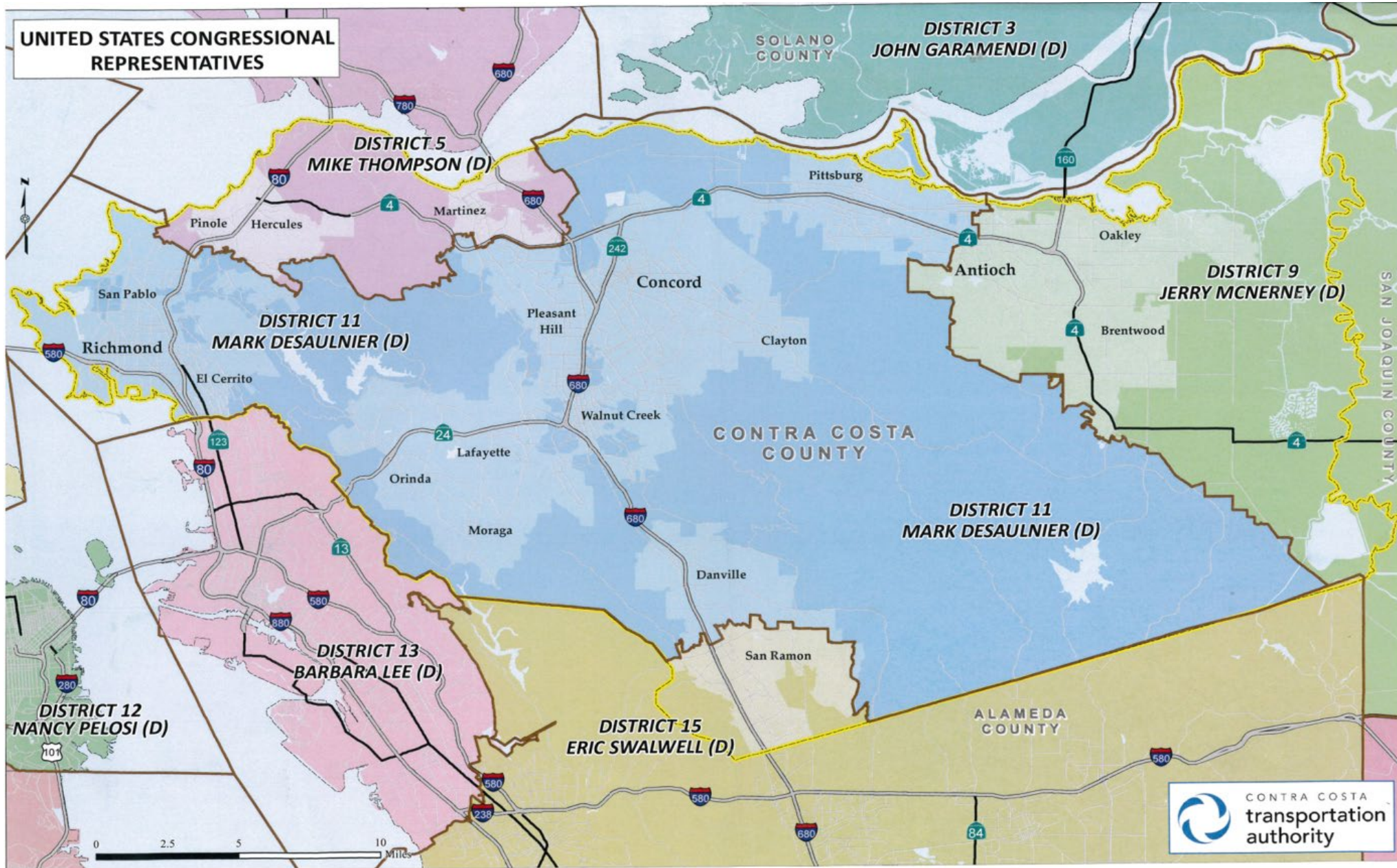




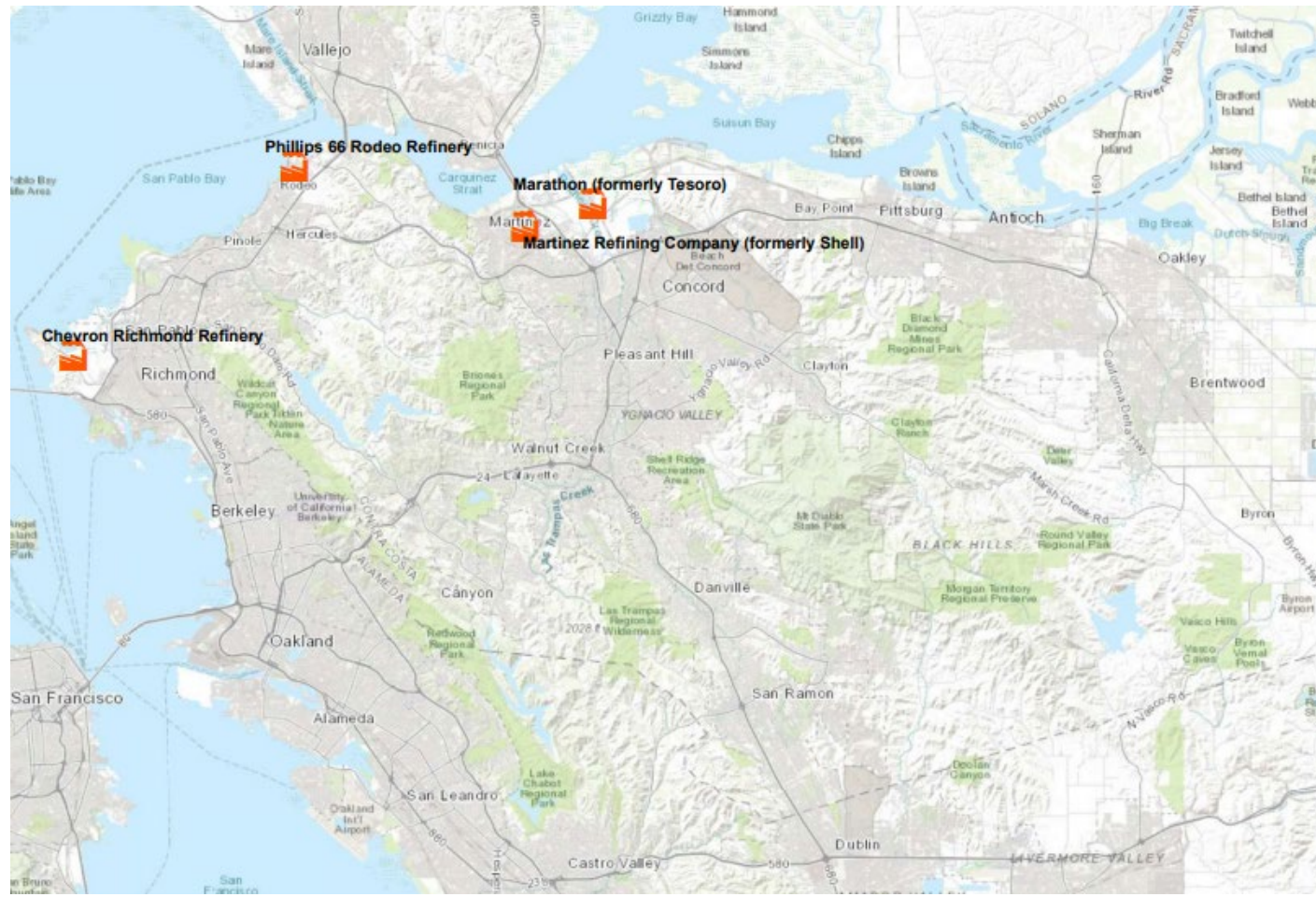
The New Energy Economy and Contra Costa

SEPTEMBER 22, 2021

UNITED STATES CONGRESSIONAL REPRESENTATIVES

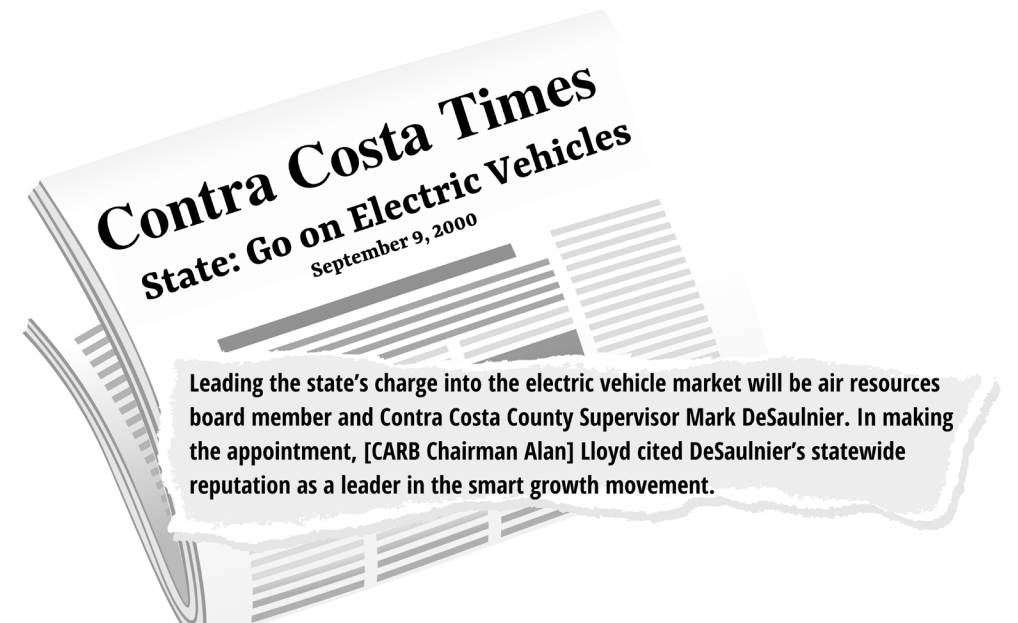


Refineries in Contra Costa



Mark's Background

- ▶ Member, Metropolitan Transportation Commission (1996 – 2006)
 - ▶ Member, Bay Area Air Quality Management District (1996 – 2006)
 - ▶ Chair of Stationary Source Subcommittee
 - ▶ Member, California Air Resources Board (1997 – 2006)
 - ▶ Appointed by 3 different Governors
 - ▶ Chair, California Assembly Transportation Committee
 - ▶ Chair, California Senate Transportation Committee
 - ▶ Chair, California Senate Labor Committee
 - ▶ Member, U.S. House Committees on Transportation & Infrastructure and Labor
 - ▶ Current Chairman, U.S. House Subcommittee on Health, Employment, Labor, and Pensions (HELP)
 - ▶ Member, Sustainable Energy and Environment Coalition and Safe Climate Caucus
- ▶ Held more than 30 individual meetings, a large stakeholder roundtable, and a private group meeting with the U.S. Secretary of Labor on the topic of the energy economy transition and Contra Costa



Refineries and Contra Costa

- ▶ The Bay Area is the second largest oil refining center on the West Coast and home to five refineries. **Four of these are in Contra Costa County.**
