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HOTLINE QUESTIONS AND ANSWERS

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1. Energy Recovery On-Site Constitutes Reuse for the Generator Processing Exemption

A facility generates off-specification used oil that the used oil generator wants to burn on-site for energy recovery. The used oil generator filters the off-specification used oil in order to remove impurities. After filtering the used oil, the generator burns it in an on-site industrial furnace. Does the filtering activity meet the definition of processing in 279.1 and, therefore, subject the generator to the used oil processor standards in 40 CFR Part 279, Subpart F?

While filtering can meet the definition of processing, used oil generators may filter, clean, or otherwise recondition their own used oil on-site for reuse on-site without meeting the processor requirements (59 FR 10560; March 4, 1994; 279.20(b)(2)(ii)(A)). The Agency believes that on-site energy recovery constitutes reuse for purposes of this provision. If, on the other hand, the generator filters the used oil for subsequent burning off-site, the generator would be subject to the processor requirements in Part 279, Subpart F.

Under the generator processing exemptions in 279.20(b), EPA allows on-site but not off site burning of used oil generated from on-site activities. This approach best enables the Agency to encourage beneficial on-site reuse and recycling activities that pose limited risks. At the same time, the Agency ensures that activities undertaken primarily to make used oil amenable for shipment to an off-site burner are regulated under the more stringent processor standards (59 FR 10556; March 4, 1994).