

DOCKETED

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CALIFORNIA ENERGY COMMISSION

715 P Street
Sacramento, California 95814

energy.ca.gov

**NOTICE OF PROPOSED ACTION**

Certification of PIIRA Emergency Regulations

Title 20, California Code of Regulations

Amendments and Adoptions to Sections 1363.1, 1363.2, 1364, 1366, 1367,
1370, 1371, Appendix A, Appendix B, and Appendix D
in Title 20, Division 2, Chapter 3, Article 3

Docket No. 23-OIR-03

Notice Published on July 11, 2025

INTRODUCTION

The California Energy Commission (CEC) proposes to certify emergency regulation changes to the Petroleum Industry Information Reporting Act in the California Code of Regulations (CCR), Title 20, Division 2, Chapter 3, Article 3, after considering all comments, objections, and recommendations regarding the proposed regulation.

The purpose of this proceeding is to formally certify emergency data collection regulations adopted in 2024 and 2025 so the CEC may comply with directives and tasks given to the CEC. In response to a severe transportation fuel price spike in the fall of 2022, the Governor convened a special legislative session that led to the enactment of Senate Bill (SB) X1-2 (Stats. 2023, 1st Ex. Sess. 2023, ch. 1) in March 2023. Among other things, SB X1-2 amended Chapter 4.5 of Division 15 of the Public Resources Code (the Petroleum Industry Information Reporting Act of 1980 (PIIRA)) and created a new independent division in the CEC, the Division of Petroleum Market Oversight (DPMO). Under PIIRA, the CEC collects data about the petroleum market that is essential for the state to develop and administer energy policies in the best interests of the state and public welfare. SB X1-2 significantly expanded the information that refiners and other petroleum market participants are required to submit to the CEC under PIIRA.

In February 2024, May 2024, July 2024, and February 2025, the CEC adopted emergency regulations requiring certain entities within the petroleum industry to submit the following data reports:

- CEC-D354 Spot Transactions and Settlements
- CEC-M1322 Refining Margins
- CEC-EBR700 Import Reporting
- CEC-M08PH Positions Held at Terminals
- CEC-W08PH Positions Held at Terminals
- Quarterly Projections of Receipts
- Quarterly Projections of Distributions

It is the objective of this rulemaking to certify the four sets of emergency regulations in order to make these regulations permanent and maintain consistency in reporting as the data now directly informs California transportation fuel policy.

PUBLIC HEARING

The CEC will hold a public hearing for the proposed regulations at the date and time listed below. Interested persons, or their authorized representative, may present statements, arguments, or contentions relevant to the proposed regulations at the public hearing. The record for this hearing will be kept open until every person present at the conclusion of staff's presentation has had an opportunity to provide comment.

Wednesday, August 27, 2025
10:00 a.m. (Pacific Time)

ATTENDANCE INSTRUCTIONS

In-person Attendance: Participants may join the public hearing at 715 P Street, Sacramento, CA 95814.

Remote Attendance: The Public Hearing may be accessed by clicking the Zoom link below or visiting [Zoom](https://join.zoom.us) at <https://join.zoom.us> and entering the ID and password below. If you experience difficulties joining, you may contact Zoom at (888) 799-9666 ext. 2, or the Office of the Public Advisor, Energy Equity and Tribal Affairs at publicadvisor@energy.ca.gov or by phone at (916) 957-7910.

URL:

<https://energy.zoom.us/j/86914637778?pwd=uYXfMab99PGkYMtKTmubKhUSi8uXpf.1>
Webinar ID: 869 1463 7778
Passcode: 129504

To participate by telephone, dial (669) 900-6833 or 1-888-475-4499 (toll free). When prompted, enter the Webinar ID and password listed above. For Zoom technical support, dial (888) 799-9666 ext. 2 or contact the CEC's Public Advisor for help at publicadvisor@energy.ca.gov or (916) 957-7910. To comment or ask a question over the telephone, dial *9 to "raise your hand" and *6 to mute/unmute your phone line.

Zoom Closed Captioning Service: At the bottom of the screen, click the Live Transcript CC icon and choose "Show Subtitle" or "View Full Transcript" from the pop-up menu. To stop closed captioning, close the "Live Transcript" or select "Hide Subtitle" from the pop-up menu. If joining by phone, closed captioning is automatic and cannot be turned off. While closed captioning is available in real-time, it may include errors. An accurate transcript of the workshop will be docketed and posted as soon as possible after the meeting concludes.

