



# **Item 7: Emergency Rulemaking Implementing SB X1-2 Merchant Terminal Position Holder Reporting Requirements (Docket No. 23-OIR-03)**

July 10, 2024, Business Meeting

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Energy Assessments Division



# Benefits to Californians

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Greater transparency into the California inventory holdings and spot market dynamics.



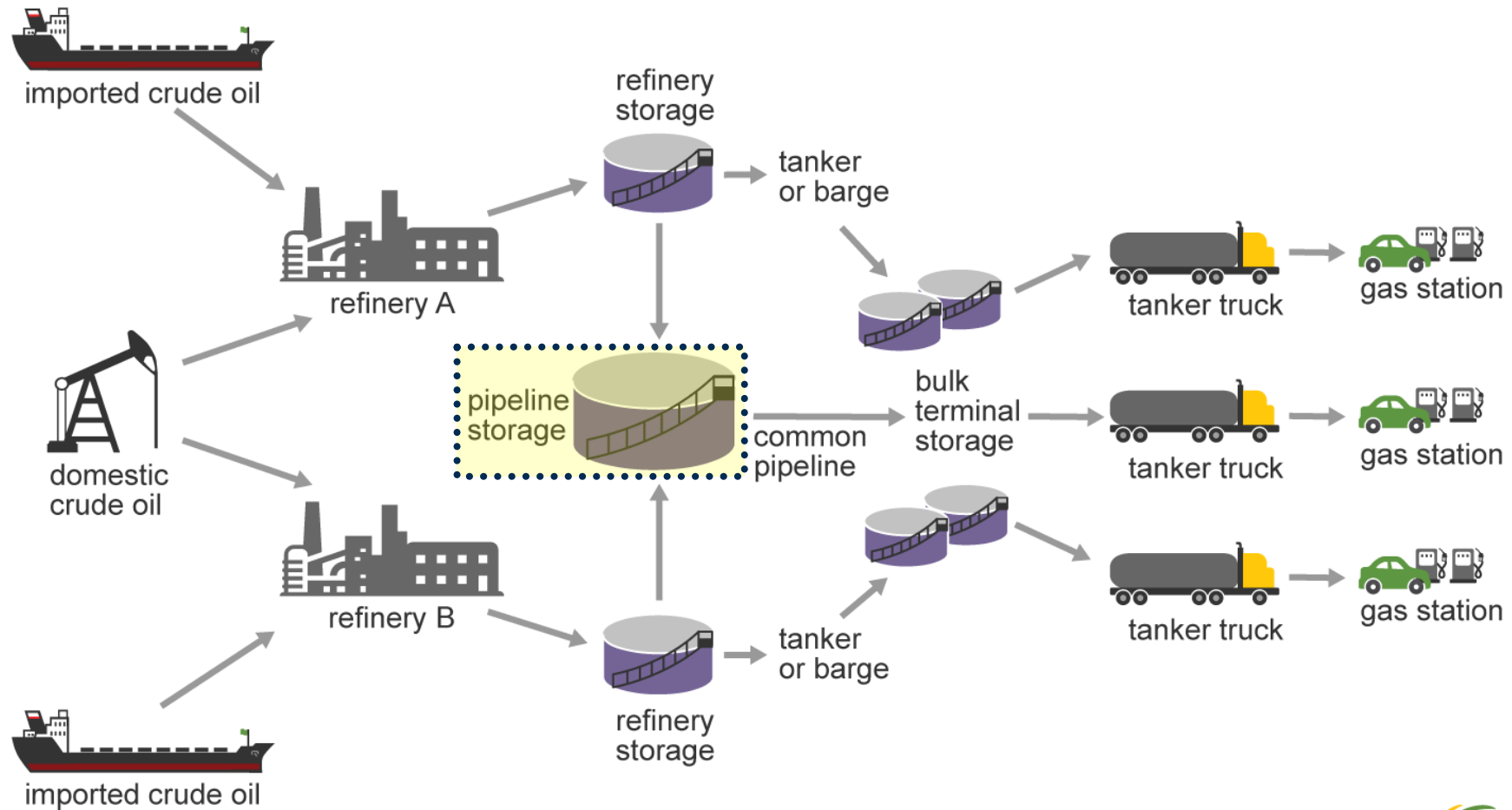
Better analyze market behavior and investigate anomalies.



