SENATE THIRD READING
SB 1259 (Blakespear and Gonzalez)
As Amended August 13, 2026
Majority vote

SUMMARY

Requires oil refiners, no later than December 31, 2028, to submit to the California Environmental Protection Agency (Cal/EPA) a retirement plan setting forth information concerning decommissioning and site remediation for every refinery it owns, operates, or controls.

Major Provisions

1) Requires refiners, no later than December 31, 2028, to submit to Cal/EPA a draft report setting forth information concerning decommissioning and site remediation for every refinery it owns, operates, or controls. Requires the report to be detailed and technically rigorous, and to include all of the following components:

   a) A plan for decommissioning the refinery, including, but not limited to, cleaning, removal, and disposal of physical refinery infrastructure, such as refining equipment, tanks, and pipelines. Requires the plan to include all of the following:

      i) A technical description of the anticipated decommissioning processes;

      ii) The estimated cost and duration of the decommissioning;

      iii) Documentation of financial assurances required under existing law;

      iv) The estimated workforce needed during and one year prior to decommissioning, with anticipated job classification; workforce numbers within each classification; and, duration of employment by phase; and,

      v) A specific description of the applicable local, state, or federal laws, regulations, or orders that impose financial assurances for completion of decommissioning or remediation on the owner or operator.

   b) A description of anticipated site remediation measures, including, but not limited to, remediation of soil and groundwater and any needed measures to address associated offsite contamination. The description shall include all of the following:

      i) A technical description of anticipated decommissioning processes;

      ii) The estimated cost and duration of remediation activities;

      iii) Documentation of financial assurances required under existing law;

      iv) The estimated workforce needed during and one year prior to decommissioning, with anticipated job classification; workforce numbers within each classification; and, duration of employment by phase; and,

v) A specific description of the applicable local, state, or federal laws, regulations, or orders that impose financial assurances for completion of decommissioning or remediation on the owner or operator.

2) Provides that the information submitted to Cal/EPA for the retirement plan is confidential, except as specified, and not subject to public disclosure under the California Public Records Act.

3) Authorizes Cal/EPA, the California Energy Commission, and the Division of Occupational Safety and Health, to share the retirement plan with the Legislature, a state or local agency, or a local government, including an air pollution control district or an air quality management district, only if the entity receiving the information agrees to maintain the confidentiality of the information.

4) Provides that any information that is, or may be, accessible by the public, including, but not limited to, enforcement, investigation, remediation, corrective action, permit, or other similar information by Cal/EPA, the Department of Toxic Substances Control, Certified Unified Program Agencies, or local governments, shall be made publicly available even if that information is also contained in the retirement plan.

5) Requires, on or before December 31, 2027, Cal/EPA to publicly provide an overview of the methods, costs, and timelines of soil and groundwater remediation that have been employed at refineries that have undergone decommissioning and remediation and any additional information that Cal/EPA deems appropriate.

6) Requires, on or before December 31, 2027, Cal/EPA, in coordination with the Energy Commission, to compile a survey of existing local, state, and federal statutory and regulatory requirements applicable to refiners concerning decommissioning, closure, financial assurance, and site remediation obligations.

7) Requires Cal/EPA, in consultation with the State Energy Resources Conservation and Development Commission, no later than one year the retirement plans are deemed final, to publish publicly on Cal/EPA's internet website a report assessing the total decommissioning and remediation liabilities for refineries in the state.

COMMENTS

Oil refineries in California: California refineries produce most of the refined petroleum transportation fuels that the state consumes. Refineries take crude oil and refine it into various petroleum products, primarily transportation fuels such as gasoline, diesel, and jet fuel. Other refinery products or byproducts include asphalt, plastic feedstocks, petrochemicals, lubricants, and sulfur. California has more refining capacity than any state except Texas and Louisiana.

As of April 2026, there were eight gasoline-producing refineries operating in the state. Three are in Northern California, four are in Southern California, and one small refinery is in Central California. One in Northern California (Valero Benicia) is expecting to fully idle refining operations by the end of April 2026, but to continue importing fuel.

The state's petroleum system has gone through changes in recent years. Marathon converted its Martinez (Contra Costa County) refinery to renewable fuels production in 2023. Phillips 66 converted its Rodeo (Contra Costa County) refinery to renewable fuels production in 2024.

