



March 14, 2022

The Honorable Buffy Wicks
State Assembly, District 15
State Capitol Annex, Room 4240
Sacramento, CA 95814

RE: AB 1897 (Wicks) Nonvehicular air pollution control: refineries: penalties – OPPOSE

Dear Assemblymember Wicks:

The Western States Petroleum Association (WSPA), a non-profit trade association representing members that account for the bulk of petroleum exploration, production, refining, transportation, and marketing has taken an oppose position to Assembly Bill 1897, your bill that unfairly imposes a refinery specific penalty increase of 200% and up. We must oppose for the following reasons:

Increases Penalties by 200%

Under current law, air pollution violations from stationary sources are subject to a civil penalty of up to \$10,000. If a violation occurs, this penalty is applied equally across all Title V facilities, including refineries. In addition, in 2017 the legislature passed AB 617 (Garcia), which increased penalties for air pollution violations and included a penalty adjustment annually with the Consumer Price Index (CPI). Cumulatively, as a result of that bill, the floor for civil penalties has increased by 9% since 2017 and will continue to increase every year. AB 1897 targets refineries specifically and subjects these facilities to a different penalty structure of up to \$30,000 for a violation, which is a 200% increase. AB 1897 also imposes a \$100,000 penalty for a subsequent violation in a 12-month period, again applying only to refineries.

Singles Out Refineries

Under current law, the penalty structure applies equally to all Title V sources that commit air violations. AB 1897 singles out refineries and creates a different penalty structure. This bill sets a precedent that penalties for similar air pollution violations can be differentiated simply by the facility type. Under this approach, other similarly permitted Title V facilities may likewise be singled out sector by sector. There is no public policy rationale for singling out refineries, or any other Title V facility, for different treatment for identical incidents.

Sets Unclear Criteria

AB 1897 attempts to define when these increased penalties would be applicable, however in doing so, creates serious ambiguity and uncertainty. The two criteria for triggering the 200%



increase in penalties lack clarity because they use the undefined terms “severe disruption” and “exposed”, which are open to interpretation and ripe for abuse. Beyond the fact that AB 1897 would now treat refineries differently under the penalty structure, the lack of a clear definition that triggers a violation could be interpreted and applied differently across the state.

For the reasons stated above, WSPA is opposed to AB 1897.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shant Apekian".

Shant Apekian

Vice President, California Policy and Strategic Affairs

cc: The Honorable Luz Rivas, Chair, Assembly Natural Resources Committee
The Honorable Heath Flora, Vice-Chair, Assembly Natural Resources Committee
Members, Assembly Natural Resources Committee
Lawrence Lingbloom, Chief Consultant, Assembly Natural Resources Committee
Kirstin Kolpitcke, Assembly Republican Caucus