



California's Transportation Fuels Transition Plan

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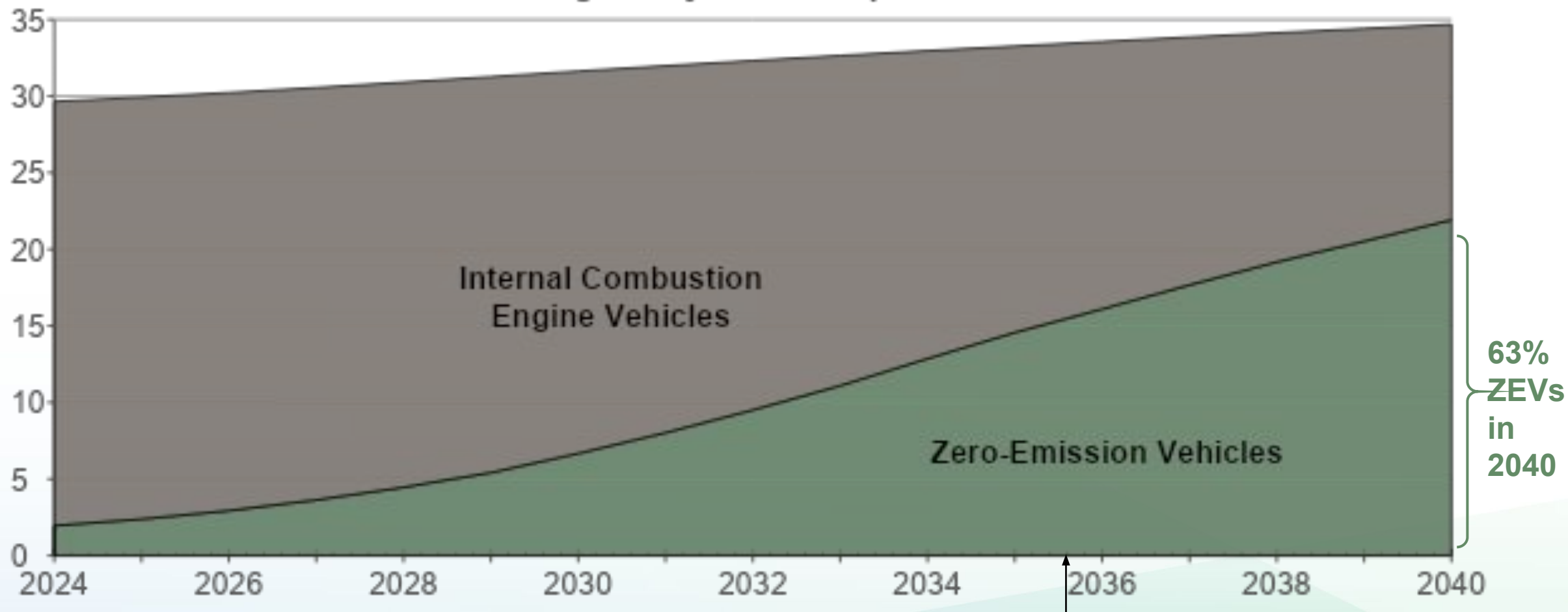
Energy Assessments Division

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Electric Vehicle Adoption will Increase

CEC's 2024 Light-Duty Vehicle Population Forecast



63%
ZEVs
in
2040

2035 Advanced Clean Cars II – All
Light-Duty **New Car Sales** Must be

Zero-Emission



Senate Bill X1-2

- October 2022 price spike □ \$6.21 per gallon statewide average
 - Some isolated stations approached \$10
- Senate Bill 2 of the first extraordinary session (X1) of 2023
- Transportation Fuels **Assessment**
 - Understanding the gasoline fuels market
 - Policies to help reduce price spike risk
- Transportation Fuels **Transition Plan** in Collaboration with CARB
 - Policies to transition away smoothly
 - Considers factors beyond price





Major Gasoline Refineries in California

California Is a Fuel Island

- Fuel pipelines only export (AZ and NV)
- No pipeline imports
- Marine cargo imports only
- Unique gasoline specification
- Pipelines from refineries send fuel to different racks (then trucked to stations)

Northern California

- Chevron (Richmond)
- PBF (Martinez)
- Valero (Benicia)

