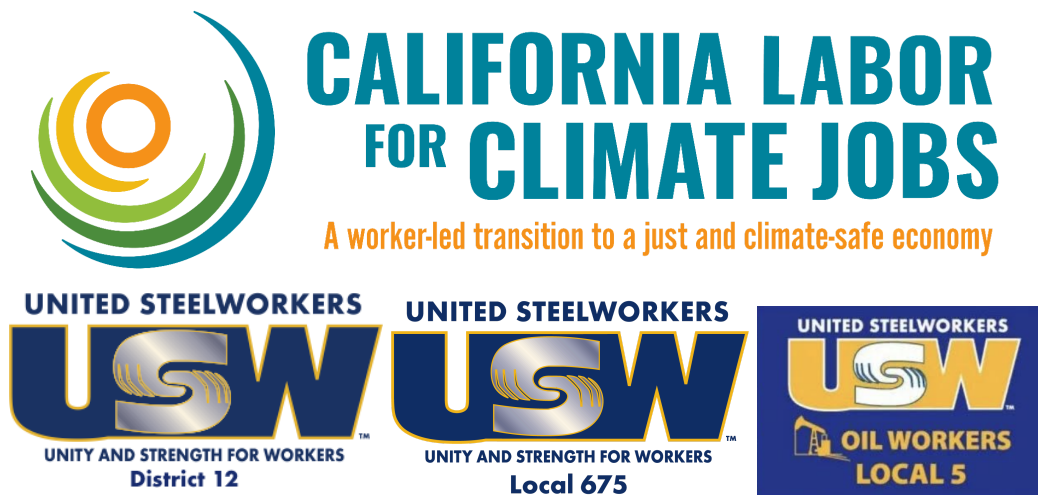


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**California Labor for Climate Jobs Public Comment on the Draft
Transportation Fuels Transition Plan and Draft SB237 Assessment**

Additional submitted attachment is included below.



Re: California Labor for Climate Jobs Public Comment on the Draft Transportation Fuels Transition Plan and Draft SB237 Assessment

California Energy Commission
Docket Number 23-SB-02

July 20, 2026

Dear Chair Hochschild, Vice Chair Gunda, and Commissioners:

On behalf of California Labor for Climate Jobs, thank you for the opportunity to provide comments on the California Energy Commission's Draft Transportation Fuels Transition Plan (TFTP) and the Draft Senate Bill 237 Assessment. We appreciate the Commission's efforts to develop a comprehensive framework for managing California's transportation fuels transition while maintaining workforce and economic stability, fuel reliability, affordability, and public health protections.

We strongly support the two report's recognition that as California transitions its transportation fuel system we must actively manage the process rather than leave it to market forces alone. The documents appropriately acknowledge the unique characteristics of California's fuel system and the importance of planning for impacts on workers, communities, and local governments. The Commission's recognition that refinery closures may create workforce, economic, and fiscal challenges represents an important step toward a more comprehensive transition strategy.

At the same time, we believe these documents can be significantly strengthened by expanding their treatment of workforce transition, refinery safety, worker retention, community fiscal stability, and long-term transition support programs. California has the opportunity to establish a national model for managing industrial transition in a manner that protects workers, communities, public services, and public safety while advancing the state's climate goals.

Our comments focus on five areas:

1. Workforce representation and transition planning;
2. Refinery safe staffing and process safety management during transition;
3. Skills recognition, career pathways, and worker support systems;
4. Strengthening and expanding the California Displaced Oil and Gas Worker Fund; and
5. Local government fiscal stabilization and tax base transition support.

I. Workforce Representation and Refinery Employment

The Draft Transportation Fuels Transition Plan appropriately recognizes labor as a key stakeholder in California's transportation fuels transition. We appreciate the Plan's effort to outline the labor landscape in refineries in terms of distinguishing between directly employed and contracted workers, the number of annual hours from turnaround work and which unions represent refinery workers. An important clarification we would like to see reflected in the report is that the majority of directly employed refinery operations, maintenance, laboratory, and technical workers in California refineries are represented by the United Steelworkers (USW) and that these workers lose 100% of their hours when a refinery closes as they are not employed at other facilities. While many contracted construction and maintenance workers are represented by building trades unions, the permanent refinery workforce responsible for day-to-day operations is primarily represented by USW local unions.

This distinction is important because directly employed refinery workers possess unique operational knowledge, safety responsibilities, and transition needs. Future workforce planning efforts should recognize the different employment structures, credentialing systems, and career pathways associated with direct refinery employment and contracted construction work.

