PIPELINE PUNKS · INTELLIGENCE SERIES

Petroleum Operations Brief

From the rack to the real world.

Thursday, November 12, 2026

Developments November 9 to 12, 2026: EPA renews Texas, Arctic Alaska and Arizona fuel waivers; diesel futures hit six-week lows; Rocky Mountain diesel drops fastest

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Bottom line

EPA renewed the Texas higher-sulfur diesel and Arctic Alaska diesel waivers on November 10. The new windows run November 14 through December 3, so the lapse planned for Friday will not happen. Arizona's wintertime gasoline waiver was renewed for November 17 through December 6. December NYMEX ULSD settled at $4.1309/gal on Tuesday, November 10, down $0.0839/gal on the day and $0.2210/gal below the November 5 settle, as peace headlines drained risk premium; it bounced about $0.1270/gal in Wednesday morning trade. EIA's November 9 retail observation put U.S. diesel at $6.1270/gal (down $0.1650/gal) and Rocky Mountain diesel at $6.2060/gal (down $0.2390/gal, the largest regional drop). EIA's weekly supply report comes out today at 12:00 p.m. ET, after this edition, and Gasoline Distribution NESHAP comments close today with no extension found. No dispatch, ERP or AI release with verified capabilities and a concrete small-operator impact surfaced this period.

1. DEADLINE MOVES: EPA RENEWS TEXAS, ARCTIC ALASKA AND ARIZONA FUEL WAIVERS

What changed: EPA posted three letters dated November 10, 2026 (final waiver actions, not proposals). Texas: diesel up to 500 ppm sulfur may be sold in place of ULSD and TxLED, "effective on November 14, 2026, and will continue for 20 days through December 3, 2026." Arctic Alaska (north of the 66th parallel): same window, November 14 through December 3. Arizona: Cleaner Burning Gasoline and SIP volatility requirements are waived from November 17 "for the full 20 days allowed under the CAA, or through December 6, 2026," and gasoline with 9 to 15 percent ethanol is allowed. The Texas letter limits waiver diesel to engines originally certified for fuel above 15 ppm: nonroad Tier 1 to 3 engines may use it; nonroad Tier 4 engines and any vehicle or equipment with a diesel particulate filter or catalytic aftertreatment may not. Waiver diesel must be segregated from ULSD and carry a mandatory pump warning beginning "WARNING: USE OF DIESEL FUEL EXCEEDING THE 15 PPM SULFUR STANDARD." Product already in pipelines or certified before expiry may be sold until that volume is used up. EPA cites Middle East supply disruption, 94.5 percent refinery utilization (week ending October 30) and national distillate inventories 12 percent below the five-year average, and states its intent to keep renewing while conditions persist.

Why it matters: Interpretation: Monday's edition told Texas operators to plan for a Friday lapse. That is now off for three weeks, but the engine limits did not loosen. Most of the trucks and equipment a tank wagon or cardlock customer runs today (2007 and later on-highway, Tier 4 nonroad, anything with a DPF) still cannot take waiver fuel. The exposure is a driver or attendant putting 500 ppm product into the wrong tank, which becomes a warranty and liability question for the seller. Arizona's renewal also matters to anyone moving gasoline across the Four Corners, because E15 and the relaxed volatility limits stay in place into December.

Action: Texas sellers: keep waiver diesel segregated, confirm the exact warning label is on every dispenser and delivery ticket, and screen tank wagon and bulk orders by equipment type before delivering higher-sulfur product. Move the internal lapse date to end of day December 3 and keep checking EPA's page for the next renewal.

Arizona suppliers: plan the return to Arizona CBG specifications for after December 6 unless EPA renews again.

