

California Energy Commission  
**APPLICANT HANDBOOK**

# **Petroleum Fuels Set-Aside Program**

## **Application for Emergency Fuels Allocation**

**California Energy Commission**  
Edmund G. Brown Jr., Governor



August 2016|CEC-200-2016-008

# California Energy Commission

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## ABSTRACT

The California Energy Commission is the agency responsible for administering the Petroleum Fuels Set-Aside Program. During a proclaimed state of emergency and after the Governor of California has signed Emergency Order No. 6, intrastate petroleum and petroleum product stocks that are essential to life, property, and critical services may be allocated through the Fuels Set-Aside Program. California's Fuels Set-Aside Program is intended to ensure emergency services and critical infrastructure operates during regional shortages or a declared disaster. Furthermore, available supplies may be allocated to ease hardships for end users who are unable to acquire essential volumes of fuel at any price. This handbook describes the application process for requesting fuel supplies in the event of a fuels shortage. This handbook explains the purpose of the Fuels Set-Aside Program, the eligibility requirements for each program category, and the application process.

**Keywords:** Petroleum Fuels Set-Aside Program, FSAP, Emergency Order No. 6

Please use the following citation for this report:

Cochran, Justin, Ryan Eggers, Gordon Schremp. 2016. *Petroleum Fuels Set-Aside Program Applicant Handbook*. California Energy Commission. Publication Number: CEC-200-2016-008.

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# INTRODUCTION

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The California Energy Commission is the agency responsible for administering the Petroleum Fuels Set-Aside Program (FSAP). The FSAP is a formal allocation program used to ensure fuel supplies are available to emergency responders during a widespread or prolonged shortage. This formal program is implemented at the direction of the Governor only after proclamation of a state of emergency. In addition, the Governor must officially sign and announce Emergency Order No. 6, which empowers the Energy Commission to "hold control of petroleum stocks" as needed to ensure the health, safety, and welfare of the public. Additional information can be found on the Fuels Set-Aside Program web page.<sup>1</sup>

After the Governor has signed Emergency Order No. 6, intrastate petroleum and petroleum product stocks that are essential to life, property, and critical services may be allocated through the Fuels Set-Aside Program. The total amount of all fuel types available for the Fuels Set-Aside Program is based on in-state refinery production and storage capabilities at the time of the state of emergency.

If you or your agency are an emergency service provider or use petroleum fuel for operating equipment, producing crops, moving goods and people, or maintaining other types of essential services and can show justifiable need, you may be eligible for the program.

## **Purpose of the Program**

California's Fuels Set-Aside Program is intended to ensure emergency services and critical infrastructure operates during regional shortages or a declared disaster. Furthermore, available supplies may be allocated to ease hardships for end users who are unable to acquire essential volumes of fuel at any price.

The Fuels Set-Aside Program is implemented only during a declared state of emergency after the Governor signs Emergency Order Number 6 and when market forces, voluntary conservation, or other mandatory programs are unable to maintain an adequate quantity of fuel.

The program is designed to cause only minimal interference with the market, using a percentage of in-state refinery production volumes that are sufficient only to satisfy hardship and emergency cases. The program makes no attempt to reduce or inhibit the market price of fuels. All fuel delivered through the program will be purchased at the market price and, whenever possible, through the usual supplier.

## **Purpose of This Handbook**

This handbook describes the application process for requesting fuel supplies in the event of a fuels shortage. This handbook explains the purpose of the Fuels Set-Aside Program, the eligibility requirements for each program category, and the application process. The current version of the program uses a Web-based application process; instructions on how to complete the online form are included in this handbook. If online resources cannot be accessed, a copy of the application form and detailed instructions on how to submit a hard copy form are included in this handbook. In addition, audit procedures used to discourage or detect fraud are included, as well as procedures for appeal if an application is denied.

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<sup>1</sup> FSAP Web page: <http://www.energy.ca.gov/emergencies/setaside.html>.

## Structure of the Program

The specific management of the Fuels Set-Aside Program is located in the Energy Assessments Division and is the responsibility of the Fuels Allocation Officer. The Fuels Set-Aside Program is divided into three categories:

- Emergency Services
- Community Hardship
- Basic Set-Aside

To achieve maximum flexibility in the Fuels Set-Aside Program, the categories within the program are implemented only as directed by the Chairman of the Energy Commission or the Commissioners with major responsibility for contingency planning. Thus, all categories will not automatically become effective when the Fuels Set-Aside Program is implemented. The Fuels Set-Aside Program ends when the Governor rescinds the emergency proclamation or terminates the program.

# APPLICATION PROCEDURES

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This section contains step-by-step instructions you will need to follow to complete the application form. If you need technical assistance in filing the application, you should contact the Commission's Public Adviser at (916) 654-4489 or toll-free at (800) 822-6228.

