'It's not Your Father's Fuel"





A look at the real world problems caused by the use of Ethanol, Bio-diesel, and Ultra-Low Sulfur Diesel

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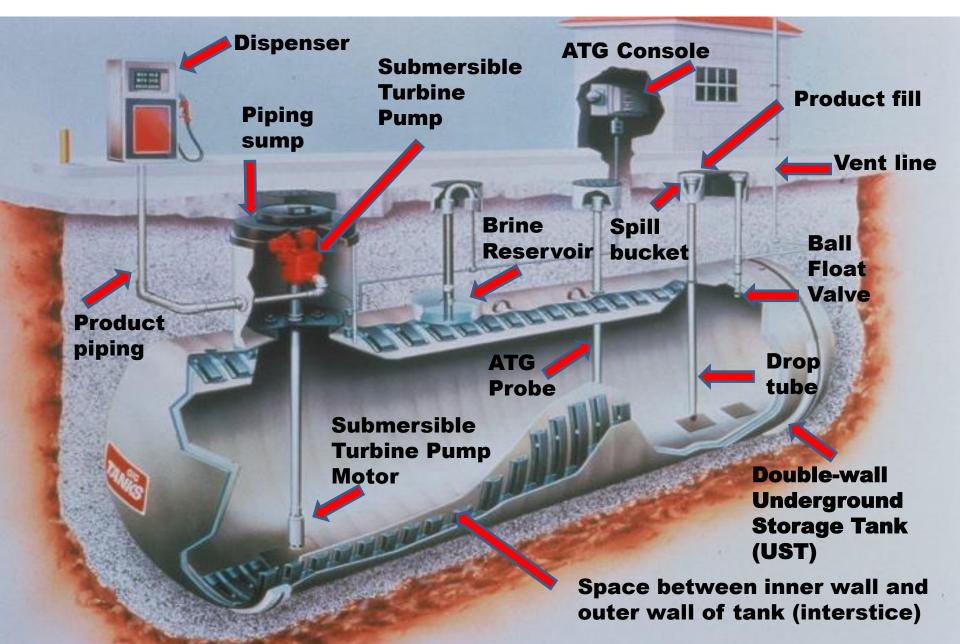
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An Underground Storage Tank System



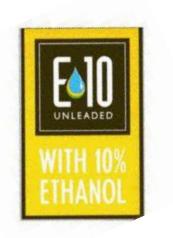


Alternative Fuels



- E-10 Ethanol
- E-15 Ethanol
- E-85 Ethanol
- B-20 Bio-diesel
- ULSD Ultra-Low

Sulfur Diesel





This fuel contains 15% ethanol maximum

Use only in: 2007 and newer gasoline cars 2007 and newer light-duty trucks Flex-fuel vehicles This fuel might damage other vehicles. Federal law *prohibits* its use in other vehicles and engines.



Required for use in all model year 2007 and later highway diesel vehicles and engines.

Recommended for use in all diesel vehicles and engines.

Why are we using Ethanol? (from government sources)

- Air pollution as an oxygenate to make fuel burn cleaner and reduce air pollution
- Augment the nations fuel supply and reduce reliance on foreign fuels
- Stimulate the economy
- It's a "Green" Fuel



Problems with Ethanol...

- 1. Ethanol does not burn that much cleaner than regular gasoline
- 2. Using Ethanol leads to an energy drop-off
- 3. Using Ethanol competes with food crops and increases food costs
- 4. Chemically-speaking, Ethanol wants to become water
- 5. Phase Separation
- 6. Some older fiberglass systems are not compatible
- 7. Ethanol loves to eat soft metals, rubber, and plastics
- 8. More frequent dispenser filter changes
- 9. Ethanol has a scouring effect on tank systems
- 10. Ethanol is destroying our petroleum pumping infrastructure

Alternative fuels (ULSD, Ethanol and Bio-diesel)



- Have only been in widespread use nationally for about five to six years
- Growing number of problems with the integrity of storage tank system equipment

Evidence of problems discovered from facility monthly visual inspections and State UST regulatory and fuel quality inspections



Ethanol – E-10 & E-85



Problems



Diesel sump, same facility, Georgetown, South Carolina, November 2011 Regular Unleaded gasoline sump, same facility, Georgetown, South Carolina, November 2011















A.S.

