

SENATE THIRD READING  
SB 1322 (Allen)  
As Amended August 23, 2022  
Majority vote

## SUMMARY

Requires the State Energy Resources Conservation and Development Commission (CEC) to publicly report specified pricing data from each oil refinery operating in the state.

### Major Provisions

- 1) Requires, within 30 calendar days of the end of each month, the operator of each refinery operating in the state that produces gasoline to submit a report for the refinery information on the volume of crude oil separated into domestic and foreign subtotals; the volume-weighted average crude oil acquisition cost paid for crude oil that is received and intended to be refined during that monthly reporting period; the quantity of wholesale gasoline meeting California specifications sold and the corresponding volume-weighted average price; separate quantifications of the fees or estimated valuations of costs embedded in all wholesale gasoline sales associated with the Low Carbon Fuel Standard and Cap-and-Trade Program; and, the gross refining margin for that month.
- 2) Requires, within 45 calendar days of the end of each month, CEC to post on its internet website the gross gasoline refining margin data reported for each month; the gross gasoline refining margin reported for that in month in aggregate for each refiner with more than one refinery in California; and, the aggregated data submitted in the aforementioned refiner report.
- 3) Extends CEC's existing enforcement authority and civil penalties for false and delinquent data submissions to the reporting required by this bill.
- 4) Prohibits the CEC, the State Air Resources Board (ARB), and the Attorney General (AG) from using the reported data for anything other than law enforcement or statistical purposes, or from sharing individual refiner reports submitted to the CEC.

## COMMENTS

The cost of a gallon of gasoline is tethered to a number of different variables, including state and federal taxes, various fees, imbedded costs of doing business, and profit margins.

A 2019 CEC report found growth of the average retail margin in California exceeded growth of the national margin, especially since 2012. From 2004 to 2010, the average retail margin in California was either equivalent to or below the national margin. From 2015 to 2017, however, the California retail margin increased to an average of 19 cents greater than the national margin.

The Petroleum Industry Information Reporting Act (PIIRA), which the Legislature enacted in 1980, requires qualifying petroleum industry companies to submit weekly, monthly, and annual data to the CEC. Analysis of data collected under PIIRA is an important part of CEC's responsibility to create a thorough understanding of the operations of the petroleum industry in California. Businesses that ship, receive, store, process and sell crude oil and petroleum products in California file PIIRA reports.

In addition to PIIRA, SB 1322 requires the operator of each refinery that produces gasoline to submit a report to CEC– and then CEC would then post those data on its website.

**According to the Author**

SB 1322 focused on what happens to oil once it arrives at a California refinery. Whether that oil is domestic or foreign, whether it comes from Bakersfield or overseas – evidence suggests the price by the time it arrives as gasoline in our tanks is significantly higher than it should be.

Some factors causing gas prices to spiral to record highs are beyond our control. But finding out who is pocketing the billions in extra costs Californians have paid for gas is a mystery we can solve.

The California Oil Refinery Cost Disclosure Act will provide the public with data to help illuminate who is adding a mystery gas surcharge that continues to cost drivers billions more than neighboring states, seven years after the Torrance refinery explosion that first caused gas prices to spike.

**Arguments in Support**

Consumer Watchdog, sponsor of this bill, states that "SB 1322 will allow Californians to finally know how much the big five oil refiners in the state are profiting from each gallon of gasoline they sell. California oil refiners continue to basely blame environmental costs for their own profiteering ... SB 1322 will force the oil refiners to open their books and report the same information they report in other parts of the country."

**Arguments in Opposition**

If data is shared refinery by refinery, the Western States Petroleum Association (WSPA) is concerned that competitors will have access to each other's data, which could hurt competition and influence consumer prices. WSPA argues it is for this reason that PIIRA requires the data be kept confidential. WSPA also notes that almost all refiners in California are publicly traded companies that report extensive financial information on a quarterly and annual basis as required by the Securities Exchange Commission, thereby suggesting SB 1322 is unnecessary.

**FISCAL COMMENTS**

According to the Assembly Appropriations Committee, this bill would result in minor and absorbable costs to CEC.

**VOTES**

**SENATE FLOOR: 22-4-14**

**YES:** Allen, Atkins, Becker, Cortese, Dodd, Durazo, Eggman, Gonzalez, Hueso, Kamlager, Laird, Leyva, Limón, McGuire, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**NO:** Dahle, Jones, Nielsen, Wilk

**ABS, ABST OR NV:** Archuleta, Bates, Borgeas, Bradford, Caballero, Glazer, Grove, Hertzberg, Hurtado, Melendez, Min, Newman, Ochoa Bogh, Pan

**ASM NATURAL RESOURCES: 8-3-0**

**YES:** Luz Rivas, Friedman, Cristina Garcia, McCarty, Muratsuchi, Stone, Wood, Bennett

**NO:** Flora, Mathis, Seyarto

**ASM APPROPRIATIONS: 11-4-1**

**YES:** Holden, Bryan, Calderon, Carrillo, Mike Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

**NO:** Bigelow, Megan Dahle, Davies, Fong

**ABS, ABST OR NV:** Eduardo Garcia

**UPDATED**

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