



California Regulatory Notice Register

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PROPOSED ACTION ON REGULATIONS

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

Conflict-of-Interest Code — Notice File Number Z2025-0701-05 863

AMENDMENT

STATE-AGENCY: Department of Insurance

TITLE 2. NATIVE AMERICAN HERITAGE COMMISSION

Conflict-of-Interest Code — Notice File Number Z2025-0625-01 864

TITLE 5. STATE TEACHERS' RETIREMENT SYSTEM

Creditable Compensation Simplification — Notice File Number Z2025-0701-03 864

TITLE 5. STATE TEACHERS' RETIREMENT SYSTEM

Updates to Administrative Remedy Regulations — Notice File Number Z2025-0701-02 869

TITLE 20. ENERGY COMMISSION

Certification of Petroleum Industry Information Reporting Act Emergency Regulations — Notice File Number Z2025-0701-01 872

TITLE 22. DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Adding para-Phenylenediamine (PPD) Derivatives to the Candidate Chemicals List — Notice File Number Z2025-0624-04 878

TITLE 27. ENVIRONMENTAL PROTECTION AGENCY

Unified Program Surcharge Adjustment — Notice File Number Z2025-0701-04 882

(Continued on next page)

*Time-
Dated
Material*

GENERAL PUBLIC INTEREST

DEPARTMENT OF FISH AND WILDLIFE
Walters Creek Streamflow and Habitat Enhancement Project, 1653–2025–165–001–R4,
San Luis Obispo County 883

RULEMAKING PETITION DECISION

DEPARTMENT OF CORRECTIONS AND REHABILITATION
Notice of Decision on Petition from Diane Artea Concerning Amending Regulations 885

SUMMARY OF REGULATORY ACTIONS

Regulations filed with Secretary of State 886

The *California Regulatory Notice Register* is an official state publication of the Office of Administrative Law containing notices of proposed regulatory actions by state regulatory agencies to adopt, amend or repeal regulations contained in the California Code of Regulations. The effective period of a notice of proposed regulatory action by a state agency in the *California Regulatory Notice Register* shall not exceed one year [Government Code § 11346.4(b)]. It is suggested, therefore, that issues of the *California Regulatory Notice Register* be retained for a minimum of 18 months.

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PROPOSED ACTION ON REGULATIONS

Information contained in this document is published as received from agencies and is not edited by Thomson Reuters.

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict-of-interest codes, will review the proposed/amended conflict-of-interest code of the following:

CONFLICT-OF-INTEREST CODE

AMENDMENT

STATE AGENCY: Department of Insurance

A written comment period has been established commencing on July 11, 2025, and closing on August 25, 2025. Written comments should be directed to the Fair Political Practices Commission, Attention: Andrea Spiller Hernandez, 1102 Q Street, Suite 3050, Sacramento, California 95811.

At the end of the 45-day comment period, the proposed conflict-of-interest code will be submitted to the Commission's Executive Director for their review, unless any interested person or their duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict-of-interest code, proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon their own motion or at the request of any interested person, will approve, or revise and approve, or return the proposed code to the agency for revision and re-submission within 60 days without further notice.

Any interested person may present statements, arguments, or comments, in writing to the Executive

Director of the Commission, relative to review of the proposed conflict-of-interest code. Any written comments must be received no later than August 25, 2025. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

COST TO LOCAL AGENCIES

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

EFFECT ON HOUSING COSTS AND BUSINESSES

Compliance with the codes has no potential effect on housing costs or on private persons, businesses, or small businesses.

AUTHORITY

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code-reviewing body for the above conflict-of-interest codes shall approve codes as submitted, revise the proposed code, and approve it as revised, or return the proposed code for revision and re-submission.

REFERENCE

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict-of-interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

CONTACT

Any inquiries concerning the proposed conflict-of-interest code should be made to Andrea Spiller Hernandez, Fair Political Practices Commission, 1102 Q Street, Suite 3050, Sacramento, California 95811, or email aspiller-hernandez@fppc.ca.gov.

AVAILABILITY OF PROPOSED CONFLICT-OF-INTEREST CODE

Copies of the proposed conflict-of-interest codes may be obtained from the Commission offices or the respective agency. Requests for copies from the Commission should be made to Andrea Spiller Hernandez,

Fair Political Practices Commission, 1102 Q Street, Suite 3050, Sacramento, California 95811, or email aspiller-hernandez@fppc.ca.gov.

TITLE 2. NATIVE AMERICAN HERITAGE COMMISSION

NOTICE OF INTENTION TO AMEND CONFLICT-OF-INTEREST CODE

NOTICE IS HEREBY GIVEN that the Native American Heritage Commission (NAHC) pursuant to the authority vested in it by section 87306 of the Government Code, proposes amendment to its conflict-of-interest code. A comment period has been established commencing on July 11, 2025, and closing on August 25, 2025. All inquiries should be directed to the contact listed below.

The Native American Heritage Commission proposes to amend its conflict-of-interest code to include employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. The amendment carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

Changes to the conflict-of-interest code include: requiring Commissioners and the Executive Secretary to electronically file Form 700 with the Fair Political Practices Commission (FPPC); adding new positions that are required to file Form 700; clarifying the interests that must be disclosed; and also makes other technical changes.

Information on the code amendment is available on the NAHC's intranet site.

Any interested person may submit written comments relating to the proposed amendment by submitting them no later than August 25, 2025, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than August 8, 2025.

The Commission has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.

5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

All inquiries concerning this proposed amendment and any communication required by this notice should be directed to: Michelle Carr, Chief Counsel. (916) 373–3718. michelle.carr@nahc.ca.gov

TITLE 5. STATE TEACHERS RETIREMENT SYSTEM

CHAPTER 2. COMPENSATION.

§§ 27200, 27201, 27250, 27251, 27300, 27301, 27400, 27401, 27600, 27601 AND 27602

CHAPTER 3. EMPLOYER REPORTING §§ 27800 AND 27801

The California State Teachers' Retirement System ("CalSTRS") and the Teachers' Retirement Board ("board") propose to adopt amendments to regulations described hereafter considering all comments, objections and recommendations regarding the proposed action.

PUBLIC HEARING

The Teachers' Retirement Board will hold a public hearing:

Date and Time 1:00 p.m.
September 4, 2025

The hearing may be rescheduled to occur as early as 8:00 a.m. or as late as 4:00 p.m. as it is incorporated into the board's agenda. Please consult the agenda for the meeting, which will be available at www.CalSTRS.com/teachers-retirement-board by August 22, 2025, to confirm the time at which the hearing will be held.

Please arrive promptly for check in before the scheduled start time. The hearing will conclude once each speaker has provided testimony.

Location

California State Teachers' Retirement System
Boardroom
100 Waterfront Place
West Sacramento, CA 95605

Purpose

To receive written or oral comments about this action. Comments are limited to five minutes each and must not repeat comments already received in written or verbal form.

Accessibility

The hearing room is accessible to persons with mobility impairments, and it can be made accessible to persons with hearing or visual impairments upon advance request.

