



Item 7: Emergency Rulemaking Implementing Revised SB X1-2 Gasoline Refining Margin and Marine Import Reporting Requirements (Docket No. 23-OIR-03)

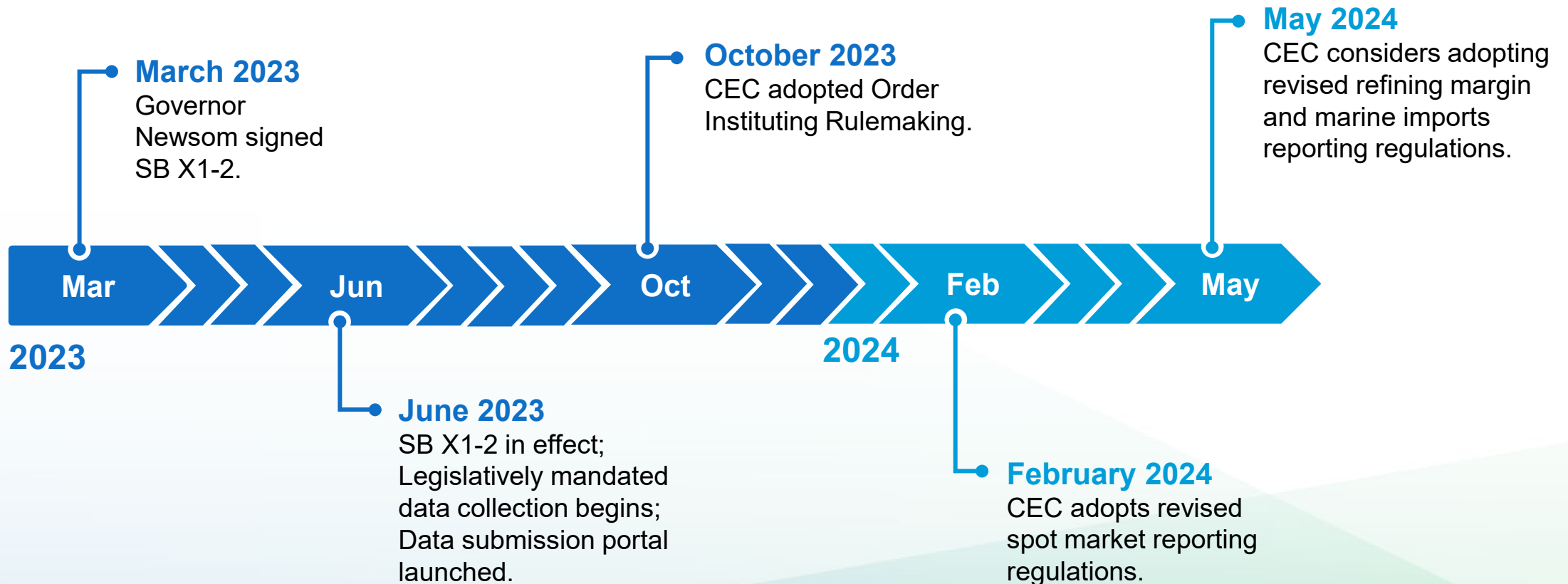
May 8, 2024, Business Meeting

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Energy Assessments Division



Background

SB X1-2 Emergency Rulemaking





Benefits to Californians



Greater transparency into the California petroleum industry and market



Better analyze market behavior and investigate anomalies



Take action to reduce gasoline price spikes



SB X1-2 Data Collection

Refinery Costs vs. Profits

Informs the California Oil Refinery Cost Disclosure Act Monthly Report, and whether a maximum refiner margin should be set.

CEC Form:

- Monthly Refinery Margin Report (M1322)

Market Analysis

Informs whether there is market manipulation or market failures.

Refinery Maintenance

Provides insights on timing of planned and unplanned outages.

Other Data

Provides additional insights.

