

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 966 (Gonzalez) – As Amended March 25, 2026

SENATE VOTE: 30-9

SUBJECT: Refinery and chemical plants

SUMMARY: Codifies state regulations on process safety management (PSM) for petroleum refineries to provide for effective participation in all PSM elements by affected operating and maintenance employees. Specifically, **this bill:**

- 1) Requires, in consultation with employees and employee representatives, an employer to develop, implement, and maintain a written plan to effectively provide for employee participation in all PSM elements. The plan shall include provisions that provide for all of the following:
 - a) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in performing a process hazard analysis, damage mechanism review, hazard control analysis, management of change, management of organizational change assessment, process safety culture assessment, incident, investigations, safeguard protection analysis, and pre start-up safety review.
 - b) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in the development, training, implementation, and maintenance of the process safety management elements.
 - c) Access by employees and employee representatives to all documents or information developed or collected by the employer pursuant to these provisions, including information that might be subject to protection as a trade secret.
- 2) Permits an authorized collective bargaining agent to select one or more employees to participate in any of the following:
 - a) Overall PSM program development and implementation planning.
 - b) A PSM team or other activity taken pursuant to these provisions.
- 3) Requires the employer, for employees who are not represented by an authorized collective bargaining agent, to establish effective procedures in consultation with employees for the selection of employee representatives.
- 4) Provides that this bill does not preclude the employer from requiring an employee or employee representative to whom information is made available pursuant to 1) c) above to enter into a confidentiality agreement prohibiting them from disclosing information, as specified.

- 5) Requires, on or before April 1, 2027, an employer, in consultation with employees and employee representatives, to develop and implement all of the following:
 - a) Effective stop work procedures that ensure all of the following:
 - i) The authority of any employee, including an employee of a contractor, to refuse to perform a task if doing so could reasonably result in death or serious physical harm.
 - ii) The authority of any employee, including an employee of a contractor, to recommend to the operator in charge of a unit that an operation or process be partially or completely shut down based on a process safety hazard.
 - iii) The authority of the qualified operator in charge of a unit to partially or completely shut down an operation or process based on a process safety hazard.
 - b) Effective procedures to ensure the right of any employee, including an employee of a contractor, to anonymously report hazards. The employer shall respond in writing within 30 calendar days to written hazard reports submitted by an employee, an employee representative, contractor, employee of a contractor, or contractor employee representative. The employer shall prioritize and promptly respond to and correct hazards that present the potential for death or serious physical harm.
 - c) An employer shall document all of the following:
 - i) Recommendations to partially or completely shut down an operation or process.
 - ii) Partial or complete shutdown of an operation or process.
 - iii) Written reports of hazards and the employer's response.

EXISTING LAW:

- 1) Establishes the Occupational Safety and Health Standards Board (Board) within the Department of Industrial Relations, to promote, adopt, and maintain reasonable and enforceable standards that will ensure a safe and healthful workplace for workers. Labor Code § 140 et seq.
- 2) Establishes the California Refinery and Chemical Plant Worker Safety Act of 1990 to promote worker safety through implementation of training and PSM practices in petroleum refineries and chemical plants and other facilities deemed appropriate. Labor Code § 7852(a).
- 3) Requires the Board, by March 31, 2014, to adopt PSM standards for refineries, chemical plants, and other manufacturing facilities, as specified, that handle regulated substances as defined, and pose a significant likelihood of accident risk, as determined by the Board. When adopting these standards, the Board shall give priority to facilities and areas of facilities where the potential is greatest for preventing severe or catastrophic accidents because of the size or nature of the process or business.

