

DOCKETED	
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Fourth Meeting of the Independent Consumer Fuels Advisory Committee

June 23, 2026



Housekeeping

- This meeting is being recorded.
- Attendees may participate today by making comments during public comment period.



Purpose of Today's Meeting

- Discuss the Draft Transportation Fuels Transition Plan and Draft Senate Bill 237 Assessment.
- Solicit initial thoughts on these draft reports.



Agenda

- Opening Comments
- Presentations
 1. Overview of the Draft Transportation Fuels Transition Plan
 2. Overview of the Draft SB 237 Assessment
- Committee Discussion/Vote on Proposed ICFAC Comment Letter for the Draft Transportation Fuels Transition Plan and Draft SB 237 Assessment
- Open Forum
- Public Comment
- Upcoming ICFAC Meetings
- Closing Remarks

Opening Comments

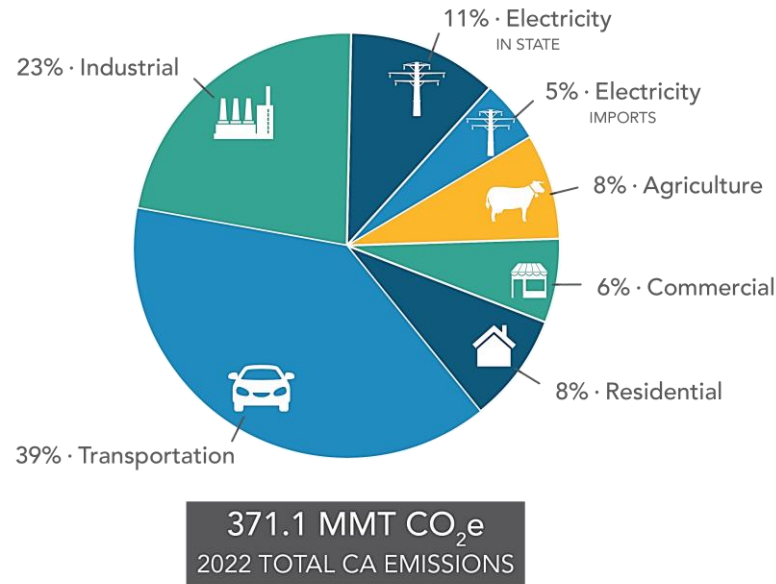
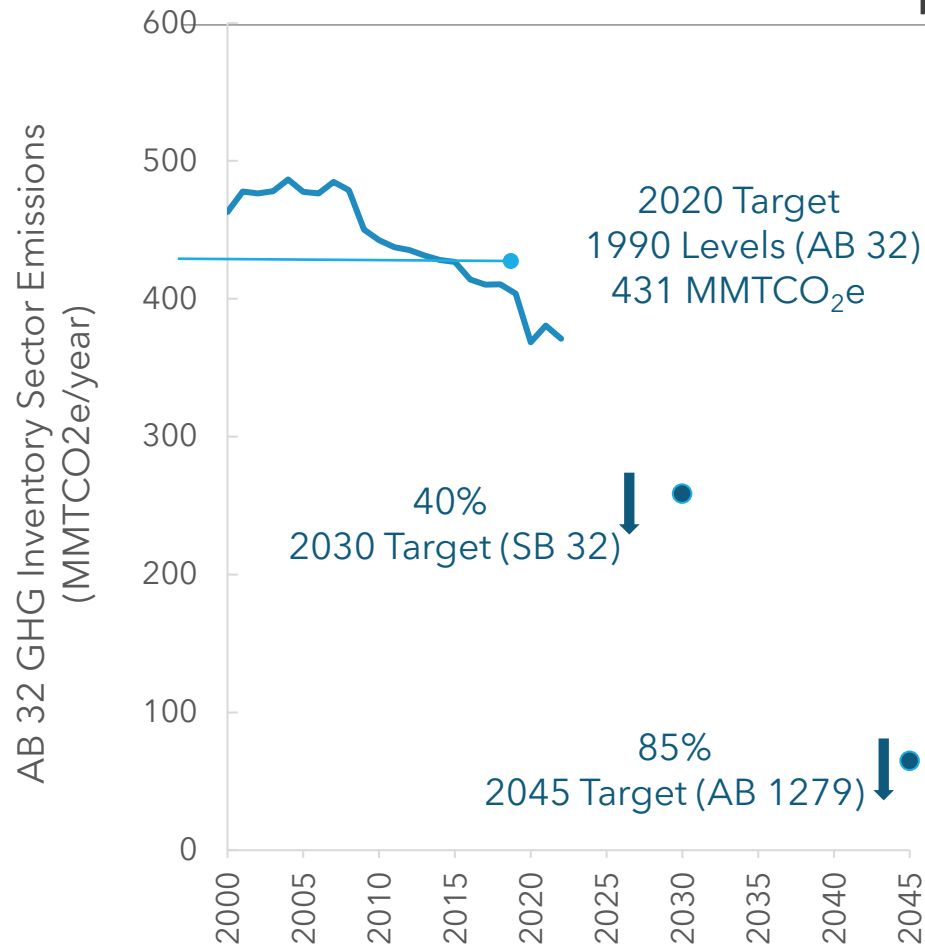