Washington







Florida (e10)

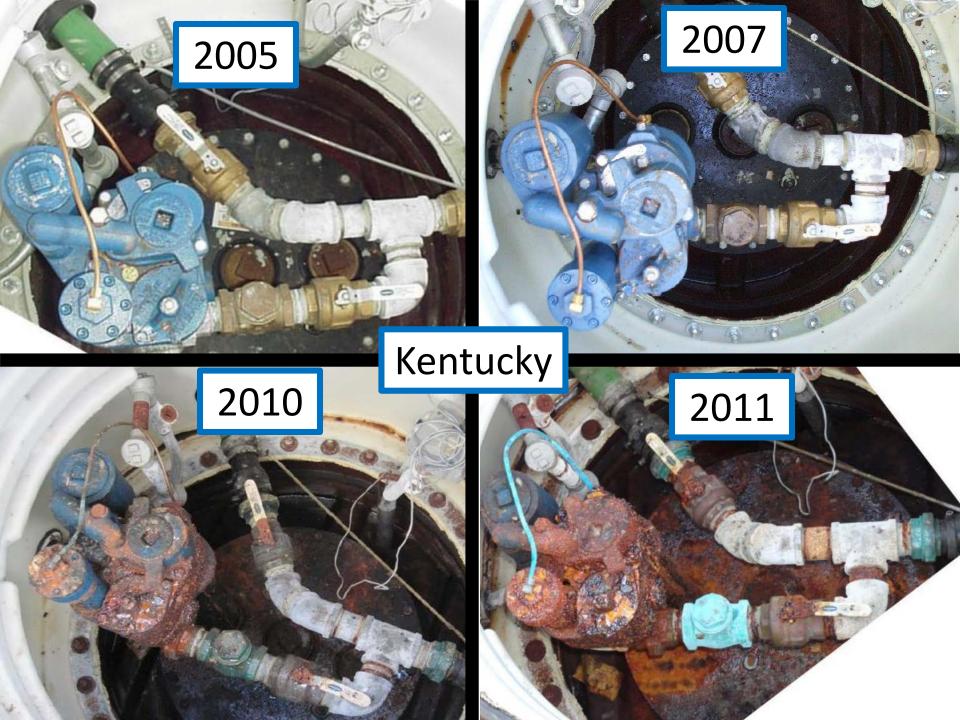


How Long Does It Take For This Severe Corrosion To Occur?