WRITTEN COMMENT PERIOD

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to CalSTRS. The written comment period closes on **September 4, 2025**. CalSTRS will only consider written comments received at CalSTRS' address as reflected below by that date. Submit comments to:

Sal Sanchez
Governmental Relations
California State Teachers' Retirement System
P.O. Box 15275, MS-14
Sacramento, CA 95851-0275
Email: Regulations@CalSTRS.com

AUTHORITY AND REFERENCE

All Authority and Reference citations are to the California Education Code unless otherwise stated.

The board has exclusive authority to administer CalSTRS under Article XVI, Section 17 of the California Constitution.

Sections 22104.8, 22115, 22119.2, 22119.3, 22324.5 and 22905 provide that the board shall determine operative and inoperative dates for the sections based on when CalSTRS has the capacity to implement the changes made by AB 1997 (Chapter 690, Statutes of 2024).

Section 22112.5 authorizes the board to override the determination by an employer as to whether or not a group or an individual constitutes a "class of employees."

Section 22207 authorizes the board to perform any acts necessary for the administration of CalSTRS and the plan in carrying into effect the provisions of the Teachers' Retirement Law, Sections 22000 through 28101.

Section 22213 provides that the board shall regulate the duties of employers, employing agencies and other public authorities.

Section 22214 provides that the board may take any action it deems necessary to ensure the continued right of members or beneficiaries to receive monthly payments.

Section 22215 provides that the board shall determine the service performed by members and shall fix and modify allowances provided under this part.

Section 22250 provides that the board and its officers and employees shall discharge their duties with respect to the system and the plan solely in the interest of its members, participants and beneficiaries, and for the exclusive purpose of providing benefits and defraying reasonable costs of administering the plan.

Section 22305 provides that any rules and regulations adopted by the board have the force and effect of law.

Section 22324.5 provides that the board shall adopt regulations to the extent required in order to continue to administer the statutes in accordance with the changes made by AB 1997.

Section 22455 provides that a county superintendent and other employing agencies are required to furnish any further information concerning any member or beneficiary the board may require.

Section 22458 provides that employers shall provide the system with information regarding the compensation to be paid to employees subject to the Defined Benefit Program in that school year and requires that the information shall be submitted annually as determined by the board and may include, but shall not be limited to, employment contracts, salary schedules and local board minutes.

These proposed amendments to the regulations further interpret and make specific Education Code sections 22104.8, 22106.2, 22112.5, 22115, 22119.3, 22138.5, 22138.6, 22213, 22324.5 22455, 22457, 22458, 22717, 22717.5, 22718, 23004, 23005, 23006, 23008 and 26301.

The board approved the proposed amendments to the regulations on March 13 and May 8, 2025, and directed CalSTRS staff to give public notice and schedule a public hearing held by the board.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing law establishes the Defined Benefit (DB) Program and the Defined Benefit Supplement (DBS) Program of the State Teachers' Retirement Plan, which provides retirement benefits to California educators. The DB Program is a traditional defined benefit pension based on final compensation, service credit and age at retirement, which provides a lifetime benefit determined as a percentage of a member's final average compensation for every year of service. The DBS Program is a supplemental cash balance pension plan that provides an additional benefit to members based on contribution credits for compensation for service in excess of one year, as well as interest credits and additional earnings credits. Final compensation, service credit and compensation for service in excess of one year are determined based on creditable compensation reported by CalSTRS-covered employ-

ers, such as school districts, community college districts and county offices of education.

To effectively administer the DB and DBS programs, CalSTRS relies on the timely and accurate remittance of reporting and contributions from county offices of education and district employers that are authorized to report directly to CalSTRS. Late and inaccurate contributions and reports can result in inaccurate benefit payments to members; penalties, interest and overpayment costs for employers; and lost investment opportunities for the Teachers' Retirement Fund. Education Code sections 23004 and 26301 require employers to electronically submit an encrypted report to CalSTRS containing information the board may require in the administration of the Teachers' Retirement Plan. In addition, Education Code section 22455 requires employers to furnish any information concerning any member or beneficiary the board may require in a form, including electronic transmission, as directed by CalSTRS.

The Public Employees' Pension Reform Act of 2013 (PEPRA) made various changes to California public employee pension systems. For CalSTRS, the changes primarily affect those first hired to perform service that could be credited to the DB Program on or after January 1, 2013, referred to as CalSTRS 2% at 62 members. Among other things, PEPRA limits the compensation paid to CalSTRS 2% at 62 members that is creditable to CalSTRS benefit programs to compensation that is paid each pay period in cash pursuant to a publicly available written contractual agreement.

Chapter 690, Statutes of 2024 (AB 1997–McKinnor), effective on July 1, 2027 (as adopted by the board on March 13, 2025), simplifies requirements for creditable compensation and creditable service. The legislation amends the definition of “creditable service” to be service in a “position subject to membership,” as defined. The legislation also consolidates the “creditable compensation” definitions for CalSTRS 2% at 60 and 2% at 62 members, while retaining separate compensation limits and benefit formulas to comply with existing law, including PEPRA, and provides that “creditable compensation” is comprised exclusively of three pay types:

- Two types of “base pay” to be used for determining compensation earnable and generally limited to ongoing compensation for full-time employment in a position subject to membership:
 - “Salary” established pursuant to a publicly available pay schedule.
 - “Special pay” established pursuant to a publicly available agreement.
- “Supplemental pay,” to include any other compensation that is provided to a member and is not explicitly prohibited under the statute.

The proposed amendments to regulations in this rulemaking action update the existing creditable compensation regulations to implement the intended simplification associated with AB 1997, including the regulations defining creditable compensation and class of employees. The primary purpose of the proposed amendments is to extend the existing regulations to include CalSTRS 2% at 62 members and to provide further clarification of the new terms and provisions in AB 1997 and provisions in the current regulations that have raised questions from stakeholders, including employers and exclusive representatives.

In addition, the proposed amendments to regulations in this rulemaking action update the regulations that specify the electronic file formats employers are required to use to report member data like compensation and service information to CalSTRS. This update will bring the regulations, as amended in 2020, and the Contribution File Layout that was incorporated by reference, into alignment with the statutory changes made by AB 1997. Specifically, the proposed amendments specify the effective date of July 1, 2027, for the new file layouts; update the version date of the Contribution File Layout that is required for employers to use in reporting contribution information to CalSTRS, which is incorporated by reference; and repeal the provisions allowing an employer to submit a written request for a waiver to continue using the existing file specifications instead of reporting with the new file layouts.

No other nonmonetary benefits, such as the protection of public health and safety, worker safety or the environment; the prevention of discrimination; the promotion of fairness or social equity; or an increase in transparency in business and government are anticipated.