Overview of California's Draft Transportation Fuels Transition Plan

JUNE 2026

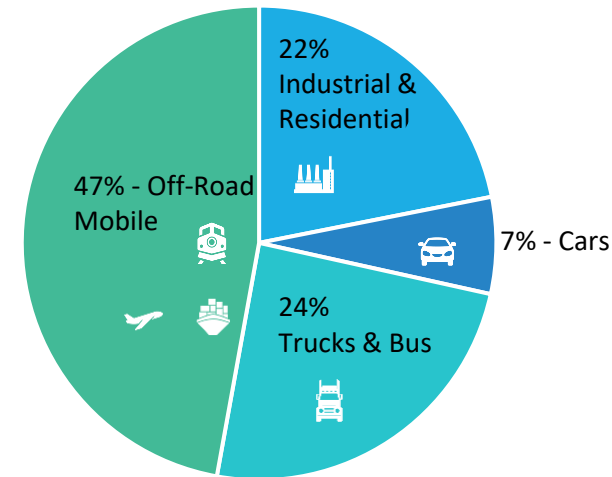


Climate and Air Quality Targets: Role of Transportation Sector



Source: 2024 Edition, California Greenhouse Gas
Emission Inventory: 2000-2022

California 2022 NO_x Emissions
Annual Average (1184 tons per day)



Source: CEPAM2022v1.01B
(OGV extends to 100 nautical miles)

California's Fuel Transition

California's transportation system is undergoing major change due to:

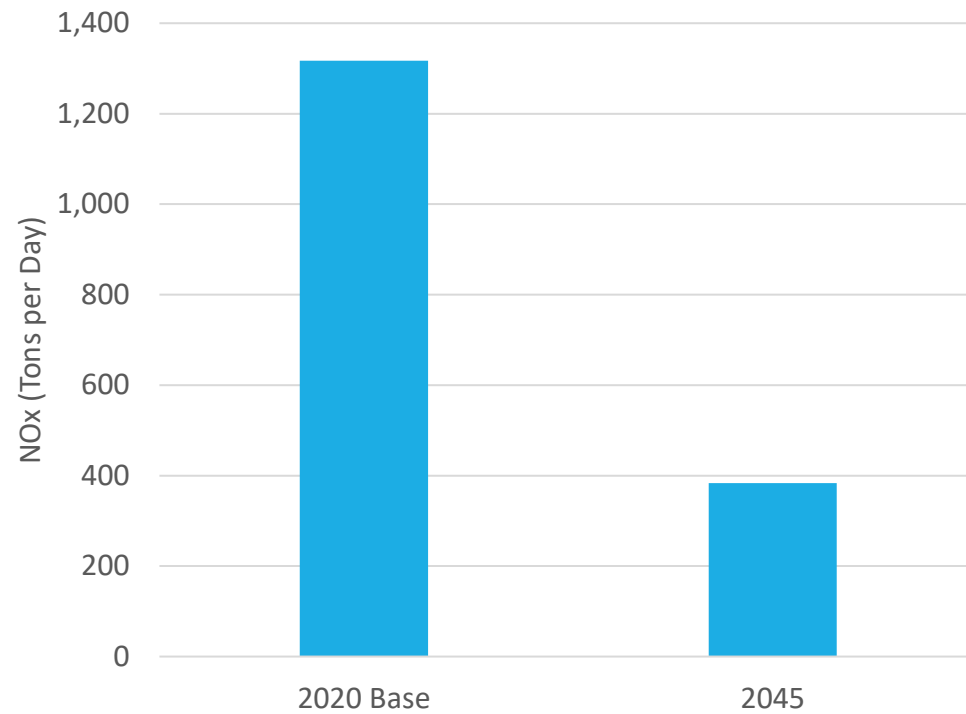
- Long-standing air quality and climate programs
- Expanding ZEV adoption
- Increased use of cleaner alternative fuels

