

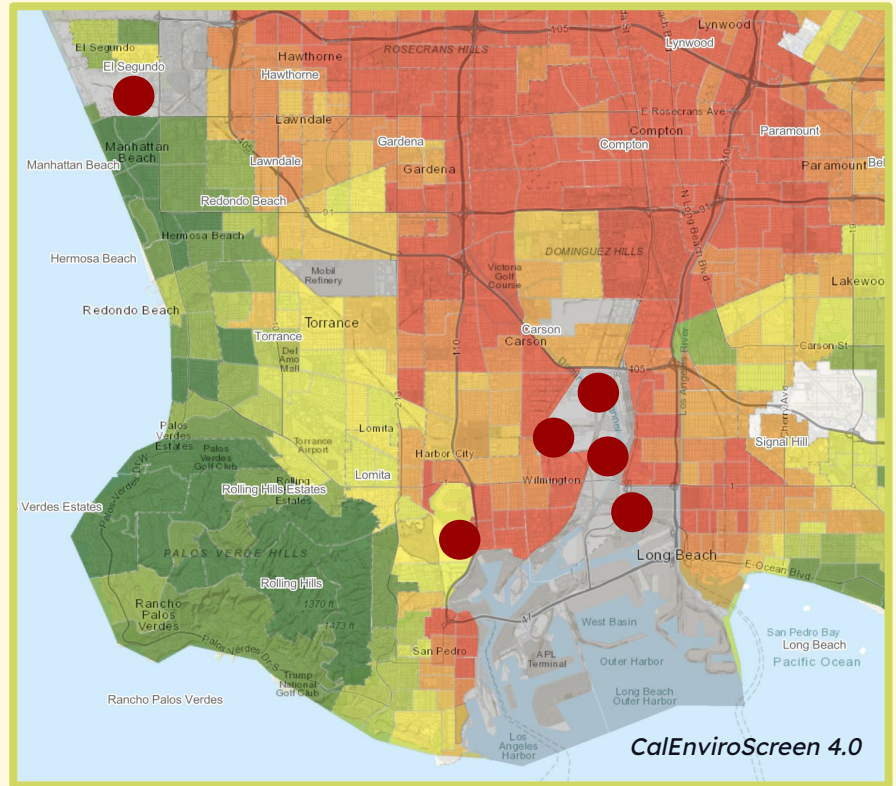
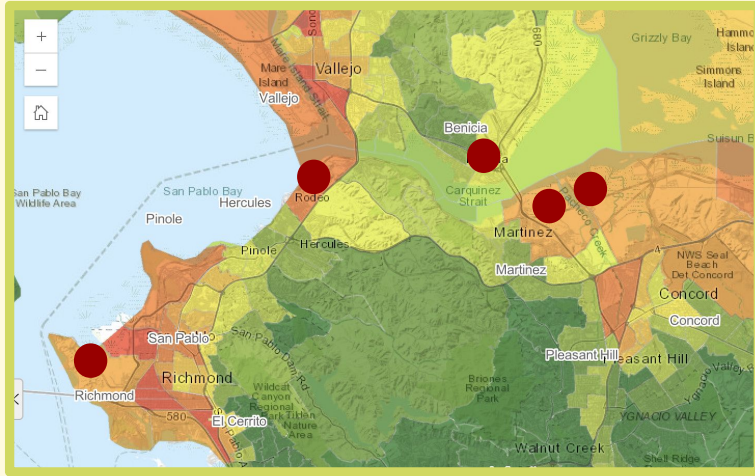
Statewide Refinery Transitions: A Pivotal Moment for California

Faraz Rizvi, Policy & Campaign Manager, APEN

Presented at The Climate Center's October 30, 2025 webinar:
***“Planning for Refinery Closures That Benefit Workers,
Communities, and the Environment”***



Refinery Communities Fight for Environmental Justice



*Photo by Denny
Khampanthong of
APEN Richmond youth
leaders speaking in
front of the Chevron
Richmond refinery,
2025.*



Refineries are Major Sources of Local Pollution

In **Benicia**, cancer rates are much higher than the rest of the state and Solano County, including a **breast cancer rate nearly double** that of the average Californian.