PUBLIC ADVISOR

The CEC's Office of the Public Advisor, Energy Equity, and Tribal Affairs assists the public with participation in CEC proceedings. To request assistance, interpreting services, or reasonable modifications and accommodations, reach out via email at publicadvisor@energy.ca.gov or by phone at (916) 957-7910 as soon as possible, but at least five days in advance. The CEC will work diligently to meet all requests based on availability.

MEDIA INQUIRIES

Direct media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at mediaoffice@energy.ca.gov.

PUBLIC COMMENT PERIOD

Interested persons may present oral and written statements, arguments, or contentions regarding the proposed regulations at the public hearing, or they may submit written comments during the written public comment period for the proposed regulation that will be held from July 11, 2025, through 5:00 p.m. on August 26, 2025. Any interested person may submit written comments to the CEC for consideration on or prior to 5:00 p.m. on August 26, 2025. The CEC appreciates receiving written comments at the earliest possible date.

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 encourages use of its electronic commenting system. Visit the e-commenting page on the [CEC website at Docket 23-OIR-03](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03), <https://efiling.energy.ca.gov/Lists/DocketLog.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 Title 20, California Code of Regulations, Section 1208.1. The maximum files size allowed is 10 MB.

Written comments may also be submitted by email. Include the docket number 23-OIR-03 in the subject line and email your comment to docket@energy.ca.gov.

A paper copy may be sent to:

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

To ensure you receive notice of any changes to the proposed regulations in this proceeding, please follow the instructions provided at the end of this notice to join the proceeding contact list or provide a valid email or mailing address with your comments.

STATUTORY AUTHORITY AND REFERENCE

Public Resources Code Sections 25213, 25218(e), 25354, and 25367 authorize the CEC to adopt or amend rules or regulations as necessary to implement, interpret, and make specific Public Resources Code Sections 25354, 25354(c), 25354(f)(3), 25354(k), 25354(j), 25354(l), 25355, 25356, 25358(c), 25362, and 25364.

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

Summary of existing laws and regulations:

The purpose of this proceeding is to formally certify emergency data collection regulations adopted in 2024 and 2025 so the CEC may comply with the California Legislature's directives. In response to a severe transportation fuel price spike in the fall of 2022, the Governor convened a special legislative session that led to the enactment of SB X1-2 in March 2023. Among other things, SB X1-2 amended Chapter 4.5 of Division 15 of the Public Resources Code (the Petroleum Industry Information Reporting Act of 1980 (PIIRA)) and created a new independent division in the CEC, the Division of Petroleum Market Oversight (DPMO). Under PIIRA, the CEC collects data about the petroleum market that is essential for the state to develop and administer energy policies in the best interests of the state and public welfare. SB X1-2 significantly expanded the information that refiners and other petroleum market participants are required to submit to the CEC under PIIRA.

Existing law and regulations directly related to the proposed action include:

- Public Resources Code sections 25350-25367, which contain all reporting requirements related to PIIRA.
- Public Resources Code section 25370, which contains selected definitions applicable to PIIRA reporting requirements.
- California Code of Regulations, title 20, chapter 3, article 3 (section 1361 et seq.), which contain the CEC's regulations for Petroleum Information Reports.
- California Code of Regulations, title 20, sections 1363.1 and 1363.2, which contain the definition of terms used for reporting purposes under the Petroleum Industry Information Reporting Act.
- California Code of Regulations, title 20, section 1366, which identifies which entities are subject to the specific requirements to comply with the Petroleum Industry Information Reporting Act.
- California Code of Regulations, title 20, division 2, chapter 3, article 3, appendix D, which contains daily and event-based reporting requirements.

