

<b>DOCKETED</b>	
<b>Docket Number:</b>	22-IEPR-05
<b>Project Title:</b>	Emerging Topics
<b>TN #:</b>	247649
<b>Document Title:</b>	CEC WSPC Letter
<b>Description:</b>	N/A
<b>Filer:</b>	Donnie Cox
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	11/22/2022 10:40:49 AM
<b>Docketed Date:</b>	11/22/2022



**Catherine H. Reheis-Boyd**

President and CEO

November 17, 2022

The Honorable David Hochschild, Chair  
California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814

Via Email: [David.Hochschild@ebery.ca.gov](mailto:David.Hochschild@ebery.ca.gov)  
[Noemi.Gallardo@energy.ca.gov](mailto:Noemi.Gallardo@energy.ca.gov)

**RE: Informational Hearing on California Gasoline Price Spikes, Refinery Operations and Transitioning to a Clean Transportation Fuels Future**

Dear Chair Hochschild,

On behalf of the Western States Petroleum Association (WSPA), including California's in-state refiners-- Chevron, Marathon Petroleum, PBF Energy, Phillips 66, and Valero -- we are pleased to participate in the November 29<sup>th</sup> informational Integrated Energy Policy Report (IEPR) hearing.

WSPA is a non-profit trade association representing members that account for the bulk of petroleum and natural gas exploration, production, refining, transportation, and marketing across the Western United States. In this capacity, WSPA has been a consistent and active participant in the Commission's prior IEPR proceedings.

WSPA members produce 42 million gallons of gasoline and 10 million gallons of diesel every day to support California's ongoing demand for these critical transportation fuels for 35 million registered vehicles in California. Refiners today meet that demand with California's unique, cleaner-burning gasoline blend specifications, while continuing to lower the carbon intensity of these fuels consistent with the state's low carbon fuels standard and cap-and-trade programs. They meet this demand in the most expensive operating environment in the country, while also facing the most hostile political and regulatory environment in the country.

The Commission's proposed study to better understand the impact climate goals have on the demand, reliability, safety, and affordability of petroleum fuels is long overdue. Our members have previously recommended that the state conduct a robust and independent forecast of California's transportation fuel supply/demand dynamics through 2035 and 2045, consistent with the state's unique climate goals. In fact, the CEC should expand the study to also understand the impacts on the myriad of petroleum-based products that Californians rely upon every day.



As the CEC has noted on several occasions, the state's policies contribute to higher costs to consumers. Given that these policies disparately impact the cost-of-living for low-and moderate-income residents and small businesses, the Commission or another state regulator should study how the state's policies impact supply and reliability.

The California Air Resources Board has just released a far reaching and ambitious Climate Change Scoping Plan that assumes a necessary phase-down of in-state oil & gas production and refining capacity. More broadly, California's policies and regulations continue to put pressure not only on gasoline, but on all forms of energy, driving up costs while driving down reliability for consumers. A serious and independent study on how the state's goals and policies impact supplies and reliability of petroleum fuels, as well as other forms of energy should inform all policymakers before adoption of additional policies. Unfortunately, this study appears to be an after the fact exercise.

WSPA is pleased to participate in this hearing, and while we cannot discuss issues specific to fuel prices in line with strict federal anti-trust laws, as you have noted, WSPA will engage in discussions related to the state's unique transportation fuels market, and the policies and infrastructure constraints that adversely impact California residents and businesses.

We strongly encourage the Commission to additionally reach out to independent, recognized experts to address the myriad of factors that impact California's transportation fuels market beyond refining, which includes, but is not limited to commodities markets, the broader supply chain, and global shipping markets.

Sincerely,

A handwritten signature in blue ink, which reads "Cathy Boyd". The signature is fluid and cursive, with the first name "Cathy" and last name "Boyd" clearly legible.

cc: The Honorable David Hochschild, Chair, California Energy Commission  
The Honorable Siva Gunda, Vice-Chair, California Energy Commission  
The Honorable J. Andrew McAllister, Ph.D., Commissioner, California Energy Commission  
The Honorable Patty Monahan, Commissioner, California Energy Commission  
The Honorable Kourtney Vaccaro, Commissioner, California Energy Commission  
Noemí O. Gallardo, Public Advisor, Office of the Public Advisor, Energy Equity, and Tribal Affairs, California Energy Commission