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*Comment Received From: Asian Pacific Environmental Network  
Submitted On: 2/6/2026  
Docket Number: 23-SB-02*

**EJ & Enviro Coalition Comments SB 237 March 2026 Assessment**

*Additional submitted attachment is included below.*



California Energy Commission  
715 P Street  
Sacramento, CA 95814

**Re: SB 237 March 2026 Assessment [Docket 23-SB-02]**

Dear Commissioners and CEC Staff,

On behalf of the undersigned organizations, we write to thank you for your efforts to advance a holistic transition strategy away from fossil fuels, and to urge you to move forward with policy solutions that will truly protect California consumers, workers, communities and the environment. We have specific recommendations below, though these are not inclusive of all issues; we will provide additional written comments during the next few weeks.

We are writing regarding SB 237 (Grayson, 2025), specifically the provision of that bill<sup>1</sup> that requires the CEC to produce a report to the Legislature by March 31 that evaluates and expands on the recommendations and strategies put forward in the June 27, 2025, CEC letter to Governor Newsom, and to provide suggestions for the report. SB 237 ignored many of the critical policy components of a holistic transition that were put forward in your June 27 Letter to Governor Newsom. We urge you to:

1. Abandon ill-conceived and unsupported attempts to increase in-state crude oil production;
2. Focus policy efforts to aggressively reduce gasoline demand and accelerate the transition to cleaner, more affordable, less volatile transportation;
3. Ensure clear standards for refinery closures and advance key investment strategies for communities impacted by oil and gas transitions; and
4. Implement and enforce refiner accountability rules that will protect Californians from price spikes at the pump.

**1. Abandon Unsupported Attempts to Increase In-State Crude Oil Production**

At the outset, we ask CEC to revisit and correct its erroneous assumptions about the supposed relationship between environmental review of oil and gas projects and in-state gas prices. Contrary to the CEC assertions in its June 27 Letter, eliminating crucial environmental review protections will not increase oil production, nor will it affect gasoline prices. The environmental protections and public participation afforded by CEQA have provided immeasurable benefits to

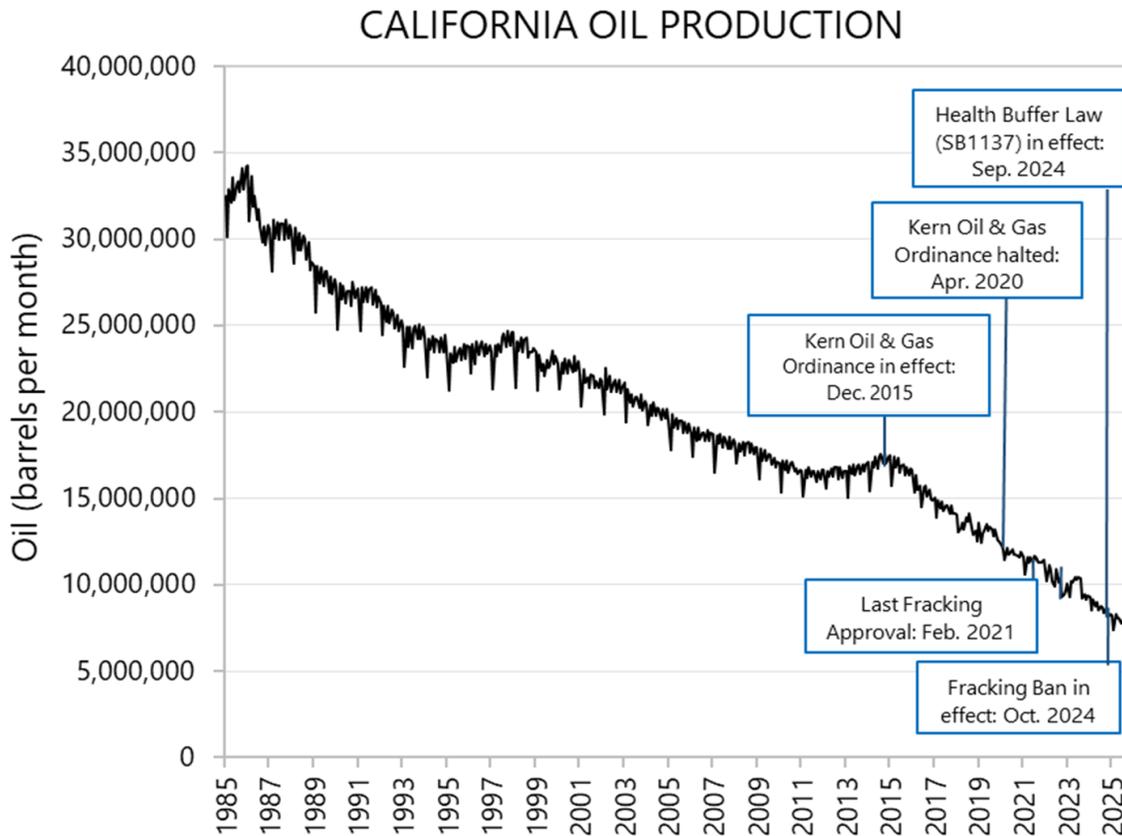
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<sup>1</sup> See Section 8. 25371.4 [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202520260SB237](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB237)