- ▶ In 2019, nearly 1.7 million people worked in fossil fuel industries.
- ▶ There are **11,723 people employed by the oil and gas industries in Contra Costa.** This includes the refineries, gas companies that have gas wells in the County, Chevron corporate offices, gasoline stations, and any other support personnel.
- ▶ In 2020, 16.2% of the California workforce is covered by a union contract in California, compared to 10.8% nationally.

The Industrial Safety Ordinance

- ▶ On January 21, 1997, Michael Glanzman lost his life, and 46 others were injured, when an explosion at the former Tosco refinery in Martinez, California caused 100-foot flames to shoot into the sky. A report on the explosion found that Tosco ignored employee reports that there were mechanical problems with the hydrocracker unit, which the report classified as serious negligence. **In response, the Contra Costa County Board of Supervisors passed the groundbreaking Industrial Safety Ordinance (ISO).**
- ▶ As a member of the Contra Costa County Board of Supervisors at the time of the explosion, **we partnered with labor, environmental groups, and safety experts to draft what we called the Industrial Safety Ordinance**, landmark guidelines for oil refineries to decrease safety incidents.
- ▶ **The results:** During the 1990s, there were an average of one major incident every year (categorized as a severity level III). Since the ISO took effect in 1999, there have been two severity level III incidents total in the covered jurisdiction.
- ▶ In 2017, after years of research and negotiations, California **adopted a new and improved set of safety standards, inspired by Contra Costa's original ISO, that put them leagues above the outdated federal ones.**

Climate Change

“We have reached a tipping point on the need for climate action. The disruption to our climate and our planet is already worse than we thought, and it is moving faster than predicted.” - UN Secretary General António Guterres

- ▶ We now have five times the number of recorded weather disasters than we had in 1970 and they are seven times more costly.
- ▶ The average global temperature for the past five years was among the highest on record, and there is an increasing likelihood that temperatures will temporarily breach the threshold of 1.5° Celsius above the pre-industrial era, in the next five years.
- ▶ The World Health Organization (WHO) warns that rising temperatures are linked to increased heat-related mortality and work impairment.