California reached **peak transportation fossil fuel demand roughly 20 years ago** and consumption continues to drop.

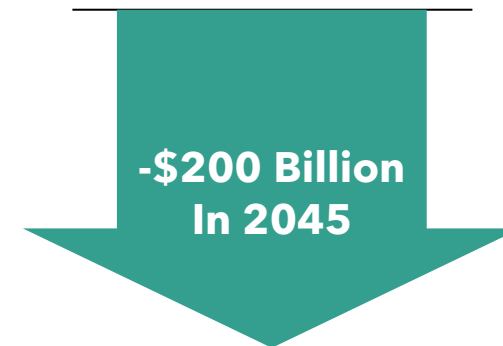
This downward trend is expected to continue as ZEVs, renewable fuels, and cleaner mobility options expand statewide.

The Transition Brings Health Benefits

71% reduction in air pollution



\$200 Billion in health cost savings from decreased fuel combustion



Source: 2022 Scoping Plan Update

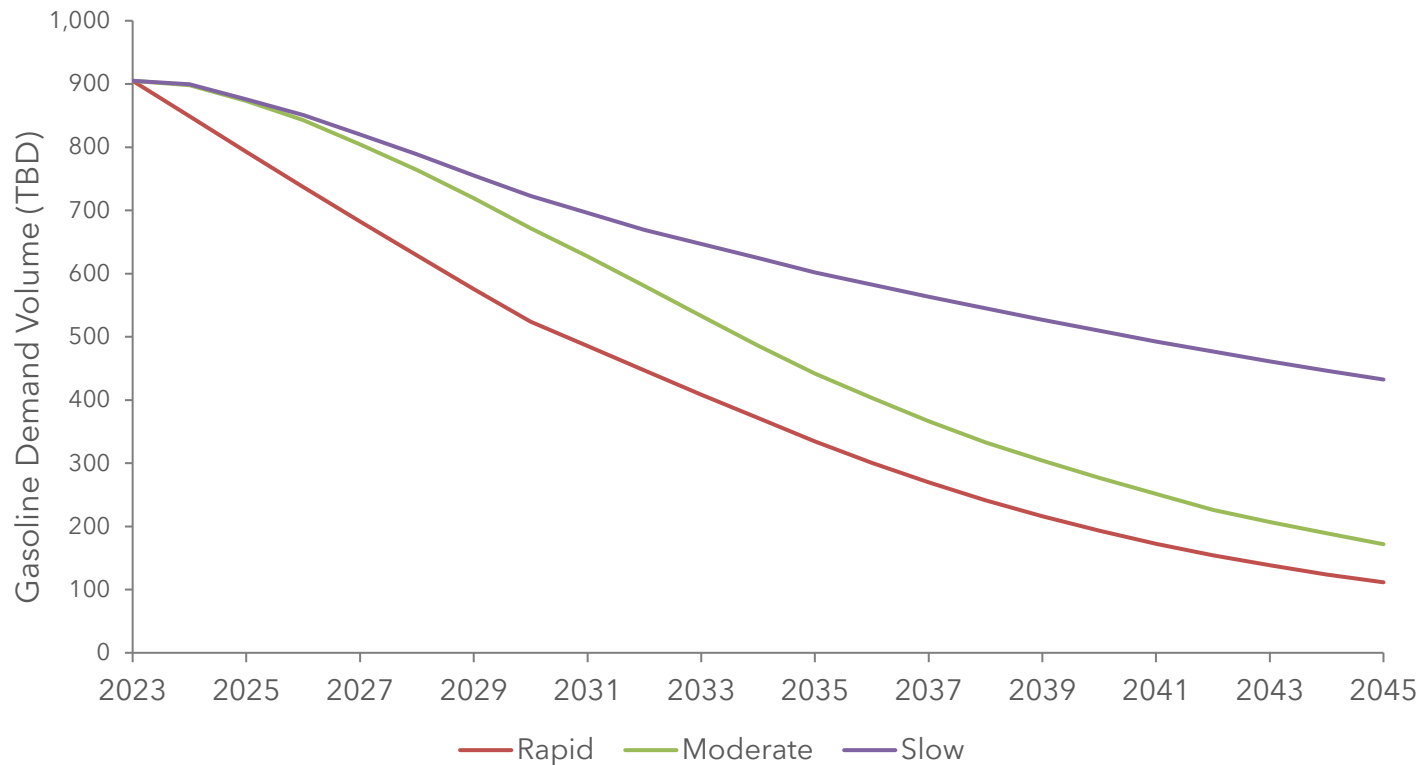
Transportation Fuels Transition Plan

Discusses how to ensure that the supply of transportation fuels is **affordable, reliable, equitable, and adequate to meet the demand** described in the State's 2022 Scoping Plan

- Required by Senate Bill X1-2*
- Joint effort of California Energy Commission (CEC) and California Air Resources Board (CARB)
- Prepared in consultation with a multi-party workgroup and community meetings
- Draft released May 2026 for public comment

*Codified at [section 25371.3 of the Public Resources Code](#)

Understanding Fuel Supply and Demand



- ICF developed a model that explores California in-state finished fuel supply to support the TFTP
- Set in the context of “slow” to “rapid” declining demand for gasoline and diesel fuels with increasing demand for jet fuel
- Model results can be treated as scenarios to inform planning considerations when matching fuel supply (including potential refinery closures) with declining demand for gasoline

TFTP Highlights the Need for a Managed Transition

- Plan is focused on long-term planning (e.g. next two decades), and importance of a transition that is managed with intention
- Important to continue fossil demand reduction strategies, for health/air quality improvements and climate mitigation
- Important to ensure liquid fuel supply reliability, affordability, and resiliency during transition
- Recognize potential volatility for fuel prices, labor, local economies etc., particularly when closures happen

Transportation Fuels Transition Plan Strategies

Topic	Mid-Transition	Late-Transition
Regional and local-based strategies	Workforce safety & transition plans	
	Pilot fund for local tax base	
	Liability transparency	
	Economic development	
	Displaced oil & gas worker fund	
Fossil demand reduction strategies	Zero-emission vehicle growth	
	Alternative jet fuel	
		Jet fuel demand reduction
	Ethanol	
Supply stabilization strategies	Resupply and minimum inventories	
	Fuel specification harmonization	
	Non-CARBOB* fee or variance option	
	Crude oil production stabilization	
	Marine terminal capacity	
		State intervention

* California Reformulated Gasoline Blendstock for Oxygenate Blending

Transportation Fuels Transition Plan Strategies

Menu of strategies that can help **avoid supply shortages**, protect **consumers and communities**, and maintain **energy resilience** during a period of change.

Thank you!

