

“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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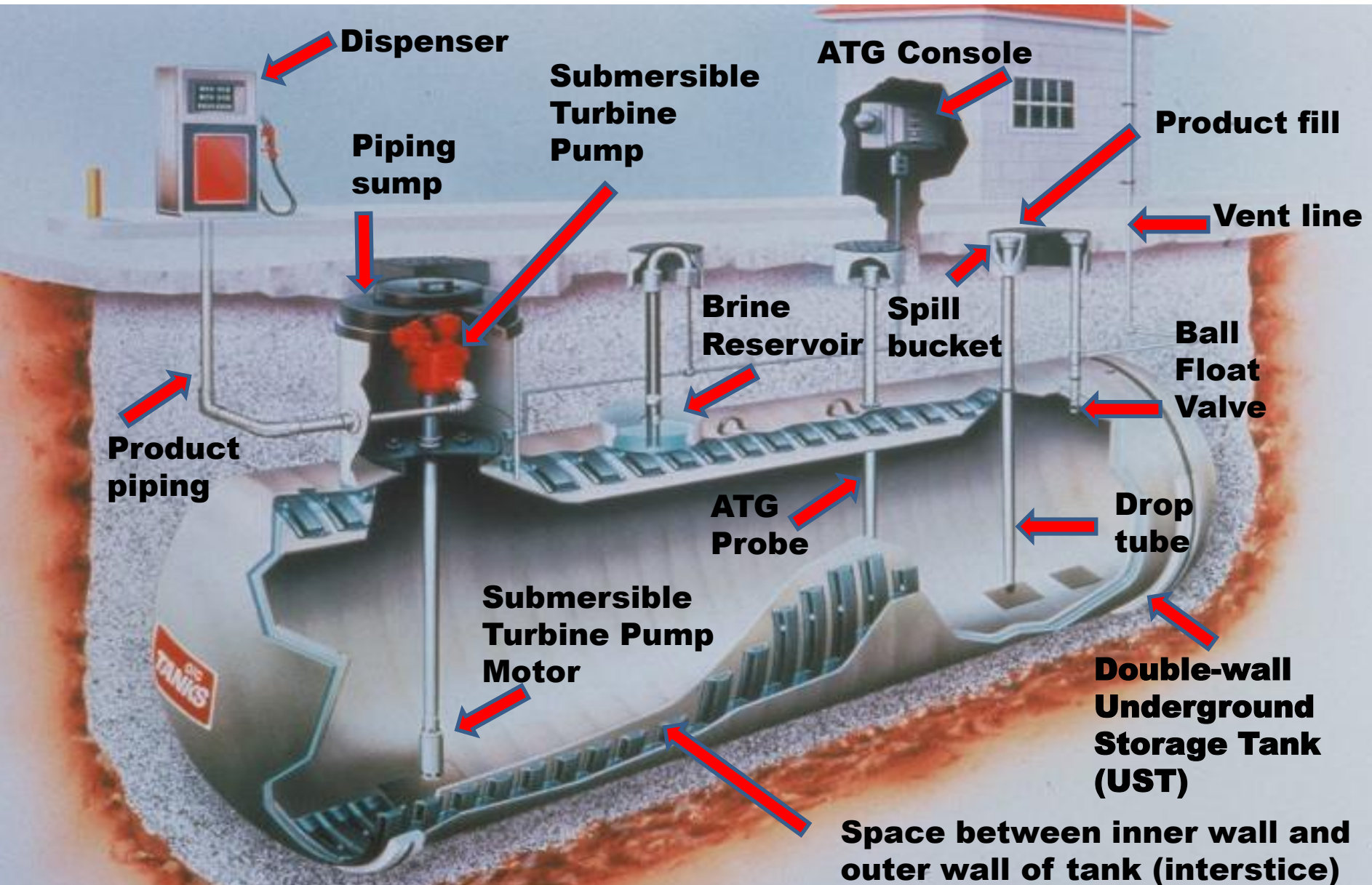
850-391-9835

850-766-1562 cell

850-591-1434 cell



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



CAUTION!