Remedial actions for waste releases: There are currently thousands of contaminated sites across the state and the unauthorized releases of pollutants pose a risk to public health and the environment. These sites are complex and vary widely. They can include pesticide manufacturing facilities, rail yards, ports, dry cleaners, and refineries where pollutants were released in to the soil, groundwater, surface water, and/or sediment. The types of pollutants encountered at these sites are plentiful and diverse and can include solvents, heavy metals, and petroleum. Some of these pollutants can persist in the environment, meaning that today's site contamination may be due to historical or recent unauthorized releases of pollutants.

State law specifies requirements for cleaning up contaminated sites, and the Regional Water Quality Control Boards and DTSC have developed extensive policies and procedures for determining the extent and type of contamination, and processes and standards for the proper remediation of contaminated sites.

Interagency Task Force on Refinery Safety (Refinery Task Force): A fire at the Chevron refinery in Richmond in August 2012, raised public questions and concerns about refinery safety and emergency response in California. Following a directive from then Governor Brown's July 2013 report, "Improving Public and Worker Safety at Oil Refineries," CalEPA formed an Interagency Task Force on Refinery Safety in August 2013. The Refinery Task Force membership includes ten state agencies, the United States Environmental Protection Agency, and Certified Unified Program Agencies and air districts from areas of the state that contain refineries. In 2017, Assembly Bill (AB) 1649 (Muratsuchi, Chapter 590) was enacted and cemented a Refinery Task Force in state law. AB 1649 requires the California Refinery Task Force to convene at least two public meetings annually and provide members of the public with current information on refinery safety.

California Hazardous Waste Control Law (HWCL): The HWCL is the state's program that implements and enforces federal hazardous waste law in California and directs DTSC to oversee and implement the state's hazardous waste laws and regulations. Any person who stores, treats, or disposes of hazardous waste must obtain a permit from DTSC. The HWCL covers the entire management of hazardous waste, including hazardous waste generation, management, transportation, and ultimately disposal into a state or federally authorized facility.

Closure requirements under DTSC's hazardous waste facility permit: As a condition of a hazardous waste facility permit, before the facility operates under that permit or as a condition of a permit renewal, the permit includes a requirement that the facility provide a cost estimate for closure of the facility, provide evidence of financial assurance for that cost estimate, and provide a cost estimate for any remediation, both onsite and offsite, at the facility (also known as corrective action). Under the law governing the permitting of hazardous waste facilities, there is not a provision dealing with trade secrets. Additionally, these hazardous waste facility permits are publicly available on DTSC's website, including the closure cost estimates.

This bill: SB 1259 requires oil refiners, no later than December 31, 2028, to submit to Cal/EPA a retirement plan setting forth information concerning decommissioning and site remediation for every refinery it owns, operates, or controls. This type of closure cost and remediation estimate is currently required of hazardous waste facilities in the state. The closure cost estimate will be very important for Cal/EPA to have in the event an oil refinery closes and files for bankruptcy protection, leaving the state to close and remediate the site (likely while at the same time seeking cost recovery from the oil refiner).

According to the Author
"Refineries are unique among major energy infrastructure because they are not required to meaningfully disclose or plan for cleanup costs until closure is imminent. Other energy sectors, such as nuclear, wind, and solar, are required to plan, set aside funds and submit advanced disclosures to the U.S. Securities and Exchange Commission for eventual closing of infrastructure. Due to forces at play globally and in California, we must plan for a future with fewer refineries in our state. We need to know the potential timelines and costs for refinery cleanups long before refineries close, so communities affected and the State can be ready and prepared to transition. SB 1259 is a commonsense transparency measure that requires refineries to proactively and collaboratively share information with the State to help us plan for the future of the land refineries sit upon today."

Arguments in Support
According to a coalition of environmental justice organizations:

> "SB 1259 will equip the state of California with critical information for California's communities to proactively plan for refinery decommissioning and land revitalization.

Workers, residents, and taxpayers all benefit from greater clarity about the future of their communities, beginning with transparent planning and disclosure of legacy pollution and cleanup obligations. California's refineries are closing due to global market dynamics (rather than due to California regulations). California's refining sector is in terminal decline due to a multitude of factors including a declining demand for gas and diesel, corporate consolidation, and aging infrastructure and maintenance costs. Refineries are closing and these closures need to be managed. The lack of defined refinery transition plans has and will continue to negatively impact communities, workers, and local jurisdictions. We must ground this reality in the potential impacts to communities.

