
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Josh Becker, Chair
2025 - 2026 Regular**

Bill No:	SB 13	Hearing Date:	4/7/2025
Author:	Grove		
Version:	2/10/2025 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Oil and gas

DIGEST: This bill requires the California Air Resources Board (CARB) and the California Energy Commission (CEC) to report specified information regarding air quality and oil refinery impacts associated with imported crude oil. This bill also requires the Geologic Energy Management Division in the Department of Conservation (CalGEM) to post specified information about emissions associated with imported oil on CalGEM's website.

ANALYSIS:

Existing law:

- 1) Establishes the CEC as a five-member commission within the Natural Resources Agency and tasks the CEC with monitoring, analyzing, and making recommendations on statewide trends in the energy sector, including fuel supply and demand. (Public Resources Code §25200 et. seq.)
- 2) Establishes the Petroleum Industry Information Reporting Act of 1980 (PIIRA), which establishes requirements for oil refiners and marketers to submit specified data to the CEC and requires the CEC to analyze this data to identify trends in demand and supply for petroleum, including factors influencing gasoline price changes. Existing law requires retail transportation fueling stations to report specified information about their sales of gasoline, diesel, and other fuels to the CEC. (Public Resources Code §25350 et. seq.)
- 3) Establishes various confidentiality protections within PIIRA, including specifying that the CEC may disclose certain confidential information received under PIIRA to CARB or the Attorney General if CARB or the Attorney General agree to keep the information confidential. (Public Resources Code §25350 et. seq.)

- 4) Establishes CalGEM for the purposes of overseeing the drilling, operation, maintenance, and removal of oil and gas wells. Existing law specifies the duties of CalGEM regarding authorization of oil and gas exploration within California. (Public Resources Code §3000 et. seq.)

This bill:

- 1) Requires CARB to annually assess the greenhouse gas (GHG) emissions associated with transporting oil in California from its point of origin to its destination in California. This bill requires CARB to post this assessment on its website and include all of the following in the assessment:
 - a) An estimate of the GHG emissions associated with oil transportation in the state for oil imported into the state during the prior year, broken down by the country of origin.
 - b) An estimate of the GHG emissions associated with the in-state transportation of oil produced within the state during the previous year.
 - c) A description of the methodology and assumptions used to make the assessment.
 - d) A citation or link to the data used to create the assessment.
- 2) Requires the CEC to provide CARB with information about the state's oil supply. This bill specifies that the disclosure of this data must comply with existing confidentiality protections regarding oil and refinery data.
- 3) Requires the CEC to post both of the following reports on its website:
 - a) A report on the air quality impact of importing five percent to 10% of the state's gasoline supply using tanker ships.
 - b) A report describing refinery storage costs, as determined by the CEC.
- 4) Requires a report issued by the CEC on gasoline price breakdowns and margins to include the cost of shipping oil.
- 5) Requires CalGEM to post a link on its website to data regarding air quality impacts associated with the transportation of imported oil in California.
- 6) Prohibits the CEC from using ratepayer funds to carry out its duties pursuant to this bill.

Background

Not in My Backyard: California largely relies on foreign sources for crude oil.

California has substantial proven oil resources. In terms of cumulative oil production, California is the site of several of the most historically productive oil fields in the United States. Los Angeles and Kern Counties remain the site of substantial oil operations in the state. Despite this history, California primarily sources its oil from overseas. California crude oil comprised 23.3% of the total number of barrels received by in-state refineries in 2024 while over 60% of oil supplied to California's refineries come from international sources. CEC data regarding the international sources of crude oil imported into California in 2024 show that Iraq is the largest source of crude oil imports to California, followed by Brazil, Guyana, Ecuador, and Canada. Collectively, these countries supply over 75% of California's imported crude oil. California's reliance on imported oil is shaped by a number of factors, including the lack of oil pipelines from other states, the costs associated with procuring oil by rail or truck, global commodity prices for crude oil, and limited in-state oil and gas extraction.

While in-state oil extraction has declined over several decades, agencies have recently adopted policies to accelerate the phase out of both petroleum use in the transportation sector and oil extraction in California. Executive Order N-79-20 established a goal that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035. This executive order also established a goal that 100% of medium- and heavy-duty vehicles in the state will be zero-emission by 2045. In response to this Executive Order, CARB has adopted regulations aimed at phasing out the sale of petroleum-fueled vehicles. In 2021, Governor Newsom followed this Executive Order by directing CalGEM to cease issuing permits for fracking in 2024 and ordering CARB to explore pathways to end in-state oil extraction by 2045.

