

DOCKETED

Docket Number:	16-OIR-06
Project Title:	Senate Bill 350 Disadvantaged Community Advisory Group
TN #:	258499
Document Title:	Item 8 - SB X1-2 DACAG 08162024
Description:	N/A
Filer:	Dorothy Murimi
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	8/14/2024 12:16:49 PM
Docketed Date:	8/14/2024



Senate Bill (SB) X1-2 Overview

Jeremy Smith

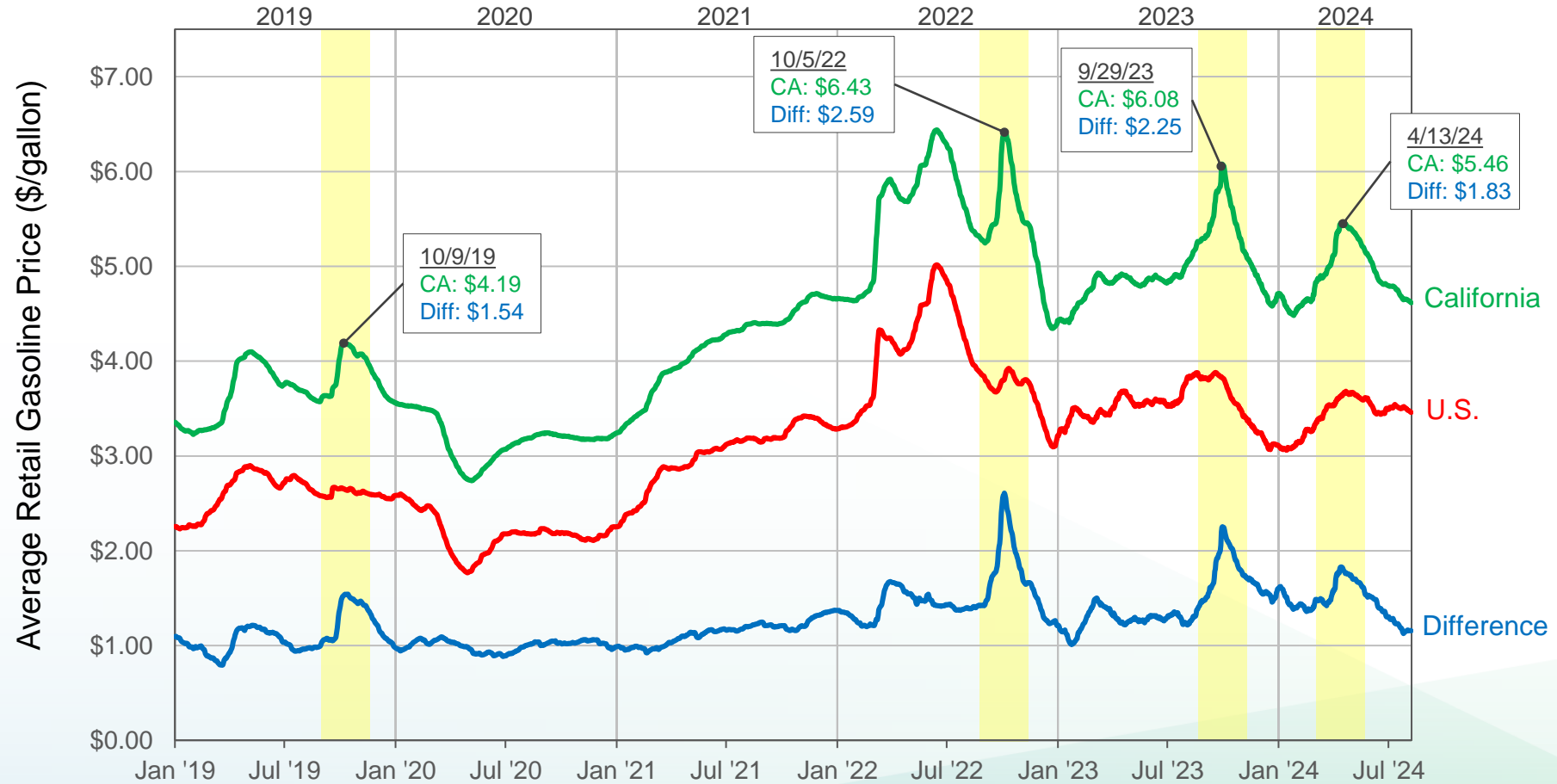
Deputy Director, Energy Assessments Division

