

DOCKETED

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Resupply Rulemaking

Presenter: David Stout

June 8, 2026 Workshop



AB X2-1 Implementation Activities

Today's Topic



**Refinery
Maintenance
Requirements**
(*e.g.*, resupply)



**Minimum Inventory
Requirements**



**Noncompliance
Penalties**



**Transportation Fuels
Assessment 2.0**



**Report Each Year
After Regulation
Adoption**



AB X2-1 Authority for Resupply Requirements

AB X2-1 requires the CEC to consider ways to manage necessary refinery turnarounds and maintenance.

Any adopted regulations must do the following:

- Protect the health and safety of employees, communities, and public.
- Include resupply planning and reporting requirements to minimize the impact of production loss on fuel prices during a maintenance or turnaround event.
- Not impact refinery workers' authority to perform emergency shutdowns.
- Not impact refinery health and safety rules.



Timeline of Key Events

Maintenance Data Collection and Resupply Rulemaking

June 2023
SB X1-2 takes effect

June 2024
Approved EBR-1P forms & guidelines

January 2025
AB X2-1 takes effect

August 2025
Updated EBR-1P forms & guidelines include resupply plan

June 2026
Today's workshop

2023

2024

2025

2026

June 2023
Initial maintenance data collection commences

March 2024
Workshop on proposed emergency rulemaking reporting requirements

February 2025 & March 2025
Pre-rulemaking workshops on refinery resupply planning

September 2025
Petroleum supply stabilization workshop



Planned Maintenance Data Collected

Deeper Economic and Technical Analysis of Resupply

Initial Data Collection Under SB X1-2 June 2023

Basic data collection

- Description of work, process units, and operational capacity
- Decrease in product output
- Data on inventories, drawdowns, imports, planned purchases, etc.

Approved Forms / Guidelines June 2024

Improvements for data quality and consistency

- Improved instructions
- Defined product codes
- Requirement of post event form
- Start and return-to- service dates by unit
- Separation of out in-state, out-of-state, and foreign purchases

Resupply Plans Under AB X2-1 August 2025

Additional insights, transparency, and oversight

- Specifics of purchases, including purchase date, seller, source, delivery date, etc.
- Specifics of inventory buildout
- Data submission portal improvements



Draft Resupply Framework Introduction



1. Applicable Period



2. Minimum Production Loss Trigger



3. Resupply Amount



4. Resupply Source, Timing, and Frequency



5. Reporting Intervals



6. Exemption Pathways



Applicable Period

When Resupply Regulations are in Effect

➤ Considerations

- Demand variability
- Summer vs. winter gasoline specification
- Frequency of events throughout the year
- Reliance on imports year around