Sources:

https://www.epa.gov/gasoline-standards/fuel-waivers

https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-txled-ulsd-2026-1110.pdf

https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-alaska-arctic-2026-1110.pdf

https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-az-2026-0110.pdf

2. PRICING: DIESEL FUTURES SLIDE TO SIX-WEEK LOWS, THEN BOUNCE

What changed: December NYMEX ULSD settled at $4.1309/gal on Tuesday, November 10, down $0.0839/gal, after trading as low as $3.9947/gal. DTN's changes imply a Monday, November 9 settle of $4.2148/gal. December RBOB settled at $2.6088/gal (down $0.0421/gal), December WTI at $86.04/bbl and January Brent at $91.49/bbl. DTN tied the slide to the market shedding Iran-war risk premium after President Trump called further military action "not very necessary," reported progress by Qatari mediators, and a cooler October CPI. By 9:55 a.m. ET Wednesday, December ULSD was up $0.1270/gal at $4.2579/gal (intraday, not a settle) as Iranian officials denied a key element of the reported peace terms. Wednesday's settlement could not be retrieved for this edition.

Why it matters: Interpretation: Since last Thursday's $4.3519/gal settle, diesel futures have given back $0.2210/gal on Tuesday's close, and the market is still moving $0.0800/gal to $0.1300/gal a day on headlines. Racks will follow with a lag, so anyone carrying inventory bought late last week is above replacement cost. A Wednesday bounce on denials shows the downside is not locked in.

Action: Keep fixed and capped quotes at same-day validity while daily moves exceed $0.1000/gal. Price off this morning's rack, not last week's inventory cost, and check whether customers on rack-plus contracts are timing orders against the dip.

Sources:

https://www.dtnpf.com/agriculture/web/ag/news/world-policy/article/2026/11/10/oil-ends-lows-muted-us-inflation-fed

https://www.dtnpf.com/agriculture/web/ag/news/world-policy/article/2026/11/10/oil-prices-slump-6-week-lows-risk

https://www.dtnpf.com/agriculture/web/ag/news/world-policy/article/2026/11/11/oil-futures-halt-sell-rebound-two

3. RETAIL AND SURCHARGES: ROCKY MOUNTAIN DIESEL FALLS FASTEST; EIA RAISES 2027 OUTLOOK

What changed: EIA's November 9 observation (released Tuesday, November 10) put U.S. on-highway diesel at $6.1270/gal, down $0.1650/gal for the week. Rocky Mountain (PADD 4) was $6.2060/gal (down $0.2390/gal), Midwest $6.2010/gal (down $0.2010/gal), Gulf Coast $5.7410/gal (down $0.1710/gal) and West Coast $7.1100/gal (down $0.1620/gal). U.S. regular gasoline was $3.9950/gal (down $0.1580/gal). Separately, EIA's November Short-Term Energy Outlook raised its 2027 average diesel forecast to $5.0300/gal from $4.4900/gal and gasoline to $3.7300/gal from $3.5600/gal, citing tight global supply. The next retail release is Tuesday, November 17; EIA's holiday table lists no exception for it or for Thanksgiving week.

Why it matters: Interpretation: PADD 4 diesel is now only $0.0050/gal above the Midwest, versus $0.0430/gal a week earlier, so surcharge tables keyed to the Rocky Mountain index will step down more than national ones this week. The STEO revision is a forecast, not a price, but it tells anyone budgeting 2027 fleet fuel, or writing annual fixed-price heating and ag contracts, that EIA expects diesel to stay well above 2025 levels.

Action: Load the November 9 values into surcharge and index jobs if not done Tuesday and spot-check one invoice. Use the revised STEO, not last quarter's, as the baseline in any 2027 fixed-price or budget offer.

