

DOCKETED

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STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

Western States Petroleum Association
Petition for Rulemaking

**ORDER DENYING PETITION FOR
RULEMAKING**

I. INTRODUCTION AND PROCEDURAL HISTORY

Effective January 1, 2023, Senate Bill (SB) 1322 (Stats. 2022, ch. 374) amended sections 25362 and 25364 of, and added Section 25355 to, Chapter 4.5, Division 15 of the Public Resources Code (PRC). On March 28, 2023, the Governor signed SB X1-2 (Stats. 2023, 1st Ex. Sess. 2023, ch. 1), an act to amend Sections 25354, 25355, 25362, and 25364 of, to add Sections 25354.2, 25355.5, 25355.7, and 25367 to, and to add Chapter 4.6 to Division 15 of the PRC. SB X1-2 will take effect on June 26, 2023. Together, SB X1-2 and SB 1322 add new reporting requirements and enforcement mechanisms to the existing reporting framework of the Petroleum Industry Information Reporting Act (PIIRA) of 1980.

On May 11, 2023, Western States Petroleum Association (WSPA) filed a petition requesting the California Energy Commission (CEC) institute a formal rulemaking regarding implementation of SB X1-2 and SB 1322 (Petition). The Petition asserts that such a rulemaking is needed to clarify terms and processes in SB X1-2 and SB 1322 and to ensure consistent interpretation and implementation of the laws.

On May 18, 2023, the Executive Director certified that the petition met the filing requirements of CCR, title 20, Section 1221. On May 19, 2023, CEC staff filed a recommendation that the CEC deny the Petition as premature and unnecessary because SB X1-2 has yet to take effect and the laws are clear as written. The CEC considered the Petition at its May 31, 2023 Business Meeting.

II. CEC FINDINGS

Based on the entirety of the record, the CEC finds that:

- 1) The Petition meets the requirements of CCR, title 20, section 1221.

- 2) Implementation of SB X1-2 and SB 1322 will benefit from an open and transparent public process with robust engagement from regulated entities after SB X1-2 takes effect on June 26, 2023.
- 3) PRC sections 25213 and 25218(e) authorize the CEC to adopt rules and regulations, as necessary, to carry out its statutory duty. The CEC has further authority to implement the provisions of Chapter 4.5 of Division 15 of the PRC through Administrative Procedure Act-exempt regulations and actions pursuant to PRC sections 25354(n)(2) and 25355(o) and to adopt emergency regulations and orders pursuant to PRC section 25367.
- 4) The terms of SB X1-2 and SB 1322, including the data reporting requirements, are clear as written and, accordingly, may be implemented without delay.
- 5) CCR, title 20, section 1221(c), requires that the CEC, within 30 days of the filing of the petition, deny the petition, stating the reason for the denial in writing, or grant the petition, directing staff to prepare an order instituting a rulemaking.

III. CONCLUSION AND ORDER

- 1) For the reasons stated above, the CEC hereby DENIES WSPA's Petition for Rulemaking.
- 2) CEC staff is directed to file this Order and supporting documentation with the Office of Administrative Law in accordance with Government Code section 11340.7(d)

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an order duly and regularly adopted at a meeting of the CEC held on May 31, 2023.

AYE: Gallardo, Gunda, McAllister, Monahan
NAY: NONE
ABSENT: Hochschild
ABSTAIN: NONE

Dated: June 1, 2023

SIGNED BY

Liza Lopez
Secretariat