

No. 1

CALIFORNIA LEGISLATURE

AT SACRAMENTO

2023-24 REGULAR SESSION

*Grey color*

*← Regular Session  
designated*

**Senate  
Daily File**



SENATOR TONI G. ATKINS  
President pro Tempore

SENATOR MIKE MCGUIRE  
Majority Floor Leader

SENATOR SCOTT WILK  
Republican Leader

Compiled Under the Direction of

ERIKA CONTRERAS  
Secretary of the Senate

By

HOLLY HUMMELT  
Daily File Clerk

and

CLAUDIA FUENTES  
Assistant Daily File Clerk

SENATE CONVENES AT 12 NOON

**MONDAY, DECEMBER 5, 2022**

(FLOOR SESSION)

FIRST DAY IN SESSION

To view live streaming committee hearings, please visit: [www.senate.ca.gov](http://www.senate.ca.gov)  
**Listen to Floor Sessions Toll Free: 1-877-810-9415 Access Code: 2126244**  
(Please report any errors or omissions to Daily File Clerk: Phone 916-651-4171)

No. 1

CALIFORNIA LEGISLATURE  
AT SACRAMENTO  
2023-24 FIRST EXTRAORDINARY SESSION

Blue color

Special session  
designated

# Senate Daily File



SENATOR TONI G. ATKINS  
President pro Tempore

SENATOR MIKE MCGUIRE  
Majority Floor Leader

SENATOR SCOTT WILK  
Republican Leader

Compiled Under the Direction of

ERIKA CONTRERAS  
Secretary of the Senate

By

HOLLY HUMMELT  
Daily File Clerk

and

CLAUDIA FUENTES  
Assistant Daily File Clerk

SENATE CONVENES UPON CALL OF THE PRESIDENT PRO TEMPORE

**TUESDAY, DECEMBER 6, 2022**

To view live streaming committee hearings, please visit: [www.senate.ca.gov](http://www.senate.ca.gov)

**Listen to Floor Sessions Toll Free: 1-877-810-9415 Access Code: 2126244**

(Please report any errors or omissions to Daily File Clerk: Phone 916-651-4171)

**2023–2024**  
**FIRST EXTRAORDINARY SESSION**  
**(Convened December 5, 2022)**

**A PROCLAMATION**  
**BY THE GOVERNOR OF THE STATE OF CALIFORNIA**

*Sets forth the  
entire  
gubernatorial  
proclamation*

**WHEREAS** from August to October 2022, Californians experienced some of the highest gasoline prices ever recorded in the State, even though the price of crude oil declined during that time, state taxes and fees remained unchanged, and gas prices did not increase outside the western United States; and

**WHEREAS** much of this increase was caused by refiners, which increased their share of the price consumers paid at the pump from \$0.64 per gallon on August 29, 2022, to \$2.48 per gallon on October 3, 2022, leading to prices that were \$2.61 higher per gallon than average U.S. prices; and

**WHEREAS** as a result of these increases, refiners earned record profits at the expense of Californians during the third quarter of 2022, with Chevron earning \$11.2 billion; Phillips 66 earning \$5.4 billion (up from \$402 million during same period in 2021, an increase of over 1200%); Marathon Petroleum earning \$4.48 billion (up from \$694 million during the same period in 2021, a 545% increase); Valero earning \$2.82 billion (up from \$463 million during this same period in 2021, an increase of more than 500%), and PRF Energy earning \$1.06 billion (up from \$59.1 million during the same period in 2021, an increase of nearly 1700%); and

**WHEREAS** in addition to the State's refiners, oil companies took in astronomical profits during this time, including Shell (earning \$9.45 billion in the third quarter of 2022, up from \$4.1 billion in that time in 2021), Exxon (\$19.7 billion in the third quarter of 2022, the highest quarterly profits in its history), and BP (\$8.2 billion in profits in the third quarter); and

**WHEREAS** oil companies have earned these extraordinary profits at the expense of Californians' health, which continues to be harmed by the production and burning of fossil fuels, and at the expense of our air, land, and water, which continue to suffer billions of dollars of damage each year from the climate crisis that is caused by the combustion of fossil fuels; and

**WHEREAS** the burden of high gas prices is borne disproportionately by lower-income Californians, many of whom must drive to commute long distances for work and have less ability to absorb higher gas prices in their budgets and have been disproportionately impacted by inflation generally; and

**WHEREAS** the Assembly's Select Committee on Gasoline Supply and Pricing and the Energy Commission have been investigating the causes of gasoline price increases and supply shortages, but oil companies have refused to provide complete and adequate explanations for their actions; and

**WHEREAS** the limited explanations refiners have offered, such as low inventory levels and overlapping scheduled maintenance schedules, can account for only part of the 2022 price spike and suggest the need for closer oversight of the refining sector to prevent supply shortages that artificially drive up prices; and

**WHEREAS** gas prices in California have remained elevated, without explanation, since a price shock that followed a refinery explosion—an episode that was exacerbated by unlawful price manipulation by market participants, according to the Attorney General; and

**WHEREAS** the Legislature enacted, and I signed, the California Oil Refinery Cost Disclosure Act (Senate Bill No. 1322, Allen) in 2022, to provide more information about refiners' margins by requiring reporting of data that will make windfall profits more apparent, yet even greater transparency is needed in light of oil companies' recent pricing decisions, particularly with respect to information regarding the timing and production impact of refinery maintenance and timely information about inventory levels; and

**WHEREAS** oil companies are entitled to a reasonable return, but not to engage in opportunistic price gouging for gasoline, which remains a necessary commodity for most Californians even as the state begins the process of moving away from relying on fossil fuels to power our vehicles; and

**WHEREAS** the State was able to mitigate the effect of oil companies' excessive profits on Californians by funding the Middle Class Tax Refund and by transitioning to winter-blend gasoline a month early to increase the state's gasoline supply, yet these are stopgap measures and more fundamental changes are necessary to avoid oil company price gouging going forward; and

**WHEREAS** these extraordinary circumstances require the Legislature of the State of California to be convened in a special session.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with Section 3(b) of Article IV of the California Constitution, hereby convene the Legislature of the State of California to assemble in extraordinary session in Sacramento, California, on the 5th day of December 2022, at a time to be determined, for the following purposes:

To consider and act upon legislation necessary to:

a. Deter price gouging by oil companies by imposing a financial penalty on excessive margins, with any penalties collected to be returned to Californians.

b. Empower the Energy Commission and the Department of Tax and Fee Administration to more closely review and evaluate costs, profits, and pricing in the refining, distribution, and retail segments of the market for gasoline in California.

c. Provide for greater regulatory oversight of the refining, distribution, and retail segments of the market to prevent avoidable supply shortages and excessive price increases.

d. Make conforming changes to existing law consistent with paragraphs (a), (b), and (c).

**I FURTHER DIRECT** that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of November 2022.

GAVIN NEWSOM  
Governor of California