Links to TFTP can be found here:

[CEC Docket Log 23-SB-02](#), or

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-SB-02>

CARB and CEC accepting public comments on Draft TFTP
through July 7, 2026:

[CEC Public Comment Form for Docket 23-SB-02](#), or

<https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-SB-02>

Overview of the Draft SB 237 Assessment





Abbreviations

- **AB X2-1** – Assembly Bill X2-1 (Hart, Chapter 1, Statutes of 2023-24 Second Extraordinary Session)
- **AATE** – Additional Achievable Transportation Electrification
- **CalGEM** – California Geologic Energy Management Division
- **CARB** – California Air Resources Board
- **CARBOB** – California Reformulated Blendstock for Oxygenate Blending
- **CEC** – California Energy Commission
- **CEQA** – California Environmental Quality Act
- **GGRM** – Gross Gasoline Refining Margin
- **IEPR** – Integrated Energy Policy Report
- **OIIP** – Order Instituting an Informational Proceeding
- **P66** – Phillips 66
- **PIIRA** – The Petroleum Industry Information Reporting Act
- **PRC** – Public Resources Code
- **SB 237** – Senate Bill 237 (Grayson, Chapter 118, Statutes of 2025)
- **SB 1322** – Senate Bill 1322 (Allen, Chapter 374, Statutes of 2022)
- **SB X1-2** – Senate Bill X1-2 (Skinner, Chapter 1, Statutes of 2023-24 First Extraordinary Session)
- **ZEV** – Zero-Emission Vehicle



Introduction



Context for the Petroleum Fuels Transition

- California began implementing rigorous air quality standards starting in the 1960s
- The state has set legal greenhouse gas emissions reduction targets through 2045
- The fuels market is evolving internationally
- Petroleum fuel demand is falling
- Relevant state planning documents include:
 - CARB Scoping Plan
 - CEC Transportation Fuels Assessment
 - CARB and CEC Transportation Fuels Transition Plan
 - SB 237 Assessment

