

DOCKETED

Docket Number:	23-OIR-03
Project Title:	General Rulemaking Proceeding for Developing Regulations, Guidelines, and Policies for Implementing SB X1-2 and SB 1322
TN #:	270008
Document Title:	PIIRA Cert Responses to Public Comments
Description:	PIIRA Cert Responses to Public Comments
Filer:	Ryan Eggers
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	5/15/2026 1:40:49 PM
Docketed Date:	5/15/2026

CALIFORNIA ENERGY COMMISSION

715 P Street
 Sacramento, California 95814

energy.ca.gov

**WRITTEN COMMENTS RECEIVED**

Certification of PIIRA Emergency Regulations
 OAL Z # 2025-0701-01
 Docket No. 23-OIR-03

45-Day Written and Oral Comments Received:
 July 11, 2025, through August 26, 2025
 Public Hearing held August 27, 2025

Commenter Name/Organization	Comment Type	Assigned Number	Comment Numbers
California Fuels & Convenience Alliance (CFCA), Alessandra Magnasco	Individual written comment	1	1.1-1.4
California Fuels & Convenience Alliance (CFCA), Gaberiel Saleh	Public hearing comment	2	2.1
California Energy Commission (CEC), Division of Petroleum Market Oversight (DPMO), Varsha Sarveshwar	Public hearing comment	3	3.1-3.2
Western States Petroleum Association (WSPA), Tonya DeRivi	Public hearing comment	4	4.1-4.2

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
1.1	<p>GAS PRICES ARE RISING IN CALIFORNIA, EVEN AS NATIONAL PRICES FALL: (Suggested change is to discontinue the emergency regulations.)</p> <p>Since the passage of SBX1-2 and ABX2-1, California gas prices have gone up by roughly 1–6%. During that same time, national gas prices have dropped by 11–14%. It’s a glaring sign that these laws have not achieved their stated goal of stabilizing prices. If anything, they’ve made the situation worse. There’s a clear mismatch between the intent of these policies and the actual results Californians are seeing at the pump.</p> <p>On top of that, refinery closures are having a massive ripple effect across the region. Multiple studies estimate that these closures will cause gas prices to rise between 25% and 75%, or anywhere from \$1.20 to \$2.00 per gallon. That affects every industry in California and puts additional strain on our already overburdened supply chain. The price gap between California and the rest of the country could grow to more than \$2.50 per gallon—and possibly higher—if national prices continue to decline while California’s climb. And this isn’t just a California issue. Nevada and Arizona are heavily dependent on our supply. This isn’t just poor policy, it’s a threat to regional fuel stability.</p>	<p>The CEC appreciates CFCA's input into this regulatory process. It has long been acknowledged that gasoline prices within California only broadly correlate to national prices due to California’s unique geographical features and infrastructure. This has led to California sometimes experiencing supply and demand interactions that lead to independent pricing patterns. Since the adoption of these regulations, California has not experienced the significant retail gasoline price hikes that occurred in 2022. Per the U.S. Energy Information Administration’s (EIA’s) weekly California retail gasoline price information, for the entirety of 2024 and into 2025, California prices never rose more than \$0.50 over an 8-week rolling average of that same price series. In 2022, retail gasoline prices rose above \$0.95 over the 8-week rolling average on three occasions and exceeded \$0.80 over that average during several other weeks.</p>