## **IMPORTANT**

If you are **NOT** an emergency service provider, fuel will be allocated based on Energy Commission determination of need. Therefore, you must file an application at the beginning of each month that you require an emergency allocation. Only **ONE** application per fuel type per applicant per month will be considered. You must also complete a **SEPARATE** application for each type of fuel you require (gasoline, diesel, and so forth).

If an unforeseen issue occurs after your request submission, please contact the Commission's Public Adviser at (916) 654-4489 or toll-free at (800) 822-6228.

The application process is as follows:

1. Determine Your Eligibility
2. Organize Your Information
3. Complete the Online Application
4. File the Application
5. If Approved, Purchase the Fuel at Market Prices

## **Determine Your Eligibility**

The first step in the application process is to determine your eligibility for the program. The Fuels Set-Aside Program is divided into three categories:

### **Emergency Services**

This category allows end users who provide emergency, health, safety, or essential services to receive fuel during a crisis. You are eligible to apply within this category if you are a provider of emergency services (police, fire, emergency medical, and so forth) and are unable to obtain fuel supplies at any price. First responders requesting emergency fuel use standard procedures set by their local or state agency through established emergency operating center (EOC) protocols. The Energy Commission will coordinate with the Office of Emergency Services and the EOCs as necessary for these requests.

### **Community Hardship**

This category allows for distribution of fuels to qualified areas. You may be eligible to apply within this category if you are an individual, association, retailer, or governmental agency providing fuel services to a community experiencing an emergency or hardship. A community is defined as one of the following:

- City
- County

- Geographical area consisting of at least 50 square miles
- Geographical area of 5 square miles, containing less than 10 service stations
- Military base exchange

Community Hardship is the category of the program where retail service stations may apply for a fuels set-aside allocation for distribution to the public. When filling out an application for an emergency fuel allocation, you must include a description of the community boundaries and explain how the inability to obtain fuel is affecting the community.

### **Basic Set-Aside**

This category allows distribution to end users who provide essential services and can demonstrate they are having difficulty obtaining fuel supplies at any price. If you are experiencing a fuel hardship or emergency, but do not qualify for either of the other two categories, you may be eligible to file within this category.

## **Organize Your Information**

Listed below is the information that will be required to complete the online Fuel Application. In the event of an emergency requiring the signing of Emergency Order No. 6, the Web application will be activated and can be found on the Energy Commission website - <http://www.energy.ca.gov/emergencies/setaside.html>. Before beginning the online application, gather all the relevant information for the required fields below. The backup hard copy application found in Appendix A of this handbook can be used as a template.

### **Information Required for Online FSAP Application**

- **Applicant Name:** Enter the name of the individual, company, or organization requesting a fuel allocation.
- **Tax ID or SSN:** Enter the tax identification number used for filings with the Internal Revenue Service for the requesting organization. If requesting fuel as an individual, enter your social security number.
- **Contact Person:** If the applicant is a company or organization, enter the name of a contact person.
- **Mailing Address:** Enter the contact person’s mailing address.
- **City/State/Zip:** Enter the second line of address information for the contact person.
- **Phone:** Enter the contact person’s area code and telephone number.
- **Cell Phone:** Enter the contact person’s area code and cell phone number.
- **Fax:** Enter the contact person’s fax number.
- **Email:** Enter the contact person’s email address.
- **Program Category:** Select one of the listed categories. If applicant doesn’t qualify under Emergency Services or Community Hardship, choose Basic Set-Aside. Select the closest application for which applicant intends to use the fuel.
- **Fuel Use Category:** Select one of the listed categories that best describes the activity for which the fuel is to be used. Table 1 contains examples of possible activities and the related categories. However, the categories are not limited to just those activities. If an applicable fuel use is not listed, choose “other” and describe it in 35 characters or fewer.
- **Fuel Type Requested:** Select the type of fuel being requested. A separate application must be completed for each type of fuel. If the “other” category is chosen, please specify the type of fuel. Furthermore, more details can be included in the Description and Comments box.
- **Amount of Fuel Requested (Gallons):** Enter the amount of fuel being requested for emergency allocation from the fuels set-aside program (in gallons). If the desired fuel stock is typically allocated in

a different unit, such as liters, please convert to gallons and provide the appropriate information in the applicant description and comments section.

- **Applicant Description (and Comments):** Briefly describe the circumstances and situation relating to the hardship or emergency. Fully explain how the inability to obtain the needed fuel affects or will affect essential services in the California emergency area. Also, describe any efforts to reduce the hardship and all attempts (successful or unsuccessful) that have been made by the applicant to obtain fuel from other sources.