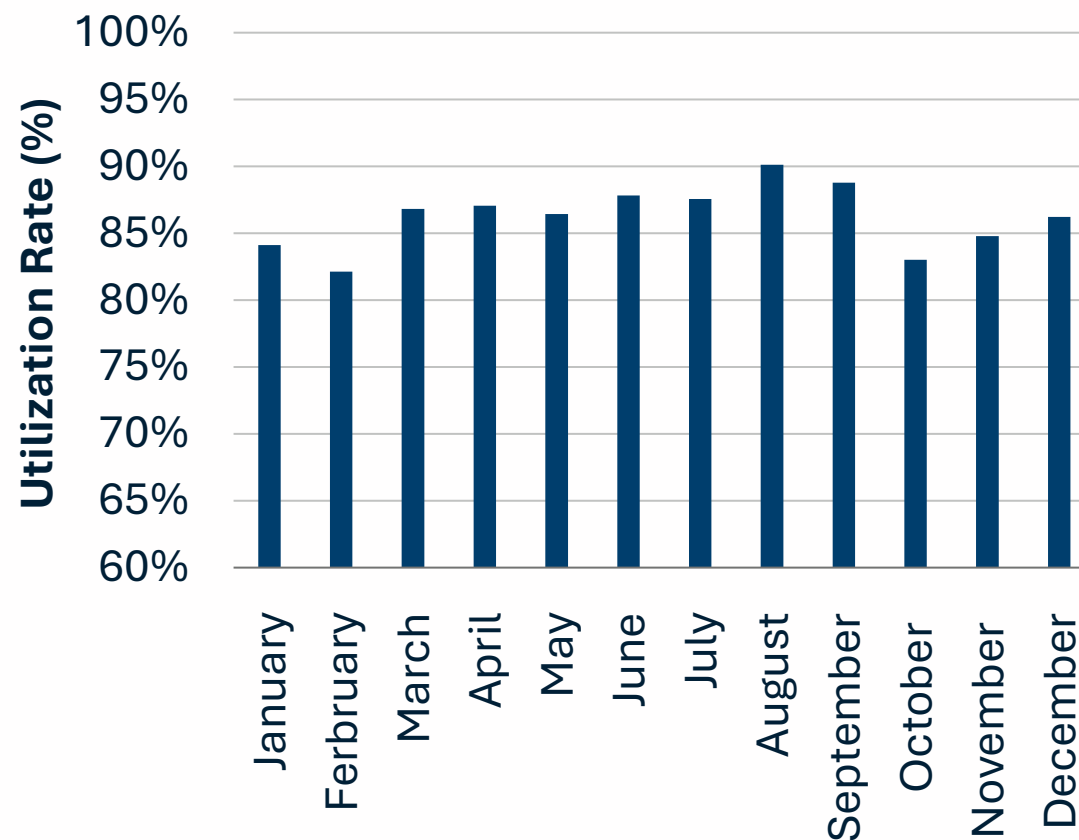
➤ Prior Proposed Recommendation

- Applicable for Sept. – Oct. only

➤ Staff Recommendation

- Applicable period is the whole year

Average Total CA Refinery Utilization Rates
2015-2025



Source: CEC analysis of EIA data



Production Loss Trigger

Volume of Gasoline Production Loss that Triggers Resupply Requirements

➤ Considerations

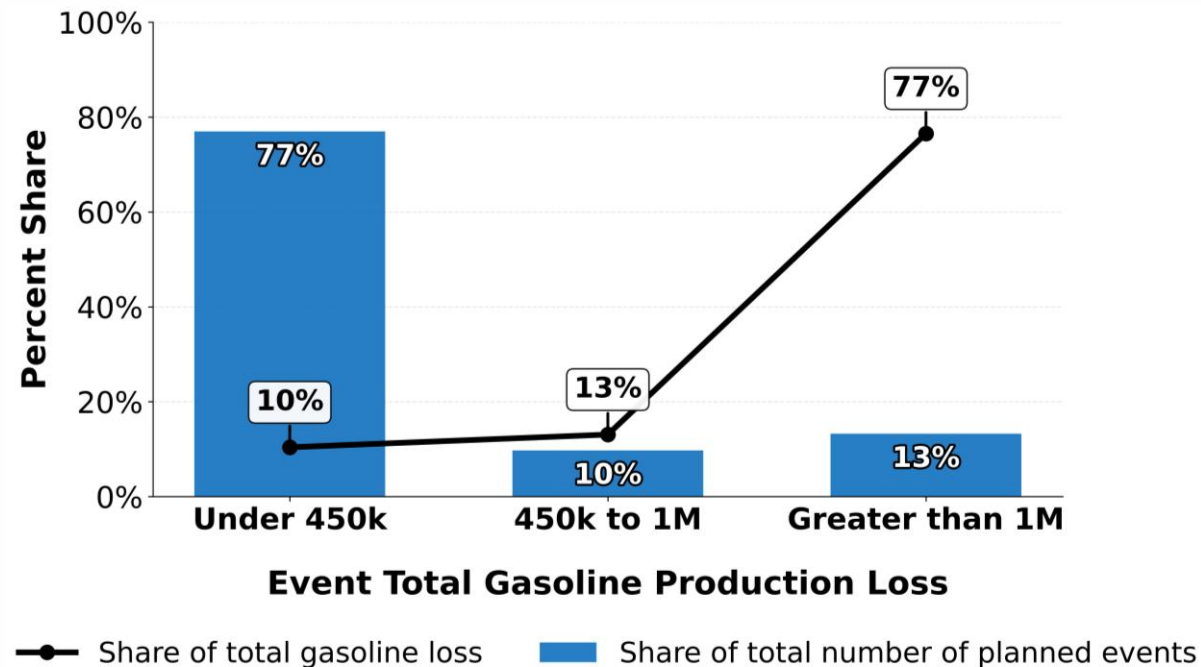
- Event duration and daily production loss
- Impact on days of supply → impact prices
- Marine import logistics (minimum load size)