- a) By January 1, 2026, the Division of Occupational Safety and Health (Cal/OSHA) shall propose, and the Board shall consider for adoption, regulations that implement this part for refineries. Labor Code §7856(a)-(b).
- 4) States that the purpose of PSM is to prevent or minimize the consequences of catastrophic releases of toxic, flammable, or explosive chemicals. These standards are intended to eliminate, to a substantial degree, the risks to which workers are exposed in refineries, chemical plants, and other related manufacturing facilities. Labor Code §7855.
- 5) Requires the employer to develop and maintain a compilation of written safety information to enable the employer and the employees operating the process to identify and understand the hazards posed by processes involving acutely hazardous and flammable material. The employer shall provide for employee participation in this process. This safety information shall be communicated to employees involved in the processes. Labor Code §7858.
- 6) Requires the employer to perform a hazard analysis for identifying, evaluating, and controlling hazards involved in the process. The employer shall provide for the participation of knowledgeable operating employees in these analyses. The final report containing the results of the hazardous analysis for each process shall be available, in the respective work area, for review by any person working in that area. Labor Code §7859.
- 7) Requires the employer to develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each process consistent with the process safety information. A copy of the operating procedures shall be readily accessible to employees or to any other person who works in or near the process area. Labor Code §7860.
- 8) Requires each employee whose primary duties include the operating or maintenance of a process, and each employee prior to assuming operations and maintenance duties in a newly assigned process, to be trained in an overview of the process and in the operating procedures as specified in 7) above. Refresher and supplemental training shall be provided to each operating or maintenance employee, or both, and other worker necessary to ensure safe operation of the facility and on a recurring regular schedule, as specified. Labor Code §7861.
- 9) Requires the employer to perform a prestartup safety review for new facilities and for modified facilities for which the modification necessitates a change in the process safety information. These reviews shall include knowledgeable operating employees. Labor Code §7863.
- 10) Provides that an employer shall establish a written procedure for investigating every incident which results in, or, as determined by Board criteria, could reasonably have resulted in, a major accident in the workplace. The procedure shall, at a minimum, require that a written report be prepared and be provided to all employees whose work assignments are within the facility where the incident occurred at the time the incident occurred. Labor Code §7867.

FISCAL EFFECT: According to the Senate Appropriations Committee,

The Department of Industrial Relations (DIR) indicates that this bill could result in one-time administrative costs of \$300,000 to \$400,000 to complete rulemaking necessary to implement the bill (Occupational Health and Safety Fund).

COMMENTS: As mentioned by the author below, the impetus for the current PSM standard was the catastrophic Chevron Refinery fire in Richmond in 2012 that harmed both workers and community residents. That event led to a collaborative stakeholder process that resulted, five years later, in the development of a standard for refineries that included significant worker engagement throughout the implementation and maintenance of critical safety measures.

Employee engagement helps prevent safety incidents

During its investigation of the Chevron fire, the U.S. Chemical Safety and Hazard Investigation Board (CSB) noted that the refinery workers had expressed concerns regarding sulfidation corrosion (which caused the fire) and other safety issues but their concerns were largely ignored by Chevron managers.¹ Further, during a 2011 Cal/OSHA investigation of unsafe worker conditions at one of the Richmond plants, the investigator noted that the employees stated that “operators get ignored.” It was also noted that these employees had informed their supervisors of corrosion concerns.

The lack of employee participation in PSM was particularly damaging in the case of the 2012 fire because Chevron’s refinery workers had considerable knowledge about sulfidation corrosion. Some of its workers had even authored industry papers on sulfidation corrosion and had significant influence in the development of the industry sulfidation corrosion recommended practice.²

In 2019, the CSB reviewed four catastrophic incidents, including the Chevron fire, that spanned four states. The incidents took place at an explosives manufacturing site, a chemical production facility, and two oil refineries. In each of their investigations, the CSB “found that worker participation programs were inadequate, despite the existence of federal regulations and industry standards.”³

According to the author, “California's process safety management standards exist for one reason: to prevent the kind of catastrophe that struck the Chevron Richmond Refinery in 2012, when a preventable fire endangered 19 workers and sent roughly 15,000 nearby residents seeking medical attention. In response, and after a robust stakeholder process that included refinery workers, scientists, and environmental health leaders, the Occupational Safety and Health Standards Board adopted landmark updates in 2017. Now, under pressure from refineries, new regulations have been proposed that will weaken these hard-won protections. SB 966 will simply codify the existing regulations, ensuring that workers have a voice and can choose their own representatives for safety management activities at refineries. It does not implement any new regulations on refineries – it simply protects existing safety regulations that refineries have been subject to since 2017. SB 966 is a commonsense safety measure that will safeguard these essential protections from regulatory rollback, protect workers’ rights, and prevent disasters that endanger workers, communities, and our gasoline supply chain.”

¹ CSB, Chevron Richmond Refinery Regulatory Report October 2014.

² *Ibid.*

³ CSB, Safety Digest “The Importance of Worker Participation,” September 4, 2019.

The author further states that the measure will maximize benefits for underserved and marginalized communities because “the residents who live near refineries are most at risk of refinery disasters and related health impacts, and refinery communities tend to be predominantly lower-income people of color. For example, data shows that the census blocks near the Chevron Richmond Refinery are between 79%-98% people of color. The numbers are similar near the Phillips 66 Wilmington Refinery and the Phillips 66 Carson Refinery. These communities are also AB 617 communities, meaning they are some of the areas in the state most impacted by air pollution and experience significant environmental justice concerns.”