August 16, 2024



California vs. U.S. Gasoline Prices

California vs. U.S. Average Retail Gasoline Price (2019-Current)



Source: CEC Analysis of OPIS data



SB X1-2 – *Requirements Overview*



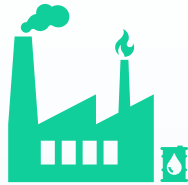
Data Collection &
Monitoring



Market Oversight
Analysis



Transportation Fuels
Assessment



Refinery Maintenance
Monitoring



Refining Margin
Establishment and
Penalty Determination



Fuels Transition Plan
(w/ CARB)

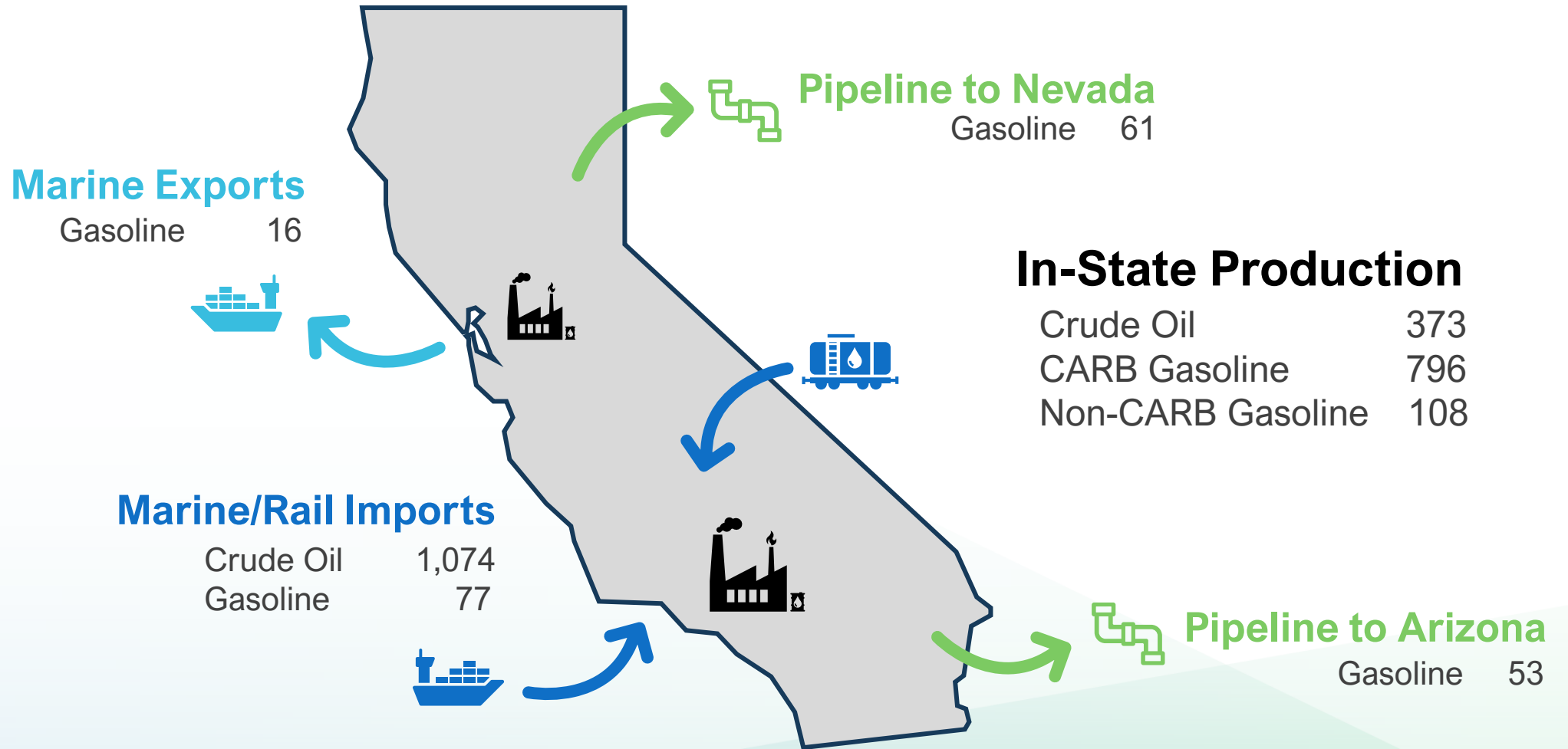


SB X1-2 - *Timeline*





California's Fuel Flows

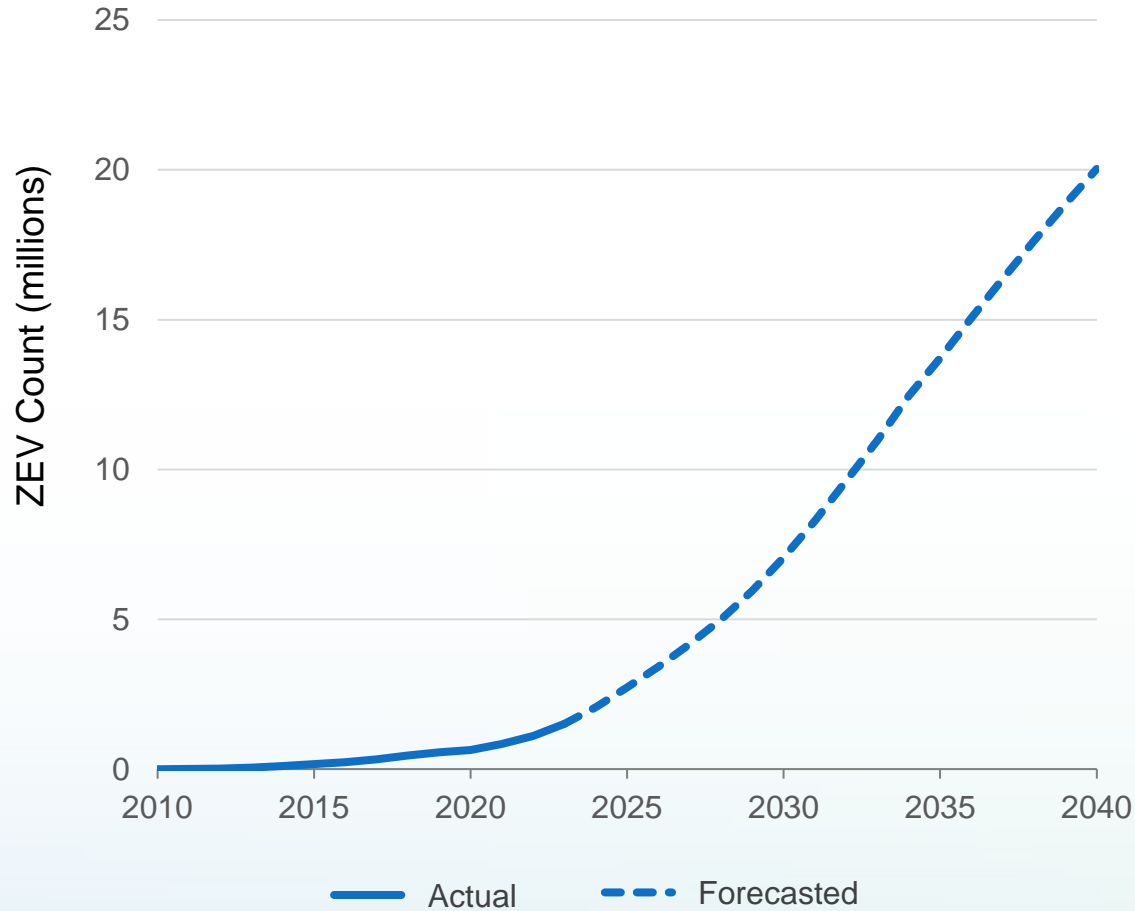


(Amounts shown in thousands of barrels per day)