Take action to reduce gasoline price spikes.



# How Gasoline Gets to Stations



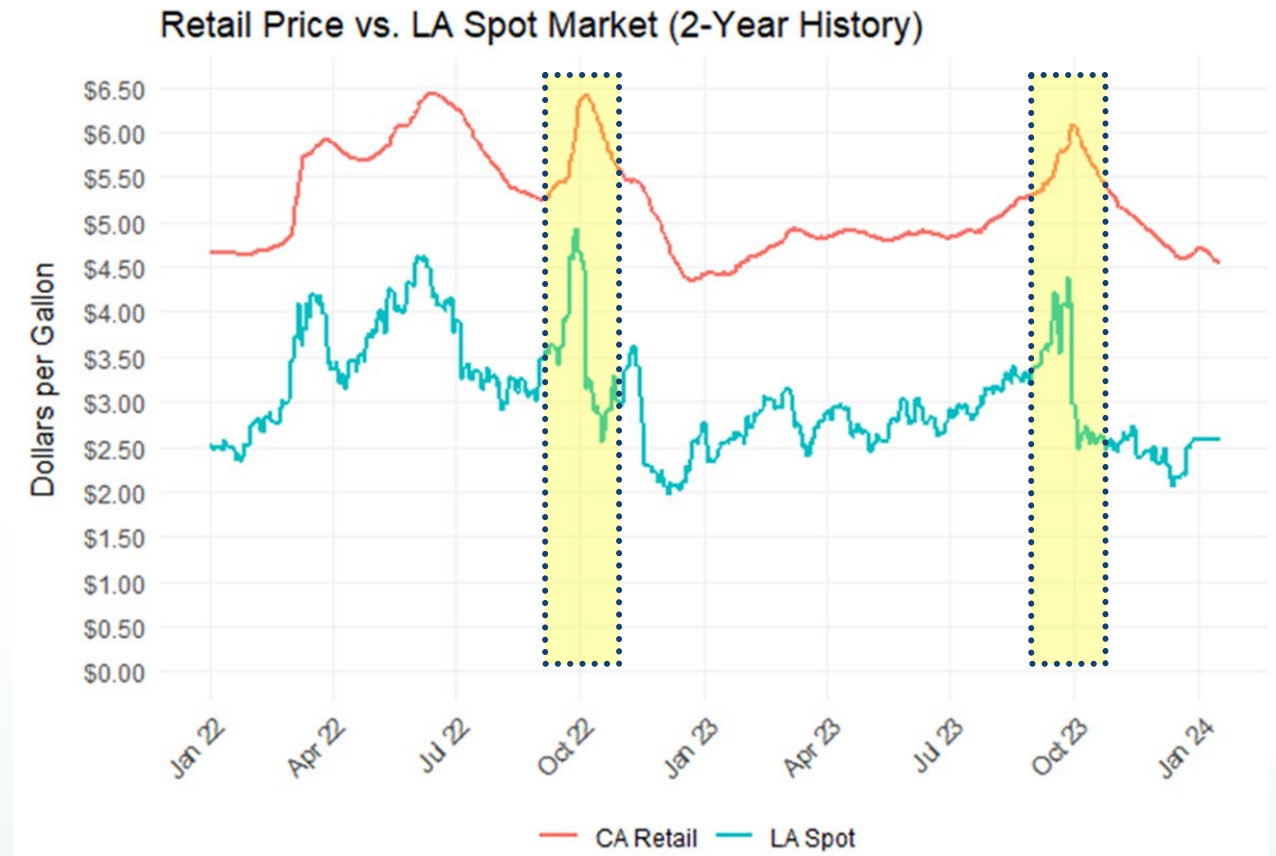
Source: U.S. Energy Information Administration





# Understanding Who Has Fuel To Trade

- Trades on spot market are supported by stored volumes of fuel.
- Trades have significant impact on retail prices.
- Understanding individual fuel holdings allows management analysis of the system.