Arguments in Support

A coalition of worker and environmental organizations, including United Steelworkers District 12, are in support and state, “By enacting SB 966, California can ensure that workers continue to have the right to choose their own representatives in process safety activities, anonymously report hazards, access important PSM information, and utilize stop-work procedures when conditions become unsafe. Workers in refineries and other high-hazard facilities are often the first to recognize operational dangers and have invaluable firsthand knowledge about process safety. Their voices should remain central to decisions about workplace safety and refinery operations.

Our organizations and members know that when industrial accidents occur, the harms extend far beyond the facility gates. Surrounding residents, especially low-income communities and communities of color located near refineries and chemical plants, often bear the health, environmental, and economic consequences of toxic releases, fires, and explosions. Ensuring that workers have a meaningful role in identifying hazards and preventing unsafe conditions is an essential part of protecting both workers and neighboring communities.”

Arguments in Opposition

The Western States Petroleum Association is opposed and states, “In 2019, WSPA filed two lawsuits challenging a limited number of specific provisions in the oil refinery PSM regulations and the California Accidental Release Prevention (CalARP) program. The primary purpose of these lawsuits was to ensure the PSM regulations provide clear guidance to employers, do not conflict with other legal requirements, and effectively enhance refinery safety. With respect to the employee participation requirements, WSPA challenged certain provisions because they lack clarity, would undermine safety, and are preempted by the National Labor Relations Act.

After years of negotiations, in September 2024 WSPA reached a settlement with Cal/OSHA, the California Environmental Protection Agency (CalEPA), and the Cal/OSHA Standards Board. Under the settlement, the agencies agreed to propose certain modifications to the regulations to address some, but not all, of WSPA’s concerns. These proposals were required to undergo the full public rulemaking process, and the agencies did not commit to ultimately adopting any of the modifications. However, if the agencies do not adopt the agreed-upon changes, WSPA has the option to renew its litigation.

While SB 966 is largely redundant in the sense that it would adopt by statute language currently contained in the PSM and CalARP regulations, it nevertheless includes a provision the agencies agreed to modify as part of the WSPA settlement. Specifically, Section (b) would allow an

“*authorized collective bargaining agent*” to unilaterally select employees to participate in the development of process safety programs and in various process safety activities.

Under the WSPA settlement, this provision would be replaced in its entirety with the following: “The written employee-participation plan will determine how employees are selected to participate in overall PSM program development and implementation planning and to participate in PSM teams and other activities, pursuant to this section.” This change was necessary to provide clarity for the regulated community and avoid a conflict between the PSM regulations and the National Labor Relations Act (NLRA), which preempts state regulations that intrude upon collective bargaining. Because employee participation in safety programs is a mandatory subject of collective bargaining, Section (b) of SB 966 is preempted.”

Prior Legislation

AB 3258 (Bryan) Chapter 978, Statutes of 2024 expands the scope of the California Refinery and Chemical Plant Worker Safety Act of 1990 by revising the definition of “refinery” to mean an establishment that produces gasoline, diesel fuel, aviation fuel or biofuel through the processing of crude oil or alternative feedstock.

SB 1300 (Hancock) Chapter 519, Statutes of 2014 requires every petroleum refinery employer to, every September 15, submit to the Cal/OSHA a full schedule for the following calendar year of planned turnarounds, and to inspect, test, and replace process materials and equipment, as specified. The bill also requires a petroleum refinery employer, upon the request of the Cal/OSHA, to provide access onsite and provide Cal/OSHA with specified documentation.

REGISTERED SUPPORT / OPPOSITION:

Support

United Steelworkers District 12 (Sponsor)
350 Bay Area Action
Asian Pacific Environmental Network
Bluegreen Alliance
California Labor for Climate Jobs
California Rural Legal Assistance Foundation
Center for Biological Diversity
Center for Community Action & Environmental Justice
Center for Environmental Health
Center on Race, Poverty & the Environment
CFT – a Union of Educators & Classified Professionals, AFT, AFL-CIO
Clean Earth 4 Kids
Climate Action Campaign At the Humboldt Uu Fellowship
Consumer Watchdog
Courage California
Earth Ethics, INC
Families Advocating for Chemical and Toxics Safety
Fossil Free California Votes
Greenpeace USA
Oil & Gas Action Network

Physicians for Social Responsibility - Los Angeles
San Francisco Bay Physicians for Social Responsibility
Sunflower Alliance
The Climate Center
Third ACT Bay Area
United Steelworkers Local 675

Opposition

Western States Petroleum Association

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