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.

**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.

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



Black "Gunk" in tank



Corrosion

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



Mississippi (e10)

Photo 12-09



South Carolina (e85)



Kentucky (e10)



Ohio



Idaho



Delaware (e85)

Installed 3-07 – Photo 3-08



Minnesota (e85)



Washington



California



Iowa



Florida (e10)



Florida (e10)



Florida (e10)

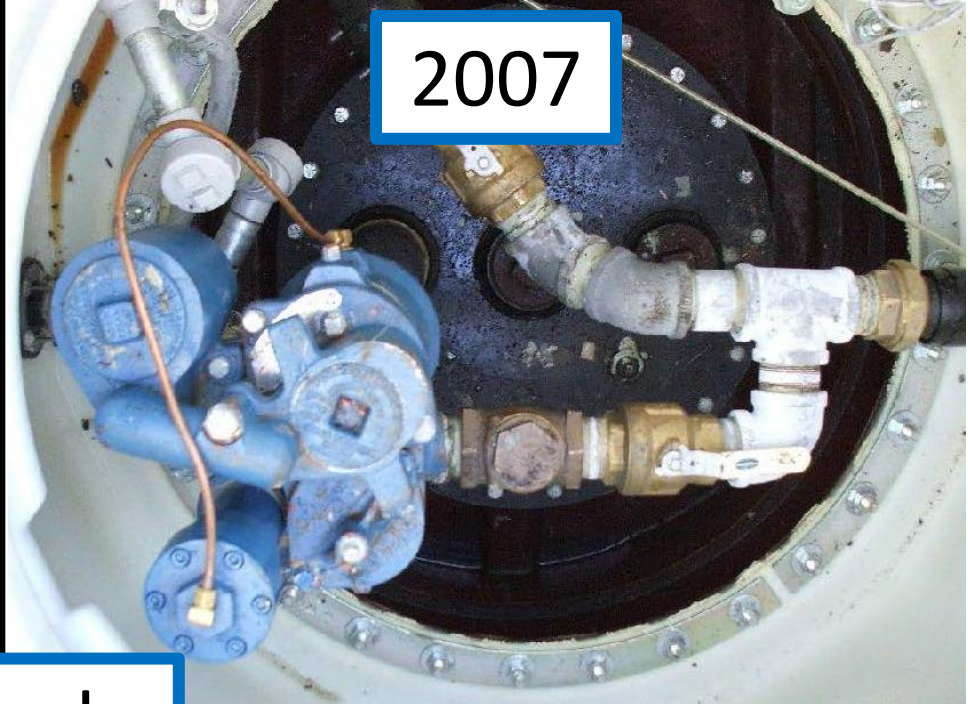
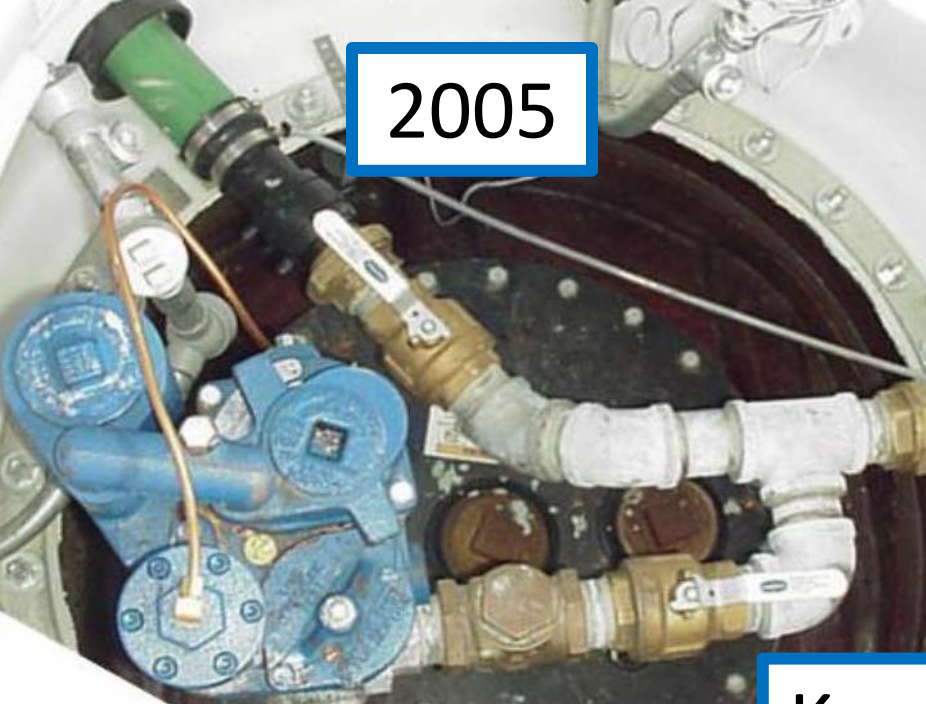
How Long Does It Take For This Severe Corrosion To Occur?



