

2023–24 SECOND EXTRAORDINARY SESSION
AMENDMENTS TO ASSEMBLY BILL NO. 1
AS AMENDED IN ASSEMBLY OCTOBER 1, 2024

Amendment 1

In the heading, in line 1, after “Aguiar-Curry” insert:
and Senator Skinner

Amendment 2

On page 4, in line 5, strike out “employees” and insert:
employees, local communities,

Amendment 3

On page 4, in line 11, strike out “include,” and insert:
do,

Amendment 4

On page 4, in line 13, strike out “A provision establishing that” and insert:
Protect

Amendment 5

On page 4, strike out lines 14 to 16, inclusive, and insert:
employees, local communities, and the public.

Amendment 6

On page 4, in line 17, strike out “Criteria” and insert:
Include criteria

Amendment 7

On page 4, between lines 24 and 25, insert:
(c) This section does not modify any requirements of, or standards issued pursuant to, Section 6311 of, or Part 7.5 (commencing with Section 7850) of Division 5 of, the



Labor Code, including the authority of employees to perform an emergency shutdown of the refinery and necessary maintenance work for safety.

(d) A regulation adopted, or action taken, pursuant to this section shall not excuse an employer's compliance with the skilled and trained workforce and wage requirements set forth in Section 25536.7 of the Health and Safety Code.

Amendment 8

On page 4, in line 37, after "shall" insert:

protect the health and safety of employees, local communities, and the public, and shall

Amendment 9

On page 5, strike out lines 8 and 9 and insert:

(3) A process for waiving, if appropriate, minimum inventory requirements for a small refinery, as defined in Section 80.2 of Title 40 of the Code of Federal Regulations, as that section read on the effective date of the bill that added this section, if the refiner of the small refinery demonstrates that those requirements would impose a disproportionate economic hardship.

Amendment 10

On page 5, in line 11, strike out "adjusting or waiving," and insert:

adjusting,

Amendment 11

On page 6, between lines 7 and 8, insert:

(d) (1) A regulation adopted under this section shall not modify any requirements of, or standards issued pursuant to, Section 6311 of, or Part 7.5 (commencing with Section 7850) of Division 5 of, the Labor Code, including the authority of employees to perform an emergency shutdown of the refinery and necessary maintenance work for safety.

(2) A regulation adopted, or action taken, pursuant to this section shall not excuse an employer's compliance with the skilled and trained workforce and wage requirements set forth in Section 25536.7 of the Health and Safety Code.

Amendment 12

On page 6, in line 8, strike out "(d)" and insert:

(e)

Amendment 13

On page 6, in line 9, strike out “a market-based compliance”, strike out lines 10 and 11 and insert:

the use of a compliance mechanism for each refiner that is tradable between or within each refining region for refiners to meet the minimum inventory requirements adopted pursuant to this section.

Amendment 14

On page 6, in line 12, strike out “(e)” and insert:

(f)

Amendment 15

On page 6, in line 17, strike out “(f)” and insert:

(g)

Amendment 16

On page 6, in line 26, strike out “(g)” and insert:

(h)

Amendment 17

On page 6, in line 30, strike out “(h)” and insert:

(i)

Amendment 18

On page 11, in line 6, strike out “(i)” and insert:

(j)

Amendment 19

On page 17, in line 21, strike out “labor.” and insert:

a labor organization with experience in refinery operations.

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 1

AMENDED IN ASSEMBLY OCTOBER 1, 2024

AMENDED IN ASSEMBLY SEPTEMBER 26, 2024

CALIFORNIA LEGISLATURE—2023—24 SECOND EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 1

**Introduced by Assembly Members Hart and Aguiar-Curry and
Senator Skinner
(Principal coauthors: Assembly Members Addis, Bennett, Bryan,
Jackson, Kalra, Lee, and Wood)**

September 3, 2024



RN2422991

Amendment 1

An act to amend Sections 25354.2, 25364, 25367, 25371, 25372.2, and 25373 of, to add and repeal Section 25354.4 of, and to add, repeal, and add Section 25354.6 of, the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1, as amended, Hart. Energy: transportation fuels: inventories: turnaround and maintenance.

Existing law, beginning on June 26, 2023, establishes the Independent Consumer Fuels Advisory Committee within the State Energy Resources Conservation and Development Commission (Energy Commission) to advise the Energy Commission and the Division of Petroleum Market Oversight, as provided. Existing law prescribes the composition of the 8-member committee, including 6 specified members appointed by the Governor, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate ~~Rules Committee~~. *Committee on Rules*. Existing law requires one member appointed by the Governor to represent labor. Existing law prohibits a member of the committee

from having been employed by, contracted with, or received direct compensation from, a company that produces, refines, distributes, trades in, markets, or sells any petroleum product in the preceding 12 months, except as provided. Existing law specifies that the schedule of meetings of the committee is to be prescribed by the Energy Commission.