communities most harmed by oil industry pollution. California’s review process is not responsible for California’s oil production decline.

In-state production has been declining for four decades, regardless of regulations and environmental review requirements. The decline is a result of geology—California’s oilfields are largely tapped out, the industry is at the end of its life, and no amount of permitting will bring high production volumes back.

Regretfully, the Department of Conservation has echoed unsupported industry claims that CEQA reviews have limited production. Historical data show otherwise. From the period of December 2015 to March 2020, Kern County implemented its permit fast-tracking local ordinance, under which drillers had virtually unfettered access to drilling permits. During that period, production *still* declined, in Kern County and in other jurisdictions.

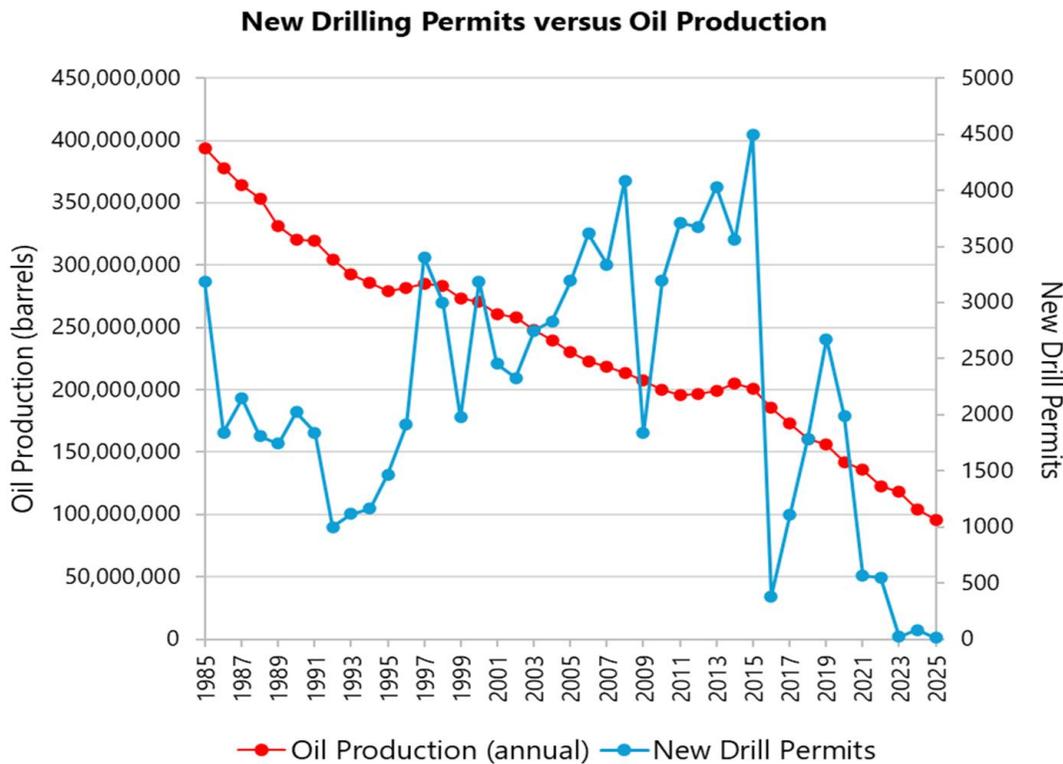


Source: [U.S. Energy Information Administration](#)