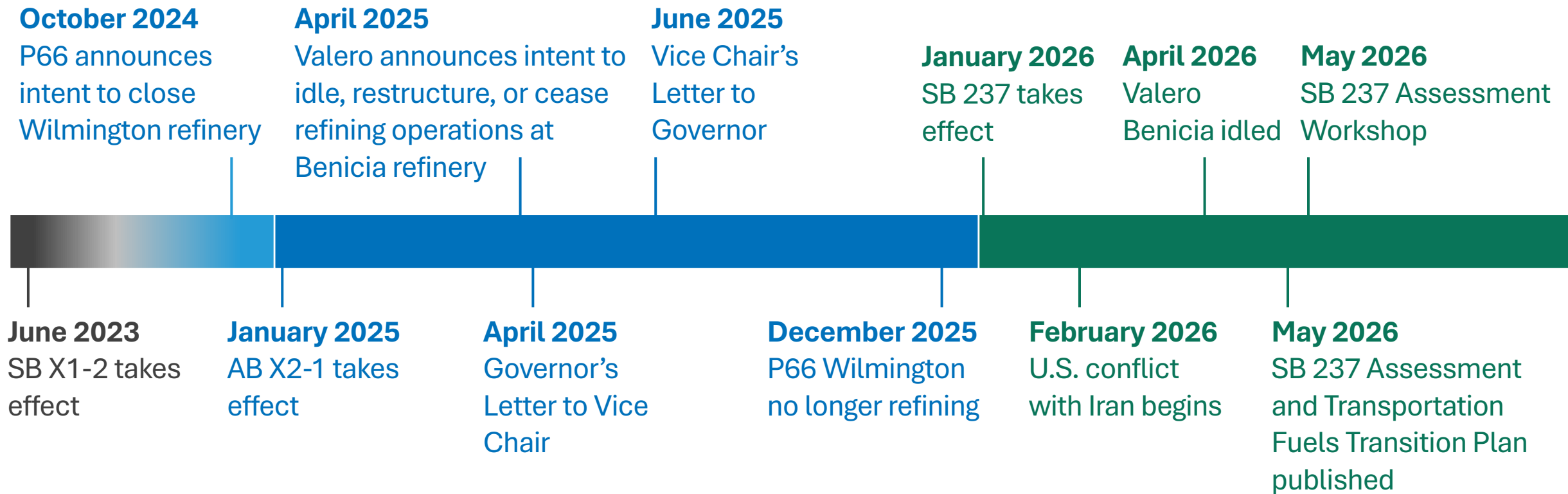


SB 237 (Grayson, 2025): Statutory Language

PRC 25371.4. *The commission shall, on or before March 31, 2026, submit an assessment to the Legislature, in accordance with Section 9795 of the Government Code, and to the Governor that **evaluates the recommendations and strategies put forward by the vice chair of the commission in the June 27, 2025, letter to Governor Newsom** in order to, as described in that letter, “ensure that Californians have access to safe, affordable, and reliable transportation fuels and that petroleum refiners continue to see value in serving the California market...” The assessment shall also **offer recommendations to the Legislature and the Governor on potential changes to working group authorities or structures, including on permitting changes and reforms, which may include one-stop-shop permitting,** to support the state’s reliable, equitable, safe, and affordable transition away from petroleum fuels.*



Timeline of Key Events





Policy Priorities for the Transition

Managing this transition is an opportunity to demonstrate how the climate crisis can be addressed with benefits to reliability, affordability, public health, and continued economic growth.

Priorities for Assessing Policy Options

1. Reliability and affordability of services
2. Safety and reliability of infrastructure
3. Employment security
4. Community impacts
5. Smooth transition for successful decarbonization



Draft SB 237 Assessment Layout

- Background
 - The Case for Managed Transition
 - Governing the Mid-Transition
 - The Context of California's Petroleum System
- “Three Buckets”
 1. Mitigating Immediate Disruptions
 2. Supporting System-Wide Reliability
 3. Proactive Transition Governance
- Findings and Recommendations



The “Three Buckets” For Transition Governance



Bucket 1: Reactive Stabilization

Mitigating Immediate Disruptions

Responding to immediate disruptions to the fuel supply system to avoid supply impacts and price spikes

- Actions to mitigate impacts in response specific events such as refinery outages, supply interruptions, potential asset closures, or sudden price spikes
- Direct engagement with industry has had positive results
- To avoid high costs, unintended consequences, or precedents that are difficult to sustain, pathways developed before closure announcements and a system-wide strategy are needed to reduce the conditions under which reactive intervention is necessary