CalSTRS evaluated whether the proposed regulations were inconsistent or incompatible with existing state regulations and found that there are no overlapping provisions with other state regulations. Thus, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

CalSTRS has made the following initial determinations, as required by the California Administrative Procedure Act and Office of Administrative Law regulations:

1. Mandate on local agencies and school districts:

None. The proposed amendments to the regulations do not place a mandate on local agencies or school districts. CalSTRS has determined that the regulations proposed do not constitute a mandate on school districts or other local agencies. The proposed

amendments do not mandate a new program or require a higher level of service in an existing program. These amendments affect school employers (including school districts, community college districts and county offices of education). They provide the clarifications necessary for implementation of statutory changes for CalSTRS and exclusive representatives and for employers to successfully report compensation to CalSTRS in accordance with AB 1997.

2. Cost or savings to any state agency:

The proposed amendments to the regulations are necessary in order to fully implement AB 1997. The proposed amendments are not themselves expected to result in any costs. Over time, the additional clarifications are expected to reduce workload and costs for CalSTRS related to reporting errors, adjustments and recovery of overpayments.

3. Cost to any local agency or school district which must be reimbursed in accordance with California Government Code sections 17500 through 17630:

None. The proposed amendments to the regulations are necessary in order to fully implement AB 1997. The proposed amendments are not themselves expected to result in any costs. Any costs related to AB 1997 are not considered state-mandated reimbursable claims since there is no mandate on local agencies or school districts. The California Supreme Court established that “new program or higher level of service” means an underlying program of services to the public. Also, the court has established that contributions to public retirement systems are not programs to the public, but instead are part of the compensation of employees.

4. Other nondiscretionary cost or savings imposed on local agencies:

The clarifications achieved by the proposed amendments to the regulations are expected to reduce reporting errors, which would decrease administrative work and resources associated with reporting corrections and audit findings and lower employer costs for penalties and interest and overpayments related to employer information.

5. Cost or savings in federal funding to the state:

None. These regulations do not relate to any federal program.

6. Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states:

None. The proposed amendments do not directly affect California businesses, including their ability to compete with businesses in other states. The regulations do not place any mandate on those businesses or regulate those businesses in any way.

7. Cost impacts on a representative private person or business:

The board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The proposed amendments to the regulations do not affect private persons or businesses.

8. Results of the economic impact assessment/analysis:

These regulations are not anticipated to have any direct, indirect or induced effect on California businesses. Specifically:

- The action will not have any effect on the creation or elimination of jobs within the state.
- The action will not affect the creation of new businesses or the elimination of existing businesses within the state.
- The action will not affect the expansion of businesses currently doing business within the state.
- The action will have no effect on worker safety and the state’s environment.

This regulatory action will not affect the health and welfare of California residents.

The proposed action will clarify the standards for, and promote clear and consistent reporting of, compensation by public school employers.

As stated in the Informative Digest/Policy Statement Overview, the primary purpose of the proposed amendments is to extend the existing creditable compensation regulations to include CalSTRS 2% at 62 members and to provide further clarification of the new terms and provisions in AB 1997 as well as provisions in the current regulations that have raised questions from stakeholders, including employers and exclusive representatives. In addition, the proposed amendments will bring the regulations that specify the electronic file formats employers are required to use to report member data, as amended in 2020, and the Contribution File Layout that was incorporated by reference, into alignment with the statutory changes made by AB 1997.

9. Significant effect on housing costs:

None. The proposed amendments do not relate directly or indirectly to housing costs.

10. Small business determination:

The board has determined that the proposed regulations do not affect small business as small businesses are not governed or affected, either directly or indirectly, by the statute that these regulations are clarifying.

CONSIDERATION OF ALTERNATIVES

In accordance with paragraph (13) of subdivision (a) of Government Code section 11346.5, CalSTRS and the board must determine that no reasonable alterna-

tive considered or otherwise identified and brought to its attention would be:

- More effective in carrying out the purpose for which the action is proposed,
- As effective and less burdensome to affected private persons than the proposed action, or,
- More cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

CalSTRS and the board invite interested persons to present any statements or arguments that would support an alternative to the proposed regulations in the form of written comments or by providing testimony at the public hearing.

CONTACT PERSON

Inquiries concerning the proposed action may be directed to:

Sal Sanchez
Governmental Relations
California State Teachers' Retirement System
P.O. Box 15275, MS-14
Sacramento, CA 95851-0275
Telephone: (916) 414-1994
Email: Regulations@CalSTRS.com

The backup contact person for these inquiries is:

John Maradik-Symkowick
Governmental Relations
California State Teachers' Retirement System
P.O. Box 15275, MS-14
Sacramento, CA 95851-0275
Telephone: (916) 414-1994
Email: Regulations@CalSTRS.com

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based to CalSTRS using the contact information listed above.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The rulemaking file is available for public inspection and copying throughout the rulemaking process at CalSTRS headquarters at 100 Waterfront Place, West Sacramento, CA, 95605. As of the date this notice is published in the California Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the Initial Statement of Reasons and the Economic and Fiscal Impact Statement (STD 399).

Copies of this notice, the proposed text of the regulations, the Initial Statement of Reasons and the Economic and Fiscal Impact Statement are available at no charge by contacting CalSTRS using the contact information listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the board may adopt the proposed regulations substantially as described in this notice or may, on its own motion or at the recommendation of any interested person, modify the proposed regulations.

If the board makes modifications that are sufficiently related to the original proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. The board will accept written comments on the modified regulations for 15 days after the date on which they are made available. Please refer to www.calstrs.com/regulatory-activity or contact CalSTRS using the contact information listed above for copies of modifications, if any.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Following its preparation, CalSTRS will have the Final Statement of Reasons available for public inspection and copying at its headquarters, located at 100 Waterfront Place, West Sacramento, CA, 95605. Upon filing of the amended regulations with the Secretary of State, the Final Statement of Reasons will also be available temporarily on the CalSTRS website at www.calstrs.com/regulatory-activity.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

The Notice of Proposed Rulemaking, the Initial Statement of Reasons and the text of the proposed amendments to the regulations in underline and strikeout are posted on the CalSTRS website at www.calstrs.com/regulatory-activity.

TITLE 5. STATE TEACHERS RETIREMENT SYSTEM

UPDATES TO ADMINISTRATIVE REMEDY REGULATIONS

§§ 20520, 27100, 27101, 27102,
27102.5 AND 27103

The California State Teachers’ Retirement System (“CalSTRS”) and the Teachers’ Retirement Board (“board”) propose to adopt amendments to regulations described here after considering all comments, objections and recommendations regarding the proposed action.

PUBLIC HEARING

The Teachers’ Retirement Board will hold a public hearing:

Date and Time 1:00 p.m.
September 4, 2025

The hearing may be rescheduled to occur as early as 8:00 a.m. or as late as 4:00 p.m. as it is incorporated into the board’s agenda. Please consult the agenda for the meeting, which will be available at www.CalSTRS.com/teachers-retirement-board by August 22, 2025, to confirm the time at which the hearing will be held.

Please arrive promptly for check in before the scheduled start time. The hearing will conclude once each speaker has provided testimony.