This was even during a time of high crude oil prices, around \$90 per barrel (WTI, adjusted) relative to today’s \$60 per barrel. The Assembly Joint Committee Staff Report on SB 237 confirmed that between 2014 and 2019, a period in which Kern County was issuing permits with

no environmental review for individual drilling projects, oil production still fell 22 percent.<sup>2</sup> When a court enjoined the county from fast-tracking permits from 2020 to 2024, production dropped 24 percent, almost exactly the same decline rate as before the court action. Thus, eliminating CEQA review again under SB 237 will not lead to increases in production. Additionally, the number of *permits* issued for drilling has not meaningfully changed this downward trajectory. As Climate and Energy Policy Program Professor Deborah Sivas concludes, **“This continual decline has persisted regardless of the number of state drilling permits issued or the market price of crude oil.”**<sup>3</sup>

California Production versus Permitting



Source: New Drill Permits: CalGEM Weekly Summaries; Oil Production: U.S. Energy Information Administration

The Department of Conservation’s claim that SB 237 would lead to increased production is further undermined by faulty assumptions about the production volumes of new wells. The DOC claimed that new wells would produce an average of 30 barrels per day.<sup>4</sup> DOC did not provide

<sup>2</sup> California State Assembly Joint Oversight Hearing Background Staff Report, *California’s Transportation Fuels Transition* (Aug. 20, 2025), p. 7.

<sup>3</sup> Sivas, D., “The Future of Petroleum Refining in California Is Not More Drilling,” Stanford Univ. Climate and Energy Policy Program (Aug. 22, 2025), available at <https://substack.com/home/post/p-171688747>

<sup>4</sup> California State Assembly Joint Oversight Hearing Background Staff Report, *California’s Transportation Fuels Transition* (Aug. 20, 2025), p. 30

support for this claim in hearings and materials related to SB 237. We are unable to find support for this figure. Rather, the Center for Biological Diversity’s review concludes that recently drilled wells have produced about 12-15 barrels per day. A separate analysis by FracTracker Alliance estimates that new wells average about 13.5 barrels per day.<sup>5</sup>

Even if California somehow *did* increase in-state production, that would still not affect the price consumers pay at the pump. As economist Severin Bornstein stated, “The idea that ratcheting up production in California would change the price of gasoline isn’t plausible.”<sup>6</sup>

Instead of rolling back California’s crucial environmental review protections, we urge CEC to prioritize efforts to aggressively reduce gasoline demand; accelerate the transition to cleaner, more affordable transportation; support workers and communities most impacted by the transition; and utilize refiner accountability rules to prevent price spikes at the pump.

## **2. Aggressively Reduce Gasoline Demand and Accelerate the Transition to Cleaner, More Affordable, Less Volatile Transportation**

It is essential that the state and CEC reaffirm and expand their commitment to reduce gasoline demand and accelerate the deployment of zero-emission vehicles. As initially outlined in Vice Chair Siva Gunda’s June 27, 2025 letter to Governor Newsom, California is navigating a "pivotal mid-transition phase" for its transportation sector. This phase requires a "holistic transition strategy" that balances the managed phase-down of petroleum with aggressive policies to scale clean energy systems, primarily electrification, to ensure that the state does not remain tethered to volatile fossil fuel markets while striving for its 2035 and 2045 climate mandates.

Central to this effort is the expansion of critical zero-emission infrastructure, exemplified by the CEC’s Clean Transportation Program. By prioritizing accessible electric vehicle charging and streamlining CEC’s Fast Charge California project, the Commission can directly lower the barriers to EV adoption for all Californians.

A holistic transition requires collaboration with sister agencies, so it’s imperative that the Commission collaborate with the California Air Resources Board Drive Forward initiative and other CARB-led programs. New clean car standards must be strong enough to accelerate California’s progress toward a zero-emission transportation future and meet our state’s legally required 2045 climate goal. To truly drive forward, the Commission and sister agencies must

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<sup>5</sup> Ferrar, K., California’s New Oil Wells Average 13.5 Barrels/Day — Far Below State Projections, FracTracker Alliance (Aug. 26, 2025), available at <https://www.fractracker.org/2025/08/californias-new-oil-wells-average-13-5-barrels-day/>

<sup>6</sup> Dale Kasler, “California oil industry wants to drill more. Why that wouldn’t tame runaway gas prices,” *The Sacramento Bee* (Mar. 22, 2022)

also integrate clean vehicle investments and regulations with broader land use planning, public transit and active mobility enhancements to reduce overall vehicle miles traveled, a necessity echoed by many advocacy groups for meeting the state's air quality and equity goals.