This bill would specify that the above prohibition does not exclude a representative of a labor organization whose membership consists of, in whole or in part, individuals employed by a company that produces, refines, distributes, trades in, markets, or sells any petroleum product. *The bill would require the gubernatorial appointee who represents labor to instead represent a labor organization with experience in refinery operations.* The bill would require the committee to meet no less than annually.

Existing law requires the Energy Commission, in consultation with the Labor and Workforce Development Agency and labor and industry stakeholders, to consider ways to manage necessary refinery turnarounds and maintenance that would protect the health and safety of employees and the public, and minimize the impacts of maintenance-related production losses on fuel prices. Existing law authorizes the Energy Commission, by regulation, to impose requirements governing the timing of turnaround and maintenance.

This bill would expressly require those regulations to ~~include a provision establishing that~~ *protect* the health and safety of ~~employees, local communities, and the public are the primary consideration and that any harm to employees and local communities from changes to the timing of turnaround or maintenance is to be minimized,~~ *public*, and to *include* criteria that are required to be met before a refinery commences a turnaround or maintenance event, as provided.

This bill would require the Energy Commission, in consultation with the committee, to consider the effects of refiners' inventories of fuel and feedstocks and blending components on the price of transportation fuels in California. The bill would authorize the Energy Commission, by regulation, to develop and impose requirements for refiners operating in the state to maintain minimum levels of inventories of refined transportation fuels meeting California specifications, including any feedstocks and blending components, as specified. The bill would prohibit the Energy Commission from applying a minimum inventory requirement to a refiner in a manner that would be met only by the construction of additional storage infrastructure, as determined by the

[2]

Energy Commission. The bill would repeal these provisions on January 1, 2033.

This bill would impose an administrative civil penalty on a refiner or person who fails to comply with regulations adopted pursuant to the above-described authority and would authorize the Energy Commission to seek any form of injunctive or remedial relief to enforce compliance with those regulations, as provided.

Existing law requires the Energy Commission, on or before January 1, 2024, and every 3 years thereafter, to submit an assessment to the Governor and the Legislature that, among other things, identifies methods to ensure a reliable supply of affordable and safe transportation fuels in California, as provided.

This bill, beginning with the first assessment submitted after the effective date of the bill, would require that the assessment also include ~~both~~ an evaluation of California’s future petroleum product and crude oil import ~~needs and identified needs~~, *identification of* steps that can be taken to ensure that marine infrastructure and port facilities will be adequate to accommodate the efficient movement of petroleum products to meet those ~~needs and to evaluate needs~~, *an evaluation of* ways to maximize use of existing infrastructure and minimize cumulative pollution burdens, and an evaluation of the effects on supplies of transportation fuels of state regulations that the Energy Commission identifies may be causing supply constraints, or for which the Energy Commission believes alternative compliance pathways should be considered by state agencies to mitigate potential impacts on supply.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

Page 3 1 SECTION 1. Section 25354.2 of the Public Resources Code
2 is amended to read:
Page 4 1 25354.2. (a) The commission, in consultation with the Labor
2 and Workforce Development Agency and labor and industry
3 stakeholders, shall consider ways to manage necessary refinery
4 turnarounds and maintenance that would protect the health and
5 safety of ~~employees~~ *employees, local communities*, and the public,
6 and minimize the impact of maintenance-related production losses
7 on fuel prices. The commission may, by regulation, impose

| **Amendment 2**

[2]