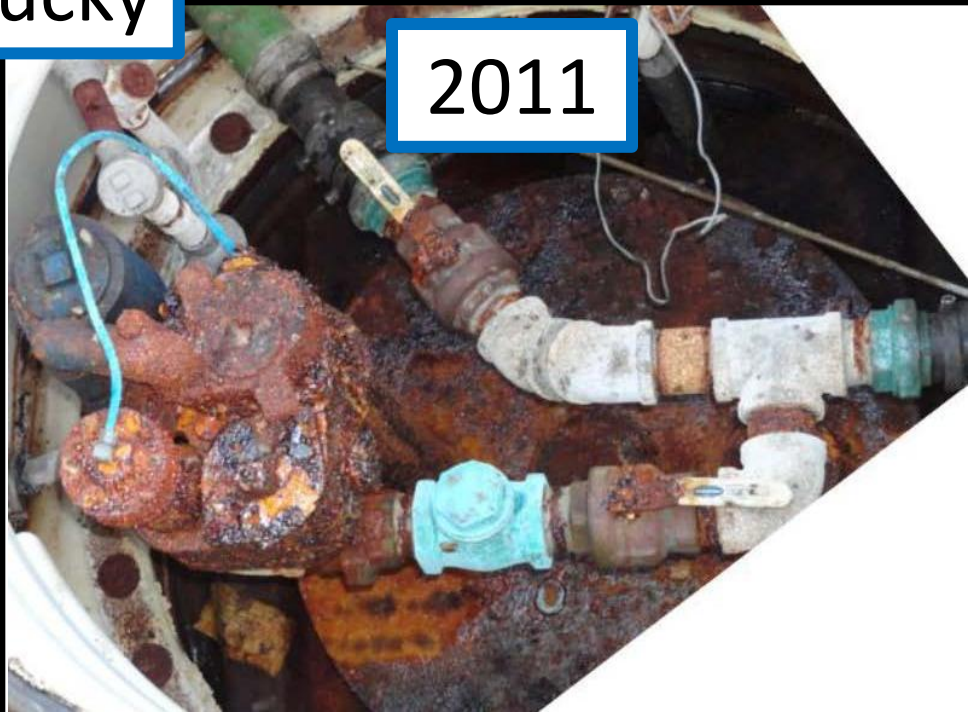
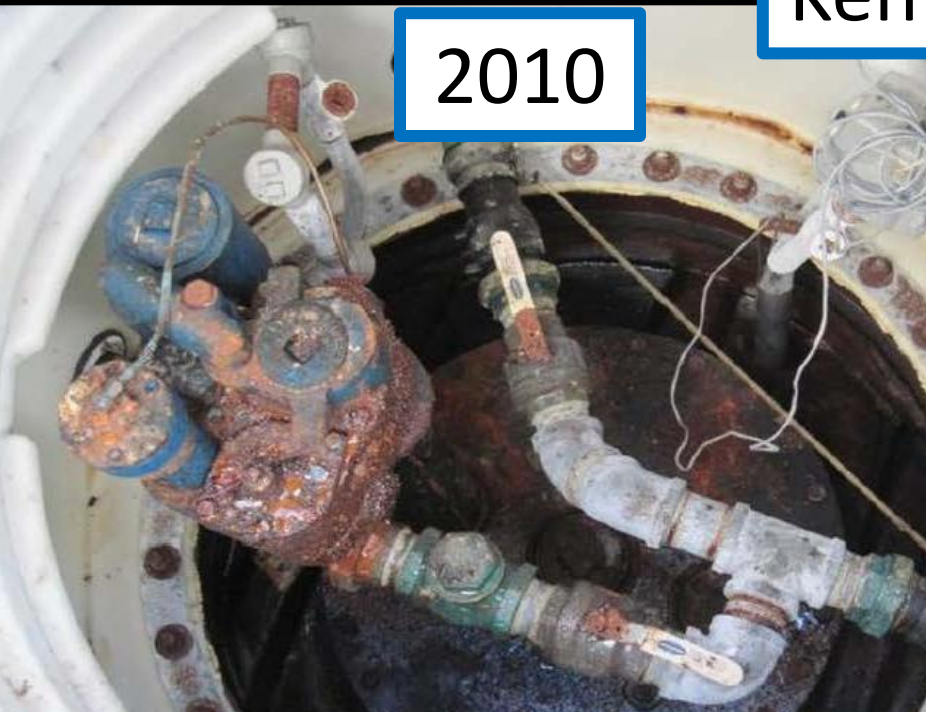
Tennessee - March 2010