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
1.2	<p>EVEN THE STATE KNOWS THESE RULES AREN'T WORKING: (Suggested change is to discontinue the emergency regulations.)</p> <p>The California Energy Commission and the Governor have both acknowledged that the current set of rules is burdensome and contributed to the refinery shutdowns. That raises an obvious question: if the rules are hurting working families and small businesses, and even the State admits these policies are part of the problem—why double down? Why continue with regulations that deliver minimal benefit and create enormous harm? At some point, the State must recognize that more rules for the sake of virtue signaling does not equate smart policy.</p> <p>Let's also remember why these special sessions were called in the first place: to respond to alleged "price gouging" by the fuel industry. That accusation didn't hold water then, and it still doesn't now. The California Center for Jobs and the Economy released a full report disproving that claim. And going back even further, both the 2000 report and 2004 reports from the Attorney General made it clear that the real drivers of high prices are structural: limited refining capacity, low inventory, few alternative sources of supply (because California fuel is uniquely regulated), and the state's high fuel taxes.</p> <p>The CEC itself laid it out in May 2019. Here's what the report found: 19.6% of the difference comes from cleaner gasoline production, 27.5% from higher fuel taxes, 15.8% from Cap & Trade, 14.8% from the Low Carbon Fuel Standard, 10.3% from our fuel-island</p>	<p>The CEC appreciates CFCA's input into this regulatory process. It has long been acknowledged that gasoline prices within California only broadly correlate to national prices due to California's unique geographical features and infrastructure. This has led to California sometimes experiencing supply and demand interactions that lead to independent pricing patterns. Since the adoption of these regulations, California has not experienced the significant retail gasoline price hikes that occurred in 2022. Per the U.S. Energy Information Administration's (EIA's) weekly California retail gasoline price information, for the entirety of 2024 and into 2025, California prices never rose more than \$0.50 over an 8-week rolling average of that same price series. In 2022, retail gasoline prices rose above \$0.95 over the 8-week rolling average on three occasions and exceeded \$0.80 over that average during several other weeks.</p>

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
	<p>status (including refinery outages), and 11.9% from other factors. These percentages have only gone up in recent years as the regulations have become even stricter, especially the LCFS. And let's not forget—when the CEC explained “What Drives California’s Gasoline Prices” on its website in September 2022, price gouging wasn’t even mentioned. The report pointed to global crude markets, our cleaner blend requirements, taxes, and environmental program costs. That’s what the data says. The narrative of industry manipulation just isn’t backed by fact.</p>	
1.3	<p>OUR FUEL ISLAND PROBLEM IS GETTING WORSE: (Suggested change is to discontinue the emergency regulations.)</p> <p>Despite everything we know, the State keeps pushing California further into isolation. Importing more finished gasoline has been floated as a solution, but it’s costly, complicated, and risky. California already relies on imports for more than 75% of its gasoline. Bringing it in from Washington won’t fill the supply gap. Freight from Alaska or the Gulf Coast? Expensive as a result of the century-old Jones Act. And the handful of countries that even produce California-compliant fuel—mostly in the Middle East and East Asia—introduce a whole new set of geopolitical and logistical risks. Even in the best-case scenario, it takes 18 to 34 days to get fuel from South Korea or India. Weather delays, shipping constraints, and international instability only add to the</p>	<p>The CEC appreciates CFCA's input into this regulatory process. The CEC continues to actively engage with industry stakeholders to discuss California’s unique supply and demand situation and looks forward to CFCA’s input in these discussions. However, the CEC cannot make informed decisions on the state of California’s petroleum industry infrastructure without the data provided for pursuant to this rulemaking package.</p>

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
	<p>uncertainty. If the plan is to rely on imports, we're setting ourselves up for more volatility, not less.</p> <p>Finally, turning to the issue of the new reporting requirements established under SBX1-2 and ABX2-1: each successive mandate appears only to compound confusion and administrative burden, while offering minimal—if any—tangible benefit to the public or to the transparency of the market. Businesses are drowning in reporting obligations that are poorly conceived and poorly explained. They're stuck filling out duplicative paperwork day after day, month after month, instead of focusing on their actual duty: providing an essential service to the many industries that rely on them. From agriculture to emergency response, manufacturing to freight—the ripple effect of this regulatory overreach hits everyone.</p>	