Page 4 8 requirements governing the timing of turnaround and maintenance
 9 developed through consultations under this section.
 11 (b) Regulations adopted under this section shall ~~include, do~~, but
 12 not be limited to, both of the following:
 13 (1) ~~A provision establishing that Protect the health and safety~~
 14 ~~of employees and the public are the primary consideration, and~~
 15 ~~that any harm to employees and local communities from changes~~
 16 ~~to the timing of turnaround or maintenance is to be minimized.~~
 + *employees, local communities, and the public.*
 17 (2) ~~Criteria~~ *Include criteria* that are required to be met before
 18 a refinery commences a turnaround or maintenance event,
 19 including, but not limited to, demonstrating to the satisfaction of
 20 the executive director of the commission, through a report required
 21 by subdivision (m) of Section 25354, that the refiner has made
 22 resupply plans or other arrangements sufficient to ensure that the
 23 loss of production during the turnaround or maintenance event
 24 does not adversely affect the California transportation fuels market.
 + (c) *This section does not modify any requirements of, or*
 + *standards issued pursuant to, Section 6311 of, or Part 7.5*
 + *(commencing with Section 7850) of Division 5 of, the Labor Code,*
 + *including the authority of employees to perform an emergency*
 + *shutdown of the refinery and necessary maintenance work for*
 + *safety.*
 + (d) *A regulation adopted, or action taken, pursuant to this*
 + *section shall not excuse an employer's compliance with the skilled*
 + *and trained workforce and wage requirements set forth in Section*
 + *25536.7 of the Health and Safety Code.*
 25 SEC. 2. Section 25354.4 is added to the Public Resources Code,
 26 to read:
 27 25354.4. (a) The commission, in consultation with the
 28 Independent Consumer Fuels Advisory Committee established
 29 pursuant to Section 25373, shall consider the effects of refiners'
 30 inventories of fuel and feedstocks and blending components on
 31 the price of transportation fuels in California. The commission
 32 may, by regulation, develop and impose requirements for refiners
 33 operating in the state to maintain minimum levels of inventories
 34 of refined transportation fuels meeting California specifications,
 35 including any feedstocks and blending components for those fuels.

Amendment 3

Amendment 4
Amendment 5

Amendment 6

Amendment 7

Page 4 37 (b) Regulations adopted under this section shall *protect the*
+ *health and safety of employees, local communities, and the public,*
38 *and shall provide for all of the following:*

Page 5 1 (1) A process for establishing minimum inventory levels
2 specified for each refiner or each refining region, and for each fuel
3 or blending component type.

6 (2) A process for maximizing the use of existing storage
7 infrastructure.

8 ~~(3) A recognition that the health and safety of employees and~~
9 ~~local communities are the primary consideration.~~

+ (3) *A process for waiving, if appropriate, minimum inventory*
+ *requirements for a small refinery, as defined in Section 80.2 of*
+ *Title 40 of the Code of Federal Regulations, as that section read*
+ *on the effective date of the bill that added this section, if the refiner*
+ *of the small refinery demonstrates that those requirements would*
+ *impose a disproportionate economic hardship.*

11 (4) A process for ~~adjusting or waiving,~~ *adjusting,* if appropriate,
12 minimum inventory requirements for one or more refiners based
13 on region, season, refinery size and storage capacity, and changes
14 in regional or statewide supply and demand for refined
15 transportation fuels meeting California specifications.

17 (5) Market conditions under which a refiner would be permitted
18 or required to draw down its inventories below an established level
19 and requirements for the rebuilding of those drawn-down
20 inventories, including a metric or threshold based on market
21 conditions that would automatically require a refiner to draw down
22 inventories and provide that fuel to the market.

23 (c) Notwithstanding subdivision (a), the commission shall not
24 adopt a regulation pursuant to this section unless it finds that the
25 likely benefits to consumers from avoiding price volatility outweigh
26 the potential costs to consumers. In making that determination,
27 the commission shall consider all of the following factors, but no
28 single factor shall be determinative:

29 (1) Whether it is likely that the minimum levels of inventories
30 of refined transportation fuels will lead to greater supply in the
31 California transportation fuels market than would exist without
32 the minimum levels of inventories.

33 (2) Whether it is likely that the minimum levels of inventories
34 of refined transportation fuels will lead to lower average retail
35 prices on an annual basis than would exist without the minimum

Amendment 9

Amendment 10

Page 5 36 levels of inventories, and whether it is likely that the minimum
 37 levels of inventories will reduce the severity of retail price
 38 volatility.
 39 (3) Whether easing of supply chain inefficiencies or constraints
 40 would lead to greater supply in the California transportation fuels
 Page 6 1 market than requirements to establish minimum levels of
 2 inventories of refined transportation fuels.
 3 (4) Whether it is likely that supply gains achieved through the
 4 adoption of the minimum levels of inventories of refined
 5 transportation fuels will be offset by actions of market participants
 6 not subject to these regulations and thereby have the effect of
 7 reducing supply in the market.
 + (d) (1) *A regulation adopted under this section shall not modify*
 + *any requirements of, or standards issued pursuant to, Section 6311*
 + *of, or Part 7.5 (commencing with Section 7850) of Division 5 of,*
 + *the Labor Code, including the authority of employees to perform*
 + *an emergency shutdown of the refinery and necessary maintenance*
 + *work for safety.*
 + (2) *A regulation adopted, or action taken, pursuant to this*
 + *section shall not excuse an employer’s compliance with the skilled*
 + *and trained workforce and wage requirements set forth in Section*
 + *25536.7 of the Health and Safety Code.*
 8 (e)
 + (e) In developing or amending regulations adopted under this
 9 section, the commission may consider ~~a market-based compliance~~
 10 ~~mechanism for refiners to maintain a minimum inventory at a~~
 11 ~~regional level.~~ *the use of a compliance mechanism for each refiner*
 + *that is tradable between or within each refining region for refiners*
 + *to meet the minimum inventory requirements adopted pursuant to*
 + *this section.*
 12 (e)
 + (f) The commission shall not apply a minimum inventory
 13 requirement under this section to a refiner in a manner that would
 14 be met only by the construction of additional storage infrastructure,
 15 as determined by the commission.
 17 (f)
 + (g) One year after the adoption of any regulation pursuant to
 18 this section, and each year thereafter in which a regulation pursuant
 19 to this section is in effect, the commission shall submit a report to
 20 the Legislature, in accordance with Section 9795 of the