Tennessee - August 2010



Kentucky



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?



Kentucky

What's this open pipe doing here?



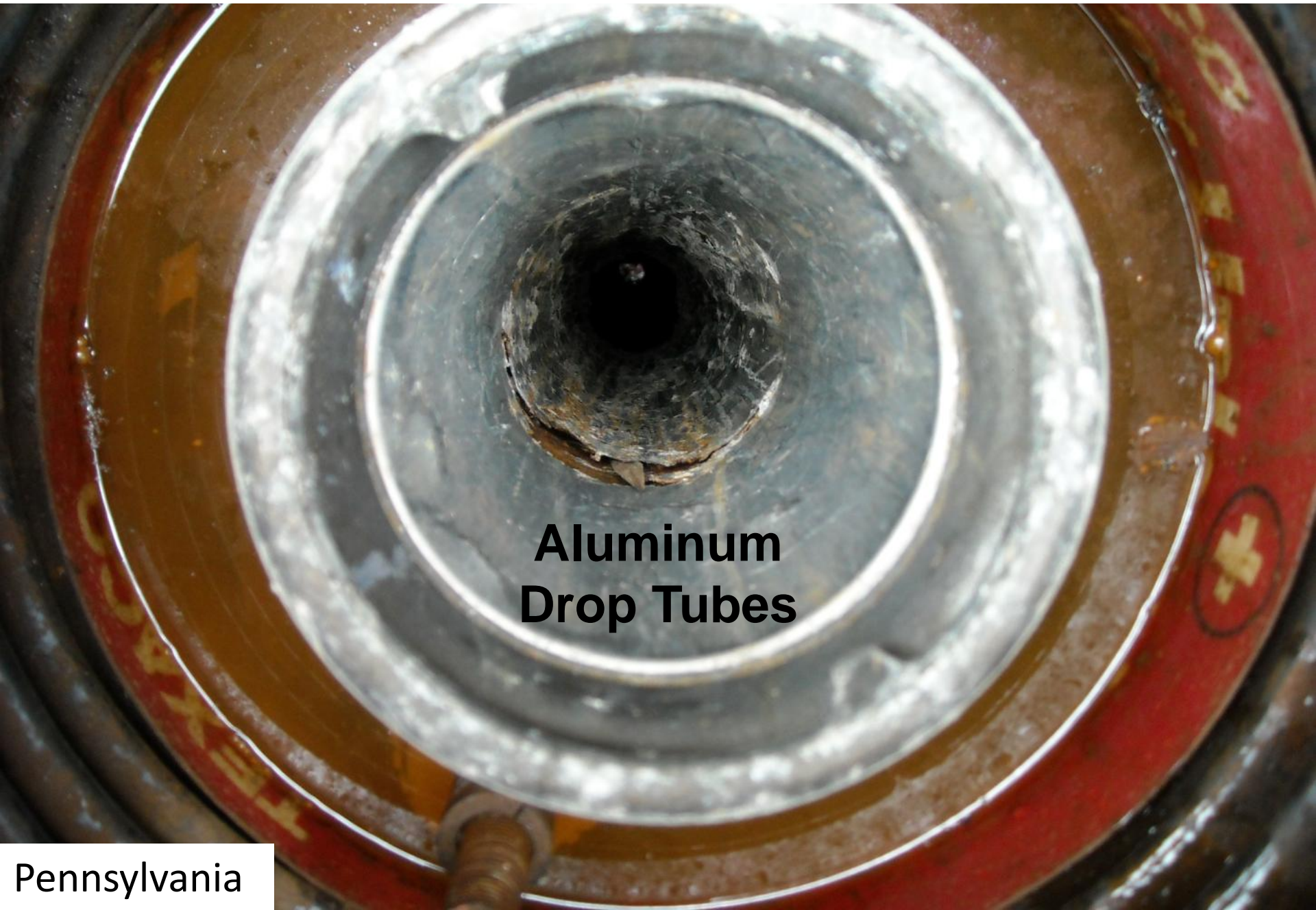
Kentucky

Other Problem Areas – ATG Equipment



Evidence of vapor leaks

What other components could be affected by corrosion?