Stephen Golub, "The Price Benicia Pays" Benicia Independent, from Solano County Health Department Data
<https://beniciaindependent.com/stephen-golub-the-price-benicia-pays-valero-public-health-and-safety-and-moving-forward/>

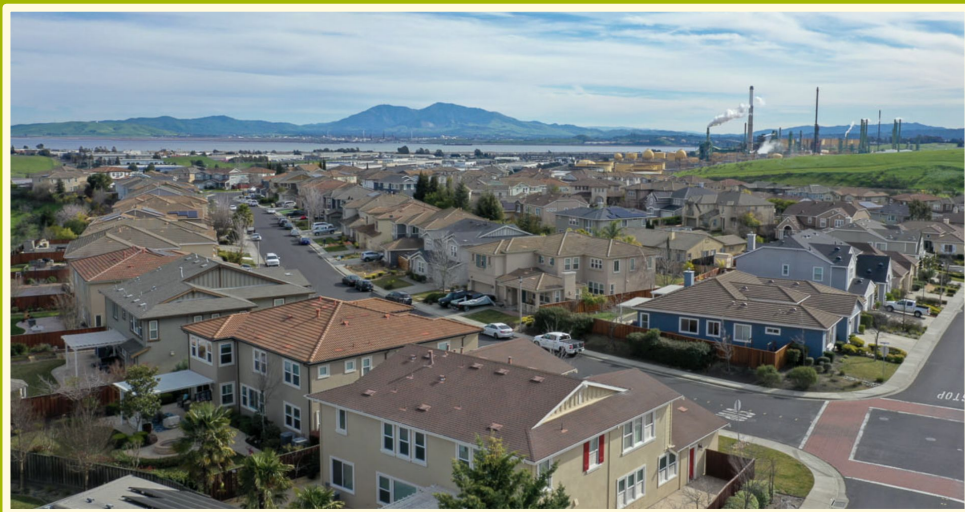


Photo of homes next to the Valero oil refinery in Benicia, from the Benicia Community Air Monitoring Program (BCAMP)

Valero's Benicia Refinery Outage Triggered 'Huge' Release of Pollution

By Ted Goldberg  Jun 12, 2017  Save Article



An 18-minute power outage on May 5, 2017, at the Valero refinery in Benicia led to a prolonged episode of flaring during which 74,000 pounds of sulfur dioxide was released into the air. (California EPA)

In 2017, Valero emitted more than 74,000 pounds of sulfur dioxide during 14 days of flaring, which has serious respiratory impacts, and 350 pounds of carbonyl sulfide, a highly toxic and extremely flammable gas.

⚡ Last fall, Phillips 66 announced plans to shutter its Wilmington-Carson refinery by the end of 2025, but will still import in refined gasoline at the Port of LA.

This spring, Valero announced intent to close the Benicia Refinery by the end of 2026.

These unplanned closures shocked many legislators and regulators – it's a clear indication **California needs a *managed transition* away from fossil fuels.**



Oil companies started using refinery closures and the threat of gas price shocks to roll back decades of progress on health, safety, and environment.

Valero Renewable Fuels Co. v. EPA

Filing Date: 2025

Case Categories: [Federal Statutory Claims](#) > [Clean Air Act](#) > [Industry Lawsuits](#) > [State and Municipal Vehicle Standards](#)

Principal Laws: [Clean Air Act \(CAA\)](#), [Administrative Procedure Act \(APA\)](#)

Description: Challenge to the Clean Air Act preemption waiver granted by the Biden administration U.S. Environmental Protection Agency in January 2025 for California's Advanced Clean Cars II regulations.