In his recently published 2026-27 budget and related ZEV trailer bill proposal, Governor Newsom has proposed \$200 million for a new state-funded electric vehicle (EV) rebate program, aiming to boost EV sales by offering point-of-sale discounts. This incentive will be most beneficial if targeted to first time EV buyers and to the low- and moderate-income Californians who have the highest barriers to EV ownership, including used car incentives. The proposed light-duty incentive is a step in the right direction and must be supplemented with more robust investments for zero-emission trucks and buses, charging infrastructure, active transportation, and equity-focused programs like Clean Cars for All. State agencies should also support and fund expanded public transit, while curbing highway expansions that drive up emissions.

By aligning SB 237 implementation with deep investments in transportation electrification, the CEC can fulfill the legislative intent of stabilizing the market while proactively supporting the state's transition away from fossil fuels.

### **3. Ensure Clear Standards for Refinery Closures and Advance Key Investment Strategies for Communities Impacted by Oil and Gas Transitions**

California's approach to navigating the challenges of the mid-transition as we move toward a sustainable energy future requires a clear-eyed understanding of both shutting down fossil fuel infrastructure and cleaning up historic pollution from these polluting industries. However, a significant gap remains in our current regulatory framework that leaves the state's taxpayers, workers, and communities directly impacted by refineries vulnerable to billions of dollars in "orphan" cleanup liabilities.

The existing legal mechanisms to ensure that refineries disclose clear decommissioning plans and the full extent of their remediation obligations before shutdown are woefully inadequate. Refineries operate without the same transparency required of nearly every other major energy sector; nuclear power plants, gas facilities, and other energy infrastructure are legally required to disclose and set aside funds for land remediation, yet oil refineries inexplicably remain a glaring exception.

Without clear requirements for decommissioning and closure, we risk passing the cost of decontaminating hazardous refining sites to communities already overburdened by pollution. We cannot allow these sites to become "stranded assets" where the public inherits the toxic remains while the operators exit without financial accountability. By creating mandatory reporting requirements, the state will gain a comprehensive understanding of the costs of reuse and development, including the full suite of toxic contamination present.

We urge the CEC to advance common-sense requirements to ensure a transition that prioritizes communities:

- Require oil refineries to submit a comprehensive decommissioning plan to relevant state agencies that outlines the timelines for infrastructure removal, soil remediation, and site stabilization.
- Require oil refineries to disclose the full cost of their Asset Retirement Obligations (AROs).
- Prioritize funding a just transition for oil workers and impacted communities.

Transparency and planning are the only ways to ensure that next-use land-use planning for these toxic sites is grounded in reality and that the industry fulfills its cleanup obligations.

Further, it is imperative that the state allocate resources to ensure a smooth and just transition for communities and workers impacted by oil extraction and refining closures.

We cannot allow the inevitable decline of the oil industry to hollow out environmental justice communities already burdened by pollution. The state needs to require *the industry* (not taxpayers) to fund a comprehensive Displaced Oil and Gas Worker Fund (DOGWF) that guarantees high-road jobs and financial security for those transitioning out of the industry. Furthermore, we must commit to frontline communities the resources they need to truly thrive as we embark on this transition. Direct investment and short-term bridge funding to impacted communities are fundamental elements of ensuring a smooth and holistic transition, as called for by Vice Chair Gunda in the June 27 letter to the Governor. Industry-funded investments are entirely appropriate given the many decades that the oil industry has extracted high profits from California, while heavily polluting communities.

#### **4. Implement and Enforce Refiner Accountability Rules that Will Protect Californians from Gasoline Price Spikes**

We urge the CEC to finalize the minimum inventory and resupply rulemaking process in the first half of 2026, and provide crucial updates along the way, including the role the state will play in managing gasoline inventories and maintaining storage capacity as refineries shut down, and guidelines on resupply timing, volumes, and strategies to avoid distribution bottlenecks. Minimum inventory and re-supply rules are an achievable, well-tested way to protect Californians from price spikes at the pump as the state transitions toward a cleaner, more affordable transportation system.

In California's refining oligopoly, the oil industry has repeatedly harmed consumers by restricting gasoline supply, leading to high gasoline prices that cost drivers an average of \$0.41 per gallon, or \$59 billion, in excess charges since 2015, often referred to as the "mystery

gasoline surcharge.”<sup>7</sup> Finalizing these rules will help ensure that California has a sufficient supply of gasoline to meet demand, which is fundamental to buffering against supply disruptions, stabilizing prices, and protecting consumers.