> SB 1259 would create transparency in a deeply opaque industry that utilizes loopholes to shield information from the public. By requiring refiners to file decommissioning and remediation plans, with associated cost estimates, this bill would allow communities, workers, and taxpayers to understand the timeline and cost of land revitalization for community uses. As we prepare for refinery transitions, it is critical that we equip the state of California and communities with relevant data and information so they can prepare and actively plan for revitalization and reuse, giving communities burdened by legacy pollution an opportunity to actively dream of a different future.
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> The transparency created by SB 1259 is generally standard across the energy sector. In fact, oil refineries are unique amongst all energy infrastructure in that they have insufficient requirements for decommissioning or remediation plans, or financial assurances.
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> Refineries handle some of the most toxic substances in the state, yet they are under-regulated compared to other energy systems. SB 1259 is a small but important step to bring refineries up to date with basic information-sharing requirements in their industry. By requiring real cost estimates and clean up plans, transparency will help decision makers ensure that

taxpayers are not stuck with the cost of cleaning up after polluters who have profited off California communities for decades."

Arguments in Opposition
According to the Western States Petroleum Association (WSPA),

"WSPA and its member companies have worked extensively with the California Energy Commission and the Legislature, at the direction of Governor Gavin Newsom, to identify solutions to stabilize refinery operations and fuel supply in California. Yet the state still finds itself in a policy-driven crisis—losing in-state refining capacity at a pace that far exceeds the rate of declining fuel demand. At a time when the state should be focused on preserving remaining capacity and preventing further market disruption, SB 1259 moves California in the opposite direction. It sends a clear and deeply troubling signal to the few remaining refiners that continued investment in this state is increasingly untenable.

SB 1259 would compel refinery operators to estimate and disclose asset retirement obligations (AROs) and environmental liabilities based on speculative, hypothetical end-of-life scenarios—even when no closure decision has been made and a facility's useful life remains indeterminate. These requirements ignore well-established state and federal regulatory frameworks that already comprehensively govern remediation obligations, financial assurance, and cleanup responsibilities.

Moreover, refinery operators are already fully accountable under stringent legal and regulatory regimes that require investigation and remediation of environmental impacts. State and Regional Water Boards, along with federal Clean Water Act requirements, impose enforceable, site-specific obligations backed by permits, cleanup orders, and cost-recovery authority. These responsibilities do not disappear—they persist through operations, shutdown, and beyond. SB 1259 does nothing to strengthen these protections; instead, it imposes duplicative and unnecessary requirements that create confusion rather than clarity.

At a fundamental level, SB 1259 exacerbates an already fragile operating environment. California's refining sector is under extraordinary pressure from cumulative regulatory burdens, escalating compliance costs, and ongoing policy uncertainty. Imposing additional, unwarranted requirements at this moment will not improve business operations—it could likely accelerate the loss of critical in-state refining capacity."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, enactment of this bill could cost Cal/EPA an unknown amount, likely in the hundreds of thousands to low millions of dollars annually to implement. In addition, the California Energy Commission estimates ongoing annual costs of approximately $189,000 to implement this bill.

VOTES

SENATE FLOOR: 21-10-9
YES: Allen, Arreguín, Ashby, Becker, Blakespear, Cervantes, Cortese, Gonzalez, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Smallwood-Cuevas, Stern, Umberg, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Grove, Hurtado, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Archuleta, Cabaldon, Caballero, Dahle, Durazo, Grayson, Richardson, Rubio, Wahab

ASM ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: 4-1-2
YES: Connolly, Bauer-Kahan, Lee, Papan
NO: Ellis
ABS, ABST OR NV: Castillo, McKinnor

ASM UTILITIES AND ENERGY: 10-4-4
YES: Petrie-Norris, Boerner, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Zbur
NO: Patterson, Davies, Ta, Wallis
ABS, ABST OR NV: Calderon, Chen, Mark González, Harabedian

ASM APPROPRIATIONS: 9-4-2
YES: Wicks, Arambula, Calderon, Caloza, Fong, Krell, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Ta, Tangipa
ABS, ABST OR NV: Mark González, Pacheco

UPDATED

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