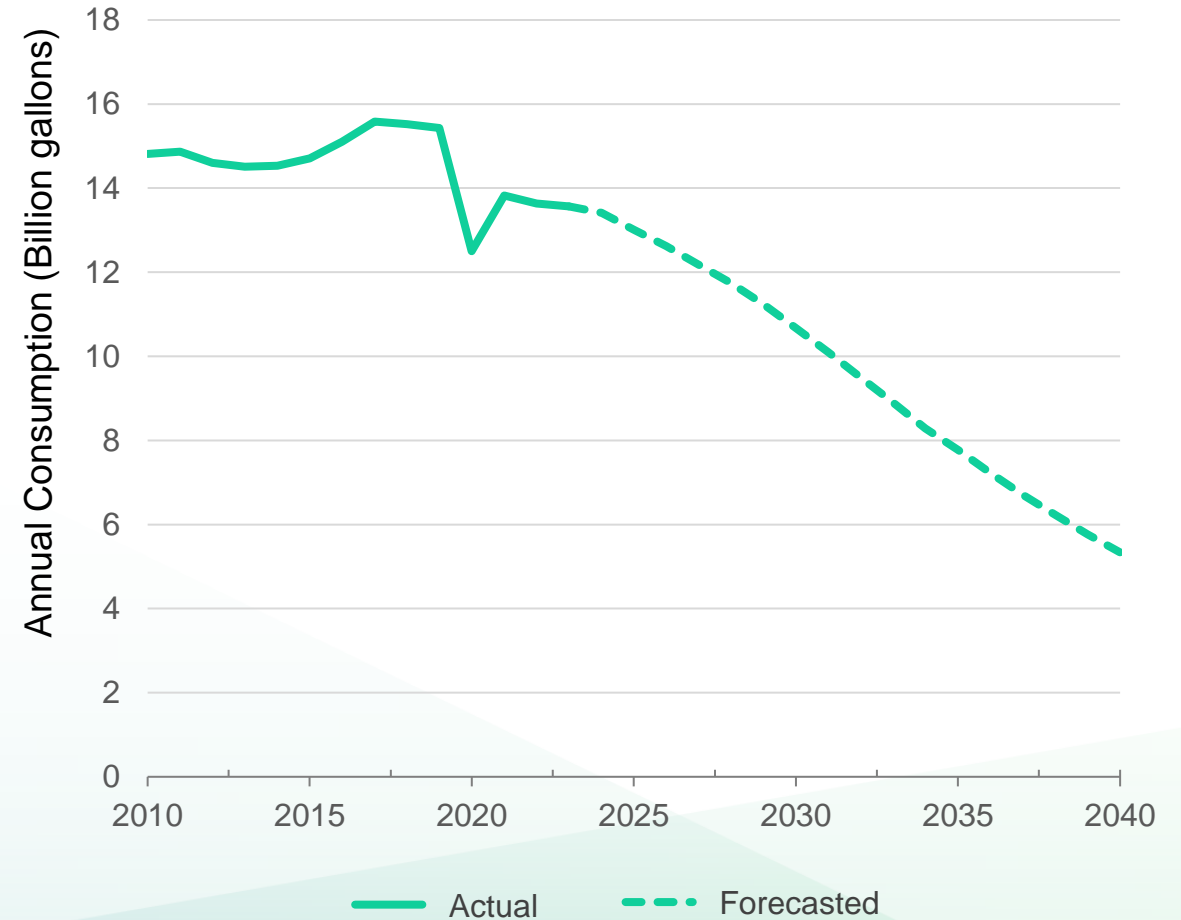


Towards a Zero-Emission Future

Zero-Emission Vehicles in California



Gasoline Consumption in California

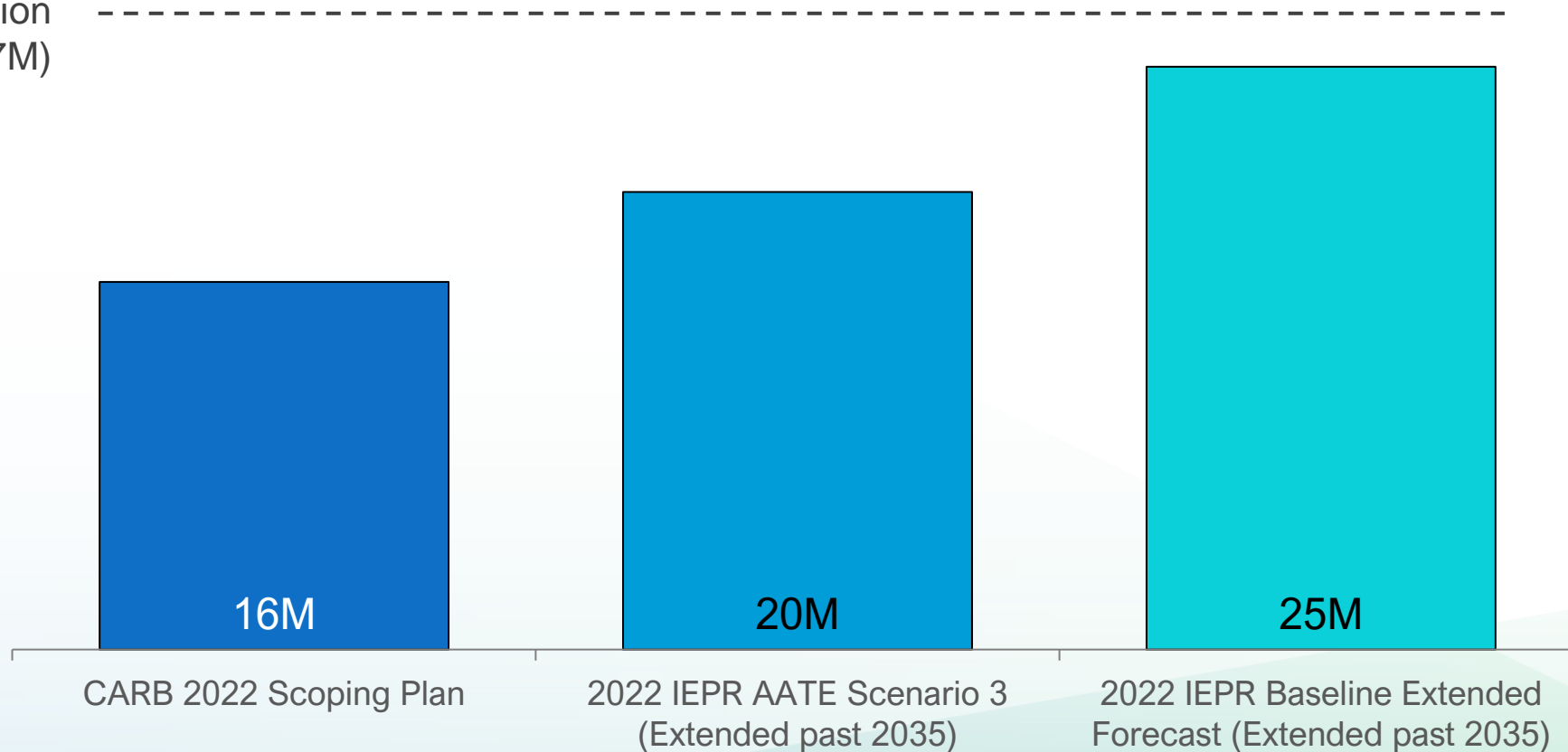




Combustion Vehicles will Phase Out but Need Fuel for Decades

2035 Light-Duty Combustion Vehicles on the Road

2022 DMV
Population
(27M)

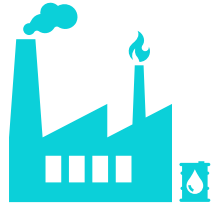




CA Specific Market Dynamics:

How many days of supply of refined fuel do we have?