The financial benefits to Californians of these rules would be enormous. According to Vice Chair Gunda, storing an additional 15 days of gasoline supply (about 100 million gallons) during the 2023 price spike would have saved California drivers \$1 billion, while costing refiners only \$25 million.<sup>8</sup> By comparison, Chevron made over \$21 billion in profit in 2023<sup>9</sup> – 840 times the amount needed to maintain sufficient levels of gasoline supply to protect California drivers from high gasoline prices.

California refiners appear to already have the storage capacity to increase their gasoline inventories to levels that will buffer against price increases. The CEC estimates that 13.5 days of gasoline supply is the minimum inventory level necessary to adequately buffer the market against price hikes.<sup>10</sup> California refineries have sufficient capacity to hold about 15.5 days of supply, which increases to 24 days when accounting for terminal storage capacity. According to DPMO calculations, only 61% of refinery storage space is utilized during winter months on average, and 55% during the summer. Therefore, based on available data, refiners can increase gasoline inventory to needed levels, including during summer months when demand is highest, without building additional capacity.<sup>11</sup> In addition, projected gasoline demand will decrease as transportation electrification progresses. Lower demand will allow existing gasoline storage to serve as a buffer for longer periods. Having storage capacity to buffer temporary constraints and to help with a “lumpy” transition and sudden lowering of production, can support smoothing out gasoline supplies to match demand more exactly, as the CEC itself has concluded.

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<sup>7</sup> Division of Petroleum Market Oversight, 2024 Annual Report, CEC-900-2025-001 (October 2025), p. 10, available at <https://www.energy.ca.gov/sites/default/files/2025-10/CEC-900-2025-001.pdf>

<sup>8</sup> [October 7, 2024 Senate Special Committee on Fuel Supply and Price Spikes \(~13:20\)](#)

<sup>9</sup> Chevron Corporation (2023). Form 10-K. U.S. Securities and Exchange Commission. [https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000093410/000009341024000013/cvx-20231231.htm#ib7903ee4cd7540d8ab5b70d4bf454edd\\_205](https://www.sec.gov/ixviewer/ix.html?doc=/Archives/edgar/data/0000093410/000009341024000013/cvx-20231231.htm#ib7903ee4cd7540d8ab5b70d4bf454edd_205).

<sup>10</sup> California Energy Commission, Informational Proceeding on Petroleum Supply Stabilization: Petroleum Supply Stabilization Overview (September 24, 2025), p. 14, available at <https://www.energy.ca.gov/event/workshop/2025-09/workshop-informational-proceeding-petroleum-supply-stabilization>

<sup>11</sup> California Energy Commission, Informational Proceeding on Petroleum Supply Stabilization: Economics Perspective: Industry Trends and AB X2-1 Tools, (September 24, 2025), p. 8, available at <https://www.energy.ca.gov/event/workshop/2025-09/workshop-informational-proceeding-petroleum-supply-stabilization>

Numerous countries require minimum fuel inventories, providing a range of options for California to design and implement its own approach.<sup>12</sup> Governments commonly require minimum inventory levels of refined products to ensure market liquidity to alleviate price increases.

We recognize the progress in gasoline price stabilization following the implementation of refinery reporting requirements by the CEC under SB X1-2.<sup>13</sup> However, essential aspects of the petroleum market are still obscure, particularly related to pipeline systems. While SB 767<sup>14</sup> will require operators to report pipeline capacities to the CEC, we urge the CEC to make these data publicly accessible. We also urge the CEC to pursue information related to throughput contracts between pipeline operators, oil and gas producers, and refiners. Pipelines were cited as a key justification for exempting new oil and gas drilling in Kern County from CEQA review. As demonstrated by SB X1-2, public transparency of the state's fossil fuel infrastructures and operations is critical to ensuring market fairness and enabling meaningful stakeholder participation in energy policy and long-term planning.

Finally, we urge the CEC to lift the rulemaking pause on the maximum gross gasoline refining margin and penalty. A well-designed maximum margin and penalty have potential to realign refiner incentives and protect consumers. Maintaining the current pause - especially in light of recent environmental rollbacks – signals to fossil fuel refiners that they can continue practices harmful to California's environment and communities without consequence.

We appreciate the Commission's dedication to navigating this complex energy transition and for considering these recommendations as you develop the SB 237 March 2026 Report. While the path toward a fossil-free future presents undeniable challenges, it also offers a historic opportunity to build a more resilient, equitable, healthy and affordable California. We urge the CEC to lead with data-driven strategies that prioritize public health and consumer protection over the interests of a declining industry. Our organizations remain committed to collaborating with you to ensure this transition is managed responsibly, transparently, and with the well-being of all Californians at the forefront. We look forward to your leadership in the coming months and are available to discuss these points further at your convenience.