Amendment 11

Amendment 12

Amendment 13

Amendment 14

Amendment 15

Page 6 21 Government Code, that includes a reevaluation of the effectiveness
22 of that regulation, including whether the regulation continues to
23 meet the cost effectiveness test described in subdivision (c), and
24 shall provide an update on the factors identified in subdivision (c)
25 regarding the implemented regulation.

26 (g)
+ (h) For purposes of this section, “refining region” means the
27 two in-state regions of concentrated refineries, where the
28 preponderance of refining capacity is located in the San Francisco
29 Bay area and the Los Angeles area.

30 (h)
+ (i) This section shall remain in effect only until January 1, 2033,
31 and as of that date is repealed.

32 SEC. 3. Section 25354.6 is added to the Public Resources Code,
33 to read:

34 25354.6. (a) The commission shall notify a refiner or person
35 who fails to comply with the requirements of Section 25354.2 or
36 25354.4, or fails to comply with the regulations adopted under
37 those sections. If, within three days after being initially notified
38 of the failure to comply, the refiner or person continues or persists
39 in its noncompliance, the refiner or person shall be subject to an
40 administrative civil penalty of not less than one hundred thousand
dollars (\$100,000), and not more than one million dollars
(\$1,000,000), per day for each day that the noncompliance occurs
or persists.

Page 7 4 (b) The executive director of the commission shall issue and
5 serve a complaint on the refiner or person, and the commission
6 shall hold a hearing, adopt a decision, and require payment of the
7 penalty in accordance with the procedures described in Section
8 25534.1, with the penalty to be assessed based on each day of
9 noncompliance following the third day after the initial notification
10 by the commission.

11 (c) Judicial review and enforcement of an order imposing an
12 administrative civil penalty under this section may be had in
13 accordance with the procedures described in Section 25534.2.

14 (d) The commission may seek any form of injunctive or remedial
15 relief from a court of competent jurisdiction to enforce compliance
16 with Sections 25354.2 and 25354.4, and regulations adopted under
17 those sections.

Amendment 16

Amendment 17

Page 7 18 (e) This section shall remain in effect only until January 1, 2033,
 19 and as of that date is repealed.
 20 SEC. 4. Section 25354.6 is added to the Public Resources Code,
 21 to read:
 22 25354.6. (a) The commission shall notify a refiner or person
 23 who fails to comply with the requirements of Section 25354.2, or
 24 fails to comply with the regulations adopted under that section. If,
 25 within three days after being initially notified of the failure to
 26 comply, the refiner or person continues or persists in its
 27 noncompliance, the refiner or person shall be subject to an
 28 administrative civil penalty of not less than one hundred thousand
 29 dollars (\$100,000), and not more than one million dollars
 30 (\$1,000,000), per day for each day that the noncompliance occurs
 31 or persists.
 32 (b) The executive director of the commission shall issue and
 33 serve a complaint on the refiner or person, and the commission
 34 shall hold a hearing, adopt a decision, and require payment of the
 35 penalty in accordance with the procedures described in Section
 36 25534.1, with the penalty to be assessed based on each day of
 37 noncompliance following the third day after the initial notification
 38 by the commission.

Page 8 1 (c) Judicial review and enforcement of an order imposing an
 2 administrative civil penalty under this section may be had in
 3 accordance with the procedures described in Section 25534.2.
 4 (d) The commission may seek any form of injunctive or remedial
 5 relief from a court of competent jurisdiction to enforce compliance
 6 with Section 25354.2, and regulations adopted under that section.
 7 (e) This section shall become operative on January 1, 2033.
 8 SEC. 5. Section 25364 of the Public Resources Code is
 9 amended to read:
 10 25364. (a) A person required to present information to the
 11 commission pursuant to Section 25354 or 25355 or a person
 12 making a request for exemption pursuant to Section 25355.5 may
 13 request that specific information be held in confidence. Information
 14 requested to be held in confidence shall be presumed to be
 15 confidential.
 16 (b) Information presented to the commission pursuant to Section
 17 25354, 25355, or 25355.5 shall be held in confidence by the
 18 commission or aggregated to the extent necessary to ensure
 19 confidentiality if public disclosure of the specific information or

Page 8 20 data would result in unfair competitive disadvantage to the person
21 supplying the information or would adversely affect market
22 competition.