SUPPLY



Refinery Production



Marine Imports



Gasoline Inventories

DEMAND

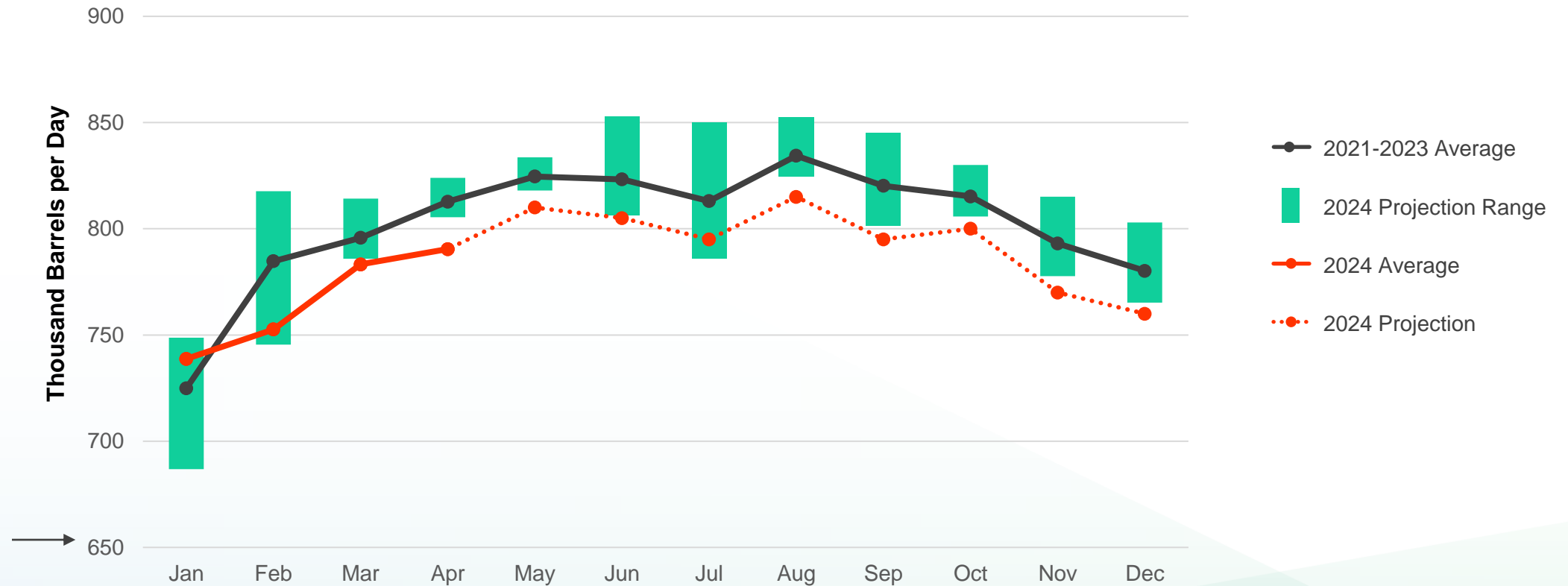


Gasoline Demand



Average CARBOB Demand

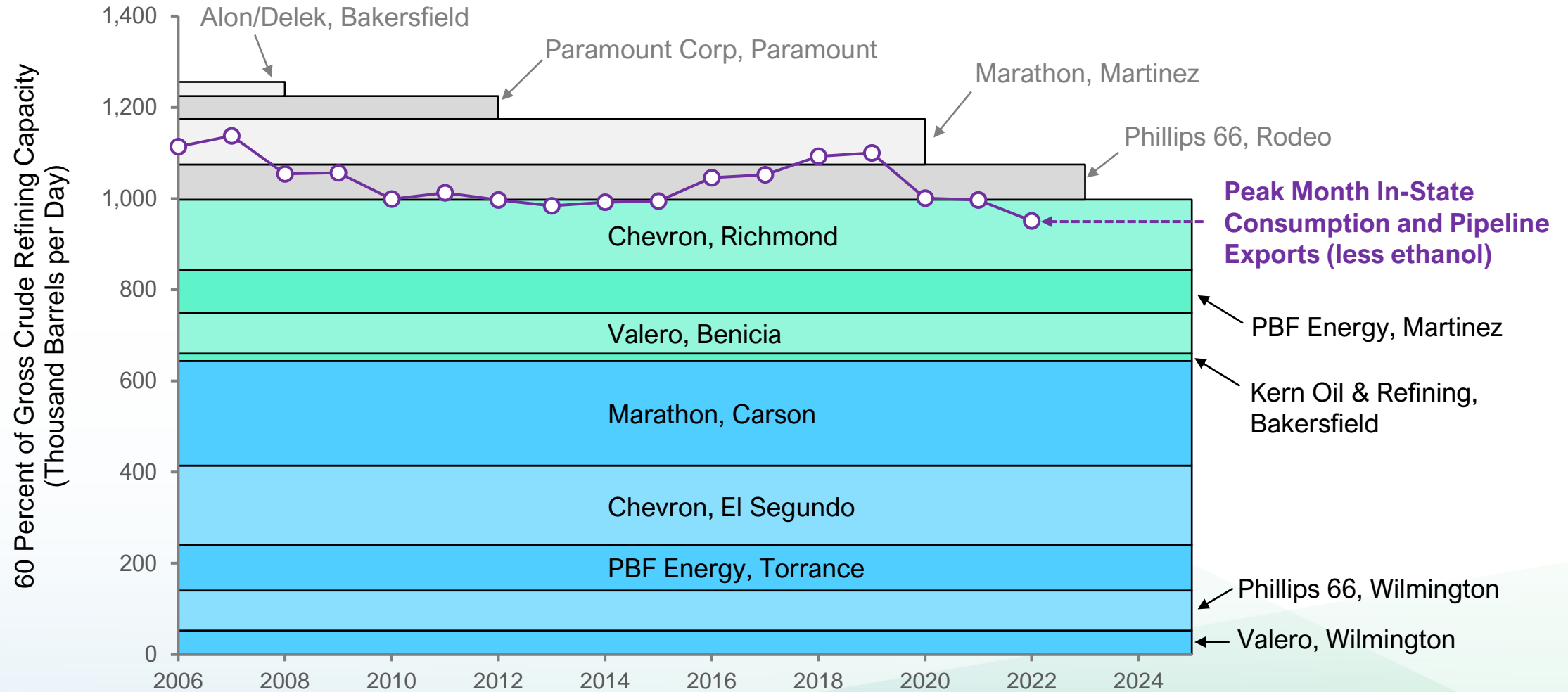
Average Daily CARBOB Demand by Month (Jan 2021-Current)



Source: CEC analysis of CDTFA data.