Respectfully Submitted,

Asian Pacific Environmental Network, Faraz Rizvi

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<sup>12</sup> California Energy Commission, Gasoline Summer Outlook Workshop: Gasoline Inventory Programs, (June 6, 2024), p. 41, available at <https://www.energy.ca.gov/event/workshop/2024-06/rescheduled-gasoline-summer-outlook-workshop>

<sup>13</sup> Division of Petroleum Market Oversight, 2024 Annual Report, CEC-900-2025-001 (October 2025), p. 4, available at <https://www.energy.ca.gov/sites/default/files/2025-10/CEC-900-2025-001.pdf>

<sup>14</sup> [Bill Text: CA SB767 | 2025-2026 | Regular Session | Introduced | LegiScan](#)

Center for Biological Diversity, Christina Scaringe  
The Climate Center, Ellie Cohen  
350 Bay Area Action, Valerie Ventre-Hutton  
350 Conejo / San Fernando Valley, Alan Weiner  
350 Sacramento, Katie McCammon  
350 Santa Barbara, Sharon Broberg  
350 Silicon Valley, Cheryl Weiden  
350 South Bay Los Angeles, Sherry Lear  
350 Southland Legislative Alliance, Sherry Lear  
Albany Climate Action Coalition, Jean Woo  
Bay Area Third Act, Martha Sellers  
Bay Area-System Change not Climate Change, David Gassman  
Biofuelwatch, Gary Hughes  
BSHC (Benicians for a Safe and Healthy Community), Cathy Bennett  
Building Regenerative Economies, Ann Blake, Ph.D.  
California Environmental Voters, Gracyna Mohabir  
California River Watch, Jerry Bernhaut  
Californians for Energy Choice, Eric Brooks  
Catholic Charities of Stockton, Ector Olivares  
California Environmental Justice Alliance (CEJA), Nile Malloy  
Center for Community Action and Environmental Justice (CCA EJ), Marven Norman  
Center for Environmental Health, Sarah Erlich, Esq.  
Center for Environmentally Recycled Building Alternatives, Lisabeth Ryder  
Center on Race, Poverty & the Environment, Natalia Ospina  
Central California Asthma Collaborative, Jenna Roper, PhD  
Climate First: Replacing Oil & Gas (CFROG), Haley Ehlers  
Climate Hawks Vote, RL Miller  
Climate Reality Bay Area Chapter, Mary Dube  
Coalition for Clean Air, Bill Magavern  
Coltura, Janelle London  
Communities for a Better Environment, Julia May  
Community Energy reSource, Greg Karras  
Consumer Watchdog, Jamie Court  
Courage California, Irene Kao  
Dayenu: A Jewish Call to Climate Action, Rachel Mandelbaum  
Elders Climate Action (ECA) Northern California (NorCal) Chapter, Todd Weber  
Elders Climate Action (ECA) Southern California (SoCal) Chapter, Richard Burke  
Elders Climate Action, CA, Katherine DaSilva Jain  
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Friends of SMART, Jack Swearngen

GeoPraxis, Thomas P Conlon  
Glendale Environmental Coalition, Elise Kalfayan  
Good Steering Committee of Benicia, Kathy Kerridge  
Health in Partnership, Solange Gould  
Indivisible East Bay, Larry  
Indivisible Marin, Susan Morgan  
Let's Go Farm, Joseph W Smith  
Long Beach Gray Panthers, Karen Reside  
Los Angeles Climate Reality Project, Charles Miller  
Manhattan Beach Huddle, Joanne Hadley  
Ocean Conservation Research, Michael Stocker  
Oil and Gas Action Network, Ilonka Zlatar  
Oil Change International, Allie Rosenbluth  
Our City SF, Eric Brooks  
Pelican Media, Judy Irving  
Physicians for Social Responsibility - Los Angeles, Martha Dina Argüello  
PODER, Antonio Díaz  
Protect Monterey County, Laura Solorio, MD  
Resource Renewal Institute, Chance Cutrano  
RootsAction, David Swanson  
Sacramento Splash, Mackenzie Wieser  
Sacred Places Institute For Indigenous Peoples, Starry Insixiengmay  
San Fernando Valley Climate Reality Project, Sharon Ungersma  
San Francisco Bay Physicians for Social Responsibility, Robert M. Gould, MD  
SanDiego350, McGarrah Wilson  
Santa Cruz Climate Action Network, Pauline Seales  
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