23 (c) (1) Whenever the commission receives a request to publicly
24 disclose unaggregated information, or otherwise proposes to
25 publicly disclose information submitted pursuant to Section 25354,
26 25355, or 25355.5, notice of the request or proposal shall be
27 provided to the person submitting the information. The notice shall
28 indicate the form in which the information is to be released. Upon
29 receipt of notice, the person submitting the information shall have
30 10 working days in which to respond to the notice to justify the
31 claim of confidentiality on each specific item of information
32 covered by the notice on the basis that public disclosure of the
33 specific information would result in unfair competitive
34 disadvantage to the person supplying the information or would
35 adversely affect market competition.

36 (2) The commission shall consider the respondent's submittal
37 in determining whether to publicly disclose the information
38 submitted to it to which a claim of confidentiality is made. The
39 commission shall issue a written decision that sets forth its reasons
40 for making the determination whether each item of information
1 for which a claim of confidentiality is made shall remain
2 confidential or shall be publicly disclosed.

Page 9

3 (d) The commission shall not make public disclosure of
4 information submitted to it pursuant to Section 25354, 25355, or
5 25355.5 within 10 working days after the commission has issued
6 its written decision required in this section.

7 (e) Information submitted to the commission pursuant to Section
8 25354, 25355, or 25355.5 shall not be deemed confidential if the
9 person submitting the information or data has made it public.

11 (f) With respect to petroleum products and blendstocks reported
12 by type pursuant to paragraph (1) or (2) of subdivision (a) of
13 Section 25354, information provided pursuant to subdivision (h)
14 or (i) of Section 25354, and information provided under Section
15 25355, the commission, the State Air Resources Board, or the
16 Attorney General, or any employee or contractor of those entities,
17 shall not do any of the following:

18 (1) Use the information furnished under paragraph (1) or (2) of
19 subdivision (a) of Section 25354, under subdivision (h) or (i) of

Page 9 20 Section 25354, or under Section 25355 for any purpose other than
 21 law enforcement or the statistical purposes for which it is supplied.
 22 (2) Make any publication whereby the information furnished
 23 by any particular establishment or individual under paragraph (1)
 24 or (2) of subdivision (a) of Section 25354, under subdivision (h)
 25 or (i) of Section 25354, or under Section 25355 can be identified.
 26 (3) Permit anyone other than commission members, the State
 27 Air Resources Board, the Attorney General, and employees or
 28 contractors of those entities to examine the individual reports
 29 provided under paragraph (1) or (2) of subdivision (a) of Section
 30 25354, under subdivision (h) or (i) of Section 25354, or under
 31 Section 25355.
 32 (g) Notwithstanding any other law, the commission may disclose
 33 confidential information received pursuant to subdivision (a) of
 34 Section 25304, or Section 25354 or 25355 to the State Air
 35 Resources Board or the Attorney General if the state board or the
 36 Attorney General agrees to keep the information confidential. With
 37 respect to the information it receives, the state board and the
 38 Attorney General shall be subject to all pertinent provisions of this
 39 section.

Page 10 1 (h) (1) Notwithstanding any other law, the commission shall,
 2 upon request, timely disclose confidential information received
 3 pursuant to subdivision (a) of Section 25304 or Section 25354 or
 4 25355, or data provided under a contract entered into pursuant to
 5 Section 25367 or 25373, to the Speaker of the Assembly, the Senate
 6 Committee on Rules, the appropriate policy committees in the
 7 Assembly or the Senate, or staff members of each, provided that
 8 the information shall be provided only in aggregated or otherwise
 9 anonymized form, and each individual person receiving or having
 10 access to the information shall first agree, in writing, to keep the
 11 information confidential. Any person or committee receiving
 12 information under this subdivision shall be subject to all pertinent
 13 provisions of this section.
 14 (2) Aggregated or otherwise anonymized information disclosed
 15 under paragraph (1) shall be made available by the commission to
 16 the public no more than quarterly, upon request of the Speaker of
 17 the Assembly, the Senate Committee on Rules, or the appropriate
 18 policy committees in the Assembly or the Senate, under conditions
 19 as the commission may determine are necessary to ensure that
 20 public disclosure of the specific information would not result in

