

DOCKETED	
Docket Number:	23-OIR-03
Project Title:	General Rulemaking Proceeding for Developing Regulations, Guidelines, and Policies for Implementing SB X1-2 and SB 1322
TN #:	261746
Document Title:	Resolution of the Emergency Rulemaking Implementing Three-Month Projection Reporting Requirements
Description:	N/A
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
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STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

**Emergency Rulemaking
Implementing Three-Month
Projection Reporting Requirements**

Docket No. 23-OIR-03

**RESOLUTION ADOPTING
EMERGENCY REGULATIONS**

WHEREAS, the Legislature enacted, and the Governor signed Senate Bill (SB) X1-2 (Stats. 2023, 1st Ex. Sess. 2023, ch.1), which, among other things, amended section 25354, subdivision (a) in Chapter 4.5 of Division 15 of the Public Resources Code; and

WHEREAS, to improve reporting of data to the CEC about the petroleum market that is essential for the CEC's oversight functions and for the state to develop and administer energy policies in the best interests of the state and public welfare, Public Resources Code section 25367 authorizes the CEC to adopt regulations to implement Chapter 4.5 of Division 15 of the Public Resources Code, including the proposed regulations clarifying the informational and procedural requirements for refiner and major marketer three-month projections; and

WHEREAS, Section 25367 states that the adoption of these regulations shall be considered by the Office of Administrative Law (OAL) as an emergency, and necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding any law, the emergency regulations adopted to implement this chapter shall remain in effect for two years; and

WHEREAS, Section 25367 further states that any regulation adopted by the commission under Chapter 4.5 is not a "project" for purpose of the California Environmental Quality Act; and

WHEREAS, gasoline price spikes continue to affect Californians each year, it is imperative to quickly adopt these reporting requirements to clarify and standardize the identified data to provide greater transparency into the petroleum market and provide

the information needed to better address and understand the causes of price spikes and prevent their continued occurrence; and

WHEREAS, on September 25, 2024, the CEC noticed and on November 12, 2024, the CEC held a workshop to discuss proposed changes to the regulations; and

WHEREAS, on November 6, 2024, CEC staff published the draft proposed regulation changes; and

WHEREAS, at the November 12, 2024, workshop CEC staff presented an overview of the proposed regulations and established a written comment period up to and including December 9, 2024; and

WHEREAS, the CEC received several comment letters relevant to the proposed regulations during the written comment period; and

WHEREAS, CEC staff engaged with stakeholders throughout this process and modified the proposed regulations based on feedback received; and

WHEREAS, on January 31, 2025, in the proceeding docket and business meeting webpage, the CEC provided notice that it designated February 12, 2025, as the date for the business meeting to consider adoption of the proposed emergency regulations; and

WHEREAS, on January 31, 2025, more than five working days prior to submission of the proposed emergency action to OAL, the CEC provided notice of the proposed action, which included the proposed emergency regulations, to persons who have expressed interest in this proceeding, including every person who has filed a request for notice of regulatory action with the agency; and

WHEREAS, on February 11, 2025, the CEC published and provided notice to all interested persons of a revised version of the express terms correcting a non-substantive typographical error in Sections IX and X of Appendix B of the express terms published January 31, 2025, which cross-referenced a filing requirement in section 1368. The correct cross-reference, as reflected elsewhere in the express terms and in the corrected version published February 11, 2025, is section 1366; and

WHEREAS, on February 12, 2025, the CEC considered the proposed emergency regulations at its business meeting.

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to the California Environmental Quality Act (CEQA):

- These regulations are being adopted under Chapter 4.5 of Division 15 of the Public Resources Code. Therefore, this action has been statutorily deemed to not be a project under CEQA pursuant to Public Resources Code Section 25367.

With regard to the Administrative Procedure Act:

- The proposed regulations are deemed an emergency by statute, are supported by an express statement containing specific facts demonstrating the existence of an emergency, and the CEC has express statutory authority to seek approval of these regulations implementing Chapter 4.5 of Division 15 of the Public Resources Code, including the three-month projection reporting requirements, through OAL's emergency rulemaking procedures; and
- The proposed emergency regulations will impose no direct costs or savings, or direct or indirect requirements or mandates, on state agencies, local agencies, or school districts, including but not limited to costs that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code; and
- The proposed emergency regulations will result in no costs or savings in federal funding to the State of California; and
- The proposed emergency regulations will result in no nondiscretionary costs or savings to any state agencies, local agencies, or school districts.

THEREFORE, BE IT RESOLVED that, after considering all comments received and based on the entire record of this proceeding, the CEC hereby adopts the emergency regulations implementing three-month projection reporting requirements as published on February 11, 2025, and incorporating any changes presented and adopted today. The CEC takes this action under the authority of sections 25213, 25218(e), 25354, and 25367 of the Public Resources Code, which among other powers conferred authorize the CEC to adopt emergency regulations, as reasonable and necessary, to implement Chapter 4.5 of Division 15 of the Public Resources Code; and

FURTHER BE IT RESOLVED that documents and other materials that constitute the rulemaking record can be found at the CEC, 715 P Street, Sacramento, California, 95814 in the custody of the Docket Unit and online in Docket Number 23-OIR-03, at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-oir-03> and posted on the CEC's website; and

FURTHER BE IT RESOLVED that the CEC delegates the authority and directs CEC staff to take, on behalf of the CEC, all actions reasonably necessary to have the proposed emergency regulations go into effect, including but not limited to making any appropriate non-substantive changes to the regulations; preparing all appropriate documents; compiling and submitting the rulemaking file to the Office of Administrative Law (OAL); responding to any public comments received on the regulations after adoption; making any changes to the rulemaking file required by OAL; and filing a

notice of exemption with the Office of Planning and Research. This delegation explicitly includes authority for the Executive Director or Chief Deputy Director to sign the Form 400 on behalf of the CEC.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on February 12, 2025.

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: NONE

ABSENT: NONE

ABSTAIN: NONE

Dated: February 13, 2025

SIGNED BY:

Kristine Banaag
Secretariat