Congress authorized California in the Clean Air Act to regulate vehicle emissions to target a phenomenon like climate change which has a global cause and effect.

Additionally, EMA joined as amicus curiae challenge to the National Highway Traffic Safety Administration’s fuel-economy standards. EMA also endorsed the American Fuel & Petrochemical Manufacturer’s (AFPM) comments regarding EPA’s GHG standards for light-duty and medium-duty vehicles for model years 2027 and later. EMA urged the EPA to consider lifecycle emissions and a technology neutral approach when it comes to promoting policies to reduce emissions. [Click here](#) to read EMA’s comments and check out [fuelmatters.org](http://fuelmatters.org) for more information.

---

## **EPA Adopts EMA's Throughput Trigger Language that Exempts Most Energy Marketers from Costly Small Gasoline Bulk Plant Vapor Balancing Requirements**

*From EMA*

The EPA released its long-awaited final rule that regulates volatile organic compound (VOC) emissions from bulk plants with gasoline storage tanks. The final rule is a big victory for energy marketers because it exempts bulk plants with an annual average daily gasoline throughput that does not exceed 4,000 gallons per day from expensive vapor balancing equipment retrofit requirements.

The National Emission Standards for Hazardous Air Pollutants (NESHAP) proposed rule would have required all bulk plants with a maximum design capacity of 4,000 gallons or more per day of gasoline throughput to add vapor balancing equipment to loading racks. The 4,000-gallon maximum design capacity language represents a theoretical daily gasoline throughput based on bulk plant design characteristics rather than actual daily gasoline throughput which is typically a much smaller volume.

EMA submitted written comments on the proposed rule and met regularly with the EPA, the Small Business Administration Office of Advocacy, the White House Office of Management and Budget and members of Congress to express deep concern over the proposed design capacity throughput language, the failure of the agency to accurately estimate the number of bulk plants affected by the rule and the economic impact a vapor balancing retrofit would have on small

business energy marketers. Based on gasoline bulk plant surveys and upgrade cost information collected by EMA, the cost to upgrade a gasoline bulk plant to a vapor balance system for both transport unloading and tank vehicle loading would exceed \$120,000 per facility if the proposed rule were finalized.

Last year, Senator Kevin Cramer (R-ND) and Congressman John Joyce (R-PA), along with 82 lawmakers including Democratic Representatives Angie Craig (MN) and Bennie Thompson (MS), sent a [bicameral/bipartisan letter](#) to the EPA arguing that the proposed rule would lead to “higher fuel costs or the elimination of intermediate gasoline storage at small bulk plants, impacting supply to end users offering vital services to their local communities and potentially cutting off whole communities during an emergency.”

EMA’s efforts paid off as the EPA adopted the 4,000-gallon actual daily gasoline throughput trigger in the final rule. The EPA also agreed with EMA that the 4,000-gallon daily throughput should be averaged on an annual basis rather than a daily basis. EMA told the agency that annual averaging was essential in order to allow marketers to periodically surpass the 4,000 gallons of gasoline per-day to meet unusual demand without triggering the vapor balancing retrofit, provided annual daily throughput averaged over a year did not exceed 4,000 gallons. The EPA agreed to include annual daily throughput averaging into the final rule as well.

The final rule also changes cargo tank vapor tightness test standards from a graduated tightness requirement ranging from 1.0 to 2.5 inches of water pressure drop over five minutes depending on compartment size to a slightly more stringent 0.50 to 1.25 inches of water pressure drop over the same period. Cargo tank test facilities confirmed with EMA during the comment period for the proposed rule that the vapor tightness test changes in the final rule would not require any cargo tank equipment retrofit requirements. Also, the rule requires annual leak detection inspection using optical gas imaging. Monthly inspections using sight, sound and smell remain largely unchanged.

EMA will provide a comprehensive compliance document for marketers in the near future.