

AMENDED IN ASSEMBLY JUNE 29, 2000

AMENDED IN SENATE MAY 2, 2000

SENATE BILL

No. 1962

Introduced by Senator Costa

*(Coauthors: Assembly Members Ashburn and
Strom-Martin)*

February 25, 2000

An act to amend Sections 25000.5, 25350, 25354, and ~~25356~~
~~25356~~, and 25364 of, and to add Section 25141 to, the Public
Resources Code, relating to petroleum fuel.

LEGISLATIVE COUNSEL'S DIGEST

SB 1962, as amended, Costa. Petroleum products: reports.

Existing law requires each refiner of petroleum products to submit monthly information to the State Energy Resources Conservation and Development Commission, including information on feedstock inputs, origin of petroleum receipts, refinery outputs, refinery stocks, and finished product supply and distribution, and each major marketer of petroleum products to report on petroleum and petroleum product receipts, inventories, and distributions.

This bill would require refiners to additionally report on imports and exports of petroleum products, including the sale of gasoline sold "unbranded" by the refiner, blender or importer. The bill would also require marketers to report on receipts of finished petroleum products and blendstocks, by type, through branded and unbranded distribution networks, and exports of unfinished petroleum products and

blendstocks, by type. The bill would define “unbranded” for these purposes.

Existing law requires the commission to gather, analyze, and interpret the information submitted to it pursuant to the foregoing provisions concerning, among other things, motor fuel prices, and any significant changes in prices charged by the petroleum industry for petroleum or petroleum products sold in California and the reasons for those changes.

This bill would additionally require the commission to gather, analyze, and interpret information submitted to it concerning sales of fuel to unbranded retail markets.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25000.5 of the Public Resources
2 Code is amended to read:

3 25000.5. (a) The Legislature finds and declares that
4 overdependence on the production, marketing, and
5 consumption of petroleum based fuels as an energy
6 resource in the transportation sector is a threat to the
7 energy security of the state due to continuing market and
8 supply uncertainties. In addition, petroleum use as an
9 energy resource contributes substantially to the following
10 public health and environmental problems: air pollution,
11 acid rain, global warming, and the degradation of
12 California’s marine environment and fisheries.

13 (b) Therefore, it is the policy of this state to fully
14 evaluate the economic and environmental costs of
15 petroleum use, and the economic and environmental
16 costs of other transportation fuels, including the costs and
17 values of environmental impacts, and to establish a state
18 transportation energy policy that results in the least
19 environmental and economic cost to the state. In
20 pursuing the “least environmental and economic cost”
21 strategy, it is the policy of the state to exploit all
22 practicable and cost-effective conservation and
23 improvements in the efficiency of energy use and
24 distribution, and to achieve energy security, diversity of

1 supply sources, and competitiveness of transportation
2 energy markets based on the least environmental and
3 economic cost.

4 (c) For the purposes of this section, “petroleum based
5 fuels” means fuels derived from liquid unrefined crude
6 oil, including natural gas liquids, liquefied petroleum gas,
7 or the energy fraction of methyl tertiary-butyl ether
8 (MTBE) or other ethers that is not attributed to natural
9 gas.

10 SEC. 2. Section 25141 is added to the Public Resources
11 Code, to read:

12 25141. “Unbranded,” as applied to fuel, means
13 gasoline and diesel fuel sold for wholesale or retail
14 distribution to consumers without proprietary additives
15 or marketing under a brand name or trademark owned
16 or controlled by an independent refiner or an integrated
17 refining and marketing company.

18 SEC. 3. Section 25350 of the Public Resources Code is
19 amended to read:

20 25350. (a) The Legislature finds and declares that
21 the petroleum industry is an essential element of the
22 California economy and is therefore of vital importance
23 to the health and welfare of all Californians.

24 (b) The Legislature further finds and declares that a
25 complete and thorough understanding of the operations
26 of the petroleum industry is required by state
27 government at all times to enable it to respond to possible
28 shortages, oversupplies, or other disruptions and to
29 ~~ensure—that~~ *assess whether* all consumers, including
30 emergency service agencies, state and local government
31 agencies, and agricultural and business consumers of
32 petroleum products have adequate and economic
33 supplies of fuel.

34 (c) The Legislature further finds and declares that
35 information and data concerning all aspects of the
36 petroleum industry, including, but not limited to, crude
37 oil production, production and supplies of finished
38 branded and unbranded gasoline, supplies of diesel fuel
39 and other distillates, supplies of blendstocks used to make
40 gasoline and other refined products, refining, product

1 output, exports of finished gasoline, diesel fuel, and
2 blendstocks, prices, distribution, demand, and
3 investment choices and decisions are essential for the
4 state to develop and administer energy policies that are
5 in the interest of the state's economy and the public's
6 well-being.

