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May 3, 2024

The Honorable Anna M. Caballero
Chair, Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

RE: SB 1087 (Grove), Oil import emissions data – SUPPORT

Dear Senator Caballero,

I am writing on behalf of the Kern County Board of Supervisors to express our strong support for SB 1087 (Grove), which would help bring transparency to the amount of greenhouse gas emissions associated with the import of foreign crude oil into California.

California has substantial proven oil resources and is the site of several of the most productive oil fields in the United States. Kern County remains the site of substantial oil operations in the state and produces 75% of California's oil. Despite our abundance of this natural resource and compliance with the state's strict environmental regulations tied to its extraction, California primarily sources its oil from overseas. California crude comprised just 23.4% of the total number of barrels received by in-state refineries in 2023 while over 60% of oil supplied to California's refineries comes from international sources.

Data from the California Energy Commission (CEC) regarding international imports of crude oil show that in 2023 Iraq was the largest source of imports to our state, followed by Saudi Arabia, Brazil, Ecuador, and Guyana. Collectively, these countries supply over 75% of California's imported crude oil. California's reliance on imported oil is shaped by a number of factors, including the lack of domestic oil pipelines from other states, the costs associated with procuring oil by rail or truck, global commodity prices for crude oil, and limitations on in-state oil and gas extraction.

While in-state oil extraction has declined over several decades, the state has recently adopted policies to accelerate the phase out of both petroleum use in the transportation sector and oil extraction in California. Executive Order N-79-20 established a goal that 100% of in-state sales of new passenger cars and trucks will be zero-emission by 2035. This executive order also established a goal that 100% of medium- and heavy-duty vehicles in the state will be zero emission by 2045. In response to this Executive Order, the California Air Resources Board (CARB) has adopted regulations aimed at phasing out the sale of petroleum-fueled vehicles.

In 2021, Governor Newsom followed this Executive Order by directing CalGEM to cease issuing permits for fracking in 2024 and ordering CARB to explore pathways to end in-state oil extraction by 2045. An end to in-state oil extraction without a cessation of oil use will result in California importing *all* of its oil. While California may avoid some local emissions by ending fracking and oil extraction, the cessation of these practices within the state does not necessarily contribute to a reduction in total global emissions. As long as demand for petroleum remains consistent, oil will be

procured from other mechanisms and locations that are associated with even higher emissions and less stringent environmental protection.

In 2015, the California Natural Resources Agency commissioned an independent assessment of oil and gas extraction methods with the California Council on Science and Technology and researchers at the Lawrence Berkeley National Laboratory. The assessment identified a number of risks associated with fracking, including potential water contamination; however, the report also stated that fracking in California produced fewer overall emissions than sourcing oil from other methods. The report states that “oil produced in California using hydraulic fracturing also emits less greenhouse gas per barrel than the average barrel imported to California.”

As mandates from Sacramento continue to push the state towards less domestic production, it is important for the Legislature to recognize the role that gasoline, diesel, and jet fuel have played in putting our economy on track to become the 4th largest in the world. California has the most registered motor vehicles and the most vehicle miles traveled of any state. Its travel to work time is among the nation's longest. California also consumes more than one-seventh of the jet fuel used in the nation. Although it has become a popular political practice to admonish the petroleum industry, California's energy needs and consumption are not going to change overnight. We need an all-of-the-above energy strategy to keep California moving forward. The nation is grappling with historic inflation; less affluent and working-class families simply cannot afford the high cost of electric vehicles. California-produced oil is the only crude in the world compliant with the state's climate regulations. Our oil producers must follow the state's greenhouse gas reduction programs and account for all emissions, but oil imports are entirely exempt from these regulations.

Even if California ceases domestic oil extraction, our ongoing demand for oil will contribute to extraction in other geographic areas. To the extent that we continue to largely rely on imported oil, this bill will provide transparency by requiring CARB to annually assess the greenhouse gas emissions associated with importing foreign oil. The largest oil tankers burn nearly 4 tons of fuel every day they are anchored. Each ship emits more than 11 tons of carbon dioxide per day. A foreign oil tanker travels an estimated 8,800 miles as it transports foreign crude to California's ports. Oil tankers account for roughly 13% of world marine CO₂ emissions. This bill should be embraced by lawmakers as a tool to learn more about the consequences its policy choices are having on the global community at large.

For these reasons, the Kern County Board of Supervisors strongly supports this legislation and respectfully encourages you to vote **YES on SB 1087**.

Sincerely,



David Couch, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Senate Appropriations Committee
Honorable Members, Kern County Legislative Delegation
Shaw Yoder Antwih Schmelzer & Lange