2

Page 10 21 unfair competitive disadvantage to the person supplying the
 22 information or adversely affect market competition.
 23 (i) Notwithstanding any other law, the commission may disclose
 24 confidential information received pursuant to paragraph (1) of
 25 subdivision (f) of Section 25354 to the administrator for oil spill
 26 response, appointed pursuant to Section 8670.4 of the Government
 27 Code, upon request for oil spill planning and preparedness
 28 purposes, and to first responders in the event of an accident or
 29 spill. Information disclosed to the administrator or first responders
 30 pursuant to this subdivision that has been identified as confidential
 31 under subdivision (a) shall not be disclosed to any other entity
 32 except pursuant to a request in accordance with the California
 33 Public Records Act (Division 10 (commencing with Section
 34 7920.000) of Title 1 of the Government Code). Upon receipt of a
 35 records request seeking information disclosed pursuant to this
 36 subdivision, the administrator or first responder receiving the
 37 request shall provide the destination facility who provided the
 38 confidential information to the commission with an opportunity
 39 to submit, within a reasonable time, a response and information
 40 in support of exemption from disclosure before making the

Page 11 1 determination whether the requested records are exempt from
 2 disclosure. A requirement or deadline contained in the California
 3 Public Records Act (Division 10 (commencing with Section
 4 7920.000) of Title 1 of the Government Code) shall not be extended
 5 or waived as a result of this subdivision.

6 (i)
 + (j) This section does not apply to aggregate data that are required
 7 to be posted on the commission’s internet website pursuant to
 8 subdivision (c) of Section 25355.

10 SEC. 6. Section 25367 of the Public Resources Code is
 11 amended to read:

12 25367. (a) Except as otherwise provided, the adoption of, or
 13 amendment to, regulations or orders implementing this chapter
 14 shall be considered by the Office of Administrative Law as an
 15 emergency, and necessary for the immediate preservation of the
 16 public peace, health, safety, and general welfare. Notwithstanding
 17 any other law, the emergency regulations or orders adopted to
 18 implement this chapter shall remain in effect for two years.
 19 Although the commission may adopt regulations to further define
 20 terms or prescribe reporting procedures or calculation

Amendment 18

Page 11 21 methodologies pursuant to this chapter, or prescribe any other
22 method of implementing this chapter, the provisions of this chapter
23 are self-executing and shall not require any implementing
24 regulation to be effective.

25 (b) The commission may enter into contracts to implement this
26 chapter, and the contracts shall not require the review, consent, or
27 approval of the Department of General Services or any other state
28 department or agency and are not required to comply with
29 requirements under the State Contracting Manual or the Public
30 Contract Code.

31 (c) (1) Any regulation, guideline, other standard adopted, or
32 decision rendered, by the commission under this chapter is not a
33 “project” for purposes of the California Environmental Quality
34 Act (Division 13 (commencing with Section 21000)). However,
35 nothing in this section exempts any project undertaken pursuant
36 to a regulation, guideline, other standard adopted, or decision
37 rendered, pursuant to this chapter from the California
38 Environmental Quality Act.

39 (2) This subdivision is declarative of existing law and shall
40 apply to all regulations, guidelines, other standards adopted, or
Page 12 1 decisions rendered, under this chapter whether before or after the
2 effective date of this subdivision.

4 SEC. 7. Section 25371 of the Public Resources Code is
5 amended to read:

6 25371. (a) (1) Notwithstanding Section 10231.5 of the
7 Government Code, on or before January 1, 2024, and every three
8 years thereafter, the commission shall submit an assessment to the
9 Legislature, in accordance with Section 9795 of the Government
10 Code, and to the Governor that does all of the following:

11 (A) Identifies methods to ensure a reliable supply of affordable
12 and safe transportation fuels in California. The assessment shall
13 include estimates for the level of transportation fuels at the state
14 level, and, to the extent feasible, at regional and local levels, and
15 individual refineries if relevant, that should be held in reserve by
16 refiners to prevent gasoline price spikes. The assessment shall
17 consider all factors causing price fluctuations in retail gasoline
18 prices when recommending adequate reserve levels. The
19 commission shall consider all relevant evidence from any
20 reasonably available source, including, but not limited to,
21 information about imports, by amount, source, if known, and data

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Page 12 22 received by the commission pursuant to existing laws, economic
23 and business experts, and information from any local, state, and
24 federal agencies. The commission shall transmit to the Legislature,
25 in accordance with Section 9795 of the Government Code, any
26 proposals it deems appropriate for mandatory reserve levels and
27 the terms of a program to implement reserve levels.

