

AMENDED IN SENATE MAY 6, 2013
AMENDED IN SENATE APRIL 23, 2013
AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 448

Introduced by Senator Leno

February 21, 2013

An act to add Section 25356.5 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 448, as amended, Leno. Energy: petroleum supply and pricing.

Existing law establishes the State Energy Resources Conservation and Development Commission in the Natural Resources Agency, and specifies the powers and duties of the commission with respect to energy resources in the state. Under existing law, various provisions regulate petroleum supply and pricing. Existing law requires the commission to obtain and analyze monthly production reports prepared by the State Oil and Gas Supervisor under a specific provision. Existing law authorizes the State Lands Commission to enter into oil and gas leases for the extraction and removal of oil and gas deposits on state lands. Existing law requires the leases to include a royalty provision.

This bill would require the State Energy Resources Conservation and Development Commission, upon appropriation by the Legislature ~~from~~ *of* moneys generated by the collection of royalty payments from the oil and gas leases, to identify motor vehicle fuel price manipulation, establish a methodology to determine whether ~~motor vehicle~~ fuel price manipulation is occurring, and analyze data and investigate for suspected ~~motor vehicle~~ fuel price manipulation. The bill would require the

commission, in consultation with the State Air Resources Board and other relevant state agencies, to prepare and submit to the Legislature a report on further legislative recommendations to limit the amount of price volatility and comparative price increase in the California ~~motor vehicle~~ fuel market.

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 25356.5 is added to the Public Resources
 2 Code, to read:
 3 25356.5. (a) In addition to the requirements of ~~section~~ *Section*
 4 25356, the commission *shall do all of the following:*
 5 (1) Establish a definition for ~~motor vehicle~~ fuel market
 6 manipulation.
 7 (2) Identify data necessary to determine whether ~~motor vehicle~~
 8 fuel pricing manipulation is occurring that includes all of the
 9 following:
 10 (A) Individual ~~motor vehicle~~ fuel producer data, including all
 11 of the following:
 12 (i) Production or throughput data.
 13 (ii) Emission data or operational data.
 14 (iii) Sales volumes.
 15 (iv) Price.
 16 (B) Marketwide pricing data.
 17 (3) Establish an analytical methodology necessary to evaluate
 18 whether ~~motor vehicle~~ fuel price manipulation is occurring that
 19 includes both of the following:
 20 (A) Producer level analysis.
 21 (B) Marketwide analysis, comparing real time prices to expected
 22 prices based on modeling output.
 23 (4) Analyze the data and investigate for suspected ~~motor vehicle~~
 24 fuel price manipulation using both of the following:
 25 (A) Producer level analysis.
 26 (B) Marketwide analysis.
 27 (b) The commission, in consultation with the State Air Resources
 28 Board and other relevant state agencies, shall include in the biennial
 29 assessment specified in subdivision (b) of Section 25358 a report
 30 on further legislative recommendations to limit the amount of price

1 volatility and comparative price increase in the California ~~motor~~
2 ~~vehicle~~ fuel market. The report shall include an evaluation of
3 strategies doing all of the following:

- 4 (1) Increasing ~~motor vehicle~~ fuel storage.
- 5 (2) Leveraging the state's purchasing power related to the state's
6 fleet.
- 7 (3) Increasing timely imports of ~~motor vehicle~~ fuels during price
8 swings.

9 (c) *For purposes of this section, "fuel" means gasoline and*
10 *diesel derived from petroleum.*

11 (e)
12 (d) The commission shall implement this section upon
13 appropriation by the Legislature of moneys generated by the
14 collection of royalty payments from oil and gas leases entered into
15 pursuant to Article 2 (commencing with Section 6826) of Chapter
16 3 of Part 2 of Division 6.