II. Workforce Safety and Transition Plans by Refineries

We strongly support the Transportation Fuels Transition Plan's recommendation that refineries develop Workforce Safety and Transition Plans. We appreciate the recommendation to include an assessment of how the workforce will be impacted, the suggestion for a Workforce Safety and Transition Assistance program funded by the employer, and requirements for regular updating of plans and meeting with labor representatives. Given the unique operational and safety challenges that arise following refinery closure announcements, we suggest that the Commission expand this recommendation to incorporate additional robust safe staffing and worker retention requirements.

Refineries are highly complex facilities that depend upon experienced operators, maintenance workers, laboratory technicians, and other skilled personnel to safely manage hazardous processes. The loss of experienced personnel during the pre-closure period can create operational vulnerabilities, impair emergency response capabilities, and increase the likelihood of accidents. A managed transition therefore requires not only planning for eventual workforce displacement, but also planning to maintain safe staffing levels and operational expertise throughout the transition period. Accordingly, we recommend that the Transportation Fuels

Transition Plan endorse the development of a refinery safe staffing framework that includes the following framework:

- Safe Staffing Management Plans that identify staffing risks and incorporate feasible employee retention strategies to address understaffing.
- Statewide standards and best practices for maintaining safe staffing levels during refinery transitions, including a robust employer-funded assistance program.
- Periodic plan updates, including updates following closure or long-term idling announcements.
- Agency review, public transparency, and opportunities for public comment.
- Ongoing inspections and enforcement to ensure implementation and compliance.

The Commission should also support development of a multi-stakeholder process, including refinery workers, employers, process safety experts, community organizations, and state agencies, to establish standards and best practices for maintaining safe staffing levels and managing workforce transitions. Such a process should evaluate retention strategies, including paid training, job placement assistance, transfer opportunities, and other measures that help preserve workforce expertise and support safe refinery operations during periods of transition.

By incorporating these recommendations, both documents can help ensure that refinery transitions are managed in a manner that protects workers, surrounding communities, and the safe operation of critical infrastructure.

III. Preserve and Strengthen Worker Participation Rights Through Process Safety Management Protections

In addition to safe staffing requirements, we appreciate that the Commission recognizes that strong worker participation rights are a critical component of maintaining refinery safety during periods of closure, conversion, long-term idling, and workforce transition.

As noted in both reports, California strengthened refinery Process Safety Management (PSM) regulations in 2017 following major industrial incidents, including the 2012 Chevron Richmond refinery fire that sent approximately 15,000 residents to seek medical attention. These reforms were developed through a broad stakeholder process involving labor organizations, scientific experts, environmental health advocates, industry representatives, and state agencies and now apply to approximately 1,500 high-hazard facilities statewide.

The Chevron Richmond incident demonstrated the importance of worker participation in hazard identification and accident prevention. Investigations found that workers had repeatedly raised concerns regarding deteriorating equipment and unsafe conditions prior to the incident. Workers are often the first individuals to identify process safety risks, equipment failures, unsafe operating conditions, and organizational deficiencies that may not be visible through management reporting systems alone.

As refinery closures, conversions, and workforce reductions occur during California's transportation fuels transition, preserving worker participation rights becomes even more important. Organizational changes, staffing shortages, loss of institutional knowledge, increased overtime, and workforce turnover can all create new process safety risks.

We ask that the Commission explicitly support preservation of the highest Process Safety Management standards, especially as they are at risk of erosion through the current lawsuit and subsequent regulatory process. We ask for recognition that legislative pathways may be undertaken to preserve these critical safeguards, such as is currently reflected in SB 966 (Gonzalez), which seeks to maintain core worker participation rights on process safety management activities that have been in place since 2017.

We ask the Commission to clearly highlight that strong worker participation contributes not only to worker safety, but also to community safety and fuel system reliability. Many refineries and chemical facilities are located near low-income communities and communities of color that already experience disproportionate environmental and public health burdens. Preventing catastrophic accidents reduces risks to these communities while also reducing the likelihood of unplanned outages, supply disruptions, and price volatility.

IV. Industry-Recognized Skills Certification and Career Passport Program

The reports appropriately note that refinery workers may face challenges obtaining skills recognition and verification when pursuing employment in new industries.

Unlike many construction trades workers, directly employed refinery workers frequently do not possess journeyman cards or portable industry credentials despite possessing decades of highly specialized technical expertise. Workers often acquire skills through employer-based training, on-the-job experience, and internal qualification systems that are not easily recognized by prospective employers in emerging industries.