**Aluminum
Drop Tubes**

Corrosion on Aluminum Drop Tubes



Minnesota

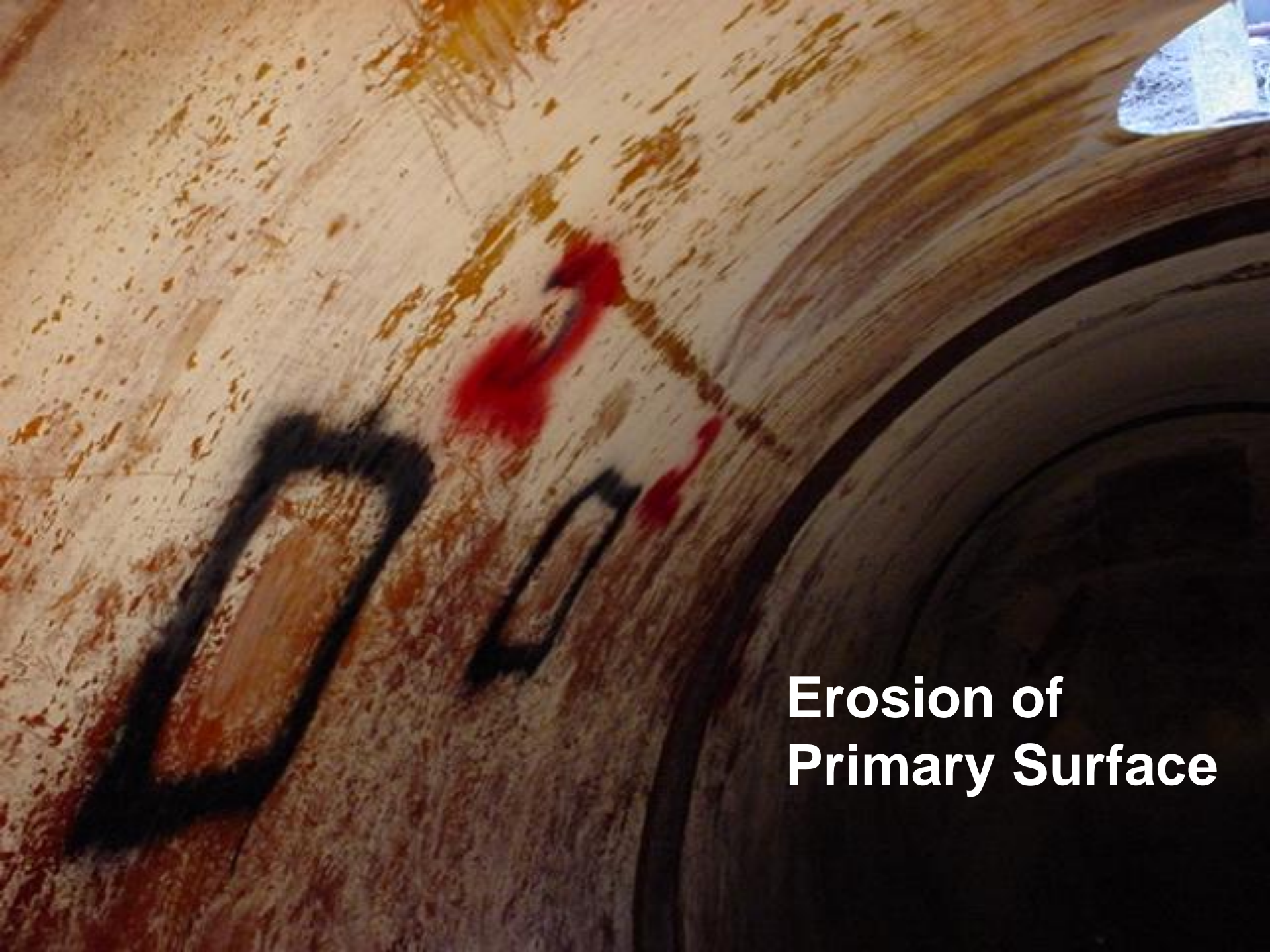


Corrosion on Ball Float Valve Overfill Protection Equipment





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



**Erosion of
Primary Surface**

Cracking





2006 7 25

Internal erosion, wicking and delamination



Delamination of gel coat

2006 7 25