Estimated Gasoline Refinery Capacity



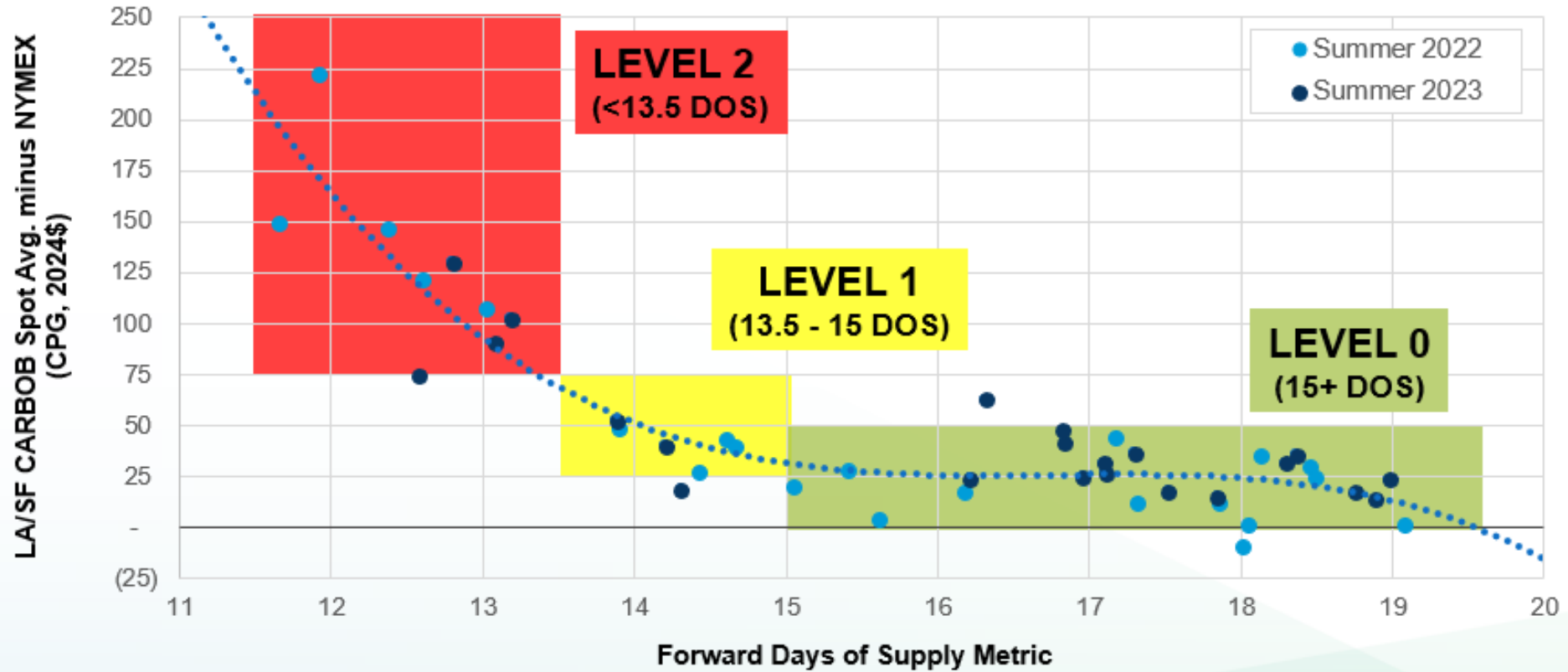
Source: CEC Staff, CDTFA



Establishing Price Risk Levels

...Price spreads increase

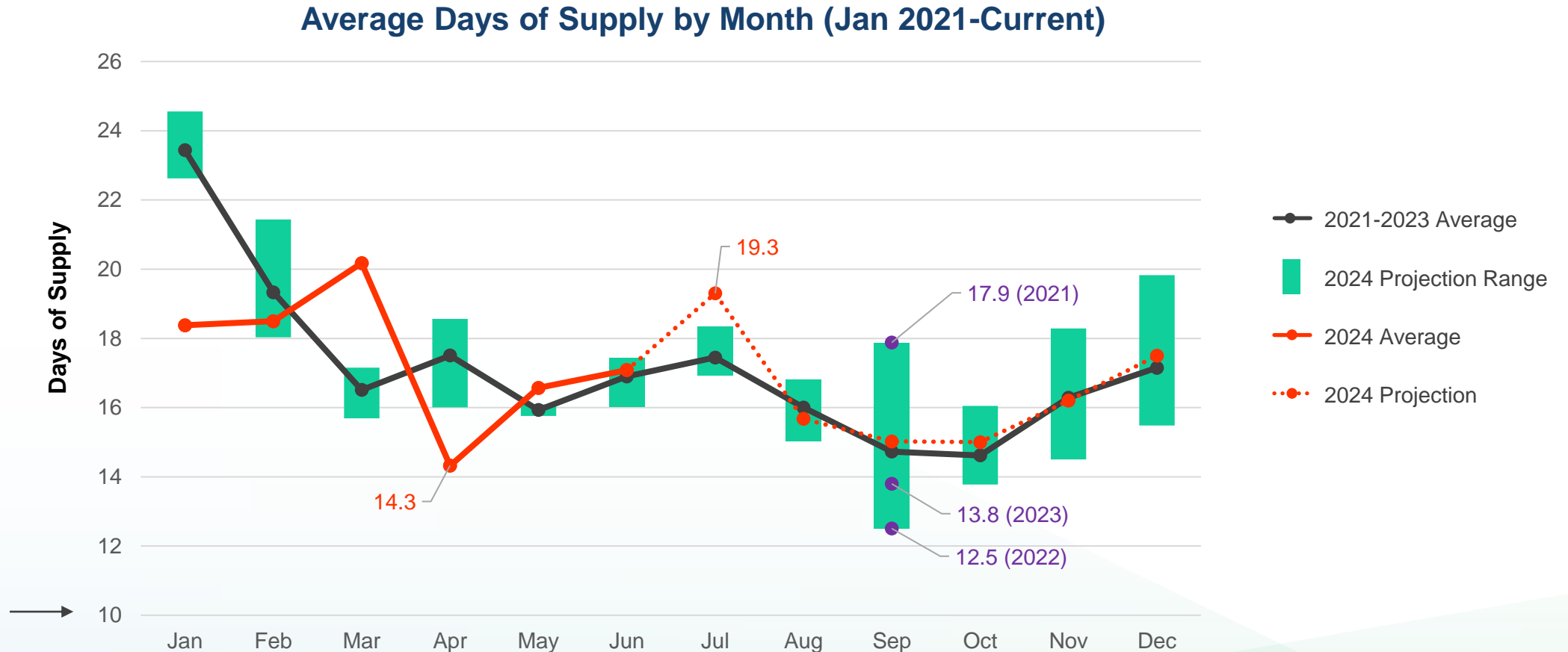
Summer 2022 and 2023 Price Spread vs. Days of Supply (DOS)



As Days of Supply fall...



Days of Supply Projection



Source: Production from CEC [Weekly Fuels Watch Dashboard](#).
Gasoline stocks from EIA [West Coast \(PADD 5\) Stocks of Crude Oil and Petroleum Products \(eia.gov\)](#)



Transportation Fuels Assessment

Policy Options



Storage

- State-supported storage
- Storage requirements



Fuel Blends

- Fuel Blends: 15% Ethanol
- Regional Blends
- Non-CARBOB Blends



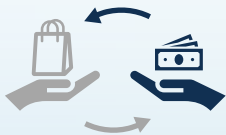
Highly Complex

- Gas Price Stabilization Fund
- Public utility model
- State ownership



Imports

- Resupply Compensation
- Railcar Replenishment
- State-managed imports



Demand Strategies

- Enhanced ZEV Access
- VMT Reduction Strategies
- Fuel Conservation

Progress



May 16, 2023

Workshop on fuel demand scenarios and assessment framework



August 17, 2024

Workshop to confirm demand scenarios, price spike policy and mitigation options



May 3, 2024

Workshop to present draft report



August 1, 2024

Final report published



Transportation Fuels Transition Plan

Working Group	Community Meetings	Petroleum Refining Supply Technical Contract
<p>WG Meeting #1: Assessing fuel supply strategies from CEC’s Transportation Fuels Assessment</p>		<ul style="list-style-type: none"> ICF Contract Kickoff July 2024
<p>WG Meeting #2: Supply and Demand-Planning for Diminished In-State Fuel Demand</p>	<p>Community Mtg #1 (Northern California)</p>	<ul style="list-style-type: none"> Draft range of fuel and export volumes
<p>WG Meeting #3: Equitable Transition of the Workforce</p>	<p>Community Mtg #2 (Southern California)</p>	<ul style="list-style-type: none"> Final range of fuel and export volumes Draft analysis of staged refinery transitions



Jeremy Smith
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