28 (B) Evaluates the price of transportation fuels, including branded
29 and unbranded retail prices, alternate formulations of gasoline with
30 lower carbon impact, and other products suitable for production
31 from refineries in California. This evaluation shall consider the
32 market demand for these products at 3-, 7-, 10-, and 20-year
33 intervals from the date of the assessment and shall rely on the most
34 recent transportation forecasting and assessment activities
35 conducted pursuant to Section 25304. This evaluation shall include
36 both of the following:

37 (i) An examination of whether branded fuel additives have any
38 impact, and, if so, how much, on fuel efficiency and vehicle
39 emissions.

Page 13 1 (ii) An assessment of the presence and availability of retail
2 outlets, including monitoring changes in availability of retail outlets
3 that contribute to increasing retail prices in local and regional areas.

4 (C) Considers different levels of supply conditions and assesses
5 the impact of potential refinery closures in California.

6 (D) Includes an analysis of the impacts on production of refinery
7 planned maintenance, unplanned maintenance, and turnaround.
8 The assessment shall evaluate ways to manage necessary
9 maintenance among the various facilities that would protect the
10 health and safety of employees and the public, and minimize the
11 impact of maintenance-related production losses. Notwithstanding
12 any other law, the Department of Industrial Relations and Division
13 of Occupational Safety and Health shall disclose to the commission,
14 upon request, any information the department and division have
15 received under Section 7872 of the Labor Code to ensure all aspects
16 of refinery safety are incorporated into the assessment. All
17 information designated confidential shall be treated as confidential
18 by the commission.

19 (E) Evaluates the utility and feasibility of alternative methods
20 to maintain adequate supplies of transportation fuels, including
21 delivery alternatives for fuel and components of refined fuel, such
22 as delivery by rail, a publicly maintained strategic fuel reserve,

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Page 13 23 and other solutions beyond the activities of refineries and petroleum
24 market participants.

25 (F) Proposes solutions to mitigate any impacts described in the
26 assessment. The solutions shall include an assessment of the
27 employment impacts and the cost and cost-effectiveness of any
28 proposal, including cost impacts to all impacted sectors, both public
29 and private. The assessment shall include recommendations and
30 alternatives.

31 (G) Beginning with the first assessment submitted after the
32 effective date of this subparagraph, evaluates California’s future
33 petroleum product and crude oil import needs and identifies steps
34 that can be taken to ensure that marine infrastructure and port
35 facilities will be adequate to accommodate the efficient movement
36 of petroleum products to meet those needs. In preparing the
37 evaluation pursuant to this subparagraph, the commission shall
38 consult with the ports in California at which petroleum and refined
39 transportation fuels are imported, tanker terminal operators at
40 California ports, the State Lands Commission, the California

Page 14 1 Coastal Commission, and the San Francisco Bay Conservation
2 and Development Commission and evaluate ways to maximize
3 the use of existing infrastructure and minimize cumulative pollution
4 burdens.

5 (H) Beginning with the first assessment submitted after the
6 effective date of this subparagraph, evaluates the effects of state
7 regulations on supplies of transportation fuels that the commission
8 identifies may be causing supply constraints, or for which the
9 commission believes alternative compliance pathways should be
10 considered by state agencies to mitigate potential impacts on
11 supply.

12 (2) The first assessment shall include the evaluation of oil and
13 gas extraction and refining that the State Air Resources Board
14 outlined in the most recent update to the scoping plan prepared
15 pursuant to Section 38561 of the Health and Safety Code.

16 (b) The assessment shall be separate from the report submitted
17 pursuant to Section 25302 and shall be developed in a public
18 process. The assessment shall be available to the public within the
19 proceeding docket and shall be approved by a vote of the
20 commission at its business meeting.

21 (c) The commission may enter into contracts to perform the
22 assessment required by subdivision (a) and the contracts shall not

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Page 14 23 require the review, consent, or approval of the Department of
24 General Services or any other state department or agency and do
25 not need to comply with requirements under the State Contracting
26 Manual or the Public Contract Code.

27 (d) The Division of Petroleum Market Oversight shall provide
28 input to and otherwise support other divisions of the commission
29 in preparation of the assessment required by subdivision (a).

30 (e) The Independent Consumer Fuels Advisory Committee
31 established pursuant to Section 25373 shall provide input to the
32 commission in preparation of the assessment required by
33 subdivision (a).

35 SEC. 8. Section 25372.2 of the Public Resources Code is
36 amended to read:

37 25372.2. (a) The division shall do all of the following:

Page 15 38 (1) Provide independent oversight and analysis of the
39 transportation fuels markets for the protection of consumers by
40 identifying market design flaws, market power abuses, and any
1 other manner by which market participants act to harm competition
2 or act contrary to the best interests of consumers in the state.