Sources:

https://www.eia.gov/petroleum/gasdiesel/

https://www.ttnews.com/2026-doe-regional-diesel-fuel-prices

https://www.ttnews.com/articles/us-forecasts-2027-diesel

https://www.eia.gov/petroleum/gasdiesel/schedule.php

4. MARKET STRUCTURE: THREE DISTRIBUTION DEALS IN FOUR DAYS

What changed: ARKO Petroleum Corp. closed its acquisition of U.S. Petroleum Partners on November 10, per an SEC Form 8-K filed November 12. The assets include two terminals on the Buckeye system (Novi, Michigan and Toledo, Ohio), supply rights to about 400 dealer sites and a truck fleet that hauls more than 80 percent of USPP's volume, for about $200 million cash plus inventory and $30 million in escrowed stock tied to EBITDA targets through 2027. ARKO's EBITDA figure for the business is a company projection. Bulk Transporter reported on November 11 that Palmdale Oil bought Tri-County Oil Distributors of Williston, Florida, a cardlock, packaged lube and DEF operator, and on November 9 that Littlefield Companies sold its 25 Littlefield Express sites in Arkansas and Oklahoma to Green Trail Fuel (an HF Sinclair joint venture) to focus on petroleum hauling, wholesale fuel and propane.

Why it matters: Interpretation: The pattern is buyers paying for terminals, captive trucks and commercial accounts, and sellers exiting retail to keep the hauling and wholesale side. For a small jobber, that means more competition for dealer supply and cardlock customers from better-capitalized buyers, and also a live exit market. The Littlefield move is a signal that some operators see the transport and wholesale business as the stronger half.

Action: If you hold dealer supply agreements or cardlock sites in a market where a consolidator is buying, review assignment and change-of-control terms in your supply and carrier contracts now.

Sources:

https://www.sec.gov/Archives/edgar/data/0002080921/000119312526456748/apc-20261110.htm

https://www.bulktransporter.com/fleet-management/article/55417739/palmdale-oil-acquires-florida-fuel-distributor-tri-county

https://www.bulktransporter.com/fleet-management/news/55417426/littlefield-sheds-retail-for-logistics-focus

RECHECKED: NO MATERIAL CHANGE OR NO NEW RELEASE

- Gasoline Distribution NESHAP and NSPS XXa: comments are due today, November 12 (proposed rule, 91 FR 61175, docket EPA-HQ-OAR-2025-0302). No extension notice was found on the Federal Register or EPA's rule page; regulations.gov was not checked directly. https://www.federalregister.gov/documents/2026/09/28/2026-19774/national-emission-standards-for-hazardous-air-pollutants-for-gasoline-distribution-facilities-and
- IRS dyed-diesel relief: the FAQ is still dated October 23, 2026, and the residual red dye grace period is still "under consideration." https://www.irs.gov/newsroom/dyed-diesel-frequently-asked-questions
- FMCSA fuel-haul HOS waiver: last amended October 15; still ends 11:59 p.m. December 16. https://www.fmcsa.dot.gov/mission/amended-hours-service-waiver-transportation-gasoline-and-diesel-fuel
- FMCSA emergency declarations: page last updated October 9; no November declaration listed. https://www.fmcsa.dot.gov/emergency-declarations
- Driver rules: FreightWaves (November 9) notes that English-proficiency enforcement and non-domiciled CDL

restrictions rest on executive action, not statute, and that the December 11 funding deadline is the main lame-duck vehicle for trucking bills. Analysis, not a rule change. https://freightwaves.com/news/what-trucking-can-still-get-from-a-lame-duck-congress-before-jan-3

- Dispatch, ERP and AI: no petroleum-distribution software release dated November 6 to 12 was found. Phocas's November 9 embedded-AI analytics launch is aimed at general wholesale distribution and makes no fuel-specific claims. https://www.globenewswire.com/news-release/2026/11/09/3398385/0/en/phocas-expands-distribution-intelligence-with-embedded-ai-in-analytics-to-accelerate-decisions.html
- Colorado and Mountain West: no Colorado fuel tax, Division of Oil and Public Safety, or terminal news dated November 9 to 12 was found. https://tax.colorado.gov/fuel-tax