The Commission should recommend development of a statewide third-party certification and skills-verification framework specifically designed for oil and gas workers.

Such a framework should include:

- Standardized prior-learning assessment processes;
- Third-party competency verification;
- Recognition of refinery operations, maintenance, instrumentation, laboratory, logistics, and safety experience; and
- Transferability across energy, utility, manufacturing, infrastructure, and industrial sectors.

The Commission should further recommend development of an Oil and Gas Worker Career Passport Program aligned with the Governor's Master Plan for Career Education. Such a

program could provide workers with portable documentation of competencies acquired through years of industry experience and facilitate entry into new industries without requiring unnecessary retraining.

California should dedicate resources to designing and implementing this certification and career passport system in partnership with labor organizations, educational institutions, employers, and workforce agencies.

V. California Displaced Oil and Gas Worker Fund

The Transportation Fuels Transition Plan and SB237 Assessment appropriately identify the California Displaced Oil and Gas Worker Fund (DOGWF) as an important transition resource. However, the reports should recognize several limitations of the current pilot structure.

First, the pilot program is currently scheduled to sunset in 2027. The Commission should recommend that the program be made permanent so resources are available whenever future layoffs occur. It takes years to properly establish and administer a program. This timeline is incongruent with the rapid nature of refinery closures and layoffs. We need to have a permanent program in place, functional and adequately funded in order to deliver services to workers as they lose their jobs.

Second, the existing program is primarily focused on retraining and job placement. California should invest in designing a best-in-class workforce transition system that can serve as a national model for managing industrial transitions. A comprehensive transition framework should include:

- Career passport and skills certification services;
- Wage replacement programs;
- Wage insurance programs;
- Early retirement pathways;
- Relocation assistance; and
- Family support services.

Finally, the Commission should recommend further analysis of sustainable funding mechanisms capable of supporting long-term workforce transition needs. A permanent program will require a dedicated and reliable funding source capable of supporting workers throughout the duration of California's transportation fuels transition.

VII. Assessment of a Pilot Fund for Local Tax Base Support

We strongly support the Plan's recommendation to assess a pilot fund to support local governments experiencing significant tax revenue losses associated with refinery closures. This recommendation recognizes an often-overlooked challenge of the transportation fuels transition:

the fiscal impacts that refinery closures can have on local governments, school districts, and other public agencies that rely on refinery-related revenues to fund essential services.

As the Plan notes, there can be a substantial lag between the loss of refinery tax revenues and the realization of new economic activity, redevelopment, or diversification strategies that replace those revenues. During this period, communities may face difficult budget decisions that affect public safety, public health, education, infrastructure maintenance, and other essential services. Establishing a pilot fund to help bridge this transition period is therefore a critical component of a managed and equitable fuels transition.

We support the Plan's recommendation to evaluate potential pilot fund designs, identify funding sources to support communities facing refinery closures, and assess long-term funding mechanisms capable of sustaining the program over time. We further encourage the Commission to recognize that maintaining local public budgets is not only a fiscal stabilization strategy, but also a workforce and community resilience strategy. Public-sector employees—including educators, public health workers, emergency responders, and other local government employees—provide essential services and represent an important source of family-sustaining jobs in many refinery communities. Preserving local government capacity during periods of economic transition will help communities maintain service levels, retain skilled workers, and create a stronger foundation for long-term economic diversification.

Accordingly, we support the Commission's recommendation to assess a pilot fund for local tax base support and encourage further analysis of both near-term and permanent funding mechanisms to ensure refinery-dependent communities have the resources necessary to navigate the transition while maintaining essential public services.

Conclusion

We commend the Commission for recognizing that California's transportation fuels transition must be actively managed to protect consumers, workers, communities, and the broader economy. The Draft Transportation Fuels Transition Plan and SB237 Assessment provide an important foundation for that effort.

However, a truly managed transition must address not only fuel supply and infrastructure considerations, but also workforce retention, refinery safety, worker participation, local government fiscal stability, and comprehensive support systems for affected workers and communities.

By strengthening the documents recommendations regarding safe staffing, process safety management, skills recognition, local fiscal stabilization, and permanent worker transition programs, California can establish a national model for managing industrial transition in a manner that advances climate goals while protecting workers, communities, and public services.

Thank you for your consideration of these comments. We look forward to continuing to work with the Commission to ensure that California's transportation fuels transition is equitable, safe, and economically sustainable.

Sincerely,

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California Labor for Climate Jobs

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Legislative Director
United Steelworkers District 12

Gary Holloway
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