3 (2) Provide guidance and recommendations to the commission
4 relating to the development of the assessment required by Section
5 25371 and the Transportation Fuels Transition Plan described in
6 Section 25371.3.

7 (3) Provide guidance and recommendations to members of the
8 commission, other divisions of the commission, and the California
9 Department of Tax and Fee Administration relating to the reports
10 described in Section 25355.7.

11 (4) Provide guidance and recommendations to the Governor,
12 members of the commission, and other divisions of the commission
13 on any other issues related to transportation fuels pricing and
14 transportation decarbonization in California.

15 (5) Report its findings and recommendations to improve market
16 performance at least annually to the Legislature, in accordance
17 with Section 9795 of the Government Code, the Governor, the
18 commission, the Attorney General, and the California Department
19 of Tax and Fee Administration.

20 (b) (1) The division may subpoena witnesses, compel their
21 attendance and testimony, administer oaths and affirmations, take
22 evidence, and require by subpoena the production of any books,
23 papers, records, or other items material to the performance of the

Page 15 24 division’s duties or exercise of its powers, including, but not limited
25 to, current and historical pricing and sales data and contracts with
26 other petroleum industry participants.

27 (2) With respect to the division, the director of the division is
28 the “head of a department” for purposes of, and the division may
29 undertake investigations in the manner described in, Article 2
30 (commencing with Section 11180) of Chapter 2 of Part 1 of
31 Division 3 of Title 2 of the Government Code.

32 (c) The division may confidentially refer potential violations of
33 law to the Attorney General at any time.

Page 17 8 SEC. 9. Section 25373 of the Public Resources Code is
9 amended to read:

10 25373. (a) The commission and division shall be advised by
11 the Independent Consumer Fuels Advisory Committee, which is
12 hereby established within the commission. The committee shall
13 consist of the following members:

14 (1) Six members appointed by the Governor as follows:

15 (A) A member who holds an academic appointment and has
16 knowledge of economics or business operations of the
17 transportation fuels market.

18 (B) A member representing the California petroleum fuels
19 industry.

20 (C) A member representing consumers.

21 (D) A member representing ~~labor~~ a labor organization with
+ experience in refinery operations.

22 (E) A member with expertise in community, environmental, or
23 environmental justice issues.

24 (F) A member with expertise in antitrust law.

25 (2) One member appointed by the Speaker of the Assembly.

26 (3) One member appointed by the Senate Committee on Rules.

27 (b) (1) Except for the member described in subparagraph (B)
28 of paragraph (1) of, or subparagraph (D) of paragraph (1) of,
29 subdivision (a), a member of the committee shall not have been
30 employed by, contracted with, or received direct compensation
31 from, a company that produces, refines, distributes, trades in,
32 markets, or sells any petroleum product in the preceding 12 months.

33 (2) Except for the member described in subparagraph (B) of
34 paragraph (1) of, or subparagraph (D) of paragraph (1) of,
35 subdivision (a), before accepting appointment, members of the
36 committee shall agree, in writing, not to be employed by, contract

Amendment 19

Page 17 37 with, or receive direct compensation from companies described
38 in paragraph (1) for the 12 months following the completion of
39 their service on the committee.

Page 18 1 (3) This subdivision shall not be construed to exclude a
2 representative of a labor organization whose membership consists
3 of, in whole or in part, individuals employed by a company that
4 produces, refines, distributes, trades in, markets, or sells any
5 petroleum product who otherwise meets the requirements of this
6 section.

7 (c) Each member of the committee shall receive a per diem of
8 one hundred dollars (\$100) for each day actually spent in the
9 discharge of official duties, and shall be reimbursed for traveling
10 and other expenses necessarily incurred in the performance of
11 official duties.

12 (d) The duties, organization, and schedule of meetings of the
13 Independent Consumer Fuels Advisory Committee shall be
14 prescribed by the commission, but shall meet no less than annually.
15 The commission may delegate the authority under this subdivision
16 to the executive director of the commission.

17 (e) The Independent Consumer Fuels Advisory Committee shall
18 have access to aggregated or otherwise anonymized information
19 submitted to the commission or to the division necessary to fulfill
20 its duties under conditions as the commission determines necessary
21 to ensure that any public disclosure of the specific information
22 would not result in unfair competitive disadvantage to the person
23 supplying the information or adversely affect market competition.
24 The members of the committee shall also agree, in writing, to
25 maintain the confidentiality of all information received.

26 (f) The executive director of the commission shall ensure that
27 any confidential information shared with the members of the
28 Independent Consumer Fuels Advisory Committee is subject to a
29 nondisclosure agreement and is maintained in a way that protects
30 it from inadvertent disclosure.

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