BLISTERS
↓ T-3

Blisters on sidewall

Ethanol-Free Gasoline Has Become a Marketing Tool



Advertising Ethanol-Free Fuels



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

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Ultra Low Sulfur Diesel

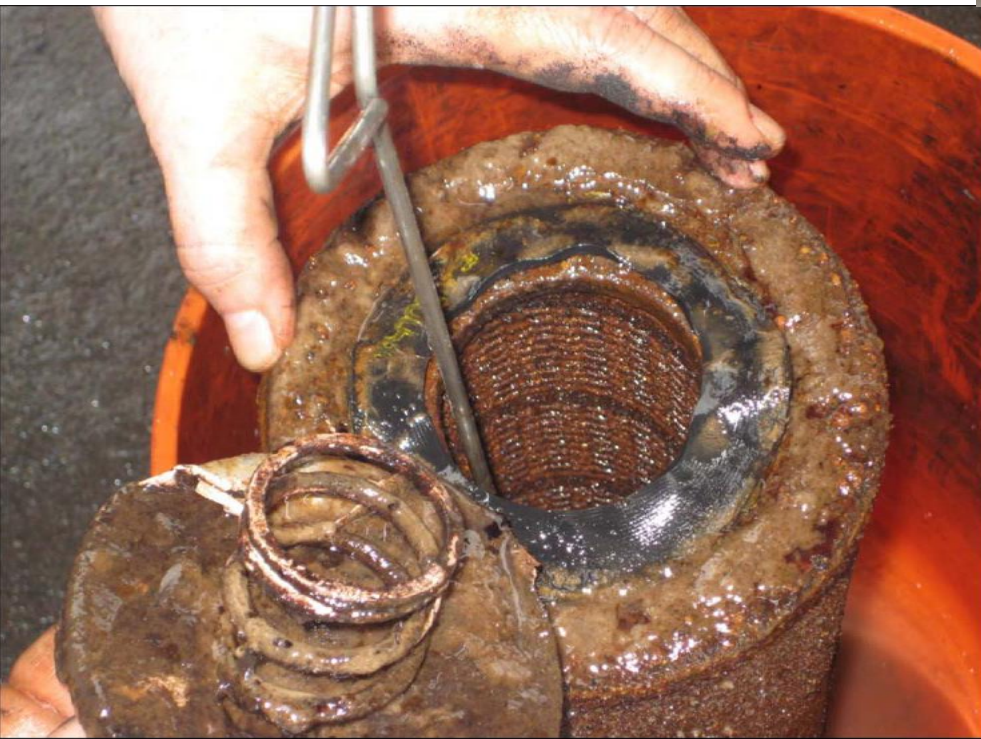


Submersible Pump & Riser
(Left hand side is aluminum;
Right hand side is steel)