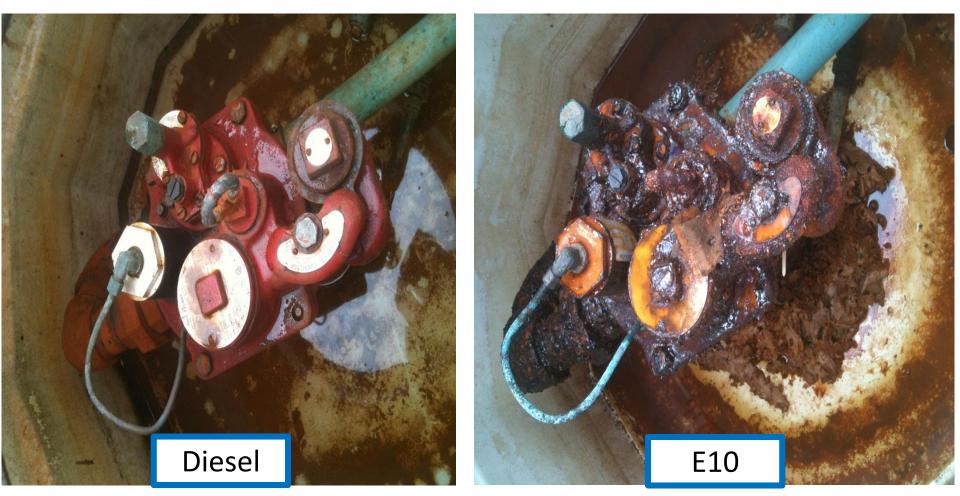
Tennessee - March 2010

Tennessee - August 2010



Diesel vs. Gasoline

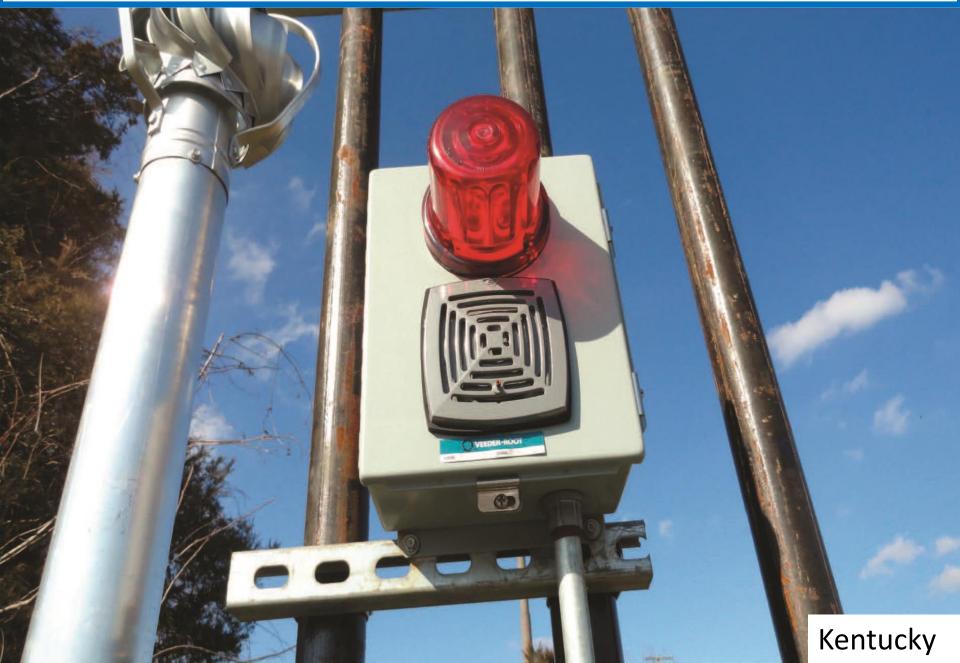
Mississippi



Installed 8-07 - Photos 3-12

Same Facility - Same Equipment – Same Day- Different Sumps

What's this "whirlybird" doing here with the tank vents?



What's this open pipe doing here?



Other Problem Areas – ATG Equipment



Evidence of vapor leaks

What other components could be affected by corrosion?

Aluminum Drop Tubes

Pennsylvania

Corrosion on Aluminum Drop Tubes





Corrosion on Ball Float Valve Overfill Protection Equipment



Observations with Older Single-wall Fiberglass Tanks in E-10 Service for less than Two Years

State of the state of the state

Erosion of Primary Surface

Cracking

Internal erosion, wicking and delamination

Delamination of gel coat



Blisters on sidewall

SLIJSTERS V T-3

AND STREET

Ethanol-Free Gasoline Has Become a Marketing Tool

TURN OFF ENGINE

NO SMOKI

Please

SMOKING



Advertising Ethanol-Free Fuels

and the first





Recent National EPA/State Regulator Field Study with Ethanol Corrosion

- EPA provided sampling kits
- Passive diffusion samplers were placed in piping sumps to measure the concentrations of ethanol and acetic acid
- Data came from Florida (35), Tennessee (13), Illinois (6), Wisconsin (4), California (2), and Iowa (1)
- 27 RUL, 2 MUL, 26 PUL, 5 E-85, and One Diesel



Findings

- Many sumps had high concentrations of Ethanol or Acetic Acid
- No significant difference between RUL & PUL
- Corrosion worse in sumps with high concentrations
- Corrosion worse in sumps with water
- For Ethanol to cause corrosion in a sump, there must be ethanol, bacteria, and water
- Eliminating one of these could prevent corrosion?



