



Item 5: Emergency Rulemaking Adopting Revised SB X1-2 Spot Market Reporting Requirements (Docket No. 23-OIR-03)

February 14, 2024 Business Meeting

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Benefits to Californians



Greater transparency into the California spot market.



Better analyze market behavior and investigate anomalies.



Take action to reduce gasoline price spikes.



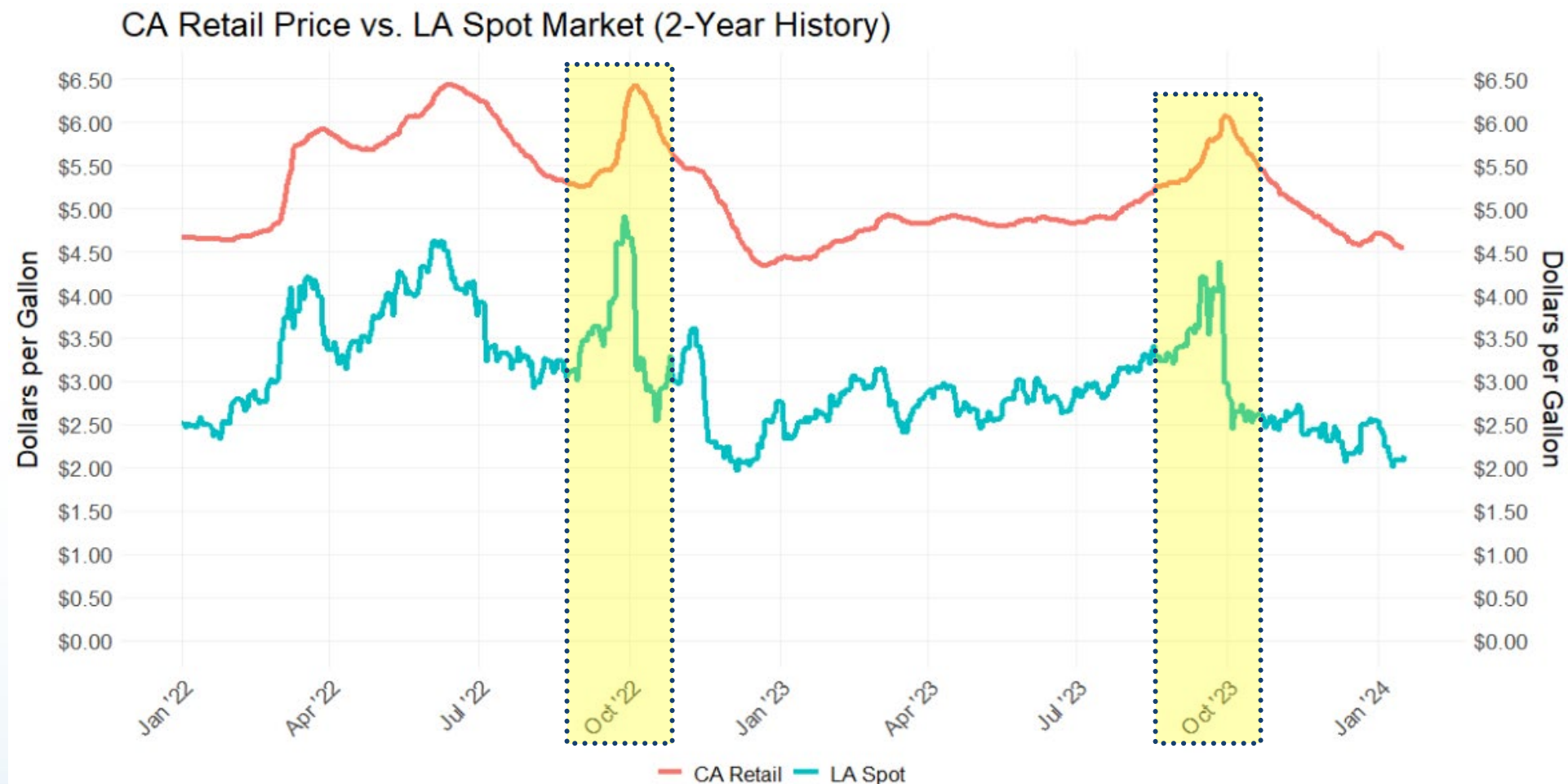
Understanding the Spot Market

- Large quantities of gasoline can be bought and sold.
- Most gasoline is not traded on the spot market.
- Trades have a significant impact on retail prices.





Understanding the Spot Market



Source: CEC



Revised Reporting Requirements

- Develop situational awareness of factors that cause market volatility/price spikes.
- Much needed improvements to understand “why” trades are executed in times of volatility.
 - Clarifies the list of required reporting entities.
 - Improves tracking by trade and settlement.
 - Improves price basis and details of transactions.



Emergency Rulemaking: Next Steps

- **February 15:** If approved, the package will be submitted to the Office of Administrative Law.
 - Docketed at: 23-OIR-03
- Office of Administrative Law has a 10-day review.
- **February 26:** Regulations target effective date