KQED

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NEWS

'Secret Deal' in California Would Weaken Regulations for Oil Refineries

Oil industry ad campaign presses California lawmakers on affordability

By Alex Nieves | 05/07/2025 06:21 AM EDT

The seven-figure ad buy calls on state and local



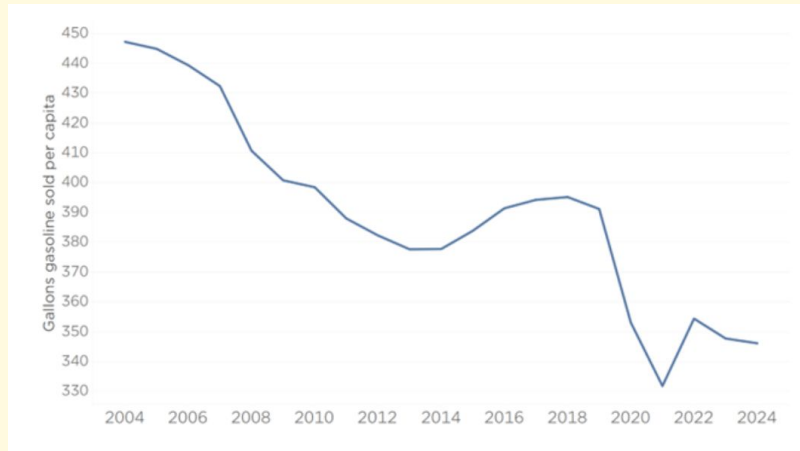
MYTH: Refineries
are closing due to
CA health and
safety and climate
regulations

FACT:

Big Oil avoided basic
maintenance investments
and cut corners on health
and safety for years, while
spending billions on stock
buybacks.

Now, they want taxpayers
and consumers to foot
the bill.

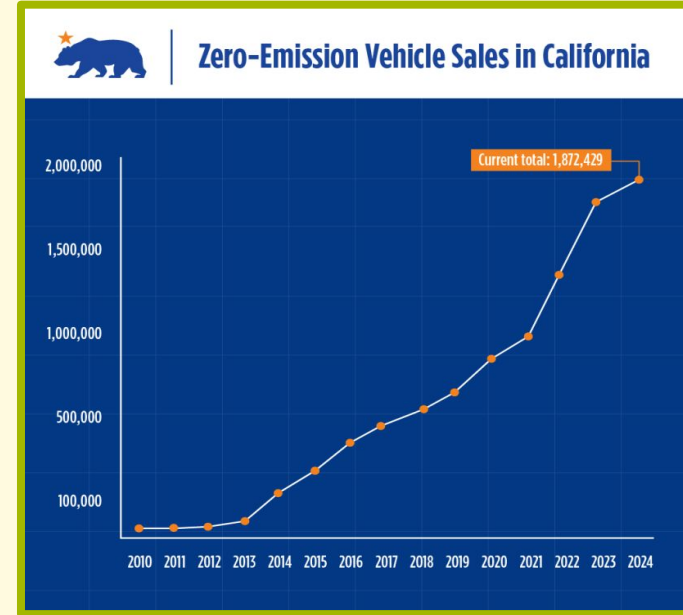
In California—and the rest of the world—demand for refined oil products are falling...



Annual gasoline consumption per person

In California, the demand for fossil fuel products has been steadily dropping since 2005.

UCS, 'Has Gasoline Use in California Peaked?' Sept. 11, 2024



...as electrification policies are working! Cars have become more fuel efficient and Zero Emission Vehicles are more available.

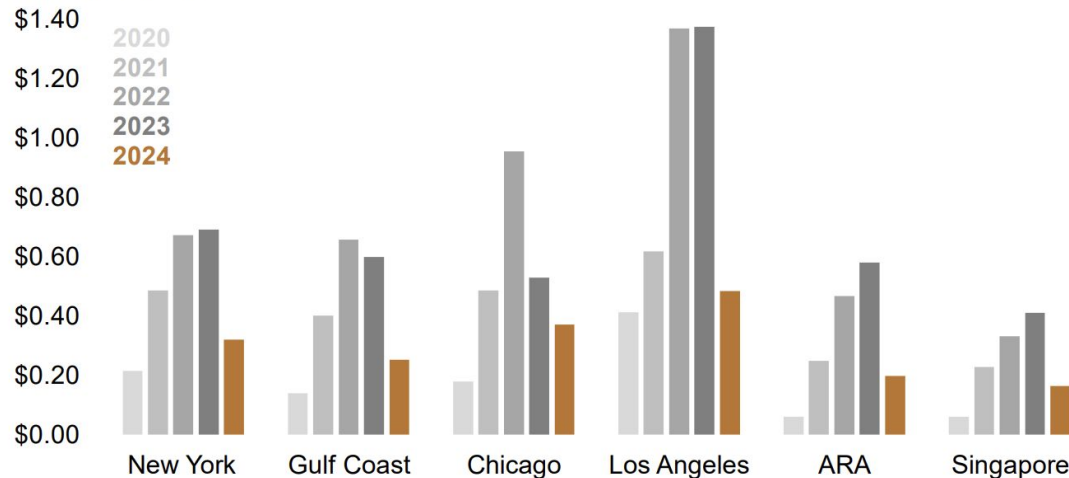


Refiner Margins are *STILL* highest in CA

Recent report by DPMO shows that CA refiners have higher gross refining margins than any other market