Other Problems

- Warranties for UST and AST Fuel System Components
- Vehicle Warranties
- Concerns with traditional problems from ethanol fuel use such phase separation, degradation of soft metals, increased filter replacement, and the scouring effect on fuel tanks
- UST & AST owner acceptance
- Consumer confidence





Ultra-Low Sulfur Diesel

ULTRA-LOW SULFUR HIGHWAY DIESEL FUEL (15 ppm Sulfur Maximum)

Required for use in all model year 2007 and later highway diesel vehicles and engines.

Recommended for use in all diesel vehicles and engines.

Ultra Low Sulfur Diesel



Submersible Pump & Riser (Left hand side is aluminum; Right hand side is steel) Submersible Pump Head (in vapor space -- never contacts fuel) Problems with Ultra Low Sulfur Diesel and Steel Components





FE Petro Equipment



Old vs New Corrosion, Pitting

Leak detection equipment not functioning



Filter threads

Strainer

10

"Coffee Grounds"

Problems reported from all regions of the country-No problems reported at refineries, pipelines, not associated with individual supplier

Problems Observed

- Filters clogging/requiring more frequent replacement
- Seal/Gasket/O-ring deterioration
- STP replacement/Column pipe wear/Motor problems
- Tanks rusting/leaking (includes tanks of vehicles)
- Meter Failure
- Line leak detectors damaged or broken
- Automatic nozzle shutoff failure/shorter lifespan

- Tank probes malfunctioning
- Check valves not seating
- Shear valves not sealing/failing tests
- Swivels failing/shorter lifespan
- Dispenser leaks/failures/ premature replacement
- Solenoid valves clogged/failing
- Corrosion on the riser pipe
- Pipe failure

ULSD Corrosion – UST Detail



UST showing corrosion and possible microbial corrosion spots.

Likely Causes

- No one cause, but rather a mixture......
- Microbial influence getting a lot of attention:
- Salt and other contaminants also a contributing factor?
- Corrosion inhibitor depletion (aka "soap") theory acidic additives form soaps if contacted with excessive tank water cations from salts or caustic:
- Poor housekeeping, no biological monitoring, improper application of biocides exacerbates problem

The Clean Diesel Fuel Alliance

- Created in early 2006
- Participants include:
- 1. Government
- 2. Engine Manufacturers
- 3. Marketers
- 4. Refiners
- 5. Marketers
- 6. Equipment Producers



Members of the Clean Diesel Fuel Alliance

- AAA
- Alliance of Automobile Manufacturers
- American Petroleum Institute
- American Trucking Associations
- Association of American Railroads
- Association of International Automobile Manufacturers
- Association of Oil Pipe Lines
- Diesel Technology Forum
- Engine Manufacturers Association
- Independent Liquid Terminals
 Association
- Manufacturers of Emission Controls
 Association
- National Automobile Dealers
 Association
- National Association of Convenience Stores
- National Association of Fleet Admins.

- NATSO, Inc., representing Truck Stops & Travel Plazas
- National Petrochemical & Refiners
 Association
- National Tank Truck Carriers, Inc.
- Petroleum Equipment Institute
- Petroleum Marketers Association of America
- Society of Independent Gasoline Marketers of America
- Steel Tank Institute
- Truck Renting and Leasing Association
- U.S. Environmental Protection Agency
- U.S. Department of Energy
- U.S. Energy Information Administration
- Western States Petroleum Association

Clean Diesel Alliance Study

The Battelle/Tanknology proposal was chosen and funded by API, PEI, STI, NACS, PMAA, NATSO, AAR, and Ford

Theories to Investigate

- Aerobic and anaerobic microbes are producing byproducts that are establishing a corrosive environment in ULSD systems
- Aggressive chemical species (e.g., acetic acid) present in ULSD systems are facilitating aggressive corrosion; and
- Additives in the fuel are contributing to the corrosive environment in ULSD systems

Test Sites

- Chose 6 sites with similar throughput and history of issue:
 - -1 site that does not show symptoms of corrosion
 - 5 sites with history of severe, rapidly induced corrosive symptoms
- Sites in three states
 - 2 in California
 - 3 in NY (including no symptoms site)
 - -1 in NC



