



SENATOR SHANNON GROVE SENATE DISTRICT 12

SB 15 (Grove) California Jobs and Responsible Production

SUMMARY

SB 15 would express the intent of the Legislature to identify the human rights record and environmental standards of countries that export crude oil into California. The measure would also require the California Air Resources Board to report on its website information on the amount of particulate matter released into the air from tanker ship emissions from oil imported into the state.

EXISTING LAW

In 2020, California was the seventh largest oil producing state in the nation, with an average production of 391,000 barrels each day. All of the oil and gas produced in the state is consumed by Californians. However, the state's demand for oil is 1.8 million barrels per day, or 675 million barrels a year, which means if oil stays around \$100 a barrel consumers will send \$50 billion a year to other countries to make up the difference with imported oil.

Petroleum is used for more than just the gasoline supplied to the 30 million cars driven by Californians. More than 6,000 everyday products are made from petroleum such as shoes, phones, toothbrushes, eyeglasses, heart valves, disposable diapers. California's industry directly supports 55,000 jobs which average \$123,000 in annual pay.

PROBLEM

As the CA Independent Petroleum Association (CIPA) has noted, any decreased production in California must be offset by imports from foreign countries. In just two decades, our state's dependence on foreign oil has quintupled. Currently, the largest sources of foreign crude to California are Ecuador, Saudi Arabia, and Iraq. This puts our energy security in the hands of countries that do not follow the same rigorous environmental protections we have in California, nor do they share our values when it comes to human and labor rights. Additionally, almost 600 tanker ships a year must transport foreign oil to our state, which has significant air quality impacts at our ports.

Currently, the number one source of foreign crude oil is Ecuador. This oil from Ecuador, according to a recent investigation by NBC News, comes from the Amazon rainforest. Ecuador's state-run oil company has been strongly criticized by environmental and indigenous groups for its practice of clear cutting the Amazon to produce more oil. Half of all crude oil produced in Ecuador, 55 million barrels a year, is exported to California. The amount could easily be replaced by California's in-state producers if they were allowed to expand production.

THE SOLUTION

SB 15 would begin a process to bring back to California the thousands of jobs that have been lost to foreign countries that do not share our democratic values or respect for the environment. The bill seeks to have California Energy Commission (CEC) report on the human rights abuses of countries that export oil to California. The bill would also request the CEC to monitor the environmental standards of countries that export oil to California and note those that have standards and regulations lower than the state. Our consumers annually send billions overseas to enrich the corrupt leaders of countries that deny basic rights to women and indigenous peoples, and have disdain for the environment. Finally, SB 15 will highlight the air quality impact of importing millions of barrels of oil on tanker ships when it can be cleanly produced here in the state.

California can produce much of the oil we import, and keep the jobs and revenues inside our Golden State while protecting our environment. SB 15 is a win-win for consumers and workers, while also sending a message to the dictators and corrupt leaders of foreign countries.

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