Location

California State Teachers’ Retirement System
Boardroom
100 Waterfront Place
West Sacramento, CA 95605

Purpose

To receive written or oral comments about this action. Comments are limited to five minutes each and must not repeat comments already received in written or verbal form.

Accessibility

The hearing room is accessible to persons with mobility impairments, and it can be made accessible to persons with hearing or visual impairments upon advance request.

WRITTEN COMMENT PERIOD

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action to CalSTRS. The written comment period closes on **September 4, 2025**.

CalSTRS will only consider written comments received at CalSTRS’ address as reflected below by that date. Submit comments to:

Sal Sanchez
Governmental Relations
California State Teachers’ Retirement System
P.O. Box 15275, MS–14
Sacramento, CA 95851–0275
Email: Regulations@CalSTRS.com

AUTHORITY AND REFERENCE

All Authority and Reference citations are to the California Education Code unless otherwise stated.

The board has exclusive authority to administer CalSTRS under Article XVI, Section 17 of the California Constitution.

Section 22207 authorizes the board to perform any acts necessary for the administration of CalSTRS and the plan in carrying into effect the provisions of the Teachers’ Retirement Law, Sections 22000 through 28101.

Section 22208 authorizes the board to delegate authority to the chief executive officer to perform any act within the power of the board itself to perform.

Section 22209 provides that the office of chief executive officer shall be filled by appointment by the board and the appointee shall serve at the pleasure of the board.

Section 22210 provides that reversal by the board of any act of the chief executive officer shall be effective on the date fixed by the board.

Section 22214 provides that the board may take any action it deems necessary to ensure the continued right of members or beneficiaries to receive monthly payments.

Section 22219 provides that the board may in its discretion hold a hearing for the purpose of determining any question presented to it involving any right, benefit, or obligation of a person under Part 13 of the Education Code.

Section 22250 provides that the board and its officers and employees shall discharge their duties with respect to the system and the plan solely in the interest of its members, participants and beneficiaries, and for the exclusive purpose of providing benefits and defraying reasonable costs of administering the plan.

Section 22301 provides that the chief executive officer has the authority and responsibility for the administration of the system and the plan pursuant to the policies and rules adopted by the board.

Section 22305 provides that any rules and regulations adopted by the board have the force and effect of law.

Section 26002 provides that the Cash Balance Benefit Program shall be administered by the board with all of the powers, responsibilities and duties for administration of the plan set forth in Chapter 3 through Chapter 7 of Part 13 of the Education Code.

Government Code section 11501 provides for the adjudicative proceedings of an agency.

These amendments to the regulations further interpret and make specific Education Code sections 22107, 22108, 22146, 22161.5, 22174, 22206, 22206.1, 22206.2, 22206.3, 22206.4, 22207, 22208, 22219, 22250, 22300, 22301, 22375, 22450, 22455, 24003, 24103, 26002 and 26132 and Government Code section 11415.40 and 11505(b).

The board approved the proposed amendments to the regulations on March 13, 2025, and directed CalSTRS staff to give public notice and schedule a public hearing held by the board.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Education Code section 22219 authorizes CalSTRS to hold a hearing for the purpose of determining any question to it involving any right, benefit or obligation of a person under its statutes. Existing regulations, first codified in 2012, govern the administrative remedy process that occurs before a hearing is held by CalSTRS. The regulations reflect the structure that guides a member as their request or contention moves forward within CalSTRS. The administrative remedies under the regulations apply to situations in which a person requests review of either decisions or determinations made by CalSTRS staff or when a person disagrees with a final audit report.

Education Code section 22206 authorizes CalSTRS to conduct employer audits as the board determines necessary. Existing regulations outline the administrative remedy process available for the audited employer and sampled members. Chapter 754, Statutes of 2022 (AB 1667 — Cooper), changed parts of the audit process. Prior to AB 1667, as part of the draft and final audit reports, CalSTRS identified employer reporting errors and communicated those findings to the employer as well as the sampled members, but could not notify any additional members beyond those in the audit sample with the same reporting errors because they were unknown to CalSTRS. AB 1667 remedied this situation by requiring the employer to report to CalSTRS any of those additional members and requiring the final audit report to be provided to all members affected by an audit with an explanation of their appeal rights.

The proposed amendments to regulations make necessary updates to ensure the processes for disputing decisions or determinations by CalSTRS staff or find-

ings in a final audit report are clearly laid out, including the actions to be taken by public agencies audited by CalSTRS and, subsequent to that, by CalSTRS and specified individuals affected by the findings in a final audit report. The proposed amendments align with AB 1667 and ensure that a greater number of those affected by findings in a final audit report are notified of their administrative hearing rights.

Overall, the proposed amendments make needed updates to the existing regulations to align with the changes to statute under AB 1667 and to make specific the provisions of that legislation. The proposed amendments also clarify the delegated authority of the CEO; lay out the logical flow for the processes by which disputes of a decision, determination or final audit report are made; and provide who can participate in those processes. In addition, the proposed amendments also make various changes to increase the clarity of various sections by creating a hierarchical structure for various subdivisions and paragraphs, deleting obsolete terminology, and making numerous non-substantive grammatical and syntax changes, in line with other sections in this title of the California Code of Regulations.

No other nonmonetary benefits, such as the protection of public health and safety, worker safety or the environment; the prevention of discrimination; the promotion of fairness or social equity; or an increase in transparency in business and government are anticipated.

CalSTRS evaluated whether the proposed regulations were inconsistent or incompatible with existing state regulations and found that there are no overlapping provisions with other state regulations. Thus, the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

DISCLOSURES REGARDING THE PROPOSED ACTION

CalSTRS has made the following initial determinations, as required by the California Administrative Procedure Act and Office of Administrative Law regulations:

1. Mandate on local agencies and school districts:

None. The proposed amendments to the regulations do not place a mandate on local agencies or school districts. CalSTRS has determined that the regulations proposed do not constitute a mandate on school districts or other local agencies. The proposed amendments do not mandate a new program or require a higher level of service in an existing program. These amendments affect school employers (including school districts, community college districts and county offices of education) by providing the clarifications nec-

essary for employers to successfully comply with the requirements of AB 1667.

2. Cost or savings to any state agency:

The proposed amendments to the regulations are not themselves expected to result in any costs. The proposed amendments are necessary in order to implement the changes to the audit resolution and appeals processes required by AB 1667. In addition, specifying a window of time for which corrections are required to be made reduces CalSTRS staff time spent managing corrections made by school employers and makes the process more administratively feasible.

3. Cost to any local agency or school district which must be reimbursed in accordance with California Government Code sections 17500 through 17630:

None. The proposed amendments to the regulations are necessary in order to fully implement AB 1667. The proposed amendments are not themselves expected to result in any costs.

4. Other nondiscretionary cost or savings imposed on local agencies:

No additional costs expected as school employers were required to report correct information to CalSTRS prior to the proposed regulations. Savings may be achieved by specifying a window of time for which corrections are required to be made, which reduces staff time spent on completing those corrections and makes the process more administratively feasible.

