

# Petroleum Market Advisory Committee

## Meeting Minutes

**Tuesday, December 16, 2014**

*10:11am Ivin Rhyne opened the meeting and welcomed participants. Chairman Weisenmiller, Commissioner Scott, Chairman Sweeney, Committee Member Foote, Committee Member Borenstein, and Committee Member Jaffe were in attendance in the room. Committee Member Hackett attended via phone.*

### Commissioner Comments

- **Chair Weisenmiller** thanked everyone for participating and that he is looking forward to insight and thoughts from the Committee.
- **Commissioner Scott** thanked members of the Committee for taking part.

### Introductions

- **Chairman Sweeney** thanked everyone for participating and introduced himself.
- **Severin Borenstein** introduced himself.
- **Amy Meyers-Jaffe** introduced herself.
- **Kathleen Foote** introduced herself.
- **Dave Hackett** (via phone) introduced himself.

### Review of Market Advisory Committee Charter

- Committee will not adopt this charter at this meeting, but will review and make edits with goal of adopting at next meeting.

### Presentation by Legal Staff on Open Meetings Requirements

- **Caryn Holmes** from the Energy Commission Chief Counsel's office provided a briefing to the Committee on open meeting requirements.
- Chair Sweeney indicated that the members should bring anything they think is appropriate to disclose to the next committee meeting. All disclosure is voluntary and should not breach any confidentiality agreements.
- Chair Sweeney indicated that the language in the charter should be clarified to show that communication restrictions are two-way.

### Consideration of any bylaws or rules of order

- Chair Sweeney asked that language be added showing committee members are expected to serve an initial term of 3 years and can be reappointed following that.

- **Jennifer Martin-Gallardo** an attorney with the Energy Commission shared that since members are not covered by the Political Reform Act, the members may share at their own discretion anything they think would be appropriate.
- Chair Sweeney asked staff to set up a Doodle poll to get the majority of members at the meeting.
- Chair Sweeney indicated that Mr. Rhyne will act as the Committee Secretary.

#### Fuels Under the Cap and Trade

- **Edie Chang**, Deputy Executive Officer of the California Air Resources Board provided a briefing to the Committee.

#### Questions for Consideration by the Committee

- Chair Sweeney asked for a presentation of what data is available by the Energy Commission staff at the next meeting.
- Mr. Rhyne indicated that the data would be published on the PMAC web site for the public ahead of any meeting.
- Mr. Hackett suggested that the CEC staff should provide wholesale market data for petroleum fuels at next meeting, including spreads from crude oil prices to wholesale prices. Committee members agreed on the importance of reviewing these during next meeting.
- Chair Sweeney suggested that direction to staff should include prices. And then if they see something unreasonable, only then would specific data be requested.

#### Dave Hackett provided a brief presentation to the Committee.

- Presentation included a discussion that the cost pass-through mechanism is the largest point of uncertainty for vendors.
- Mr. Hackett suggested that the market will likely sort itself out by July or August.

#### Public Comment

- **Tim O'Conner** Environmental Defense Fund – Expressed thanks to the members of the PMAC. Thinks that as long as we have transparency and awareness of what is going into fuel prices then the arguments will bear out that the larger the diversity of fuel sources, it will reduce overall cost at the pump. Would hate to see untoward activity undermine that target.
  - There may be times when members of the public see problems or issues regarding gas price changes or potential manipulation, an email inbox would be helpful.
  - There are things that have been said regarding where the market is going. It might be helpful if the committee attempted to assess the veracity of those claims.

- There is a general trend across the US regarding fuel quality that may make it easier to import fuel into CA and reducing islanding. The percentage of alternatives in the market may grow and what that could do to gas and diesel prices would be valuable.
- Chair Sweeney suggested that he hopes the state provides a method for collecting information on possible problems.
- Mr. Borenstein suggested that such a wide net would create a tidal wave of complaints. Rather limiting them to significant issues would be preferable.
- **Will Gonzales** for Consumers Union – Urged the PMAC to “elevate it’s watch” on gasoline prices. Noted the results of Consumers Union surveys suggesting that consumers prefer cleaner burning fuels.
- **Chet Walker** local architect – Noted the Hydrogen Energy plant at Elk Hills is trapping and removing CO2 from the atmosphere. An additive could be put into diesel and that would produce cleaner diesel. This could change Occidental from a petroleum company to a CO2 company.
- Chair Weisenmiller suggested that the comment would be better directed at the proceeding on the associated case before the Commission.
- **John Shears** with the center for efficiency and renewable technology – Asked if the topic of inventory manipulation by refineries had been raised.

*Meeting Adjourned at 1:30pm*

The following items were identified for follow-up actions during the meeting:

Who	What
Committee Members	Be prepared to verbally disclose any relationships that they believe may create the appearance of a conflict of interest. All disclosure is voluntary and not to violate any confidentiality agreements.
Ivin Rhyne	Edit the charter document consistent with feedback from the Committee and provide back for review and comment.
Ivin Rhyne	Set up a poll for Committee members to establish time/date of the next PMAC meeting.
Ivin Rhyne	Arrange for a briefing on data availability and restriction at the next PMAC meeting.  Provide data on petroleum fuels spreads for next meeting if possible.
Edie Chang	Provide a briefing at the next PMAC on the Low Carbon Fuel Standard.