UPCOMING OPERATIONAL DATES

- Nov 12 (Thu): Gasoline Distribution NESHAP and NSPS XXa comments due. EIA weekly supply report for the week ending November 6 at 12:00 p.m. ET. https://www.eia.gov/petroleum/supply/weekly/schedule.php
- Nov 13 (Fri): IRS excise deposit for October 16 to 31. Current Texas and Arctic Alaska waiver windows end; renewals take effect November 14. https://www.irs.gov/instructions/i720
- Nov 16 (Mon): Current Arizona gasoline waiver window ends; renewal takes effect November 17. https://www.epa.gov/gasoline-standards/fuel-waivers
- Nov 17 (Tue): EIA retail gasoline and diesel, November 16 observation. https://www.eia.gov/petroleum/gasdiesel/schedule.php
- Nov 20 (Fri): OSHA HazCom 2024 compliance date for substances. https://www.federalregister.gov/documents/2026/01/15/2026-00653/hazard-communication-standard
- Nov 27 (Fri): Colorado October fuel returns due (the 26th is Thanksgiving). IRS deposit for November 1 to 15. https://tax.colorado.gov/fuel-tax
- Nov 30 (Mon): Forms 720-TO and 720-CS for October. https://www.irs.gov/instructions/i720to
- Dec 3 (Thu): Texas and Arctic Alaska diesel waivers end unless renewed. https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-txled-ulsd-2026-1110.pdf
- Dec 6 (Sun): Arizona gasoline waiver ends unless renewed. https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-az-2026-0110.pdf
- Dec 16, 11:59 p.m.: FMCSA fuel-haul HOS waiver ends. https://www.fmcsa.dot.gov/mission/amended-hours-service-waiver-transportation-gasoline-and-diesel-fuel
- Dec 31 / Feb 1, 2027: Dyed-diesel relief ends December 31; Q4 Form 720 due February 1, 2027. https://www.irs.gov/newsroom/dyed-diesel-frequently-asked-questions

PRIORITIZED FOLLOW-UP

1. Today by noon ET: file or skip Gasoline Distribution NESHAP comments; review the EIA weekly report this afternoon for distillate and PADD 4 changes before committing forward volume.
2. Today: Texas sellers move the internal waiver lapse date to December 3 and re-check pump labels, segregation and equipment screening for waiver diesel.
3. This week: keep fixed and capped quotes at same-day validity and price off today's rack, not inventory cost.
4. By Friday: make the October 16 to 31 IRS deposit; confirm November 9 EIA values are loaded in surcharge and index jobs.
5. Before quoting 2027 fixed-price or budget deals: rebase on EIA's November STEO and review change-of-control terms in supply and carrier contracts.

DEEPER READING

- EPA, Texas diesel emergency fuel waiver letter (Nov 10): https://www.epa.gov/system/files/documents/2026-11/fuel-waiver-txled-ulsd-2026-1110.pdf
- DTN, Oil ends off lows as muted U.S. inflation signals Fed hold (Nov 10): https://www.dtnpf.com/agriculture/web/ag/news/world-policy/article/2026/11/10/oil-ends-lows-muted-us-inflation-fed
- Transport Topics, U.S. raises forecasts for 2027 gasoline and diesel prices (Nov 10): https://www.ttnews.com/articles/us-forecasts-2027-diesel
- ARKO Petroleum Corp. Form 8-K on the USPP acquisition (filed Nov 12): https://www.sec.gov/Archives/edgar/data/0002080921/000119312526456748/apc-20261110.htm

Source limitations: EIA's own retail pages served a cached copy ending October 26, so November 9 retail figures are as republished by Transport Topics and OilPriceAPI from EIA data (the two agree); Colorado and Denver gasoline for November 9 were not available. Wednesday, November 11 futures settlements could not be retrieved. The EIA weekly supply report is released after this edition. The Arctic Alaska letter's effective dates are confirmed on EPA's waiver page; its full text was only partly readable.

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