5. Cost or savings in federal funding to the state:

None. These regulations do not relate to any federal program.

6. Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states:

None. The proposed amendments do not directly affect California businesses, including their ability to compete with businesses in other states. The regulations do not place any mandate on those businesses or regulate those businesses in any way.

7. Cost impacts on a representative private person or business:

The board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The proposed amendments to the regulations do not affect private persons or businesses.

8. Results of the economic impact assessment/analysis:

These regulations are not anticipated to have any direct, indirect or induced effect on California businesses. Specifically:

- The action will not have any effect on the creation or elimination of jobs within the state.

- The action will not affect the creation of new businesses or the elimination of existing businesses within the state.
- The action will not affect the expansion of businesses currently doing business within the state.
- The action will have no effect on worker safety and the state's environment.

This regulatory action will not affect the health and welfare of California residents.

As stated in the Informative Digest/Policy Statement, the proposed amendments make necessary updates to ensure the processes for disputing decisions or determinations by CalSTRS staff or findings in a final audit report are clearly laid out, including the actions to be taken by public agencies audited by CalSTRS and, subsequent to that, by CalSTRS and specified individuals affected by the findings in a final audit report.

9. Significant effect on housing costs:

None. The proposed amendments do not relate directly or indirectly to housing costs.

10. Small business determination:

The board has determined that the proposed regulations do not affect small business as small businesses are not governed or affected, either directly or indirectly, by the statute that these regulations are clarifying.

CONSIDERATION OF ALTERNATIVES

In accordance with paragraph (13) of subdivision (a) of Government Code section 11346.5, CalSTRS and the board must determine that no reasonable alternative considered or otherwise identified and brought to its attention would be:

- More effective in carrying out the purpose for which the action is proposed,
- As effective and less burdensome to affected private persons than the proposed action, or,
- More cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

CalSTRS and the board invite interested persons to present any statements or arguments that would support an alternative to the proposed regulations in the form of written comments or by providing testimony at the public hearing.

CONTACT PERSON

Inquiries concerning the proposed action may be directed to:

Sal Sanchez
Governmental Relations
California State Teachers' Retirement System
P.O. Box 15275, MS–14
Sacramento, CA 95851–0275
Telephone: (916) 414–1994
Email: Regulations@CalSTRS.com

The backup contact person for these inquiries is:

John Maradik–Symkowick
Governmental Relations
California State Teachers' Retirement System
P.O. Box 15275, MS–14
Sacramento, CA 95851–0275
Telephone: (916) 414–1994
Email: Regulations@CalSTRS.com

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, the modified text of the regulations, if any, or other information upon which the rulemaking is based to CalSTRS using the contact information listed above.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The rulemaking file is available for public inspection and copying throughout the rulemaking process at CalSTRS headquarters at 100 Waterfront Place, West Sacramento, CA, 95605. As of the date this notice is published in the California Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the Initial Statement of Reasons and the Economic and Fiscal Impact Statement (STD 399).

Copies of this notice, the proposed text of the regulations, the Initial Statement of Reasons and the Economic and Fiscal Impact Statement are available at no charge by contacting CalSTRS using the contact information listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the board may adopt the proposed regulations substantially as described in this notice or may, on its own motion or at the recommendation of any interested person, modify the proposed regulations.

If the board makes modifications that are sufficiently related to the original proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. The board will accept written comments on the modified regulations for 15 days after the date

on which they are made available. Please refer to www.calstrs.com/regulatory-activity or contact CalSTRS using the contact information listed above for copies of modifications, if any.

AVAILABILITY OF FINAL STATEMENT OF REASONS

Following its preparation, CalSTRS will have the Final Statement of Reasons available for public inspection and copying at its headquarters, located at 100 Waterfront Place, West Sacramento, CA, 95605. Upon filing of the amended regulations with the Secretary of State, the Final Statement of Reasons will also be available temporarily on the CalSTRS website at www.calstrs.com/regulatory-activity.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

The Notice of Proposed Rulemaking, the Initial Statement of Reasons and the text of the proposed amendments to the regulations in underline and strikeout are posted on the CalSTRS website at www.calstrs.com/regulatory-activity.

TITLE 20. ENERGY COMMISSION

CERTIFICATION OF PIIRA EMERGENCY REGULATIONS

DOCKET NUMBER 23–OIR–03

INTRODUCTION

The California Energy Commission (CEC) proposes to certify emergency regulation changes to the Petroleum Industry Information Reporting Act in the California Code of Regulations (CCR), Title 20, Division 2, Chapter 3, Article 3, after considering all comments, objections, and recommendations regarding the proposed regulation.

The purpose of this proceeding is to formally certify emergency data collection regulations adopted in 2024 and 2025 so the CEC may comply with directives and tasks given to the CEC. In response to a severe transportation fuel price spike in the fall of 2022, the Governor convened a special legislative session that led to the enactment of Senate Bill (SB) X1–2 (Stats. 2023, 1st Ex. Sess. 2023, chapter 1) in March 2023. Among other things, SB X1–2 amended Chapter 4.5 of Division 15 of the Public Resources Code (the Petroleum Industry Information Reporting Act of 1980 (PIIRA)) and created a new independent division in the CEC,

the Division of Petroleum Market Oversight (DPMO). Under PIIRA, the CEC collects data about the petroleum market that is essential for the state to develop and administer energy policies in the best interests of the state and public welfare. SB X1–2 significantly expanded the information that refiners and other petroleum market participants are required to submit to the CEC under PIIRA.

In February 2024, May 2024, July 2024, and February 2025, the CEC adopted emergency regulations requiring certain entities within the petroleum industry to submit the following data reports:

- CEC–D354 Spot Transactions and Settlements.
- CEC–M1322 Refining Margins.
- CEC–EBR700 Import Reporting.
- CEC–M08PH Positions Held at Terminals.
- CEC–W08PH Positions Held at Terminals.
- Quarterly Projections of Receipts.
- Quarterly Projections of Distributions.

It is the objective of this rulemaking to certify the four sets of emergency regulations in order to make these regulations permanent and maintain consistency in reporting as the data now directly informs California transportation fuel policy.

PUBLIC HEARING

The CEC will hold a public hearing for the proposed regulations at the date and time listed below. Interested persons, or their authorized representative, may present statements, arguments, or contentions relevant to the proposed regulations at the public hearing. The record for this hearing will be kept open until every person present at the conclusion of staff’s presentation has had an opportunity to provide comment.

Wednesday, August 27, 2025
10:00 a.m. (Pacific Time)

ATTENDANCE INSTRUCTIONS

In-person Attendance: Participants may join the public hearing at 715 P Street, Sacramento, CA 95814.

Remote Attendance: The Public Hearing may be accessed by clicking the Zoom link below or visiting Zoom at <https://join.zoom.us> and entering the ID and password below. If you experience difficulties joining, you may contact Zoom at (888) 799–9666 ext. 2, or the Office of the Public Advisor, Energy Equity and Tribal Affairs at publicadvisor@energy.ca.gov or by phone at (916) 957–7910.