7 SEC. 4. Section 25354 of the Public Resources Code is
8 amended to read:

9 25354. (a) Each refiner and major marketer shall
10 submit information each month to the commission in
11 such form and extent as the commission prescribes
12 pursuant to this section. The information shall be
13 submitted within 30 days after the end of each monthly
14 reporting period and shall include the following:

15 (1) Refiners shall report, for each of their refineries,
16 feedstock inputs, origin of petroleum receipts, imports of
17 finished petroleum products and blendstocks, by type,
18 including the source of those imports, exports of finished
19 petroleum products and blendstocks, by type, including
20 the destination of those exports, refinery outputs, refinery
21 stocks, and finished product supply and distribution,
22 including all gasoline sold unbranded by the refiner,
23 blender, or importer.

24 (2) Major marketers shall report on petroleum
25 product receipts and the sources of these receipts,
26 inventories of finished petroleum products and
27 blendstocks, by type, distributions through branded and
28 unbranded distribution networks, and exports of finished
29 petroleum products and blendstocks, by type, from the
30 state.

31 (b) Each major oil producer, refiner, marketer, oil
32 transporter, and oil storer shall annually submit
33 information to the commission in such form and extent as
34 the commission prescribes pursuant to this section. The
35 information shall be submitted within 30 days after the
36 end of each reporting period, and shall include the
37 following:

38 (1) Major oil transporters shall report on petroleum by
39 reporting the capacities of each major transportation
40 system, the amount transported by each system, and

1 inventories thereof. The commission may prescribe rules
2 and regulations that exclude pipeline and transportation
3 modes operated entirely on property owned by major oil
4 transporters from the reporting requirements of this
5 section if the data or information is not needed to fulfill
6 the purposes of this chapter. The provision of the
7 information shall not be construed to increase or decrease
8 any authority the Public Utilities Commission may
9 otherwise have.

10 (2) Major oil storers shall report on storage capacity,
11 inventories, receipts and distributions, and methods of
12 transportation of receipts and distributions.

13 (3) Major oil producers shall, with respect to thermally
14 enhanced oil recovery operations, report annually by
15 designated oil field, the monthly use, as fuel, of crude oil
16 and natural gas.

17 (4) Refiners shall report on facility capacity, and
18 utilization and method of transportation of refinery
19 receipts and distributions.

20 (5) Major oil marketers shall report on facility capacity
21 and methods of transportation of receipts and
22 distributions.

23 (c) Each person required to report pursuant to
24 subdivision (a) shall submit a projection each month of
25 the information to be submitted pursuant to subdivision
26 (a) for the quarter following the month in which the
27 information is submitted to the commission.

28 (d) In addition to the data required under subdivision
29 (a), each integrated oil refiner (produces, refines,
30 transports, and markets in interstate commerce) who
31 supplies more than 500 branded retail outlets in
32 California shall submit to the commission an annual
33 industry forecast for Petroleum Administration for
34 Defense, District V (covering Arizona, Nevada,
35 Washington, Oregon, California, Alaska, and Hawaii).
36 The forecast shall include the information to be
37 submitted under subdivision (a), and shall be submitted
38 by March 15 of each year. The commission may require
39 California-specific forecasts. However, those forecasts

1 shall be required only if the commission finds them
2 necessary to carry out its responsibilities.

3 (e) The commission may by order or regulation
4 modify the reporting period as to any individual item of
5 information setting forth in the order or regulation its
6 reason for so doing.

7 (f) The commission may request additional
8 information as necessary to perform its responsibilities
9 under this chapter.

10 (g) Any person required to submit information or data
11 under this chapter, in lieu thereof, may submit a report
12 made to any other governmental agency, if:

13 (1) The alternate report or reports contain all of the
14 information or data required by specific request under
15 this chapter.

16 (2) The person clearly identifies the specific request to
17 which the alternate report is responsive.

18 (h) Each refiner shall submit to the commission,
19 within 30 days after the end of each monthly reporting
20 period, all of the following information in such form and
21 extent as the commission prescribes:

22 (1) Monthly California weighted average prices and
23 sales volumes of finished leaded regular, unleaded
24 regular, and premium motor gasoline sold through
25 company-operated retail outlets, to other end-users, and
26 to wholesale customers.

27 (2) Monthly California weighted average prices and
28 sales volumes for residential sales, commercial and
29 institutional sales, industrial sales, sales through
30 company-operated retail outlets, sales to other end-users,
31 and wholesale sales of No. 2 diesel fuel and No. 2 fuel oil.

32 (3) Monthly California weighted average prices and
33 sales volumes for retail sales and wholesale sales of No. 1
34 distillate, kerosene, finished aviation gasoline,
35 kerosene-type jet fuel, No. 4 fuel oil, residual fuel oil with
36 1 percent or less sulfur, residual fuel oil with greater than
37 1 percent sulfur and consumer grade propane.