Effect of the proposed regulation:

As a direct result of emergency actions taken, certain entities within the petroleum industry are now required to submit the following reports:

- “CEC-D354 Spot Transactions and Settlements,” which collects information on California spot market transaction volumes and prices.
- “CEC-M1322 Refining Margins,” which collects information on California refiners’ cost and profits that directly impacts the price of gasoline in California.
- “CEC-EBR700 Import Reporting,” which collects information on California imports of petroleum-based products into the California market.
- “CEC-M08PH Positions Held at Terminals,” which collects information on California terminals and the position (leased ownership, etc.) of product contained in tankage at those locations monthly.
- “CEC-W08PH Positions Held at Terminals,” which collects information on California terminals and the position (leased ownership, etc.) of product contained in tankage at those locations weekly.
- “Quarterly Projections of Receipts,” which allow the CEC to assess whether local Major Petroleum Products Marketers' are adequately preparing and responding to changing market conditions in a competitive manner and whether the State should take direct actions to prevent price elevations that damage California consumers
- “Quarterly Projections of Distributions,” which allow the CEC to assess whether local Major Petroleum Products Marketers' are adequately preparing and responding to changing market conditions in a competitive manner and whether the State should take direct actions to prevent price elevations that damage California consumers

Difference from existing comparable federal regulation or statute:

The proposed regulations are neither inconsistent nor incompatible with existing federal or state regulations and statutes. Pursuant to Chapter 4.5, section 25354 of Division 15 of the Public Resources Code, the proposed regulations merely certify reporting requirements that already exist as emergency regulations and they are distinct from other existing regulations. Therefore, no existing regulations, other than the identical emergency regulations, apply to the specific information reporting requirements addressed by these proposed regulations. Rather, the proposed regulations augment the CEC’s existing regulations for Petroleum Information Reports to accommodate and implement the new statutory reporting requirements.

Broad objectives of the regulations and the specific benefits anticipated by the proposed amendments:

In February 2024, May 2024, July 2024, and February 2025, the CEC adopted emergency regulations that mandated that certain entities within the petroleum industry submit the following data reports:

- CEC-D354 Spot Transactions and Settlements
- CEC-M1322 Refining Margins
- CEC-EBR700 Import Reporting
- CEC-M08PH Positions Held at Terminals
- CEC-W08PH Positions Held at Terminals
- Quarterly Projections of Receipts
- Quarterly Projections of Distributions

The objective of this rulemaking is to certify the four sets of emergency regulations to make the regulations permanent and to maintain consistency in reporting as the data submitted through these reports now directly informs California transportation fuel policy.

The spot market reporting requirements give the CEC and DPMO greater visibility into the pricing, contracting, and marketing practices of participants at multiple levels of the petroleum supply chain. This in turn provides greater transparency into and enables more effective oversight of the petroleum industry. The new reporting requirements support the DPMO mission to monitor California's petroleum market and reduce California's vulnerability to price spikes as the state begins to transition away from dependence on fossil fuels. When gas prices spiked again in the fall of 2023, DPMO determined, as a direct result of the spot market information collected by the CEC since SB X1-2 took effect in June 2023, that the fall 2023 price spike was caused in part by an unusual spot market transaction. Analysis by the CEC and the DPMO indicates that similar behavior could cause additional price spikes at any time and negatively impact the general welfare in California. Certifying the spot market emergency regulations will enable the CEC to clarify and refine the spot market reporting requirements introduced by SB X1-2, improve transparency, and assist the CEC and DPMO to better protect the public from gasoline price spikes.

The margin reporting requirements clarified and refined by the proposed regulations will give the CEC and the state greater visibility into cost structures and incentives for the production of gasoline in California. Keeping the enhanced reporting requirements regarding costs and sales channels will enable the CEC to better analyze how industry achieves its net margin and, in turn how such decisions impact California consumers. This analysis of profits and sales channels informs how the tools given to the CEC are implemented. Thorough and accurate data is essential in this process to advance state policy goals and to prevent adverse impacts and inappropriate incentives that could lead to unintended consequences.

Making permanent the clarifications and refinements of the marine import reporting requirements will provide more detail on import markets that supply the marginal barrel of product to California. This information will further enable the CEC to evaluate the impact of a Max Margin on the industry and how a policy intervention of that nature is likely to impact refiner behavior, product flow, and, ultimately, California consumers. Like the enhanced margin information addressed above, this information will be critical to the CEC's efforts to fulfill its statutory mandate to address the mounting crisis of statewide gasoline price spikes. Changes to the marine import reporting requirements will also complement the planned and unplanned maintenance reports and allow the CEC to better evaluate the impact of such events more accurately on transportation fuel supply. Maintenance events take key production facilities offline and can have a profound impact on gasoline prices, especially when maintenance-related production losses are not adequately covered by supplemental capacity in the form of either additional production, storage, or imports. Gasoline production facilities in California tend to run at or near full capacity and in-state storage facilities are limited, leaving imports as the most flexible channel for obtaining supplemental capacity. The marine import reporting requirements added by SB X1-2 increased visibility into this aspect of the market, but additional detail is necessary regarding how import decisions are made, by whom, and in what timeframes.