Meaningful emissions reductions will depend on reducing overall oil reliance.

California's reliance on crude oil has steadily declined since the 1980s; however, oil consumption recently increased from pandemic lows in 2020. While California may avoid some local emissions from ceasing fracking and oil extraction, the cessation of these practices within the state do not necessarily contribute to a reduction in total global emissions. As long as demand for petroleum remains consistent, oil will be procured from other mechanisms and locations, which may be associated with higher global emissions. In 2015, the California Natural Resources Agency commissioned an independent assessment of oil and gas extraction methods with the California Council on Science and Technology and researchers at the Lawrence Berkeley National Laboratory. The assessment identified a number of risks associated with fracking, including potential water

contamination, which could have catastrophic consequences for drinking and agricultural water. The report also stated that fracking in California produced fewer overall emissions than sourcing oil from other methods. The report states: “Oil produced in California using hydraulic fracturing also emits less greenhouse gas per barrel than the average barrel imported to California.” Emissions impacts may be only one part of the overall environmental and public health concerns associated with fracking, but the tendency to shift emissions without achieving meaningful reductions in petroleum remains a challenge to slowing global warming. Even when California ceases domestic oil extraction, our demand for oil will contribute to extraction in other regions. As a result, more meaningful global emissions reductions may largely depend on efforts to reduce the overall use of these resources. To the extent that we continue to largely rely on imported oil, this bill may provide more detailed information about the overall emissions impacts associated with that continued reliance.

Need for amendments. As currently written, sections 3 and 4 of this bill extend emissions reporting duties to state agencies that do not have authority over air quality. Additionally, section 4 of this bill contains reporting requirements for the CEC that are vague and do not appear to be related to emissions from imported oil. *As a result, the author and committee may wish to amend this bill to delete sections 3 and 4 of this bill.*

Dual referral. This bill passed out of the Senate Environmental Quality Committee on March 19, 2025 with a vote of 8-0.

Prior/Related Legislation

SB 1097 (Grove) of 2024, contained provisions substantially similar to those in this bill. The bill was held in the Senate Appropriations Committee.

SBX2 1 (Hart, Chapter 1, Statutes of 2024) among other requirements, authorized the CEC to develop requirements on petroleum refiners to maintain resupply plans to cover production loss during maintenance events and to maintain minimum levels of supply inventories.

SBX1 2 (Skinner, Chapter 1, Statutes of 2023) modified PIIRA to require refineries to submit specified data regarding their economic performance to the CEC. The bill also required the CEC to assess the reliability of transportation fuels and retail outlets for those fuels.

SB 15 (Grove) of 2023, contained provisions substantially similar to those in this bill. The bill was held in the Assembly Appropriations Committee.

SB 1319 (Grove) of 2022, was substantially similar to this bill and required CARB to annually assess emissions associated with oil transportation in California. The bill was held in the Assembly Appropriations Committee.

SB 1322 (Allen, Chapter 374, Statutes of 2022) modified PIIRA to require refiners with multiple refineries operating in the state to submit certain data about their economic performance to the CEC. The bill also increased public access to data about refiners.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Supervisor Jeff Flores, Kern County Third District
Associated Builders and Contractors - Central California Chapter
BizFed Central Valley
California Independent Petroleum Association
Greater Bakersfield Chamber of Commerce
Kern Citizens for Energy
Kern County Hispanic Chamber of Commerce
Kern County Taxpayers Association
Tehachapi Republican Women Federated
Trio Petroleum, Inc.
Valid Energy Group Inc.
34 Individuals

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the Author:

SB 13 simply asks whether California should be importing its oil from countries that do not share our values on human rights and environmental standards. The bill expresses the intent of the Legislature that the California Energy Commission report on the human rights records and environmental standards of the countries that we buy oil from. The measure would also require the Air Resources Board 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, and that by importing so much

oil we are actually harming, not helping, the environment. We can produce the oil we use, and keep the jobs and revenues inside our Golden State while protecting our environment.

-- END --