38 SEC. 5. Section 25356 of the Public Resources Code is
39 amended to read:

1 25356. (a) The commission, utilizing its own staff and
2 other support staff having expertise and experience in, or
3 with, the petroleum industry, shall gather, analyze, and
4 interpret the information submitted to it pursuant to
5 Section 25354 and other information relating to the
6 supply and price of petroleum products, with particular
7 emphasis on motor vehicle fuels, including, but not
8 limited to, all of the following:

9 (1) The nature, cause, and extent of any petroleum or
10 petroleum products shortage or condition affecting
11 supply.

12 (2) The economic and environmental impacts of any
13 petroleum and petroleum product shortage or condition
14 affecting supply.

15 (3) Petroleum or petroleum product demand and
16 supply forecasting methodologies utilized by the
17 petroleum industry in California.

18 (4) The prices, with particular emphasis on retail
19 motor fuel prices, including sales to unbranded retail
20 markets, and any significant changes in prices charged by
21 the petroleum industry for petroleum or petroleum
22 products sold in California and the reasons for those
23 changes.

24 (5) The profits, both before and after taxes, of the
25 industry as a whole and of major firms within it, including
26 a comparison with other major industry groups and major
27 firms within them as to profits, return on equity and
28 capital, and price-earnings ratio.

29 (6) The emerging trends relating to supply, demand,
30 and conservation of petroleum and petroleum products.

31 (7) The nature and extent of efforts of the petroleum
32 industry to expand refinery capacity and to make
33 acquisitions of additional supplies of petroleum and
34 petroleum products, including activities relative to the
35 exploration, development, and extraction of resources
36 within the state.

37 (8) The development of a petroleum and petroleum
38 products information system in a manner that will enable
39 the state to take action to meet and mitigate any

1 petroleum or petroleum products shortage or condition
2 affecting supply.

3 (b) The commission shall analyze the impacts of state
4 and federal policies and regulations upon the supply and
5 pricing of petroleum products.

6 *SEC. 6. Section 25364 of the Public Resources Code is*
7 *amended to read:*

8 25364. (a) Any person required to present
9 information to the commission pursuant to Section 25354
10 may request that specific information be held in
11 confidence.

12 (b) Information presented to the commission
13 pursuant to Section 25354 shall be held in confidence by
14 the commission or aggregated to the extent necessary to
15 assure confidentiality if public disclosure of the specific
16 information or data would result in unfair competitive
17 disadvantage to the person supplying the information.

18 (c) (1) Whenever the commission receives a request
19 to publicly disclose unaggregated information, or
20 otherwise proposes to publicly disclose information
21 submitted pursuant to Section 25354, notice of the request
22 or proposal shall be provided to the person submitting the
23 information. The notice shall indicate the form in which
24 the information is to be released. Upon receipt of notice,
25 the person submitting the information shall have 10
26 working days in which to respond to the notice to justify
27 the claim of confidentiality on each specific item of
28 information covered by the notice on the basis that public
29 disclosure of the specific information would result in
30 unfair competitive disadvantage to the person supplying
31 the information.

32 (2) The commission shall consider the respondent's
33 submittal in determining whether to publicly disclose the
34 information submitted to it to which a claim of
35 confidentiality is made. The commission shall issue a
36 written decision which sets forth its reasons for making
37 the determination whether each item of information for
38 which a claim of confidentiality is made shall remain
39 confidential or shall be publicly disclosed.

(d) The commission shall not make public disclosure of information submitted to it pursuant to Section 25354 within 10 working days after the commission has issued its written decision required in this section.

(e) No information submitted to the commission pursuant to Section 25354 shall be deemed confidential if the person submitting the information or data has made it public.

(f) With respect to *petroleum products and blendstocks reported by type pursuant to paragraph (1) or (2) of subdivision (a) of Section 25354* and information provided pursuant to subdivision (h) of Section 25354, neither the commission, nor any employee of the commission, may do any of the following:

(1) Use the information furnished under *paragraph (1) or (2) of subdivision (a) of Section 25354* or under subdivision (h) of Section 25354 for any purpose other than the statistical purposes for which it is supplied.

(2) Make any publication whereby the information furnished by any particular establishment or individual under *paragraph (1) or (2) of subdivision (a) of Section 25354* or under subdivision (h) of Section 25354 can be identified.

(3) Permit anyone other than commission members and employees of the commission to examine the individual reports provided under *paragraph (1) or (2) of subdivision (a) of Section 25354* or under subdivision (h) of Section 25354.

(g) Notwithstanding any other provision of law, the commission may disclose confidential information received pursuant to subdivision (a) of Section 25310.4 or Section 25354 to the State Air Resources Board if the state board agrees to keep the information confidential. With respect to the information it receives, the state board shall be subject to all pertinent provisions of this section.