

DOCKETED

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Joint Comments on the Draft SB 237 Assessment - The Climate Center, et al

Additional submitted attachment is included below.



June 30, 2026

California Energy Commission
715 P Street
Sacramento, CA 95814
Via Email / Docket Portal

Subject: SB 237 Assessment [Docket 23-SB-02]

Dear Commissioners and CEC Staff,

On behalf of the undersigned organizations, we respectfully submit the following comments on the SB 237 Assessment, published on May 1, 2026. The SB 237 Assessment highlights a growing instability in our fuel markets and offers several

possible actions. Near-term supportive intervention is needed, and we also fully support the longer term vision, as outlined in the call for a Holistic Transition Strategy to transition out of the fossil fuel era.

The State must adopt a dual-track strategy, balancing long-term climate goals with near-term fuel supply stability by utilizing SB 237 provisions for infrastructure management. Key recommendations include supporting refinery maintenance through tailored permitting, expanding regional fuel import options to mitigate price volatility, and utilizing authorized substitute measures for CARBOB during supply emergencies to prevent supply shortages and price spikes.

While we appreciate the helpful information and much of the intention of the Assessment, we must reiterate the priorities – unfinished business – we outlined in our March 2026 letter¹ on this matter that the CEC and CARB should:

1. Cease plans to increase in-state crude oil production;
2. Focus efforts on rapidly reducing gasoline demand by accelerating the transition to the equity-centered electrification of transportation;
3. Ensure clear and comprehensive standards for refinery closures and the necessary investment strategies for communities impacted by oil and gas transitions; and
4. Implement and enforce refiner accountability rules that will protect Californians from gasoline supply disruptions and price spikes.

Although the Assessment asserts that stabilization should not be confused with preservation, we remain concerned that some measures aimed at stabilization, if not implemented carefully, can unintentionally lock-in fossil and other combustion fuel dependency.

We appreciate the suggestion about prioritizing Buckets 2 and 3 in order to minimize the need for Bucket 1 actions. Given this intention, Chapter 6 on advancing a holistic transition plan should be greatly expanded to include more specifics. We suggest that such an expansion be addressed in the Transportation Fuels Transition Plan.

California has historically operated as a fuel island, relying on a shrinking number of in-state refineries to produce our unique CARBOB blend. When unplanned outages occur, importing replacement fuel can take weeks, leading to the dramatic price spikes that harm lower income working families most. Therefore, once again, we strongly urge that the Commission:

¹ https://drive.google.com/file/d/1O7Oglf2YV73SaUQNIJTPC2q65f_LKZBo/view?usp=sharing

- Implement the resupply rule, minimum inventory requirements, spot market transparency, which CEC can coordinate with DPMO, and marine import terminal infrastructure measures proposed in ABX2-1; The Commission should also expeditiously implement a financial penalty on gasoline sellers found guilty of price gouging to protect consumers, restore market accountability, and deter exploitative corporate behavior;
- Implement a fuel standard waiver:² Empower CARB to grant temporary waivers for non-CARBOB gasoline during supply disruptions. Any waiver program must include a mitigation fee for gasoline sellers. These funds can be directed to retire gross-polluting vehicles in lower income communities, ensuring that near-term supply stability actually *accelerates* our transition to electric vehicles, cleaner air, and climate safety;
- Strengthen refinery planning, reporting, monitoring, and decommissioning plans by aligning SB X1-2 and SB 237 to increase transparency in refinery maintenance and import/export flows, and supporting policy like that contained in SB 1259 (Blakespear).³ This oversight is essential to prevent opportunistic trading during periods of low inventory and haphazard refinery closures.

California's climate leadership depends on proactive transition governance. We cannot let fuel supply uncertainty undermine public support for our climate and clean energy goals. By adopting flexible waiver programs and investing mitigation fees back into clean transportation, we can protect consumers today while building the low-carbon future.

Regarding employment security, there are references in several places in the Assessment about the need for meaningful employment opportunities for former oil and gas workers. More interagency collaboration and cross-sector analysis could integrate specific promising sectors, such as next generation geothermal, an emerging sector that has a nearly one-to-one skills transfer from oil and gas work.

We acknowledge that although demand for petroleum fuels is declining as California navigates the transition toward a clean energy economy, millions of Californians will still rely on petroleum-based fuels for years to come. We urge the Commission to move forward with these evidence-based, near-term measures outlined above while maintaining the long term commitment to addressing the climate crisis meaningfully.

² https://drive.google.com/file/d/1YE9l6lh9w2ZVunZJl6EgWYfka3_deEnM/view?usp=sharing

³ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB1259

Respectfully,

Barry Vesser, Chief Program Officer
The Climate Center

Jan Warren, Chair
Interfaith Climate Action Network of Contra Costa County

Valerie Ventre-Hutton, Legislative Analyst
350 Bay Area Action

Suzanne Hume, Educational Director & Founder
CleanEarth4Kids.org

David Diaz, Executive Director
Active San Gabriel Valley

Jenna Roper, PhD, Senior Policy Associate
Central California Asthma Collaborative

Robert M. Gould, MD
San Francisco Bay Physicians for Social Responsibility

Jesus Alonso, Community Organizer and EJ Advocate
Clean Water Action

Liza Tucker, Consumer Advocate
Consumer Watchdog

Daniel Chandler, Steering Committee
350 Humboldt

Sakereh Maskal, Policy and Advocacy Lead
Pesticide Action Network, North America

Paulinne Seales, Organizer
Santa Cruz Climate Action Network

Thomas R. Fox, Senior Legislative Counsel
Center for Environmental Health

Gabriela Facio, Senior Policy Strategist
Sierra Club California

Faraz Rizvi, Senior Policy and Campaign Manager
APEN Action

Shoshana Wechsler, Coordinator
Sunflower Alliance

Haley Ehlers, Executive Director
Climate First: Replacing Oil & Gas (CFROG)

Bill Magavern, Policy Director
Coalition for Clean Air

Quinn Eide, Executive Director
Fossil Free California Votes

Irene Kao, Executive Director
Courage California

Jack Eidt, Co-Founder
350 SoCal Climate Action

Janet Cox, CEO
Climate Action California

Rachel Mandelbaum, Deputy Director of Campaigns & Organizing
Dayenu: A Jewish Call to Climate Action

Gracyna Mohabir, Senior Regulatory Advocate
California Environmental Voters

Marven Norman, Environmental Policy Analyst
Center for Community Action and Environmental Justice (CCA EJ)

Allie Rosenbluth, US Campaigns Manager
Oil Change International

Greg Karras, Senior Scientist
Community Energy reSource