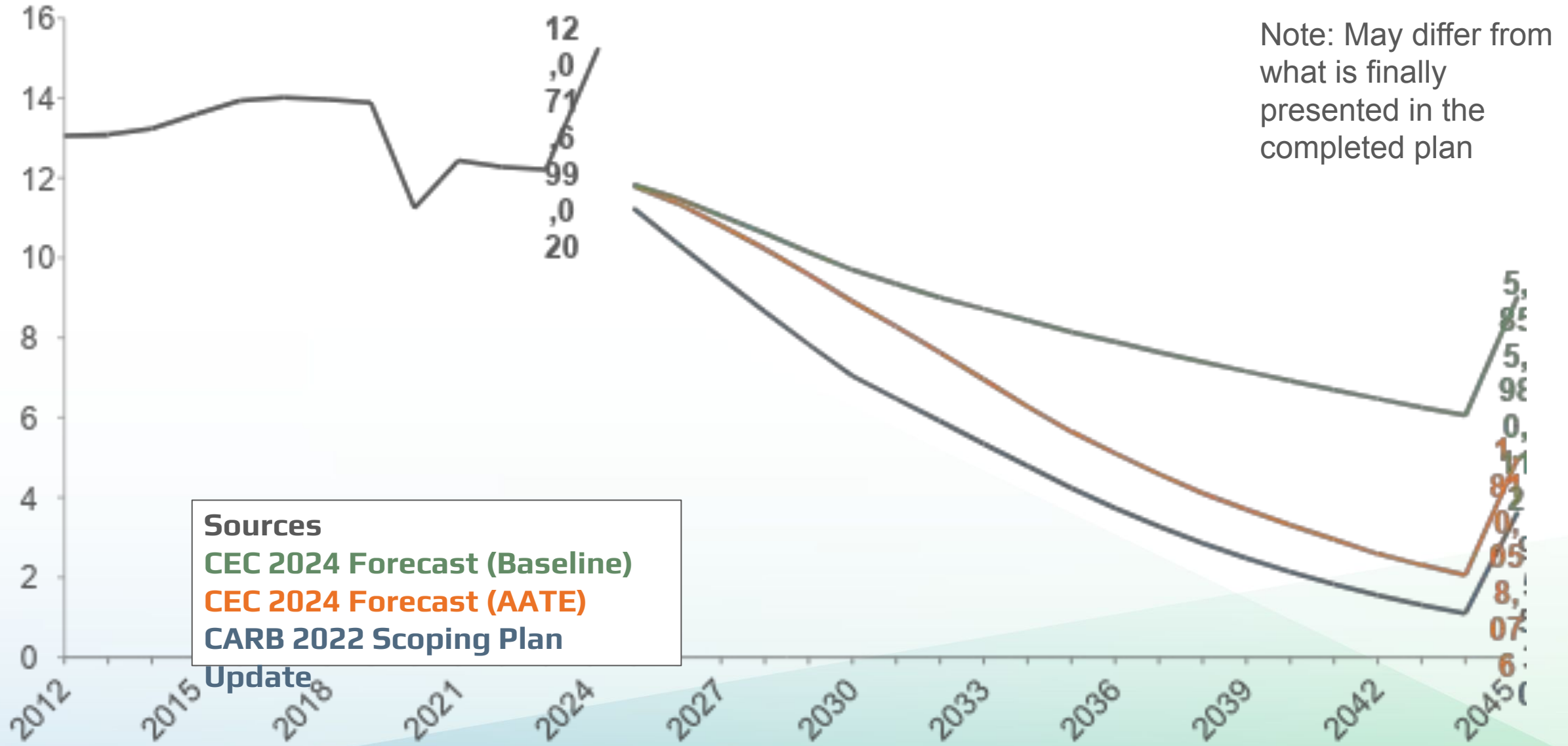
Southern California

- Marathon (Carson)
- Chevron (El Segundo)
- PBF (Torrance)
- Valero (Wilmington)
- ~~Phillips 66 (Wilmington 2025)~~

Note: One small refinery in Kern County has a capacity of ~13% the average of other refineries



Gasoline Demand Scenarios





Benefits and Challenges for the Transition

Benefits

- Addressing climate change
- Cleaner local air
- Continued environmental and energy efficiency leadership
- Potential fuel savings for drivers (and the grid)
- Increased energy independence with electric vehicles

Challenges

- Loss of tax base from refiners
- Employment
- Price stability (on a fuel island)
- Jet fuel and refinery dynamics
- Import/export logistics

Thank You!

Questions?



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