

Sheila de la Guerra

Public Comment



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From: Ben Oakley <boakley@wspa.org>
Sent: Monday, May 12, 2025 4:28 PM
To: sbcob
Subject: Comment Letter on May 13 Dept. Agenda Item 8 (25-00399)
Attachments: SBC Oil Well Ban - WSPA Comment Letter 5-13-25.pdf

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To Whom It May Concern,

Please see the attached comment letter on the May 13, 2025 departmental agenda item 8 (25-00399) emissions from Oil & Gas Operations.

Regards,

Ben Oakley

Senior Manager, State & Coastal Issues



WSPA

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Ben Oakley

Senior Manager – State & Coastal Issues

May 13, 2025

Santa Barbara County Board of Supervisors
105 East Anapamu Street
Santa Barbara, CA 93101

via email: sbcob@countyofsb.org

Re: May 13, 2025 Agenda Item 25-00399 – Emissions from Oil & Gas Operations

Dear Santa Barbara County Board of Supervisors,

The Western States Petroleum Association (WSPA) appreciates this opportunity to comment on the May 13, 2025 agenda item 25-00399 emissions from Oil and Gas Operations. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas, and other energy supplies in California and four other western states.

WSPA strongly opposes the County's proposed ban on new oil and gas well drilling. This ban jeopardizes energy security, economic stability, and taxpayer interests by ignoring the interconnected nature of the oil and gas industry. Local crude production is essential to supply California's refineries, which face shrinking domestic oil supplies and stringent regulations. Halting new drilling will exacerbate crude shortages, forcing reliance on costly foreign imports and risking fuel price spikes and supply shortages that burden residents and businesses, as seen in recent years. Major refinery closures in California, driven by regulatory pressures, highlight the fragility of our fuel supply chain. In his April 21, 2025, letter to the California Energy Commission, Governor Newsom urged collaboration with the industry to ensure affordable, reliable fuel supplies during the transition to cleaner energy, emphasizing the need to avoid price volatility, see Attachment 1. The County's ban, however, undermines this directive by targeting production without addressing considerable impacts on jobs and tax revenue throughout the value chain, and further limiting fuel supply and distribution. The oil and gas sector supports thousands of jobs and millions in taxes that fund schools, roads, and public safety—resources at risk without a transition plan.

The ban invites legal challenges, as laws enabling local drilling restrictions face scrutiny for conflicting with state and federal authority. Courts have overturned similar local measures. Litigation over the proposed ban will not only drain County funds and divert resources from community priorities, but also subjects the County to real financial exposure in the likely event challenges such as takings claims succeed.

WSPA urges the Board to reject this ban in light of the economic, supply chain, and legal consequences it will create. A balanced approach is critical to protect both the environment and Santa Barbara's economic vitality.

If you have any questions, please contact me at boakley@wspa.org.

Respectfully,

Santa Barbara County Board of Supervisors
May 13, 2025

Tracy

Santa Barbara County Board of Supervisors
May 13, 2025

ATTACHMENT 1



OFFICE OF THE GOVERNOR

April 21, 2025

Mr. Siva Gunda
Vice Chair
California Energy Commission
715 P Street
Sacramento, CA 95814

Dear Vice Chair Gunda,

Thank you for your leadership in protecting consumers and ensuring that California has a safe, affordable and reliable supply of transportation fuels during our energy transition over the next two decades, including through implementation of Senate Bill X1-2 (Skinner, 2023) and Assembly Bill X2-1 (Hart, 2024).

I write to direct you to redouble the State's efforts to work closely with refiners on short- and long-term planning, including through high-level, immediate engagement, to help ensure that Californians continue to have access to a safe, affordable, and reliable supply of transportation fuels, and that refiners continue to see the value in serving the California market, even as demand for fossil fuels continues its gradual decline over the coming decades.

Further, I am directing you, as my Administration's lead representative on this issue, to reinforce the State's openness to a collaborative relationship and our firm belief that Californians can be protected from price spikes and refiners can profitably operate in California – a market where demand for gasoline will still exist for years to come.

Additionally, I am directing you to engage with the Petroleum Strategy Task Force, a cross-agency effort convened by California Natural Resources Agency Secretary Wade Crowfoot and California Environmental Protection Agency Secretary Yana Garcia. That task force is evaluating the State's progress and risks in managing an energy transition in which supply and in-state demand for

petroleum products are both decreasing over the next 20 years. Building on that engagement and the California Energy Commission's (CEC) Transportation Fuels Assessment, I direct you to recommend, by July 1, any changes in the State's approach that are needed to ensure adequate supply during this transition.

As you know, increasingly in recent years, Californians have experienced rapid fluctuations in retail gasoline prices that too often mean abrupt increases followed by a slow and gradual decline, causing families to incur higher costs unexpectedly for everyday needs. The Legislature responded to this growing problem with SBX1-2, which provided the CEC with critical data transparency tools that facilitate real-time market monitoring.

Using this critical new data provided by SBX1-2, the Division of Petroleum Market Oversight (DPMO), in collaboration with the CEC, was able to identify the root causes of the fall 2022 and fall 2023 retail gasoline price spikes: inadequate supply when refineries went offline for maintenance, low inventories that led to supply shortages during unplanned outages, and a volatile spot market that has an outsized influence on the wholesale price of gasoline. These findings led the Legislature to respond by enacting ABX2-1, which provided the CEC with new tools to mitigate price spikes. The data provided by SBX1-2 has also allowed DPMO to inform the public, in real time, when volatile spot market conditions threaten to raise prices at the pump.

While we've made great progress in addressing spikes and irregularities in the gasoline market, refineries across the country and around the world are facing unprecedented uncertainty. The new federal administration has added more uncertainty and instability to the global economy than ever before – with the oil industry on the front lines of this market turmoil. Refineries have been restructuring, transitioning, consolidating, and closing across the country for years. In January, the 700-hundred-acre LyondellBasell refinery in Houston announced its closure as the company transitions to "broader decarbonization and sustainability objectives." California is not immune to this national trend.

California will continue to lead the way in this transition, but it is imperative that we continue to ensure a safe, affordable and reliable supply of transportation fuels over the next two decades. Thank you for your attention to this critical matter on behalf of the State.

Sincerely,



Gavin Newsom
Governor of California