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

**Senator Steven Bradford, Chair**

**2023 - 2024 Regular**

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<b>Bill No:</b>	AB 1614	<b>Hearing Date:</b>	7/3/2023
<b>Author:</b>	Gabriel		
<b>Version:</b>	4/26/2023 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Sarah Smith		

**SUBJECT:** Gasoline fueling stations: phaseout: study

**DIGEST:** This bill requires the California Energy Commission (CEC) to study and report to the Legislature on the feasibility of phasing out the existence of gas stations.

**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) Requires the CEC to submit a report to the Legislature by January 1, 2024, assessing the reliability and pricing of transportation fuels, including transportation. Existing law requires this report to include an assessment of the availability of fuel retail outlets. Existing law requires the CEC to update this assessment every three years. (Public Resources Code §25371)
- 4) Requires the CEC to conduct a statewide assessment every two years of electric vehicle (EV) charging infrastructure needed to support the levels of EV

adoption required for the state to meet its goals of putting at least five million zero-emission vehicles (ZEVs) on California roads by 2030, and of reducing emissions of greenhouse gases (GHG) to 40 percent below 1990 levels by 2030. (Public Resources Code §25229)

This bill:

- 1) Defines a “gasoline fueling station” as an establishment that sells only gasoline or gasoline and diesel fuel to the public.
- 2) Requires the CEC to work with specified stakeholders to study the feasibility of phasing out the existence of gas stations by a specified date. This bill requires the CEC to report its findings to the Legislature by June 30, 2026.
- 3) Requires the California Air Resources Board (CARB) to convene stakeholders, including state agencies, to determine the scope of the CEC assessment.
- 4) Requires the gas station phase out study to include an assessment on the suitability of gas stations for conversion into EV charging stations and identify incentives and barriers for gas stations to convert to EV charging.

## **Background**

*Phase out or transition? That is the question for gas stations.* In August 2022, CARB approved its Advanced Clean Cars II rule, which requires all new cars and light-duty trucks sold in California to be ZEVs by 2035. CARB has adopted interim goals to increase the sale of ZEVs. To the extent that ZEVs supplant petroleum-fueled cars, consumer demand for EV charging and clean fuels will increase as demand for petroleum declines. Gas station owners and operators are one segment of the economy that will face significant disruption as this transition occurs. Several cities have already adopted restrictions on permitting new gas stations within their jurisdictions. Without a plan to install EV charging or deploy clean fuels, gas stations may face difficulty transitioning to new business models and local governments may lose opportunities to deploy more clean refueling options at locations that already serve drivers.

Other state agencies and local governments exercise much greater authority than the CEC over the extent to which gas stations receive permits, retain business licenses, and the extent to which gas station facilities can be converted into other uses. However, to the extent that this bill provides those agencies with more information about opportunities to better deploy new infrastructure to match

drivers' needs, this bill may improve access to information needed to help plan the transition to cleaner fuels.

*CEC's ability to analyze the economic performance of gas stations is limited.*

Existing law tasks the CEC with a number of duties to monitor and analyze fuel markets, including gasoline demand, supply, and pricing trends. Under existing law, gas stations must report certain information about their sales to the CEC. This data is intended to help the CEC monitor supply, demand, and pricing for transportation fuels. Existing law already requires the CEC to assess the reliability of California's transportation fuel supply and the availability of retail outlets for transportation fuel. This bill requires the CEC to conduct a feasibility analysis for phasing out the existence of gas stations. The bill also requires the CEC to analyze the barriers to and incentives for gas stations to convert to EV charging stations. The extent to which a gas station owner decides to cease operations or transition to new fueling options will likely depend upon the gas station's economic performance. While the CEC has substantial information about fuel supply and demand, the CEC does not currently collect data about the economic performance of gas stations. Many gas stations offer services, including convenience stores that provide revenue streams outside of gasoline sales. As a result, declining gasoline sales may not be the determining factor in a gas station's owner's decision to cease operations.

*Need for amendments.* As currently written, this bill does not distinguish between the cessation of gasoline refueling and gas stations ceasing to exist. This bill also does not modify the CEC's ability to collect data regarding gas stations. Additionally, this bill requires both CARB and CEC to facilitate the study required by this bill; however, it is not clear which agency is responsible for leading the study. *For these reasons, the author and committee may wish to amend this bill to do the following:*

- *Shift duties to establish the scope of the bill's report from CARB to the CEC.*
- *Remove references to "stations" in the bill and instead align the bill to the CEC's existing assessments of fuel demand and supply.*
- *Extend the bill's reporting deadline to the January 1, 2027, to align this bill's report with the CEC's first transportation fuel assessment under SBX1 2 (Skinner, Chapter 1, Statutes of 2023)*

*Double Referral.* Should this bill be approved by this committee, it will be re-referred to the Senate Committee on Transportation.

**Prior/Related Legislation**

AB 1529 (Gabriel, 2023) contained provisions substantially similar to this bill. The bill requires the CEC to study gas stations' ability to convert into EV charging stations and identify incentives for and barriers to that conversion. The bill requires the CEC to submit a report on its findings to the Legislature by July 1, 2025. The bill is currently in the Assembly Committee on Transportation.

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 1322 (Allen, Chapter, 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:**

None received

**OPPOSITION:**

California Builders Alliance  
California Fuels and Convenience Alliance  
Sacramento Regional Builders Exchange

**ARGUMENTS IN SUPPORT:** According to the author:

Access to electric vehicle chargers and range anxiety are still major barriers to purchasing an electric vehicle. In order to incentivize EV adoption, EV charging infrastructure must be readily available to the public. As the demand for gasoline decreases, gasoline stations will have to gradually adopt a new business model. By installing EV chargers, gas stations can help California meet its' climate goals. The state should be actively looking at ways to find financial and regulatory incentives in order to support a smooth transition to electrifying our transportation sector by making charging for long trips more accessible.

**ARGUMENTS IN OPPOSITION:** Opponents largely object to the provisions of this bill that require the CEC to study ending the existence of gas stations. The California Fuels and Convenience Alliance (CFCA) opposes this bill unless it is amended to focus the bills' study on barriers to deploying cleaner refueling options at gas stations. In opposition CFCA states:

The bill would require CARB to only consider how gas stations can be phased out and subsequently replaced by electric charging stations. By default, this would ignore all other alternative fuels, limiting consumer options. Rather, the bill should be amended to direct the CEC to study how the State can best deploy a full complement of alternative fuels, in addition to EV charging, to ensure that every tool in the toolbox is available to help power our transportation system and reduce emissions.

**-- END --**