

TITLE 326 AIR POLLUTION CONTROL DIVISION

Rule Information Sheet

Low Reid Vapor Pressure Requirements LSA Document #26-150

Overview

The Clean Air Act (CAA) requires that the United States Environmental Protection Agency (U.S. EPA) set primary and secondary National Ambient Air Quality Standards (NAAQS) for the six criteria air pollutants considered harmful to public health and the environment. These pollutants are carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter, and sulfur dioxide. Each county in Indiana is classified, or designated, as being in attainment if air quality monitoring or modeling indicates that the area is meeting the NAAQS.

IDEM's Office of Air Quality monitors air quality data for each county in Indiana as part of its state implementation plan (SIP) and tracks whether these areas are in attainment or nonattainment for each of the six NAAQS criteria air pollutants. Clark and Floyd counties in Indiana, which are part of the Louisville, KY-IN Area, are currently classified as attainment in the SIP for all air quality standards. The Indiana portion of the Louisville area was re-designated from nonattainment to attainment for the 2015 8-hour ozone standard on July 5, 2022. However, the Kentucky portion of the Louisville, KY-IN Area is currently classified as nonattainment under the 2015 8-hour ozone standard.

Reid vapor pressure (RVP) is a common measure of and general overall term for a gasoline's evaporation characteristics, or volatility. U.S. EPA regulates the RVP of gasoline sold during the summer ozone season in an effort to reduce evaporative emissions of volatile organic compounds from the gasoline, which largely contribute to ground-level ozone, and to decrease the effects of ozone-related health problems. Section 211(h) of the CAA sets gasoline RVP limits that may not exceed 9.0 pounds per square inch (psi) during the summer season.

Under Section 182 of the CAA, U.S. EPA required all ozone nonattainment areas to submit a reasonable further progress (RFP) plan to achieve a 15% reduction of 1990 year VOC emissions by 1996. Indiana's Clark and Floyd counties were classified as moderate nonattainment under the 1-hour ozone standard and were therefore subject to this requirement. In order to achieve 15% reduction of VOC emissions, the state could choose between different reasonable control measures. The best options for these reductions included either lowering the RVP of gasoline to 7.8 psi in Clark and Floyd counties or choosing an opt-in to the federal Reformulated Gasoline (RFG) program, pursuant to Section 211(k)(6) of the CAA. RFG is a type of gasoline that is blended to meet stricter performance standards for cleaner burning and is typically used in areas with higher levels of ozone pollution. Kentucky chose to address its 15% RFP plan requirements by opting into the federal RFG control measure for their 1-hour ozone standard SIP in 1995. 59 FR 38453 (July 28, 1994).

However, for Indiana, the RFG program could not be implemented into its SIP in time to qualify as a control measure that would help Clark and Floyd counties meet the 15% RFP plan requirements by 1996. Consequently, the state incorporated Lower-Reid vapor pressure (LRVP), which describes a reduction in summer fuel requirements as compared to a previously determined level, into its SIP as a control measure to address the 15% RFP plan for the 1-hour ozone standard in 1995. 61 FR 4895 (Feb. 9, 1996); 68 FR 42978 (Jul. 21, 2003). As part of Indiana's LRVP requirements, U.S. EPA determined that RFG is a compliant and suitable fuel to meet these standards because it achieves a slightly higher level of emission reductions than gasoline with a 7.8 psi RVP. Additionally, because the Kentucky portion of the Louisville, KY-IN Area accounts for most of the fuel consumption in the market, and Clark and Floyd counties in Indiana account for a smaller portion, refineries opt to deliver only RFG to the metro area, rather than supply two different fuel types to the same region. Therefore, RFG has historically been the only type of summer fuel distributed to the Louisville, KY-IN Area.

On February 28, 2025, the state of Kentucky petitioned U.S. EPA to opt out of the federal RFG program, with the stipulation of equivalent emissions reductions to be achieved by 2027. Kentucky also provided supplemental technical information with their petition that gave emission reduction estimates in support of their request. On February 26, 2026, U.S. EPA approved Kentucky's opt-out petition, with an effective date of May 27, 2026. 91 FR 10008 (Mar. 2, 2026). Before this approval IDEM had initiated work to provide technical documentation in support of removing the LRVP control measure for Clark and Floyd counties from 326 IAC 13-3, as well as the state's SIP. U.S. EPA's approval of Kentucky's opt-out petition unexpectedly expedites Indiana's LRVP SIP removal schedule by one year, ahead of the 2027 summer fuel season.