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



“Coffee Grounds”



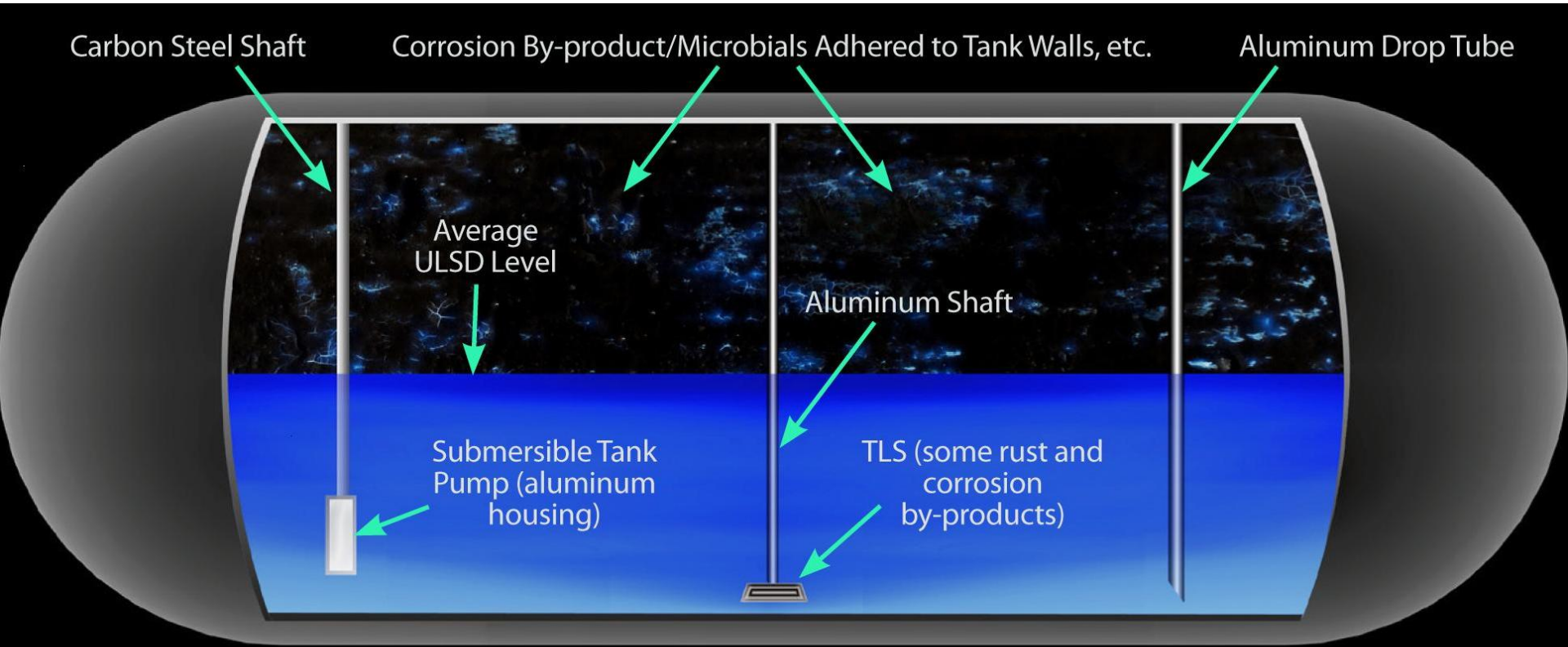
**Problems reported from all regions of the country-
No problems reported at refineries, pipelines, not
associated with individual supplier**



