



Special Executive Report

DATE: October 12, 2022
SER#: 9073
SUBJECT: Administrative Amendments to the RBOB Gasoline Futures Contract

Effective Tuesday, November 1, 2022, and pending all relevant CFTC regulatory review periods, New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") will amend Rule 191101. ("Contract Specifications") of the RBOB Gasoline Futures contract (Rulebook Chapter: 191; Commodity Code: RB) (the "Contract") to clarify the Exchange's requirement of NACE Corrosion testing.

Specifically, Rule 191101. provides, in part, that at the time delivery, RBOB delivery shall meet the requirements of Colonial Pipeline Company for Fungible F Grade gasoline. The specifications further notes that the NACE Corrosion test is not required. For clarification, the Exchange is deleting language stating that NACE testing is not required (the "Rule Amendments").

The Exchange previously issued [SER 8932](#) to clarify that irrespective of not requiring NACE Corrosion testing, the Contract's specifications require that deliverable gasoline meet all of Colonial Pipeline Company's F Grade requirements, including a test result of a minimum of B+ (before blending of denatured fuel ethanol) when NACE Corrosion testing is undertaken. At this time, NYMEX is implementing the Rule Amendments to codify its current practice.

The Rule Amendments, which are administrative in nature, are provided in Appendix A below in blackline format.

Questions regarding the aforementioned may be directed to:

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Appendix A

NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 191 RBOB Gasoline Futures

191101. CONTRACT SPECIFICATIONS

The RBOB delivered shall be a hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter, meeting the specifications as are in effect for downstream parties at the time of delivery meeting the requirements of Colonial Pipeline Company (Atlanta, Georgia) for:

Fungible F Grade, Reformulated Regular Gasoline Blendstock (RBOB) for blending with 10% Denatured Fuel Ethanol (92% Purity) as defined in ASTM D-4806 as listed by the Colonial Pipeline as being properly designated for sale in New York and New Jersey in accordance with EPA regulations; provided, however, and notwithstanding anything to the contrary in the Colonial Pipeline specifications, the specifications set forth in Sections 101.1. through 101.5. below shall apply for Reid Vapor Pressure, Oxygenation, Corrosion, Distillation, and EPA Reformulated Gasoline requirements:

1. Reid Vapor Pressure: RBOB delivered pursuant to this contract shall have Reid Vapor Pressure no greater than the following maximum levels after blending with denatured fuel ethanol:

MONTH	P.S.I.
January	15.0
February	15.0
March	13.5
April	7.4
May	7.4
June	7.4
July	7.4
August	7.4
September 1-15	7.4
September 16-30	13.5
October	13.5
November	15.0
December	15.0

Provided that, deliveries on the September contract originally nominated for delivery on or before September 15 shall not exceed 7.4 p.s.i., regardless of the time of actual delivery.

2. Oxygenation: RBOB shall not contain oxygenates, such as ethers or alcohols. The de minimis limit of MTBE, ETBE, and TAME allowed is 0.3% by volume maximum.
3. Corrosion: RBOB shall comply with the Colonial Pipeline specifications for Copper and Silver Corrosion under ASTM D-130 and ASTM D-4814. ~~The NACE Corrosion test is not required.~~
4. Distillation: RBOB shall comply with the Colonial Pipeline distillation requirements, except for the T50 minimum requirement during the winter season when RBOB shall meet the T50 minimum requirement (for 50% by volume Evaporation) at 150 degrees Fahrenheit, as required by Buckeye Pipeline Grade 542. Deliveries against the March contract month shall meet the Buckeye Pipeline Grade 542 requirements for the minimum T50 distillation standard and the minimum temperature for meeting the Vapor/Liquid Ratio (V/L) in effect for wintertime RBOB.

5. (a) RBOB deliveries shall comply with EPA requirements for RBOB designated gasoline at all times, including the minimum and maximum standards set forth in 40 C.F.R. Part 80 as are in effect for downstream parties at the time and place of delivery, and shall be adjusted by the amount of any increase or decrease in such standards as required by EPA for RBOB sold and distributed for consumption in the New York Harbor area. RBOB deliveries shall comply with State and Federal requirements for oxygen content for RBOB sold for consumption as are in effect at the time and place of delivery. In the event that EPA issues a temporary waiver which impacts fuel standards at Exchange-approved terminals in New York Harbor, the Exchange, in its sole discretion, will review the provisions of the waiver on a case-by-case basis to determine whether to modify the existing delivery requirements for RBOB-designated gasoline to comply with such waiver.
- (b)(i) All tests shall be performed in accordance with EPA regulations.
- (ii) Enforcement tolerances, as permitted by EPA for downstream parties, shall apply to all specifications governed by EPA regulations. Product delivered in conformance with such specifications, including enforcement tolerances, may not be rejected by the buyer as nonconforming to the specifications.
- (iii) ASTM refers to the American Society for Testing Materials.
- (iv) API. refers to the American Petroleum Institute.

[Remainder of Chapter Unchanged.]