Additionally, on March 25, 2026, U.S. EPA, in consultation with U.S. Department of Energy and in accordance with the CAA, issued a waiver regarding the requirements in 40 C.F.R. § 1090.215 to allow the production and distribution of a single national gasoline pool with 9 to 15 percent ethanol content at a common RVP standard of 10 psi. Letter, U.S. EPA, Re: National Fuel Waiver to Create Single National Gasoline Pool (March 25, 2026), available at <https://www.epa.gov/system/files/documents/2026-03/national-fuel-waiver-governors-3-25-26.pdf>. This action will enable the use of fuels containing up to 10 percent or 15 percent ethanol. The 10 psi waiver is effective starting May 1, 2026.

Engine and fuel standards have changed multiple times since the LRVP fuel requirement was put in place. As a result, the emission reductions associated with LRVP have declined to the point that reductions are inconsequential today. The Kentucky opt-out petition for RFG demonstrated this issue for a more stringent fuel than LRVP gasoline, which had been used in more than 80% of the Louisville area. Additionally, photochemistry for ozone formation has changed significantly since the early 1990s. Following the serious nonattainment classification of the area in 1990, emission reductions were focused solely on VOCs, and as a result, significant reductions were made over the decade that followed. As Kentucky emphasized in its opt-out petition for RFG, recent photochemical modeling indicates that the Louisville area is now more responsive to reductions in oxides of nitrogen (NOx) as opposed to VOCs. Therefore, the LRVP

program for Clark and Floyd counties is obsolete, and the removal of this requirement will not interfere with the area's ability to maintain compliance with the ozone standard and will not result in adverse air quality consequences.

Therefore, pursuant to Executive Order 26-10 signed by Governor Braun on April 13, 2026, IDEM is initiating this interim rule to align with the federal waiver by suspending the unnecessary LRVP requirements under 326 IAC 13-3 for Clark and Floyd counties. IDEM will also initiate a regular rulemaking to address this matter and remove LRVP fuel requirements as a control measure from Indiana's SIP. An interim rule is necessary because the regular rule would not become effective before the end of the 2026 summer fuel season.

Affected Persons

The interim rule directly impacts the lone supplier of LRVP fuel, Marathon Petroleum Corporation, which no longer will need to produce or supply special fuel for Clark and Floyd counties. Relatedly, numerous other gas stations and convenience stores in the counties (e.g., BP, Thorntons, Countrymark, Meijer, Costco, etc.) will have more options for acquiring fuel because they no longer will be required to obtain boutique fuel. Any of the roughly 200,000 residents of Clark and Floyd counties who purchase gasoline also will be impacted by this rule, which will lower the cost of fuel during the summer fuel season.

Reasons for the Rule

The primary and direct benefit of this rulemaking is to align Clark and Floyd counties with non-Indiana counties in the Louisville, KY-IN Area, as well as the federal waiver issued by the U.S. EPA. Letter, U.S. EPA, Re: National Fuel Waiver to Create Single National Gasoline Pool (March 25, 2026), available at <https://www.epa.gov/system/files/documents/2026-03/national-fuel-waiver-governors-3-25-26.pdf>, and to comply with Executive Order 26-10 issued by the Indiana Governor on April 13, 2026.

Economic Impact of the Rule

The Louisville, KY-IN Area's lone LRVP fuel supplier will experience cost savings by being able to forgo the production of boutique fuel for Clark and Floyd counties. In turn, all gasoline companies that serve the market will experience cost savings in that they no longer will be limited to acquiring boutique fuel from a limited number of suppliers. Instead, they can rely on their own fuel or normal distributor. For example, Costco typically contracts with Exxon/Mobile for gasoline; instead of acquiring boutique fuel for its stores located in Clark and Floyd counties, Costco can rely on its normal provider.

Scheduled Board Action and Hearings

Public Hearing: June 15, 2026, at 1:30 p.m., at the Indiana Government Center South, 10 North Senate Avenue, Conference Center Room B, Indianapolis, IN 46204.

IDEM Contact

Additional information regarding this rulemaking action can be obtained from Keelyn Walsh,

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