EIA Snapshot of Global Refining Margins

Regional September refining margins (2020–2024)
dollars per gallon



Note: Snapshot from EIA, Oct. 15, 2024, "Global Refinery Margins Fall to Multiyear Seasonal Lows in September," <https://www.eia.gov/todayinenergy/detail.php?id=63447>. "ARA" stands for Amsterdam-Rotterdam-Antwerp.



Valero Benicia Refinery Pollution

In 2024, Valero was fined for flagrantly, knowingly violating environmental health and safety laws for 16 years.

- Since at least 2003, Valero *knowingly* violated climate, health and safety laws, emitting 8,400 tons of cancerous chemicals and skipping routine safety checks.
- In 2019, regional Bay Area Air District expert refinery inspectors caught Valero.
- After a five year investigation, the Air District teamed up with CARB to fine Valero \$82 million dollars toward community pollution abatement efforts.

Now, Big Oil wants to undo these environmental health and safety regulations that held them accountable.



THE SHAKEDOWN

For years, oil giants raked in record profits by cutting corners. Instead of fixing up their aging refineries, they gouged Californians and **paid out billions to shareholders: \$4.3 billion to Valero investors last year alone.**

Today, the transition away from oil is well under way – not just in California, but around the world. And oil executives are blaming California's climate policies for these refinery closures in an attempt to shakedown Californians on their way out.

At the Supreme Court, a Valero subsidiary is suing the Environmental Protection Agency not only to gut Advanced Clean Cars, but also California's explicit authority under the Clean Air Act to regulate air pollution.

Oil lobbyists are using refinery closures, the threat of gas price spikes, and misinformation to pressure California lawmakers for even more subsidies and rollbacks. They want our elected officials to walk back decades of health, safety, and environmental regulations – and make taxpayers foot the bill.

TELL ME MORE

How Did the State Respond?



California Energy Commission Recommendations



Strategies and Recommendations

1

Maintain Capacity to Stabilize Fuel Supply

- Support import of refined products by addressing regulatory and permitting barriers.
- Explore strategies to retain operations at existing refineries.

2

Investment Confidence for Safe and Reliable Operations

- Stabilize in-state crude oil production and delivery for California refineries to support the petroleum system.
- Harmonize state regulations with policy goals.
- Strengthen coordination across local, regional, and state authorities.

3

Holistic Transition Strategy

- Support a managed transportation fuels transition, including:
 - Transition Support: funding for climate, health, communities, and workers.
 - Environmental: air quality standards and climate goals.
 - Health and Safety: Protect workers and communities.



What Ended up Moving?



- **SB 237**
- **Focus was to increase in oil extraction in Kern County**
- **Significant Oil Extraction stipulations:**
 - **Offshore Drilling, New Pipelines regulations**
 - **Accepts the KOGO EIR until 2035**
 - **GO authority to suspend summer blends**
 - **Direction for CARB to create regional blend**
- **Did include intent language on remediation needs but nothing substantive**

This Bill was primarily focused on buckets 1 & 2; Bucket 3 on holistic transition was untouched



Refinery Communities Priorities: Remediation Costs



- Unlike any other energy infrastructure, there are **no clear standards** or agency timelines for refiners to develop **safe decommissioning and remediation plans**.
- Under financial disclosure laws, **oil refiners have avoided disclosing the value of their full asset remediation obligations (AROs)**. In 2023, Phillips 66 rejected the State of New Jersey Pension Fund's 2023 shareholder action to require disclosure "since...these [refinery] assets have no retirement date..."



Refinery communities and allied advocates have called for the state to **plan ahead for refinery closures**.

Instead of an abrupt, chaotic, and unjust transition, **we can prepare for an equitable transition** by prioritizing investment and protections for the most impacted workers and communities.