The proposed regulations that clarify and refine the merchant terminal reporting requirements in Public Resources Code 25354(k), will give the CEC and the state increased insights into the petroleum product holdings of individual companies that trade on California's petroleum spot markets. Over the last three years, California has observed several instances of abnormally elevated spot market prices. In many cases, aggregate inventory levels of the petroleum product did not appear overly inadequate, calling into question the disposition of ownership of those fuels. Data obtained from the report implemented via these regulations will provide the requisite granularity and precision to allow the CEC to diagnose whether the inventory holdings of a particular firm or a combination of position holders contributes to increases in gasoline prices and other transportation fuel prices.

Finally, the proposed regulations that clarify and refine the three-month projection reporting requirements in Public Resources Code 25354(c) will give the CEC and the state increased insights into petroleum product production, inventories, receipts, and distributions three months ahead each month. This same type of projection report has been required by statute since 1981 but has not been required in a standardized form in recent years (other than through the emergency regulations). Clarifying and standardizing the informational requirements and submission procedures for refiners' and major petroleum product marketers' reporting of this three-month projection information will allow for more effective analysis, planning and oversight. This is particularly important at this time because, over the last three years, California has observed several instances of abnormally elevated market prices. In many cases, aggregate inventory levels of the petroleum product appeared barely adequate, calling

into question whether refiners and marketers are acquiring the necessary supply for California. Data obtained from the report implemented via these regulations will allow the CEC to diagnose whether or how projected supply correlates with the risk of future sharp increases in the price of gasoline and other transportation fuels.

Consistency or compatibility with existing state regulations:

The CEC has determined that there are no existing comparable state regulations or statutes. The CEC emergency regulations that were implemented were updates to the data collection regulations that enable the CEC to meet its statutory and analytical responsibilities supporting the reliable operation of the state's transportation supply systems and assessing progress in, and developing recommendations for, meeting state energy goals. Previous data collection does not track new trends and the proposed changes to regulations will assist the CEC in new patterns of energy demand.

DOCUMENTS INCORPORATED BY REFERENCE

None.

MANDATED BY FEDERAL LAW OR REGULATIONS

The proposed regulation is not mandated by federal law or regulations.

OTHER STATUTORY REQUIREMENTS

The CEC is not aware of any other statutory requirements that are relevant to the proposed regulations.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose a mandate on local agencies or school districts that requires state reimbursement pursuant to Government Code Sections 17500 et seq.

FISCAL IMPACTS

The CEC has made the following initial determinations:

- Cost or savings to any state agency: None.
- Cost to any local agency or school district that is required to be reimbursed pursuant to Government Code Sections 17500 et seq.: None.
- Other nondiscretionary cost or savings imposed on local agencies: None.
- Cost or savings in federal funding to the state: None.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

The CEC has made an initial determination that the proposed regulations will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

The CEC is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed regulation. The CEC estimates annual reporting cost to representative businesses is \$33,225 per typical business, or \$1,661,220 for all businesses.

STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The CEC concludes that: (1) the proposal will not create jobs within California, (2) the proposal will not eliminate jobs within California, (3) the proposal will not create new businesses in California, (4) the proposal will not eliminate existing businesses within California, and (5) the proposal will not result in the expansion of businesses currently doing business within the state.

The CEC notes that Industry has been complying with the existing emergency regulations that are to be certified without any discernable impact on gasoline prices. Reporting and collecting data required via the regulations, is part of normal business operations and is required for the businesses' own operations to comply with U.S. Securities and Exchange Commission business reporting requirements. Many of these companies have modernized reporting apparatuses that should easily absorb this work, with the above impact figures accounting for any additional burden created by these proposed regulations.