➤ Prior Proposed Recommendation

- 21 days x 20,000 bpd or
- 450,000 total barrels of gasoline

➤ Staff Recommendation

- **Continue supporting analyses**
 - Regression analysis to establish impact of event production loss on Spot market
 - Days of supply and price interaction



Source: CEC



Resupply Amount

Volume of Gasoline Production Lost that Must be Resupplied

➤ Considerations

- Resupply sources, volumes, and logistics
- Impact on Days of supply → impact on prices
- Market conditions (frequent imports)
- Benefits to consumers
- Cost to refiners

➤ Prior Proposed Recommendation

- 85% of gasoline production lost

➤ Staff Recommendation

- **Continued supporting analyses**
 - Days of supply and price interaction
 - Benefit-cost analysis → Consumer cost savings



Resupply Sources, Timing, and Frequency

Sources of Resupply and When it Must be Made Available

➤ Considerations

- Market conditions
- Impact on prices
- Avoid regulation of interstate commerce
- Flexibility of delivery timing

➤ Potential Sources

- Marine imports (domestic and foreign)
- Refinery inventory build-up
- In-state purchases (typically does not increase overall state supply)

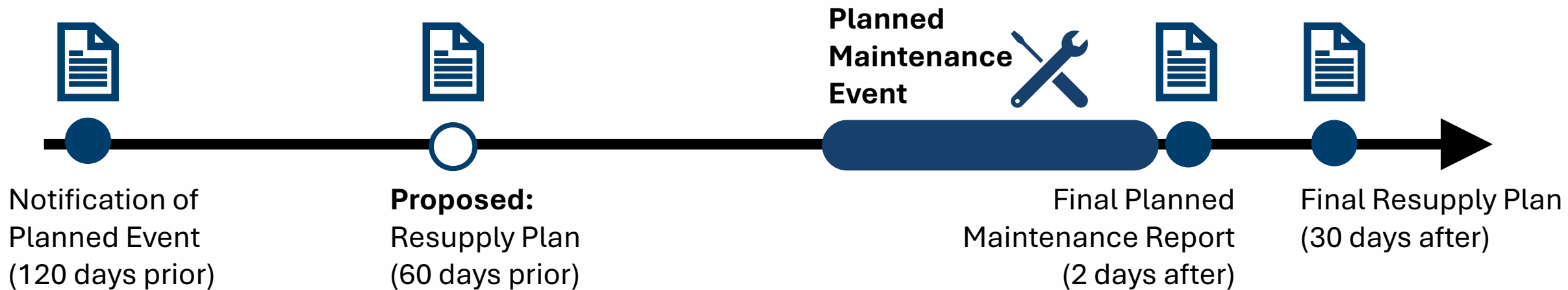
➤ Staff Recommendation

- Continued supporting analyses for resupply sources
- Resupplied during event window plus or minus two weeks



Reporting Intervals

When are maintenance reports and resupply plans due to the CEC?









If changes >50 kB total occur:

- notify the CEC in 2 business days
- updated resupply plan in 5 business days



Staff Preliminary Draft Resupply Framework

Framework Step	March 2025 Workshop	Current
 1. Applicable Period	Sept. – Oct. 2025 only	<i>Full year*</i>
 2. Minimum Production Loss Trigger	21 days with 20,000 bpd loss or 450,000 total barrels of gasoline	<i>Pending completed analysis</i>
 3. Resupply Amount	85% of lost gasoline production	<i>Pending completed analysis</i>
 4. Resupply Source, Timing, & Frequency	1.3 weighting for imports. Made available at same rate had event not occurred.	<i>Sources pending completed analysis Resupplied during event window plus or minus two weeks*</i>
 5. Reporting Intervals	120 days prior → resupply plan 60 days prior → revised plan 30 days after → final plan	120 days prior → notification <i>60 days prior → resupply plan*</i> 30 days after → final plan
 6. Exemption pathways	Exemptions will be granted to ensure flexible implementation and avoid unintended consequences.	Same.

**Values subject to change pending results of ongoing evaluation.*