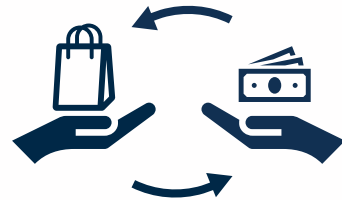




# 2024 Transportation Fuels Assessment

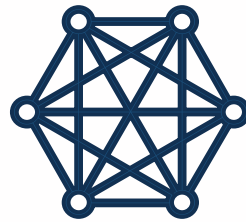
## Options Summary



Demand Strategy



Supply Strategy



Highly Complex



Other

1. Enhanced ZEV Access
2. VMT Reduction Strategies
3. Fuel Conservation
4. Storage Strategies
5. Production Enhancement Strategies
6. Alignment of Gasoline Specifications for Western States
7. Import Strategies
8. Gas Price Stabilization Fund
9. Cost of Service Model
10. State-Owned Refineries
11. Retail Margin Management
12. Railcar Replenishment



# Governing the Transition

## Concurrent “Three Buckets”

### 1. Reactive Stabilization

*Mitigating immediate disruptions*

- Respond to immediate disruptions to support supply and price stability

### 2. Sustaining System-Wide Reliability

*Transparency, coordination, and investment confidence for safe and reliable operations to meet demand*

- Crude oil production and distribution
- State regulatory tools
- State, regional, and local authority coordination

### 3. Proactive Transition Governance

*Advancing a holistic transition plan*

- Community and worker transition support
- Community and worker safety
- Advance clean transportation
- Supply stability during decline
- Managing infrastructure transition
- Future of impacted land



# Draft SB 237 Assessment: Key Takeaways

*The transition isn't an if, it's a when and how.*

*It's not unique to California, though it is a big California opportunity.*

- **Managing this transition is an opportunity** to demonstrate how the climate crisis can be addressed with benefits to reliability, affordability, public health, and continued economic growth.
- **California can be a model**, and governing this transition well has value beyond petroleum.
- **The state should proactively plan** and address the system as a whole for both the decline of legacy infrastructure and the growth of the new system to happen effectively.
- **All three buckets are needed in parallel.** Developing bucket 2 and 3 will reduce the need for bucket 1 reactivity, yielding stronger outcomes.
- **Continuing transition management is essential.** Slowing the transition would not improve reliability or affordability outcomes. Both legacy and clean energy systems need consistent signals and certainty in planning and regulatory structures. Clarity and transparency also helps host communities and labor prepare.



# Findings and Recommendations

1. **Continue to manage** the transition deliberately
2. **Prioritize buckets 2 and 3** to reduce the need for bucket 1
3. Build out layered **interagency coordination structure**, especially for permitting
4. Identify durable **transition funding** mechanisms
5. Require **transparency on remediation obligations**
6. Advance and resource the state's **transition planning documents**
7. Continue monitoring **SB 237 outcomes**
8. Continue analysis to implement CEC's special session **regulatory tools** holistically
9. Continue assessing **fuel supply management strategies**
10. Further assessment required on **state's toolbox to support** a smooth transition and reliability



# Thank You!

*Contact:*

*Sarah Brady, Director of Governmental and International Affairs*

*[Sarah.Brady@energy.ca.gov](mailto:Sarah.Brady@energy.ca.gov), 916-664-1754*