

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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**FINAL STATEMENT OF REASONS**

Certification of PIIRA Emergency Regulations
Title 20, California Code of Regulations
OAL Z # 2025-0701-01
Docket No. 23-OIR-03

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, Article 3, after considering all comments, objections, and recommendations regarding the proposed regulation.

The purpose of this rulemaking is to 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 significant 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.

UPDATE OF THE INITIAL STATEMENT OF REASONS

After considering all comments received during the public comment period, no changes were made.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose a mandate on local agencies or school districts.

CONSIDERATION OF REASONABLE ALTERNATIVES, INCLUDING THOSE THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

The CEC determined pursuant to Government Code section 11346.9(a)(4) that no alternative before it would be more effective in carrying out the purpose for which this action is proposed; no alternative would be as effective as and less burdensome to affected persons than the adopted regulations; and no alternative would be more cost

effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The adopted regulations will not have a significant adverse economic impact on small business and no alternatives were proposed that would lessen any adverse economic impact on small business.

The CEC is seeking to certify the regulations adopted under the emergency data collection authority to enable the CEC to meet its statutory and analytical responsibilities. These regulations directly support the CEC's analysis determining the reliable supply of transportation fuels within the state and developing recommendations for meeting state transportation energy goals per Public Resources Code Division 15, Chapters 4.5 and 4.6. Data collection efforts prior to adoption of the emergency regulations did not meet the analytical requirements of SB X1-2 (2023) and Assembly Bill (AB) X2-1 (2024).

The CEC considered two alternatives to the proposed regulations:

Under alternative one, the CEC considered not updating the data regulations. However, not updating the standards would preclude the CEC from fulfilling its various mandates, as set forth under SB X1-2 and AB X2-1, to obtain information necessary to complete and submit required energy assessments, make appropriate recommendations, post required information on its website, consider variables affecting the price of transportation fuels, and evaluate California's petroleum import needs, among other things.

Under alternative two, the CEC considered estimating transportation energy supply information and creating simulated data to perform policy analysis. In many cases, this estimated and simulated data has been used in past reports and analysis to complete CEC tasks. However, over the years this type of information has been routinely criticized as inaccurate and misleading, calling into question policy recommendations by the CEC. While the CEC continues to improve its data analysis techniques, it has concluded that the best practice is to obtain point specific information wherever possible to achieve the highest level of data accuracy possible and ensure the public's faith in the CEC's methodologies.

DOCUMENTS INCORPORATED BY REFERENCE

None.

TECHNICAL, THEORETICAL, OR EMPIRICAL STUDIES, REPORTS, OR SIMILAR DOCUMENTS

The CEC has relied upon the following technical, theoretical, or empirical studies, reports, or similar documents in drafting the proposed regulations:

1. [Draft Transportation Fuels Assessment](https://efiling.energy.ca.gov/GetDocument.aspx?tn=255663&DocumentContentId=9149), 2024:
https://efiling.energy.ca.gov/GetDocument.aspx?tn=255663&DocumentContentId=9149.
2. [Transportation Fuel Supply Outlook](https://efiling.energy.ca.gov/GetDocument.aspx?tn=221377), 2017:
https://efiling.energy.ca.gov/GetDocument.aspx?tn=221377.
3. [SB X1-2](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320241SB2) (Stats. 2023, 1st Ex. Sess. 2023, ch. 1, §1):
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320241SB2.
4. [California State Lands Commission's Information for Vessels Arriving at California Ports](https://www.slc.ca.gov/marine-invasive-species-program/information-for-vessels-arriving-at-california-ports/): https://www.slc.ca.gov/marine-invasive-species-program/information-for-vessels-arriving-at-california-ports/.
5. [Oil Price Information Service Methodology Guidelines publication](https://www.opisnet.com/about/methodology/):
https://www.opisnet.com/about/methodology/.
6. [Oil Price Information Service West Coast Report](https://info.opisnet.com/west-coast-spot-report-2022):
https://info.opisnet.com/west-coast-spot-report-2022.
7. Oil Price Information Service, *Oil Price Information Service's Petroleum Terminal Encyclopedia*. 28th ed. Rockville, MD: Oil Price Information Service, 2017.
8. [Transcript, 2016 INTEGRATED ENERGY POLICY REPORT \(IEPR\) WORKSHOP ON TRANSPORTATION FUEL SUPPLY RELIABILITY DUE TO REDUCED NATURAL GAS AVAILABILITY IN SUMMER 2016](https://efiling.energy.ca.gov/GetDocument.aspx?tn=212396&DocumentContentId=24482):
https://efiling.energy.ca.gov/GetDocument.aspx?tn=212396&DocumentContentId=24482.
9. [Additional Analysis on Gasoline Prices in California](https://www.energy.ca.gov/sites/default/files/2019-11/Gas_Price_Report.pdf), 2019, available at
https://www.energy.ca.gov/sites/default/files/2019-11/Gas_Price_Report.pdf.
10. [Petroleum Watch](https://www.energy.ca.gov/sites/default/files/2022-02/2022-02_Petroleum_Watch_ADA.pdf), February 2022, available at
https://www.energy.ca.gov/sites/default/files/2022-02/2022-02_Petroleum_Watch_ADA.pdf.
11. [DPMO Interim Update on California's Gasoline Market September 2023](https://www.energy.ca.gov/media/8748), available at
https://www.energy.ca.gov/media/8748.
12. [Petroleum Industry Information Reporting Act Form M700 data collection](https://www.energy.ca.gov/files/piira-forms-and-instructions):
https://www.energy.ca.gov/files/piira-forms-and-instructions.
13. [Oceaneering's PortVision 360](https://360.portvision.com): https://360.portvision.com.
14. EIA, [Glossary](https://www.eia.gov/tools/glossary/), eia.gov, https://www.eia.gov/tools/glossary/ (last visited Jan. 8, 2025).
15. EIA, [Petroleum & Other Liquids: Definitions, Sources and Explanatory Notes](https://www.eia.gov/dnav/pet/tbldefs/pet_pnp_unc_tbldef2.asp), eia.gov, https://www.eia.gov/dnav/pet/tbldefs/pet_pnp_unc_tbldef2.asp (last visited Jan. 8, 2025).
16. EIA, [EIA-810 Instructions](https://www.eia.gov/survey/form/eia_810/instructions.pdf),
https://www.eia.gov/survey/form/eia_810/instructions.pdf.

All documents relied upon were made available upon request directly from the CEC throughout the course of this rulemaking action.

UPDATED INFORMATIVE DIGEST

The CEC finds that no revisions have been made that would warrant a change to the informative digest contained in the Notice of Proposed Action.

SUMMARY OF RESPONSES TO PUBLIC COMMENTS RECEIVED

All responses to public comments, including acceptance of recommendations and justification when recommendations were not accepted, are appended to this Final Statement of Reasons, and included in the final rulemaking record. Full record of the rulemaking, including this Final Statement of Reasons, can be found at Docket No. 23-OIR-03 (<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?doctetnumber=23-OIR-03>).