State Amendments to RPS/CES Legislation Since 2018

State	New RPS/CES Target	By Years
California	100%	2045
Colorado	100%	2050
Connecticut	44%	2030
Delaware	40%	2035
Maine	100%	2050
Maryland	50%	2030
Massachusetts	35%	2030
Minnesota	26.5%	2025
Nevada	100%	2050
New Jersey	50%	2030
New Mexico	100%	2045
New York	70%	2030
Oregon	100%	2040
Virginia	100%	2045/2050
Washington	100%	2045
Washington D.C.	100%	2032
Guam	100%	2045
Puerto Rico	100%	2050

The New Energy Economy

- ▶ In Contra Costa, **two refineries have already begun the transition away from fossil fuel refining.**
 - ▶ Phillips 66 is transitioning its Rodeo refinery from crude oil processing to renewable diesel, renewable gasoline, and sustainable jet fuel.
 - ▶ Marathon Oil is also transitioning its Martinez oil refinery to renewable diesel refining.
- ▶ Most major automakers have detailed plans to electrify large portions of their fleets over the next decade, with some announcing goals for fully electrified lineups within five years.
 - ▶ A record number of **almost 100 pure battery electric vehicles are set to debut by the end of 2024.**
- ▶ California first established a ZEV mandate in 1990. California's updated ZEV mandates require **at least 22% of all cars being sold be electric by 2025.**
- ▶ California enacted a Clean Energy Standard (CES) in 2018, which requires the state's utilities to **generate 100% clean electricity by 2045.** As part of the CES, the state Renewable Portfolio Standard (RPS) was increased to require **60% of electricity to come from renewable sources by 2030.** Following that date and benchmark, the remaining 40% of the CES can be met by any qualifying clean energy resource.

The Challenges

- ▶ The 4 refineries in Contra Costa are among the **largest property tax providers in Contra Costa County** – their tax revenue goes to schools, transportation, emergency, parks, recreation, and libraries.
- ▶ In Contra Costa, refinery jobs have a multiplier of 7 – **for every 1 job in a refinery, it supports almost 7 others.**
- ▶ The U.S. has 104,000 public charging plugs available today, just 18% of which are so-called “fast chargers,” which can replenish an EV battery in an hour or less. President Biden wants to see an additional 500,000 public charging stations deployed nationwide to support his EV ambitions.
 - ▶ In contrast, in 2020 China had over 807,000 public electric vehicle charging poles, an increase from around 516,000 stations in the previous year.

What Mark is Doing

- ▶ **Community-based worker supports:** Would create grants for localities/municipalities to develop transition plans for workers and the community from traditional energy sectors.
 - ▶ Protecting Workers for a Clean Future Act
 - ▶ Community funding request for Contra Costa community outreach plan
- ▶ **Building out EV charging infrastructure:** Would provide \$3 billion in direct funding over the next decade to construct and install EV and hydrogen fuel cell infrastructure.
 - ▶ Clean Corridors Act
- ▶ **Prioritizing “low carbon corridors”:** Would create a federal grant program that provides funds to states/regions/localities to create Low Carbon Corridors.
 - ▶ Jobs for a Carbon Free Transportation System Act
- ▶ **Incentivizing better connected communities:** Would develop a national value capture program to reinvest in public transportation through high density transit-oriented development.
 - ▶ Jobs for a Carbon Free Transportation System Act
- ▶ **Support for rejoining Paris Climate Agreement:** After ex-President Trump withdrew the U.S., support for re-joining this global agreement to address climate change.

Resources

- ▶ UN Intergovernmental Panel on Climate Change: <https://www.ipcc.ch/>
- ▶ U.S. Environmental Protection Agency: <https://www.epa.gov/climate-change>
- ▶ California Air Resources Board: <https://ww2.arb.ca.gov/>
- ▶ Bay Area Air Quality Management District: <https://www.baaqmd.gov/>
- ▶ Contra Costa County Refinery Oversight: <https://cchealth.org/hazmat/>

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