URL: <https://energy.zoom.us/j/86914637778?pwd=uYXfMab99PGkYMTkTmubKhUSi8uXpf.1>
Webinar ID: 869 1463 7778
Passcode: 129504

To participate by telephone, dial (669) 900–6833 or 1–888–475–4499 (toll free). When prompted, enter the Webinar ID and password listed above. For Zoom technical support, dial (888) 799–9666 ext. 2 or contact the CEC’s Public Advisor for help at publicadvisor@energy.ca.gov or (916) 957–7910. To comment or ask a question over the telephone, dial *9 to “raise your hand” and *6 to mute/unmute your phone line.

Zoom Closed Captioning Service: At the bottom of the screen, click the Live Transcript CC icon and choose “Show Subtitle” or “View Full Transcript” from the popup menu. To stop closed captioning, close the “Live Transcript” or select “Hide Subtitle” from the pop-up menu. If joining by phone, closed captioning is automatic and cannot be turned off. While closed captioning is available in real-time, it may include errors. An accurate transcript of the workshop will be docketed and posted as soon as possible after the meeting concludes.

PUBLIC ADVISOR

The CEC’s Office of the Public Advisor, Energy Equity, and Tribal Affairs assists the public with participation in CEC proceedings. To request assistance, interpreting services, or reasonable modifications and accommodations, reach out via email at publicadvisor@energy.ca.gov or by phone at (916) 957–7910 as soon as possible, but at least five days in advance. The CEC will work diligently to meet all requests based on availability.

MEDIA INQUIRIES

Direct media inquiries to the Media and Public Communications Office at (916) 654–4989, or by email at mediaoffice@energy.ca.gov.

PUBLIC COMMENT PERIOD

Interested persons may present oral and written statements, arguments, or contentions regarding the proposed regulations at the public hearing, or they may submit written comments during the written public comment period for the proposed regulation that will be held from July 11, 2025, through 5:00 p.m. on August 26, 2025. Any interested person may submit written comments to the CEC for consideration on or prior to 5:00 p.m. on August 26, 2025. The CEC appreciates receiving written comments at the earliest possible date.

Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC encourages use of its electronic commenting system. Visit the e-commenting page on the *CEC website at Docket 23–OIR–03*, <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23–OIR–03>, which links to the comment page for this docket. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the “Comment Text” box or attached as a downloadable, searchable document consistent with Title 20, California Code of Regulations, Section 1208.1. The maximum files size allowed is 10 MB.

Written comments may also be submitted by email. Include the docket number 23–OIR–03 in the subject line and email your comment to docket@energy.ca.gov.

A paper copy may be sent to:

California Energy Commission
Docket Unit
Docket Number 23–OIR–03
715 P Street, MS–4
Sacramento, CA 95814

To ensure you receive notice of any changes to the proposed regulations in this proceeding, please follow the instructions provided at the end of this notice to join the proceeding contact list or provide a valid email or mailing address with your comments.

STATUTORY AUTHORITY AND REFERENCE

Public Resources Code Sections 25213, 25218(e), 25354, and 25367 authorize the CEC to adopt or amend rules or regulations as necessary to implement, interpret, and make specific Public Resources Code Sections 25354, 25354(c), 25354(f)(3), 25354(k), 25354(j), 25354(l), 25355, 25356, 25358(c), 25362, and 25364.

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

Summary of existing laws and regulations:

The purpose of this proceeding is to formally certify emergency data collection regulations adopted in 2024 and 2025 so the CEC may comply with the California Legislature’s directives. In response to a severe transportation fuel price spike in the fall of 2022, the Governor convened a special legislative session that led to the enactment of SB X1–2 in March 2023. Among other things, SB X1–2 amended Chapter 4.5 of Division 15 of the Public Resources Code (the Petroleum Industry Information Reporting Act of 1980 (PIIRA)) and created a new independent division in the CEC, the Division of Petroleum Market Oversight (DPMO). Under PIIRA, the CEC collects data about

the petroleum market that is essential for the state to develop and administer energy policies in the best interests of the state and public welfare. SB X1–2 significantly expanded the information that refiners and other petroleum market participants are required to submit to the CEC under PIIRA.

Existing law and regulations directly related to the proposed action include:

- Public Resources Code sections 25350–25367, which contain all reporting requirements related to PIIRA.
- Public Resources Code section 25370, which contains selected definitions applicable to PIIRA reporting requirements.
- California Code of Regulations, title 20, chapter 3, article 3 (section 1361 et seq.), which contain the CEC’s regulations for Petroleum Information Reports.
- California Code of Regulations, title 20, sections 1363.1 and 1363.2, which contain the definition of terms used for reporting purposes under the Petroleum Industry Information Reporting Act.
- California Code of Regulations, title 20, section 1366, which identifies which entities are subject to the specific requirements to comply with the Petroleum Industry Information Reporting Act.
- California Code of Regulations, title 20, division 2, chapter 3, article 3, appendix D, which contains daily and event–based reporting requirements.

Effect of the proposed regulation:

As a direct result of emergency actions taken, certain entities within the petroleum industry are now required to submit the following reports:

- “CEC–D354 Spot Transactions and Settlements,” which collects information on California spot market transaction volumes and prices.
- “CEC–M1322 Refining Margins,” which collects information on California refiners’ cost and profits that directly impacts the price of gasoline in California.
- “CEC–EBR700 Import Reporting,” which collects information on California imports of petroleum–based products into the California market.
- “CEC–M08PH Positions Held at Terminals,” which collects information on California terminals and the position (leased ownership, etc.) of product contained in tankage at those locations monthly.
- “CEC–W08PH Positions Held at Terminals,” which collects information on California terminals and the position (leased ownership, etc.) of product contained in tankage at those locations weekly.

- “Quarterly Projections of Receipts,” which allow the CEC to assess whether local Major Petroleum Products Marketers’ are adequately preparing and responding to changing market conditions in a competitive manner and whether the State should take direct actions to prevent price elevations that damage California consumers.
- “Quarterly Projections of Distributions,” which allow the CEC to assess whether local Major Petroleum Products Marketers’ are adequately preparing and responding to changing market conditions in a competitive manner and whether the State should take direct actions to prevent price elevations that damage California consumers.

Difference from existing comparable federal regulation or statute:

The proposed regulations are neither inconsistent nor incompatible with existing federal or state regulations and statutes. Pursuant to Chapter 4.5, section 25354 of Division 15 of the Public Resources Code, the proposed regulations merely certify reporting requirements that already exist as emergency regulations and they are distinct from other existing regulations. Therefore, no existing regulations, other than the identical emergency regulations, apply to the specific information reporting requirements addressed by these proposed regulations. Rather, the proposed regulations augment the CEC’s existing regulations for Petroleum Information Reports to accommodate and implement the new statutory reporting requirements.

