October 8, 2015

Dr. Severin Borenstein
Chair, Petroleum Market Advisory Committee
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Request for WSPA Participation in PMAC Workshop

Dear Dr. Borenstein:

In response to your recent invitation that WSPA participate in the Petroleum Market Advisory Committee’s (PMAC) October 13 workshop regarding gasoline prices in California, WSPA must decline.

In particular, you asked WSPA to address supply chain disruptions, how the market and industry respond to these disruptions, and possible solutions to this pricing behavior. While WSPA and its members have a long history of working cooperatively with the CEC—and we hope to continue to do so—WSPA is not in a position to respond to these issues. As you know, WSPA is a non-profit trade association representing twenty-five companies many of whom are market competitors in the petroleum industry. As such, WSPA’s function is limited to public education and government advocacy regarding industry-wide issues. WSPA has no specific information about supply chain disruptions or pricing behavior unique to specific members or market participants. Thus, while WSPA must respectfully decline your invitation, we have notified our members about your workshop, and invite you to follow up with those individual market participants.

As a final note, WSPA has endorsed CEC’s collection of anonymous, aggregated market data from WSPA members and other market participants for use by the CEC to carry out its responsibilities regarding energy policy and planning. One of the CEC’s key tools is the Petroleum Industry Information Reporting Act of 1980 (“PIIRA”). For a thorough description of PIIRA, the objectives of the Legislature in enacting it and how it works, see http://www.energy.ca.gov/piira/. A key aspect of PIIRA is its extraordinary protection of confidential information. As the CEC explains:
“The Energy Commission holds confidential the data reported by individual companies under PIIRA. The Energy Commission aggregates the data to ensure confidentiality of information about individual companies. The aggregated information is published in a variety of Energy Commission reports that address crude oil and petroleum product issues that affect California.”

We also recall that during prior PMAC meetings the issues of confidential information as well as fuel market functioning have been addressed by various CEC staff.

As the PMAC workshop nears, I have enclosed a copy of WSPA’s February 24, 2015, letter reiterating the critical importance of ensuring that the confidentiality provisions of PIIRA and the CEC’s disclosure regulations are followed.

You or CEC counsel should feel free to contact me should you wish to discuss any of these issues further.

Very truly yours,

Michael R. Barr, WSPA General Counsel

Enclosure

cc: Janea A. Scott, CEC Commissioner
    Ryan Eggers
    Catherine Reheis-Boyd, President, WSPA