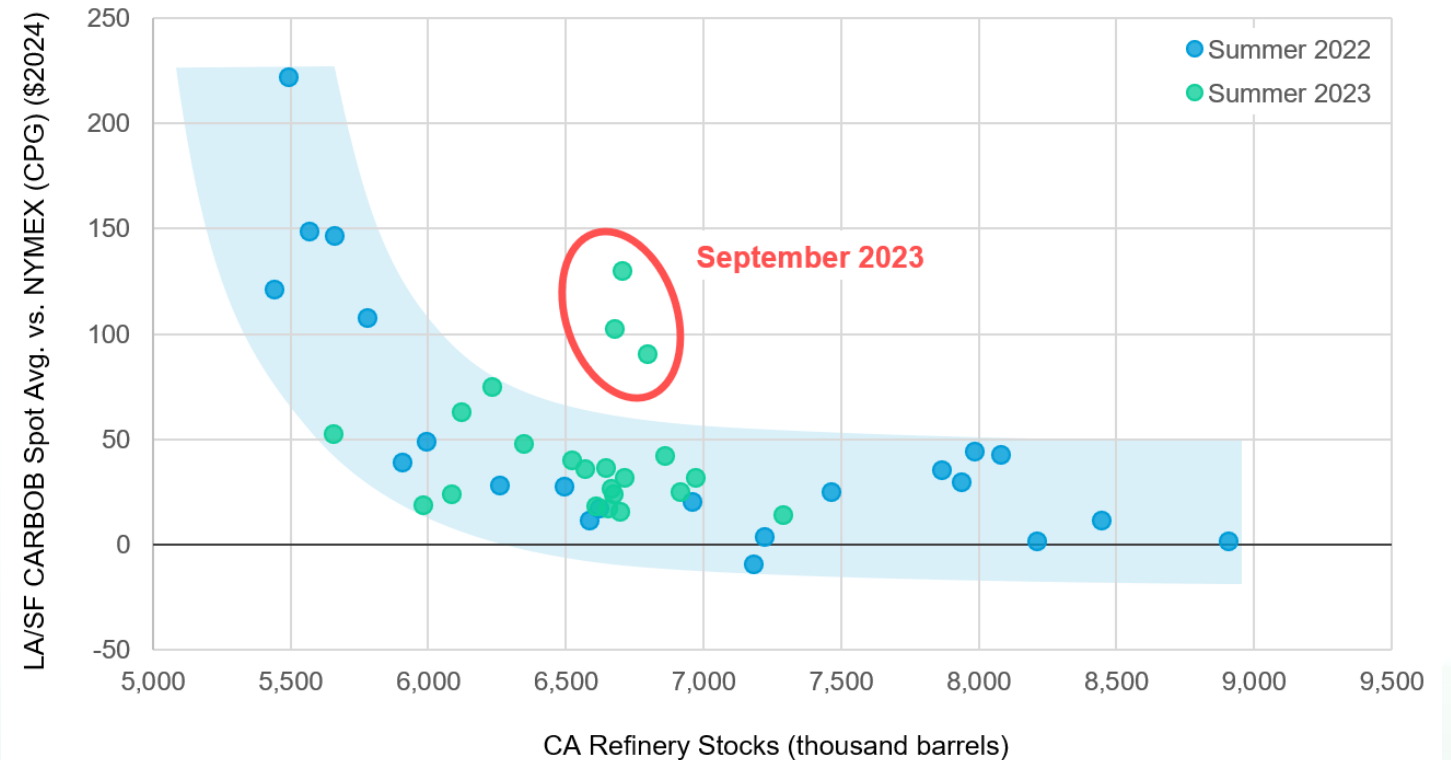




# Understanding Price Spikes

- Low points in total CA inventory don't always match spikes.
- This implies that "who" has the fuel is important.

California Refinery Stocks vs. Spot Price Premium (Summers 2022-2023)





# Revised Reporting Requirements

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- The CEC currently collects aggregate merchant terminal inventories.
- Increase visibility into factors that cause price spikes.
  - Merchant terminal inventories.
  - Individual physical holdings of fuel at times of shortage.
  - More timely details on storage capacities.



# Next Steps

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- **July 11:** Submit to Office of Administrative Law.
- Office of Administrative Law has a 10-day review.
- **July 22:** Regulations target effective date