Broad objectives of the regulations and the specific benefits anticipated by the proposed amendments:

In February 2024, May 2024, July 2024, and February 2025, the CEC adopted emergency regulations that mandated that certain entities within the petroleum industry submit the following data reports:

- CEC–D354 Spot Transactions and Settlements.
- CEC–M1322 Refining Margins.
- CEC–EBR700 Import Reporting.
- CEC–M08PH Positions Held at Terminals.
- CEC–W08PH Positions Held at Terminals.
- Quarterly Projections of Receipts.
- Quarterly Projections of Distributions.

The objective of this rulemaking is to certify the four sets of emergency regulations to make the regulations permanent and to maintain consistency in reporting as the data submitted through these reports now directly informs California transportation fuel policy.

The spot market reporting requirements give the CEC and DPMO greater visibility into the pricing, contracting, and marketing practices of participants at multiple levels of the petroleum supply chain. This in turn provides greater transparency into and enables

more effective oversight of the petroleum industry. The new reporting requirements support the DPMO mission to monitor California’s petroleum market and reduce California’s vulnerability to price spikes as the state begins to transition away from dependence on fossil fuels. When gas prices spiked again in the fall of 2023, DPMO determined, as a direct result of the spot market information collected by the CEC since SB X1–2 took effect in June 2023, that the fall 2023 price spike was caused in part by an unusual spot market transaction. Analysis by the CEC and the DPMO indicates that similar behavior could cause additional price spikes at any time and negatively impact the general welfare in California. Certifying the spot market emergency regulations will enable the CEC to clarify and refine the spot market reporting requirements introduced by SB X1–2, improve transparency, and assist the CEC and DPMO to better protect the public from gasoline price spikes.

The margin reporting requirements clarified and refined by the proposed regulations will give the CEC and the state greater visibility into cost structures and incentives for the production of gasoline in California. Keeping the enhanced reporting requirements regarding costs and sales channels will enable the CEC to better analyze how industry achieves its net margin and, in turn how such decisions impact California consumers. This analysis of profits and sales channels informs how the tools given to the CEC are implemented. Thorough and accurate data is essential in this process to advance state policy goals and to prevent adverse impacts and inappropriate incentives that could lead to unintended consequences.

Making permanent the clarifications and refinements of the marine import reporting requirements will provide more detail on import markets that supply the marginal barrel of product to California. This information will further enable the CEC to evaluate the impact of a Max Margin on the industry and how a policy intervention of that nature is likely to impact refiner behavior, product flow, and, ultimately, California consumers. Like the enhanced margin information addressed above, this information will be critical to the CEC’s efforts to fulfill its statutory mandate to address the mounting crisis of statewide gasoline price spikes. Changes to the marine import reporting requirements will also complement the planned and unplanned maintenance reports and allow the CEC to better evaluate the impact of such events more accurately on transportation fuel supply. Maintenance events take key production facilities offline and can have a profound impact on gasoline prices, especially when maintenance–related production losses are not adequately covered by supplemental capacity in the form of either additional production, storage, or imports. Gasoline production facilities in California tend

to run at or near full capacity and in-state storage facilities are limited, leaving imports as the most flexible channel for obtaining supplemental capacity. The marine import reporting requirements added by SB XI–2 increased visibility into this aspect of the market, but additional detail is necessary regarding how import decisions are made, by whom, and in what timeframes.

The proposed regulations that clarify and refine the merchant terminal reporting requirements in Public Resources Code 25354(k), will give the CEC and the state increased insights into the petroleum product holdings of individual companies that trade on California’s petroleum spot markets. Over the last three years, California has observed several instances of abnormally elevated spot market prices. In many cases, aggregate inventory levels of the petroleum product did not appear overly inadequate, calling into question the disposition of ownership of those fuels. Data obtained from the report implemented via these regulations will provide the requisite granularity and precision to allow the CEC to diagnose whether the inventory holdings of a particular firm or a combination of position holders contributes to increases in gasoline prices and other transportation fuel prices.

Finally, the proposed regulations that clarify and refine the three-month projection reporting requirements in Public Resources Code 25354(c) will give the CEC and the state increased insights into petroleum product production, inventories, receipts, and distributions three months ahead each month. This same type of projection report has been required by statute since 1981, but has not been required in a standardized form in recent years (other than through the emergency regulations). Clarifying and standardizing the informational requirements and submission procedures for refiners’ and major petroleum product marketers’ reporting of this three-month projection information will allow for more effective analysis, planning and oversight. This is particularly important at this time because, over the last three years, California has observed several instances of abnormally elevated market prices. In many cases, aggregate inventory levels of the petroleum product appeared barely adequate, calling into question whether refiners and marketers are acquiring the necessary supply for California. Data obtained from the report implemented via these regulations will allow the CEC to diagnose whether or how projected supply correlates with the risk of future sharp increases in the price of gasoline and other transportation fuels.

Consistency or compatibility with existing state regulations:

The CEC has determined that there are no existing comparable state regulations or statutes. The CEC emergency regulations that were implemented were

updates to the data collection regulations that enable the CEC to meet its statutory and analytical responsibilities supporting the reliable operation of the state’s transportation supply systems and assessing progress in, and developing recommendations for, meeting state energy goals. Previous data collection does not track new trends and the proposed changes to regulations will assist the CEC in new patterns of energy demand.

**DOCUMENTS INCORPORATED
BY REFERENCE**

None.

**MANDATED BY FEDERAL
LAW OR REGULATIONS**

The proposed regulation is not mandated by federal law or regulations.

OTHER STATUTORY REQUIREMENTS

The CEC is not aware of any other statutory requirements that are relevant to the proposed regulations.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose a mandate on local agencies or school districts that requires state reimbursement pursuant to Government Code Sections 17500 et seq.

FISCAL IMPACTS

The CEC has made the following initial determinations:

- Cost or savings to any state agency: None.
- Cost to any local agency or school district that is required to be reimbursed pursuant to Government Code Sections 17500 et seq.: None.
- Other nondiscretionary cost or savings imposed on local agencies: None.
- Cost or savings in federal funding to the state: None.

**SIGNIFICANT STATEWIDE ADVERSE
ECONOMIC IMPACT DIRECTLY
AFFECTING BUSINESS, INCLUDING
ABILITY TO COMPETE**

The CEC has made an initial determination that the proposed regulations will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

COST IMPACTS ON REPRESENTATIVE PERSON OR BUSINESS

The CEC is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed regulation. The CEC estimates annual reporting cost to representative businesses is \$33,225 per typical business, or \$1,661,220 for all businesses.

STATEMENT OF THE RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

The CEC concludes that: (1) the proposal will not create jobs within California, (2) the proposal will not eliminate jobs within California, (3) the proposal will not create new businesses in California, (4) the proposal will not eliminate existing businesses within California, and (5) the proposal will not result in the expansion of businesses currently doing business within the state.

The CEC notes that Industry has been complying with the existing emergency regulations that are to be certified without any discernable impact on gasoline prices. Reporting and collecting data required via the regulations, is part of normal business operations and is required for the businesses' own operations to comply with U.S. Securities and Exchange Commission business reporting requirements. Many of these companies have modernized reporting apparatuses that should easily absorb this work, with the above impact figures accounting for any additional burden created by these proposed regulations.