**Table 1: Fuel Use Categories**

|                       |   |
|-----------------------|---|
| Agriculture           | Agricultural Production (Including Agricultural Trucking and Agricultural Aviation)           |
| Aviation              | Commercial Aviation for Passengers and Cargo, Aviation Ground Support Vehicles, and Equipment |
| Emergency Services    | Police, Fire, Ambulance, Dispatch Services, Emergency Shelters                                |
| Energy Production     | Diesel Fuel for Electric Generating Systems and Emergency Backup Generators.                  |
| Government            | Critical Maintenance Activities Such as Snow Removal, Landslide Clean-Up, Dam Repair          |
| Health Care Services  | Hospitals, Clinics, Nursing Homes   |
| Marine Transportation | Nonmilitary Cargo, Passenger, and Fishing Vessels   |
| Passenger Services    | School Buses, Regional Transit Systems, Taxis, Commercial Bus Lines                           |
| Trucking              | Cargo, Freight, and Mail Hauling by Truck (including Diesel Truck Stations)                   |
| Utility Services      | Electricity, Natural Gas, Water, Telephone, Telegraph, Sanitation                             |
| Other                 | Describe applicable specialty fuel use, no more than 35 characters                            |

Source: California Energy Commission staff

## Complete the Online Application

The 14 bullet items listed above are required for completing the Emergency Fuel Application located online. Moreover, a hard copy application used only if online access is unavailable can be found on the last page of this handbook. When the Fuels Set-Aside Program has been activated, a series of hyperlinks will “go live” on the Energy Commission Fuels Set-Aside Web page for access to the online Web-based application. **During an emergency, the active hyperlinks will be the primary method to submit fuel requests.** Below is a screen shot of the active Web-based application (Figure 1).

If you need clarification on the information required for each field, for instance **Fuel Use\***, you can select the question mark tag adjacent to the form box. A list of choices will appear for each of these fields when selecting the pull-down menu, inverted triangle. All of the fields marked with a red asterisk, \*, must be completed. Additional information can be included in the Applicant Description text box. Please, include only essential information in your application.

Figure 1: FSAP Web-Based Application

Screen shot of the FSAP Web-based application form

Energy Commission staff

## File the Application

Make sure all sections of the application are completed or marked “not applicable.” Incomplete applications will NOT be processed. ***The Web-based FSAP application process is the preferred method of submission.*** If you are unable to access the Internet, please use one of the following alternate methods listed below to submit the application. If you’re filling out the paper application and you require additional space for the Description and Comments section, please include an attachment that is appropriately labeled with your contact information.

**Only ONE request per fuel type per applicant per month will be reviewed or approved.** A new application will need to be submitted each month emergency fuel supplies are still required.

1. **ONLINE WEB APPLICATION (Preferred Means of Submission)**

[\[http://www.energy.ca.gov/emergencies/setaside.html\]](http://www.energy.ca.gov/emergencies/setaside.html)

2. If you cannot access the online application, hard (paper) copies of the application located in Appendix A can be either faxed to the Energy Commission Office at (916) 654-4368 or mailed to the following address:

California Energy Commission  
Supply Analysis Office  
Attn: Transportation Fuels Data Unit  
1516 Ninth Street, MS-20  
Sacramento, CA 95814-5512

3. Electronic (scanned) copies of the application can be emailed to the Energy Commission at [setaside@energy.state.ca.us](mailto:setaside@energy.state.ca.us).

## Purchase the Fuel

The Energy Commission will notify you whether your application has been approved for the full amount requested, approved for a smaller amount than requested, or denied. The approval notification will include the supplier's contact information, fuel purchase period, and application expiration date. Failure to make appropriate arrangements with the supplier by the expiration date will result in cancellation of the approved fuel request. You must make your own arrangements with the supplier during the purchase period for delivery and payment at market prices. The State of California makes no guarantee for payment nor acts as surety for payment.

## Appeal Process

If your application was denied, or only partially approved, you may appeal the decision. The appeal must be filed within 15 days after the date of notification of the decision. In an appeal, you must fully explain your objection to the decision and why your particular situation constitutes a hardship or emergency. File the written appeal with:

Fuels Allocation Review Officer  
California Energy Commission  
1516 Ninth Street, MS-20  
Sacramento, CA 95814-5512

The Fuels Allocation Review Officer, who is independent of the Fuels Allocation Officer, will review your appeal. The Fuels Allocation Review Officer has 15 days after the appeal has been received by the Energy Commission to stipulate one of three possible actions:

1. Reverse the prior decision and grant the requested fuel.
2. Modify the prior decision and grant an increase in the amount of fuel originally allocated.
3. Affirm the prior decision and deny the appeal.

The Fuels Allocation Review Officer will notify the applicant by letter and email of the decision within the allotted 15-day period.