Bucket 2: Sustaining System-Wide Reliability

Transparency, Coordination, and Investment Confidence

Reliable and safe petroleum infrastructure is needed to maintain fuel supply to meet demand through the transition. System-wide approaches are needed, focusing on transparency, coordination, and supporting investment confidence.

Core Categories:

- Crude Oil Production and Transportation
- State Regulatory Tools
- Permitting and Coordination Between Authorities



Bucket 3: Proactive Transition Governance

Advancing a Holistic Transition Strategy

Holistic and proactive transition planning by the state is essential for achieving a decarbonized transportation sector effectively and avoid disproportionately-borne impacts.

Core Categories:

- Communities and Workers
- Advancing Decarbonization
- Supply Reliability During Decline
- Managed Decline and Decommissioning



Findings and Recommendations



Findings and Recommendations

1. **Continue to manage** the transition deliberately
2. **Prioritize buckets 2 and 3** to reduce the need for bucket 1
3. Build out layered **interagency coordination structure**, especially for permitting
4. Identify durable **transition funding** mechanisms
5. Require **transparency on remediation obligations**
6. Advance and resource the state's **transition planning documents**
7. Continue monitoring **SB 237 outcomes**
8. Continue analysis to implement CEC's special session **regulatory tools** holistically
9. Continue assessing **fuel supply management strategies**
10. Further assessment required on **state's toolbox to support** a smooth transition and reliability



Thank you!

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Committee Discussion on Proposed ICFAC Comment Letter for the Draft Transportation Fuels Transition Plan and Draft SB 237 Assessment



Open Forum





Public Comment

Zoom App/Online

- Click “raise hand”

Telephone

- Press *9 to raise hand
- Press *6 to mute/unmute

When called upon

- CEC will open your line
- Unmute on your end
- Spell name and state affiliation, if any
- 3 minutes or less per speaker, 1 speaker per entity

3-MINUTE TIMER





Upcoming ICFAC Meetings

- September 21, 2026 at 10:00 a.m.
- January 26, 2027 at 2:00 p.m.



Written Comments

Please submit written comments to:

- Docket No. 23-ICFAC-01
- Due by 5:00 p.m. on July 7, 2026

Closing Remarks