The proposed regulations will benefit CEC energy analysis, the health and welfare of California residents, worker safety, and the state's environment by improving the breadth of data the CEC can use to inform policy. Prior to SB X1-2, the CEC's PIIRA data collection did not track the underlying issues leading to gasoline price spikes in 2015 (three events), 2019 (two events), 2022 (two events), 2023 (one event), and 2024 (one event). New data collected by the CEC has assisted in capturing information on many of the underlining causes of these price spikes and allowed the CEC to respond to the legislature's demands for more information. Data sets now collected will better inform policy improving the health and welfare of California residents, worker safety, and the state's environment.

REPORTING REQUIREMENTS

As explained in detail above, the purpose of the regulations is to implement reporting requirements that exist in statute, and it is necessary for the health, safety, or welfare of the people of the state that the regulation apply to businesses. The CEC estimates that approximately 50 businesses may be impacted by the regulations.

The CEC emergency regulations consisted of updates to the data collection regulations that have enabled the CEC to meet its statutory and analytical responsibilities supporting the reliable operation of the state's transportation supply systems and assessing progress in, and developing recommendations for, meeting state energy goals. Previous data collection did not track new trends and the proposed changes to regulations will assist the CEC in new patterns of energy demand.

EFFECT ON SMALL BUSINESS

The CEC is not aware of any cost that a small business would incur in reasonable compliance with the proposed regulations. The CEC is using the definition of small business contained in Government Code section 11346.3, subdivision (b)(4)(B), which defines a small business as one that is independently owned and operated, not dominant in its field of operation, and has fewer than 100 employees. None of the impacted businesses meet this definition. Rather, impacted businesses from this regulatory package are all wholesale suppliers of petroleum projects that deal in 100 thousand barrels of product or more (4.2 million of gallons). Within this sector, the only business actors that would qualify for small business classification would be retail fueling outlets and they are not impacted by these regulations.

SIGNIFICANT EFFECT ON HOUSING COSTS

None.

ALTERNATIVES STATEMENT

In accordance with Government Code Section 11346.5, subdivision (a)(13), the CEC must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The CEC also invites interested persons to submit alternatives with respect to the proposed regulation during the comment period.

CONTACT PERSONS

Questions should be addressed to:

Ross Daley, Rulemaking Coordinator
Executive Office
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+1 916 980 7949

OR

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916-840-4682

COPIES OF THE INITIAL STATEMENT OF REASONS, THE EXPRESS TERMS, AND RULEMAKING FILE

The CEC will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this Notice, the Express Terms, the Initial Statement of Reasons (ISOR) and any documents relied upon or incorporated by reference. Copies may be obtained by contacting the contact persons listed above or by visiting the [CEC website at Docket 23-OIR-03](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03>.

AVAILABILITY OF CHANGES TO ORIGINAL PROPOSAL FOR AT LEAST 15 DAYS PRIOR TO AGENCY ADOPTION/REPEAL/AMENDMENT OF RESULTING REGULATIONS

Participants should be aware that any of the proposed regulations could be changed because of public comments, staff recommendations, or recommendations from Commissioners. Moreover, changes to the proposed regulations not indicated in the Express Terms could be considered if they improve the clarity or effectiveness of the regulations. If the CEC considers changes to the proposed regulations pursuant to Government Code Section 11346.8, a full copy of the text will be available for review at least 15 days prior to the date on which the CEC adopts or amends the resulting regulations.

COPY OF THE FINAL STATEMENT OF REASONS

At the conclusion of the rulemaking, persons may obtain a copy of the Final Statement of Reasons once it has been prepared by visiting the [CEC website at Docket 23-OIR-03](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03>.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

The CEC maintains a website to facilitate public access to documents prepared and considered as part of this rulemaking proceeding. Documents prepared by the CEC for this rulemaking have been posted on the [CEC website at Docket 23-OIR-03](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03>.

INSTRUCTIONS FOR RECEIVING NOTICES AND DOCUMENTS IN THIS PROCEEDING

To stay informed about this proceeding and receive documents and notices of upcoming workshops and hearings as they are filed, please subscribe to the subscription for this rulemaking, which can be accessed here:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-OIR-03> . Members of the public can subscribe to this topic at the link above. The subscription sends out email notifications and direct links when documents and notices are filed in the proceeding docket. If you are unable or do not wish to sign up for the list serv but still would like to receive documents and notices, please contact the contact person listed in this notice.