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*Comment Received From: California Fuels & Convenience Alliance
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California Fuels & Convenience Alliance Comments

Additional submitted attachment is included below.



California Fuels and Convenience Alliance

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May 17, 2024

By Email
California Energy Commission
Docket Unit
Docket No. 23-OIR-03
715 P Street, MS-4
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Lisa DeCarlo
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RE: Comment on OAL File Number 2024-0509-3E; Emergency Rulemaking re SBX1-2 Gasoline Refining Margin and Marine Import Reporting Requirements

Dear All,

California Fuels and Convenience Alliance (“CFCA”) appreciates the opportunity to comment on the above captioned rulemaking by the California Energy Commission (“CEC”). CFCA represents about 300 members, including nearly 90% of all independent petroleum marketers in the state and more than one half of the state’s 12,000 convenience retailers. CFCA has significant concerns with CEC’s scatter-shot approach to issuing individual emergency rules implementing various provisions of SB X1-2 that fails to fully consider how individual rules, taken together, will negatively affect the industry, CFCA’s members, and the people of California.

While SBX1-2 may authorize CEC to conduct an emergency rulemaking, it does not allow CEC to completely disregard the views and feedback from the regulated community. Stakeholders cannot provide meaningful input when they are only provided with a brief five-day window (spanning Mother’s Day weekend no less) to provide comments. Yet, CEC has established the pattern of sending important fuel rules to OAL to ensure that the comment period will include weekends and holidays. This suggests that CEC is intentionally trying to limit public participation. The pre-rulemaking workshops do not mitigate this issue. In those workshops, CEC only presents its own positions without making any changes in light of critical feedback received.

One symptom of this rushed process is CEC’s failure to assess the individual or collective environmental impact its regulations will have. CEC refuses to engage in any CEQA analysis and has instead claimed each regulation (including the one it recently submitted to OAL) is exempt from CEQA. CFCA does not believe there is a valid legal basis for CEC to make claim exemptions. Regardless, CEQA’s purpose is to prevent damage to the environment, and CEC’s decision to ignore that important process only creates risk of serious environmental impacts. In fact, taken together, CEC’s regulations under SB X1-2 will undoubtedly affect the supply of transportation fuels in California, leading to cascading consequences for greenhouse gas emissions and air pollution. CEC should change course and conduct a thorough CEQA

analysis to understand the full environmental impacts of these regulations and cannot continue to treat each regulation as if they exist in a vacuum.

Finally, if lowering gasoline prices is CEC's true goal, it should consider investigating ongoing efforts in the state to increase these taxes, which, at 77.9 cents per gallon (as of July 2023), is the highest in the nation. It is particularly striking that while CEC purports to be taking action to reduce gasoline prices, another branch of the same government, the California Air Resources Board ("CARB"), is going in the opposite direction. CARB's Low Carbon Fuel Standard, released in September 2023, proposes amendments that could increase the price of gas by an average of \$.37 per gallon in 2024 and \$1.15 by 2046. CARB professes that its effort, in part, is aimed at using higher gas prices to force Californians to stop using internal combustion engine vehicles. By their own admissions, CARB and CEC are working at cross purposes with Californians sitting squarely in the middle.

It is clear CEC has not considered the full impacts of its rulemaking—both on the environment and how these rules advance the overall policy of the state government.

Sincerely,

A handwritten signature in black ink, appearing to read "Alessandra Magnasco". The signature is written in a cursive, flowing style with a large initial 'A' and a long, sweeping tail.

Alessandra Magnasco
Governmental Affairs & Regulatory Director