The Energy Commission's Public Adviser is available to provide procedural advice. For further information call (916) 654-4489 or toll-free at (800) 822-6228 or visit the website at <http://www.energy.ca.gov/>.

## Audit Process

Provisions exist for auditing or investigating applications to discourage and prosecute those who would abuse the Fuels Set-Aside Program. The audit is intended to prevent the deliberate misrepresentation of facts, use of the fuel for a purpose other than as stated, or resale of the fuel.

Three criteria are used to select the applications to audit:

- Suspicion of Abuse
- Public Complaint
- Random Selection

**Suspicion of Abuse:** The tracking software used to process applications has been programmed to automatically screen for discrepancies and possible abuse.

**Public Complaint:** If the Special Projects Office receives a public complaint, particularly if accompanied by a written report, the application will be reviewed for possible investigation.

**Random Selection:** At the discretion of the Fuels Allocation Officer, applications may be randomly selected for audit.

Any person who knowingly violates the rules and regulations of the Fuels Set-Aside Program will be charged with a misdemeanor and will be punished to the full extent of the law. The Attorney General or prosecuting attorney of a county will prosecute alleged violators.

# **APPENDIX A: Emergency Application Form**

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The Emergency Application Form found on page A-2 is to be used only if the applicant does not have access to the Web-based application and submission system; this form can be submitted via fax or mail to the Energy Commission. Complete the form and, if additional space is needed, attach relevant documents, preferably typed, that contain applicant information with clear labels using the numbering system outlined in the application form. If any part of the document is ineligible, the application will be returned, and the applicant will be required to resubmit the entire application.

# Emergency Fuel Application

*Fax completed application to (916) 654-4368 or mail to: California Energy Commission, Special Projects Office, 1516 Ninth Street, MS #23, Sacramento, CA 95814*

| Office Use Only |  |
|-----------------|--|
| Case Number     |  |
| Date Received   |  |
| Entered By      |  |

| Applicant Information  |  |   |         |
|--|--|---|---------|
| 1. Applicant Name  | 2. Tax ID or SSN                               | 3. Contact Person   |         |
| 4. Mailing Address   | 5. Phone                                       | 6. Cell Phone   | 7. Fax  |
| 8. City/State/Zip  |  | 9. Email  |         |
| 10. Delivery Address   | 11. Delivery City/State/Zip                    | 12. Delivery County   |         |
| Fuel Use Information   |  |   |         |
| 13. Amount of Fuel Requested (Gallons)   | 14. Average Historical Monthly Usage (Gallons) | 15. Date Fuel Needed  |         |
| 16. Fuel Type Requested <i>(check one)</i><br><input type="checkbox"/> CARB Gasoline<br><input type="checkbox"/> CARB Diesel (On Road)<br><input type="checkbox"/> High Sulfur Diesel (Off Road)<br><input type="checkbox"/> Heating Oil<br><input type="checkbox"/> Jet Fuel<br><input type="checkbox"/> Kerosene<br><input type="checkbox"/> Propane<br><input type="checkbox"/> Other (specify):  |  | 17. Program Category <i>(check one)</i><br><input type="checkbox"/> Emergency Services<br><input type="checkbox"/> Community Hardship<br><input type="checkbox"/> Basic Set-Aside |         |
| 18. Fuel Use Category <i>(check one)</i><br><input type="checkbox"/> Agriculture<br><input type="checkbox"/> Aviation<br><input type="checkbox"/> Emergency Services<br><input type="checkbox"/> Energy Production<br><input type="checkbox"/> Government<br><input type="checkbox"/> Health Care Services<br><input type="checkbox"/> Marine Transportation<br><input type="checkbox"/> Passenger Services<br><input type="checkbox"/> Trucking<br><input type="checkbox"/> Utility Services<br><input type="checkbox"/> Other (specify): |  |   |         |
| Description and Comments   |  |   |         |
| 19. Describe the hardship or emergency and your efforts to obtain the necessary fuel from other sources. (Attach additional sheets if necessary.)  |  |   |         |
| OFFICE USE ONLY (Fuel Source and Distributor Information)  |  |   |         |
| 20. Distributor  |  | 21. Distributor's Contact Person  |         |
| 22. Distributor's Address  | 23. Phone                                      | 24. Cell Phone  | 25. Fax |
| 26. City/State/Zip   |  | 27. Email   |         |
| 28. Distributor's Normal Fuel Source (Company Name)  |  |   |         |

**Important Notice:** By submitting this application, you certify that that all information is true and correct to the best of your knowledge. You also certify that you have made a good faith attempt and have been unable to obtain essential fuel at any price. If any of the fuel requested is granted, you agree that it will be delivered in California, will be used to alleviate the hardship, and will not be diverted to other purposes or resold.