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

The screenshot shows the homepage of the Clean Diesel Fuel Alliance Information Center. At the top, it features the text "Government - Industry - Consumers" and the main title "Clean Diesel Fuel Alliance INFORMATION CENTER". Below this is a navigation bar with links: "> Skip Navigation", "> About ULSD", "> EPA Standards", "> EIA", "> ULSD Compliance", "> Media Room", and "> Contact Us". A green sidebar on the left contains several menu items: "> Highway ULSD Fuel", "> Non-Road ULSD Fuel", "> Vehicle Performance", "> Environment & Health", "> Frequently Asked Questions", and "> Quicklinks to Member Web Sites". The main content area has a light blue background with a large heading: "Ultra Low Sulfur Diesel (ULSD) fuel and new engines and vehicles with advanced emissions control systems offer significant air quality improvement." Below this heading are four columns of text, each with a small image and a link. The first column is titled "Highway ULSD Fuel" and mentions a major reduction in sulfur content, with a link to "Highway Diesel". The second column is titled "Non-Road ULSD Fuel" and mentions EPA standards for locomotive, marine, and non-road engines, with a link to "Non-Road Diesel". The third column is titled "New Diesel Technology" and describes Ultra Low Sulfur Diesel (ULSD) as a cleaner-burning fuel with a maximum 15 parts-per-million (ppm) sulfur, with a link to "Vehicle Performance". The fourth column is titled "Environmental Benefits" and describes how ULSD fuel and new engine technologies improve air quality and human health, with a link to "Environment and Health". At the bottom of the main content area, there are two more links: "Para leer en español el folleto sobre diesel ultra bajo en azufre" and "Energy Tomorrow Radio Podcast on ULSD". At the very bottom, there is a small graphic of a fuel pump nozzle with text: "ULTRA-LOW SULFUR HIGHWAY DIESEL FUEL (15 ppm Sulfur Maximum)" and "Remember to use the correct pump label and engine." Below this graphic is a text box: "Service Station Owners/Operators Remember to keep all pumps properly labeled (especially when refueling or replacing pumps)."

Website: www.clean-diesel.org

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

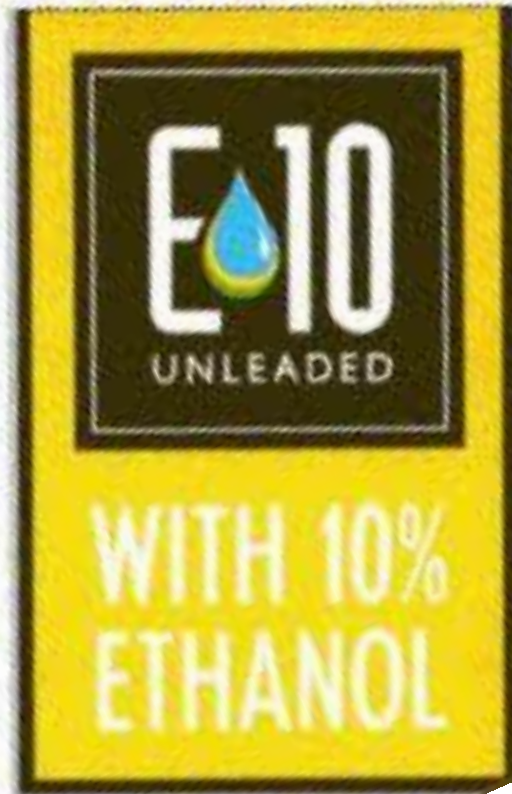
Summary- ULSD

- Fuel specs may not identify contaminants that can lead to poor fuel quality and vehicle problems – corrosion just one of these;
- Storage tanks are susceptible to water build-up and related problems;
- Water is fuel's enemy – carries contaminants, leads to microbials, causes corrosion;
- Routine “bug” testing essential in preventing problems – owners should use a fuel-soluble biocide;

Summary – ULSD, Continued

- Corrosion more problematic w ULSD & biofuels
- Quality fuel additives are essential to good fuel storage, handling and performance
- Fuel must be regularly tested

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



Bio-Diesel

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

