

Existing federal law establishes the Clean Air Act (CAA) and its implementing regulations set National Ambient Air Quality Standards (NAAQS) for six criteria pollutants, and designate air basins that do not achieve NAAQS as nonattainment, among other things. The six criteria pollutants are carbon monoxide, lead, ground-level ozone, particulate matter, nitrogen dioxide and sulfur dioxide. The primary NAAQS concentration levels are set to protect public health.

Existing state law establishes the California Air Resources Board (ARB) as the air pollution control agency in California and requires the ARB, among other things, to be the state agency responsible for monitoring and regulating sources that emit greenhouse gases, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emissions from stationary sources in order to implement the CAA. Local air districts are required to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law.

PROPOSED LAW

This bill would require air quality data reporting by CalGEM related to the import of oil into the state. Specifically, this bill would:

- 1) Require CalGEM to report on its internet website on a quarterly basis the amount of certain pollutants. The pollutants include carbon dioxide, nitrogen pollutants, sulfur pollutants, and airborne fine particulate matter, as specified.
- 2) State legislative intent to enact subsequent legislation to prohibit the import of crude oil into the state from foreign nations where human rights abuses occur or that have poorer environmental standards than the state, as provided.
- 3) State legislative intent to enact subsequent legislation to require the CEC to monitor foreign countries that export oil and identify those countries subject to the prohibition.

ARGUMENTS IN SUPPORT

According to the author, "SB 1319 expresses the intent of the legislature to prohibit the import of crude oil into California from if the source of the oil is a foreign nation with demonstrated human rights abuses, or a foreign nation with environmental standards that are lower than those in California. The measure would also require the Geologic Energy Management Division to report on its website the amount of particulate matter released into the air from tanker ship emissions from oil imported into the state. The bill is a recognition that California should not be importing oil from countries that do not share our California values. We can produce the oil we import, and keep the jobs and revenues inside our Golden State while protecting our environment."

ARGUMENTS IN OPPOSITION

None received

COMMENTS

This bill is double-referred to the Senate Environmental Quality Committee. Elements of the bill under the Senate Environmental Quality Committee's jurisdiction will be

considered before that Committee, and are included here for context and completeness only.

CalGEM is not an air quality regulator or modeler. As noted above, CalGEM is the state's oil and gas regulator. Recent legislation, for example, concerning natural gas storage wells under CalGEM's jurisdiction, expressly provides for the California Air Resources Board to establish certain emissions standards related to underground gas storage facilities, and for CalGEM to work collaboratively with CARB regarding leaks (SB 887 (Pavley, Chapter 673, Statutes of 2016)). Criteria pollutant emissions associated with ocean-going marine vessels and other transportation sources are under the jurisdiction of CARB and local air districts. In view of this, the Committee may wish to amend the bill to require CalGEM to provide a link on its internet website to air quality emissions information associated with the transportation of oil imported into the state. [Amendment #1]

The Senate Environmental Quality Committee may subsequently consider the appropriate scope of the data to be reported that CalGEM is required to link to including: the method of transportation; source of the oil; reporting frequency; the protection of confidential information; the location of the emissions; the appropriate entity or entities to perform these calculations; and where and how the data will be made publicly available, among other aspects of the emissions data.

International trade is a matter of federal jurisdiction. The U.S. Constitution, through the Commerce Clause, gives the U.S. Congress exclusive power over trade activities between the states and with foreign countries. Therefore, state legislation to statutorily prohibit trade with other countries, no matter how abhorrent the practices of those countries are, is, in general, unconstitutional. A formal resolution to the federal government seeking changes in international trade policy could be appropriate, but that is not the legislation before this Committee. Therefore, the Committee may wish to amend the bill to remove the legislative intent. [Amendment #2]

Recent related legislation

SB 953 (Min, 2022) would terminate the existing state-managed tidelands and submerged lands oil and gas leases in state waters. (*This bill is pending before this Committee.*)

SB 1295 (Limón, 2022) would require that oil production fees be used to match any General Fund used to address orphan wells, among other things. (*This bill is pending before this Committee.*)

SB 1125 (Grove, 2022) would alter existing bonding requirements for oil/gas wells. (*This bill is pending before this Committee.*)

SB 47 (Limón, Chapter 238, Statutes of 2021) increased the amount of oil production fees used to address orphan wells to \$5 million annually.

SB 84 (Hurtado, Chapter 758, Statutes of 2021) instituted additional reporting requirements at CalGEM related to certain idle well reports, among other things.

SB 406 (Stern, Chapter 727, Statutes of 2021) requires increased public transparency at CalGEM, among other things.

AB 896 (Bennett, Chapter 707, Statutes of 2021) requires establishment of a collections unit at CalGEM, among other things.

SUGGESTED AMENDMENTS

AMENDMENT 1

Amend Section 2, proposed PRC §3116 to read:

The division shall provide a link on its internet website to air quality emissions data associated with the transportation of oil imported into the state.

AMENDMENT 2

Remove Section 1 in its entirety.

SUPPORT

American Association of Drilling Engineers
Associated Builders and Contractors – Central California Chapter
B & L Casing Services
Berry Petroleum
California Independent Petroleum Association
California Resources Corporation
City of Taft
Gene Hull Trucking, Inc
Greater Bakersfield Chamber of Commerce
Greater Tehachapi Chamber of Commerce
Hammonds Ranch, Inc/Hammonds Holdings, Inc
Hathaway, LLC
Holmes Western Oil Corporation
Home Builders Association of Kern County
Huddleston Crane Service
FieldView Capital Advisors, LLC
Independent Oil Producers Alliance
Kenaj Drilling
Kern County Builders Exchange
Kern County Hispanic Chamber of Commerce
Kern River Valley Chamber of Commerce
Kern Taxpayers Association
Lederhos Engineering Consulting, Inc
Lederhos Farms, Inc
Lonnie A Kerley Consultant, LLC
Lucerne Valley Economic Development Association
Macpherson Energy Corporation/Macpherson Oil Company, LLC
MMI Services, Inc
MTS Solutions
Premier Resource Management, LLC
PROS Incorporated
Supervisor Nathan Magsig, County of Fresno

Trio Petroleum, LLC
Vaquero Energy, Inc
West Side Recreation & Park District

Multiple individuals

OPPOSITION

None Received

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