

DOCKETED

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Comment Received From: Dwayne McClinton, Director, Nevada Governor's Office of Energy

Submitted On: 9/3/2024

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Nevada Governor's Office of Energy Letter Re MS-4 (Docket No 23-SB-02)

Additional submitted attachment is included below.



GOVERNOR'S OFFICE OF ENERGY

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September 3, 2024

California Energy Commission
MS-4 (Docket No. 23-SB-02)
715 P Street, Sacramento, CA 95814

Members of the California Energy Commission:

On behalf of the State of Nevada Governor's Office of Energy, I'm writing to you to express concern about SB 950, especially as a special legislative session concerning this legislation is now underway.

In May, Governor Lombardo wrote to Governor Newsom with concern about California energy policies and the consequences, intended and unintended, that your state's laws and regulations have on fuel supplies and costs for surrounding states, like Nevada. Last week, Governor Lombardo and our office were informed of new proposed legislation that would require refineries in California to modify their operations to create and hold fuel supplies in for distribution during maintenance periods.

As I understand from our initial look at this proposal and the recently completed Transportation Fuels Assessment by your team, this regulation "could increase average prices for refiners to maintain additional storage," and will likely force refiners to maintain the required storage capacity through the withholding of fuels from the market, which "may artificially create shortages in downstream markets."

While there may be some debate about the cause of fuel cost spikes, there is no question that state-forced supply shortages and imposing higher costs on refiners will only lead to more expensive fuels and energy for consumers in California and Nevada.

Once again, Governor Lombardo and I would request that before California proceeds with more regulation that could limit fuel supplies, increase costs, and possibly drive refiners out of our region, that we study these issues together. My team at the Office of Energy stands ready for this work, so that we can protect consumers across the West.

Sincerely,

Dwayne McClinton
Director, Nevada Governor's Office of Energy