CEC Form:

- Marine Imports Report



Refining Margins

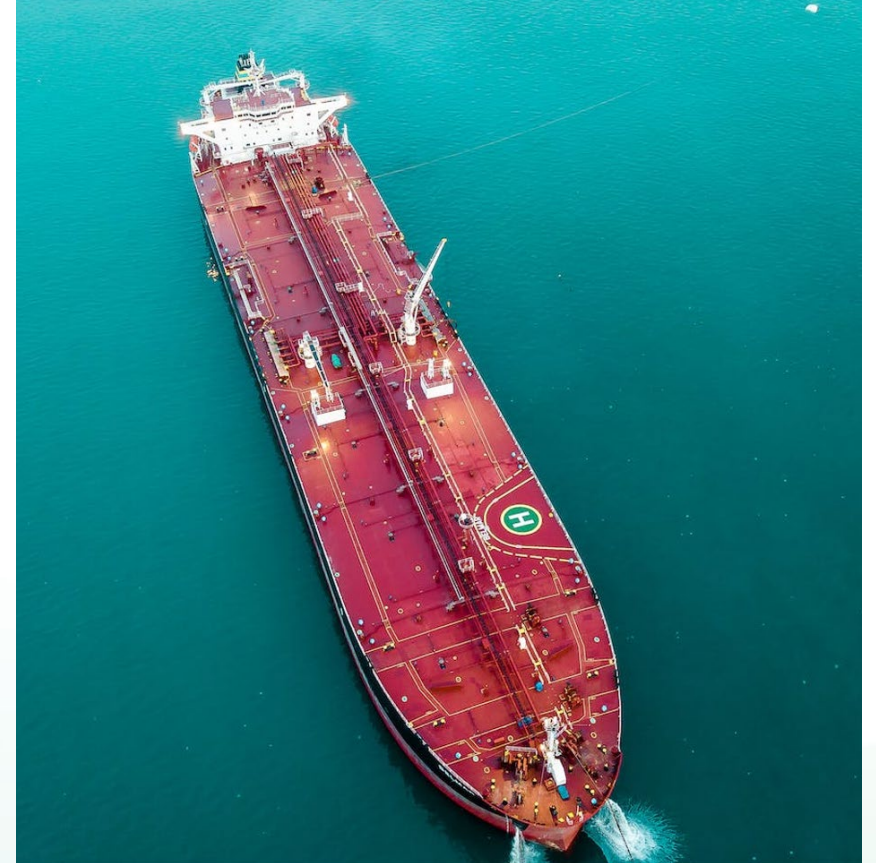
- Data needed for analysis and reporting of refinery costs and profits
- Reporting improvements:
 - Increases visibility into refiner cost structures
 - New sales channel reporting requirements
 - Clarifies Gross and Net Margin calculations

Operational Costs	
Refining Expense	
	Catalyst and Chemicals
	Catalyst
	Chemicals
	Subtotal Catalyst & Chemicals Costs
	Other Variable Costs
	Purchased Water
	Total Variable Costs
	Labor - Refiner Employees & Subcontractors
	Planned Maintenance
	Contracts
	Materials
	Unplanned Outages
	Contracts
	Materials
	Subtotal Labor & Maintenance Costs
	Rent/Supplies/Miscellaneous
	Insurance
	Capital-Related Expenses (Specify)
	Taxes Other than Income
	Depreciation
	Regulatory Compliance Costs
	RINs
	California Static Carbon Emissions Compliance
	Local AQMD Compliance Projects, Permits & Fees
	Effluent Discharge Compliance Projects, Permits & Fees
	Other (Specify)
	Subtotal Other & Regulatory Compliance Costs
	Total Refining Costs
Distribution Expense	
	Additives
	Fuel Ethanol
	Pipeline Delivery to Terminals
	Terminaling & Other Truck Rack Expenses
	Truck Delivery Expenses
	Bulk Sales Distribution Expenses



Marine Imports Report

- Data for near-term petroleum supply analysis
- Reporting improvements:
 - Improves detail on product purchases
 - Improves vessel tracking information
 - Clarifies reporting entities and timelines



Source: Pexels



Next Steps

- **May 9:** Submit to Office of Administrative Law
 - Docketed at: 23-OIR-03
- Office of Administrative Law has a 10-day review
- **May 20:** Regulations target effective date