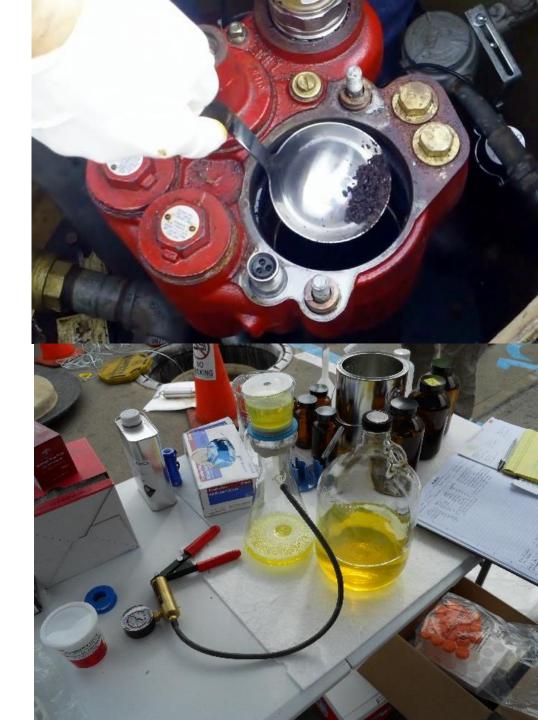
Site Inspections

- Feb 8-23: Inspected 6 sites
- Report Completed Late Summer 2012



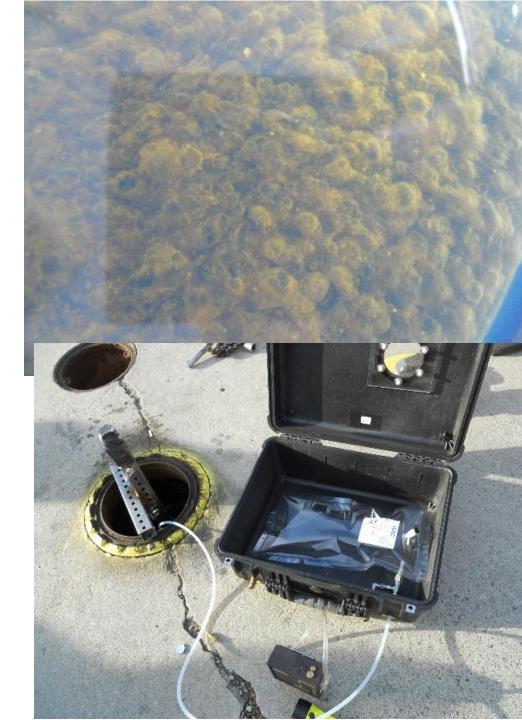
Inspection Process Disassembled System

Inspection Process Fuel Sampling



Inspection Process Water Bottom Sampling

Inspection Process Video Inside Tank and Vapor Sampling



Biological Analysis to Extract DNA





ULSD Corrosion – Assessment



New steel corrosion coupon

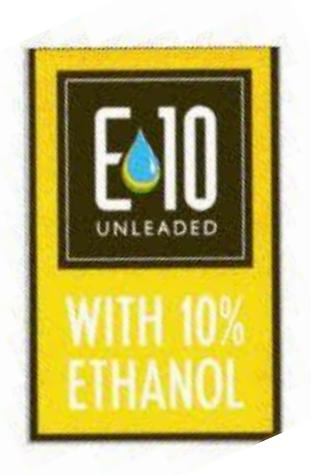
After 3 months

So what did the Study Conclude?

 More studies are needed, but one of the causes of corrosion with ULSD systems is...



Conclusion- The Source of the Problem...Ethanol!



Bio-Diesel

•Many Bio-diesel plants shut down when the price dropped

POWERED BY

photo: propelbiofuels.com

- •Problems with feedstocks and maintaining quality
- •Problems with cold-flow and scouring effects on tanks
- •Problems with "shelf-life"
- •Expensive to refine
- •Prone to microbial growth



Questions?

