



**California Energy Commission
October 18, 2023 Business Meeting
Backup Materials for Agenda Item No 10:
Order Instituting Rulemaking – SB X1-2**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Order, attached below.

For the complete record, please visit:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-oir-03>.

To stay informed about this project and receive documents as they are filed, please subscribe to the SB 2 Implementation and General Transportation and Petroleum Issues list servers at <https://public.govdelivery.com/accounts/CNRA/signup/31719>. The list servers will send out email notifications and direct links when documents are filed in the proceeding docket.

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

**DEVELOPING REGULATIONS,
GUIDELINES, AND POLICIES FOR
IMPLEMENTING SB X1-2 AND SB 1322**

DOCKET No: 23-OIR-03

**ORDER INSTITUTING
RULEMAKING**

I. PURPOSE AND SCOPE OF THE PROCEEDING

Pursuant to Public Resources Code (PRC) sections 25213, and 25218(e), and Title 20, California Code of Regulations, section 1222(a), the California Energy Commission (CEC) hereby institutes a rulemaking proceeding to consider regulations, including emergency regulations and guidelines exempt from the Administrative Procedure Act, to implement statutory provisions related to transportation fuel supply and pricing, including those contained in Senate Bill (SB) X1-2 (Stats. 2023, 1st Ex. Sess. 2023, ch. 1) and SB 1322 (Stats. 2022, ch. 374).

In 2023, SB X1-2 was enacted, amending sections 25354, 25355, 25362, and 25364 of the Public Resources Code, as well as adding sections 25354.2, 25355.5, 25355.7, 25367 and Chapter 4.6 (commencing with section 25370) to Division 15 of the Public Resources Code. SB X1-2 increases the CEC's data collection authority beyond the CEC's existing authority under the Petroleum Industry Information Reporting Act (PIIRA) requirements, and, among other things:

- Requires the CEC to prepare and submit to the Legislature a Transportation Fuels Assessment.
- Requires the CEC and the State Air Resources Board to prepare and submit to the Legislature a Transportation Transition Plan.
- Authorizes the CEC to set a maximum gross gasoline refining margin and penalty for exceeding that margin.
- Establishes the Division of Petroleum Market Oversight within the CEC.
- Establishes the Independent Consumer Fuels Advisory Committee.

This proceeding will start the rulemaking process to amend existing CEC regulations associated with PIIRA (Cal. Code Regs., title 20, section 1361 et seq.). Potential changes will center on rules related to the data collection and analysis provisions in PRC section

25354 and rules to manage necessary refinery maintenance and turnarounds pursuant to PRC section 25354.2. Additional rules for other aspects of PRC 25354 and 25355 will also be considered for data collection purposes. New guidelines regarding refinery maintenance reports to implement PRC section 25354(m) may be considered as part of this proceeding. The CEC may consider additional regulations pertaining to other aspects of SB X1-2, SB 1322, or other PIIRA provisions.

II. DELEGATION OF AUTHORITY

Vice Chair Siva Gunda is Lead Commissioner for this proceeding. The CEC delegates the authority to staff, under the direction of the Lead Commissioner, to take all actions reasonably necessary to present proposed regulations and guidelines to the CEC for final adoption, including but not limited to, complying with requirements of the Administrative Procedure Act (Government Code, § 11340 et seq.), where applicable, and the California Environmental Quality Act (Public Resources Code, § 21000 et seq.). Adoption of any regulations or guidelines pursuant to this OIR will be by vote of the CEC at a noticed Business Meeting.

III. PUBLIC PARTICIPATION

The CEC encourages full and free public participation in this proceeding. Any person present at any hearing or workshop shall be afforded a reasonable opportunity to make oral comments on the subject matter of the proceeding. Petitions to intervene are not necessary. The Executive Director, in conjunction with the Public Advisor, shall ensure that this order and all notices of hearings and workshops are distributed to all interested persons, and that sufficient advance public notice is provided prior to the CEC's consideration or adoption of any regulations or guidelines, or amendments thereto, pursuant to this OIR. The CEC will establish dates for the receipt of written comments on draft regulations in accordance with applicable law.

When new information is posted to the OIR docket, an email will be sent to those on the SB 2 Implementation and General Transportation and Petroleum Issues list servers. To receive these notices, subscribe at the CEC's General Subscription Page, <https://public.govdelivery.com/accounts/CNRA/signup/31719>.

The CEC encourages use of its electronic commenting system. Visit the [e-commenting](https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-OIR-03) page at <https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-OIR-03>, which links to the comment page for this docket. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document consistent

with 20 California Code of Regulations Section 1208.1. The maximum file size allowed is 10 MB.

Written comments may be submitted by email. Include docket number 23-OIR-03 in the subject line and email to docket@energy.ca.gov. A paper copy may be sent to:

**Docket No. 23-OIR-03
Docket Unit, MS-4
California Energy Commission
715 P Street
Sacramento, California 95814-5512**

Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC's Public Advisor assists the public with participating in CEC proceedings. Please call (916) 957-7910 or contact publicadvisor@energy.ca.gov for assistance.

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on October 18, 2023.

AYE:
NAY:
ABSENT:
ABSTAIN:

Dated:

Kristine Banaag
Secretariat