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
1.4	<p>CONCLUSION: THE DATA IS CLEAR—THESE RULES AREN'T WORKING (Suggested change is to discontinue the emergency regulations.)</p> <p>We're not asking the Commission to abandon its goals. We share the vision of a cleaner, more sustainable California that is also affordable for working families. But it's time to take a serious look at what these regulations have actually accomplished—and what they've made worse. Continuing with this approach will only yield the same outcomes: fewer refineries, more imports, higher prices, and more harm to the small businesses and families trying to make it work in this State.</p> <p>Remember: the goal is affordable and clean energy for California. And small businesses across the state are already doing their part—meeting the demands of the LCFS, investing in renewable fuels like E85, hydrogen, biodiesel, and renewable diesel. It's on the back of those efforts that California will reach its goals—not through more reporting mandates, and not through policies that ignore economic reality.</p>	<p>The CEC appreciates CFCA's input into this regulatory process. It has long been acknowledged that gasoline prices within California only broadly correlate to national prices due to California's unique geographical features and infrastructure. This has led to California sometimes experiencing supply and demand interactions that lead to independent pricing patterns. Since the adoption of these regulations, California has not experienced the significant retail gasoline price hikes that occurred in 2022. Per the U.S. Energy Information Administration's (EIA's) weekly California retail gasoline price information, for the entirety of 2024 and into 2025, California prices never rose more than \$0.50 over an 8-week rolling average of that same price series. In 2022, retail gasoline prices rose above \$0.95 over the 8-week rolling average on three occasions and exceeded \$0.80 over that average during several other weeks.</p>
2.1	<p>Thank you for the opportunity to comment. I want to raise an important concern regarding the monthly sales report, the CECM782B form. In the presentation for today's hearing, every report created under the emergency regulations is outlined, except this one.</p>	<p>Thank you for the comment. Major petroleum marketers and refiners are required to submit the CEC's Form M782B, also called the California Sales Monthly Report, which is designed to capture</p>

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
	<p>Historically, this form only applied to major petroleum product marketers who also filed the federal EIA 72B form. That federal form was discontinued over 10 years ago.</p> <p>And as a result, no one has been filing the CEC version for many years. However, in January 2025, the CEC quietly changed the requirement for marketers who file the EIA-782B form to simply all major petroleum product marketers, through a marine imports rulemaking that had nothing to do with the retail sales reporting. This may look like a clerical edit, but in practice, it created a major new obligation that impacts about 46 companies, including several CFCA members, who had no notice of the change.</p> <p>Until failure notices were issued this summer. The report requires data such as retail and rack sales, prices, and customer classifications that marketers don't currently track, imposing a significant compliance burden. It also doesn't appear related to SBX1-2's purpose of collecting spot market information.</p> <p>Our request is straightforward. Limit the CEC M782B requirement to those entities that historically filed the federal form and clearly explained how this reporting is connected to SBX1-2. Thank you for your consideration.</p>	<p>information that previously was required under the now-defunct federal EIA 782 Form. Those entities that previously submitted the federal form represent a small sample of market participants, which would not provide the CEC with the information it needs to have an accurate understanding of sales. Each entity subject to the current requirement has the means to report the information required and the data requested is critical to CEC's understanding of the transportation fuels market, which is directly connected to the purpose of SBX1-2.</p>
3.1	<p>Thank you for the opportunity to provide public comment. DPMO supports CEC staff's proposal to certify these emergency regulations.</p>	<p>Thank you for the comment. No changes are requested from this comment. Staff appreciates DPMO's support.</p>

Commenter Number and Comment Number	Comment or Suggested Revision	Energy Commission Response
3.2	<p>Each of these regulations and their associated reporting streams provide critical transparency into the petroleum market. This enables DPMO to fulfill its independent market oversight, investigations, economic analysis and policy recommendations responsibilities under SBX12. DPMO thanks CEC staff for their time, partnership, and collaboration in developing these emergency regulations, and we look forward to continuing to work together on these important data and transparency efforts. Thank you.</p>	<p>Thank you for the comment. No changes are requested from this comment.</p>
4.1	<p>First, we must note that an accelerated emergency regulatory timeline makes it challenging to provide public input. We encourage the CEC that going forward, it affords the time necessary to provide public input, and review and understand any proposed regulations with the time necessary. This includes regular notice and an appropriate opportunity to engage in an iterative dialogue with the Agency to craft workable language.</p>	<p>Thank you for the comment. No changes are requested from this comment. Staff notes that these regulations proceeded according to the regular rulemaking process and commenters were provided the full 45 days to comment.</p>
4.2	<p>Second, we encourage the CEC to identify ways to streamline processes in a manner that obtains the requested information while minimizing reporting burdens upon industry. We recognize that this was a previously stated goal at the outset of implementing these first-in-the-nation laws. We look forward to ongoing collaboration with the CEC to implement these new statutory tools and appreciate staff's time in these efforts. Thank you again for the time.</p>	<p>Thank you for the comment. No changes are requested from this comment. Staff has worked with industry in implementing these requirements with the goal of making the provision of responsive information as streamlined as possible and will continue to do so going forward.</p>