The proposed regulations will benefit CEC energy analysis, the health and welfare of California residents, worker safety, and the state's environment by improving the breadth of data the CEC can use to inform policy. Prior to SB X1–2, the CEC's PIIRA data collection did not track the underlying issues leading to gasoline price spikes in 2015 (three events), 2019 (two events), 2022 (two events), 2023 (one event), and 2024 (one event). New data collected by the CEC has assisted in capturing information on many of the underlining causes of these price spikes and allowed the CEC to respond to the legislature's demands for more information. Data sets now collected will better inform policy improving the health and welfare of California residents, worker safety, and the state's environment.

REPORTING REQUIREMENTS

As explained in detail above, the purpose of the regulations is to implement reporting requirements that exist in statute and it is necessary for the health, safety, or welfare of the people of the state that the reg-

ulation apply to businesses. The CEC estimates that approximately 50 businesses may be impacted by the regulations.

The CEC emergency regulations consisted of updates to the data collection regulations that have enabled the CEC to meet its statutory and analytical responsibilities supporting the reliable operation of the state's transportation supply systems and assessing progress in, and developing recommendations for, meeting state energy goals. Previous data collection did not track new trends and the proposed changes to regulations will assist the CEC in new patterns of energy demand.

EFFECT ON SMALL BUSINESS

The CEC is not aware of any cost that a small business would incur in reasonable compliance with the proposed regulations. The CEC is using the definition of small business contained in Government Code section 11346.3, subdivision (b)(4)(B), which defines a small business as one that is independently owned and operated, not dominant in its field of operation, and has fewer than 100 employees. None of the impacted businesses meet this definition. Rather, impacted businesses from this regulatory package are all wholesale suppliers of petroleum projects that deal in 100 thousand barrels of product or more (4.2 million gallons). Within this sector, the only business actors that would qualify for small business classification would be retail fueling outlets and they are not impacted by these regulations.

SIGNIFICANT EFFECT ON HOUSING COSTS

None.

ALTERNATIVES STATEMENT

In accordance with Government Code Section 11346.5, subdivision (a)(13), the CEC must determine that no reasonable alternative considered by the agency, or that has otherwise been identified and brought to the attention of the agency, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed regulation; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. The CEC also invites interested persons to submit alternatives with respect to the proposed regulation during the comment period.

CONTACT PERSONS

Questions should be addressed to:

Ross Daley, Rulemaking Coordinator
Executive Office
Ross.Daley@energy.ca.gov
+1 916 980 7949

OR:

Max Solanki, Fuels Analysis Branch Manager
Energy Assessment Division
Max.solanki@energy.ca.gov
916–840–4682

COPIES OF THE INITIAL STATEMENT OF REASONS, THE EXPRESS TERMS, AND RULEMAKING FILE

The CEC will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this Notice, the Express Terms, the Initial Statement of Reasons (ISOR) and any documents relied upon or incorporated by reference. Copies may be obtained by contacting the contact persons listed above or by visiting the *CEC website* at *Docket 23–OIR–03*, <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23–OIR–03>.

AVAILABILITY OF CHANGES TO ORIGINAL PROPOSAL FOR AT LEAST 15 DAYS PRIOR TO AGENCY ADOPTION/REPEAL/AMENDMENT OF RESULTING REGULATIONS

Participants should be aware that any of the proposed regulations could be changed because of public comments, staff recommendations, or recommendations from Commissioners. Moreover, changes to the proposed regulations not indicated in the Express Terms could be considered if they improve the clarity or effectiveness of the regulations. If the CEC considers changes to the proposed regulations pursuant to Government Code Section 11346.8, a full copy of the text will be available for review at least 15 days prior to the date on which the CEC adopts or amends the resulting regulations.

COPY OF THE FINAL STATEMENT OF REASONS

At the conclusion of the rulemaking, persons may obtain a copy of the Final Statement of Reasons once it has been prepared by visiting the *CEC website* at

Docket 23–OIR–03, <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23–OIR–03>.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

The CEC maintains a website to facilitate public access to documents prepared and considered as part of this rulemaking proceeding. Documents prepared by the CEC for this rulemaking have been posted on the *CEC website* at *Docket 23–OIR–03*, <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23–OIR–03>.

INSTRUCTIONS FOR RECEIVING NOTICES AND DOCUMENTS IN THIS PROCEEDING

To stay informed about this proceeding and receive documents and notices of upcoming workshops and hearings as they are filed, please subscribe to the subscription for this rulemaking, which can be accessed here: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23–OIR–03>. Members of the public can subscribe to this topic at the link above. The subscription sends out email notifications and direct links when documents and notices are filed in the proceeding docket. If you are unable or do not wish to sign up for the list serv but still would like to receive documents and notices, please contact the contact person listed in this notice.

TITLE 22. DEPARTMENT OF TOXIC SUBSTANCES CONTROL

SAFER CONSUMER PRODUCTS REGULATIONS — ADDING PARA-PHENYLENEDIAMINE (PPD) DERIVATIVES TO THE CANDIDATE CHEMICALS LIST

REFERENCE NUMBER: R–2024–07R

NOTICE IS HEREBY GIVEN that the Department of Toxic Substances Control (DTSC) proposes to amend the California Code of Regulations, title 22, division 4.5, chapter 55, section 69502.2. This proposed amendment pertains to identification of a Candidate Chemical under the Safer Consumer Products (SCP) Regulations, approved by the Office of Administrative Law (OAL) and filed with the Secretary of State on August 28, 2013 (effective date: 10/01/2013; OAL Regulatory Action Number: Z–2012–07170–04).

WRITTEN COMMENT PERIOD

A public comment period for the rulemaking has been established commencing on July 11, 2025, and closing on August 25, 2025. Statements, arguments, or contentions regarding the rulemaking and/or supporting documents must be submitted in writing or presented orally or in writing at a public hearing, if a hearing is requested, in order for them to be considered by DTSC before it adopts these regulations.

Written comments may be submitted electronically through the SCP Information Management System, CalSAFER at: <https://calsafer.dtsc.ca.gov>. Please direct questions or concerns about CalSAFER to Logan Hayes at (916) 322–4985 or Logan.Hayes@dtsc.ca.gov and Tiglath Moradkhan at (279) 895–5158 or Tiglath.Moradkhan@dtsc.ca.gov.

While DTSC prefers comments to be submitted through the CalSAFER system, interested persons may also submit their comments in an email to: SaferConsumerProducts@dtsc.ca.gov or through the DTSC regulations email address at regs@dtsc.ca.gov.

Please include the DTSC reference number for this regulation in the subject of your message. Direct hard-copy written comments to the Office of Legislation and Regulatory Review, as specified below.

PUBLIC HEARING

A public hearing has not been scheduled for this rulemaking. However, DTSC will conduct a hearing if a written request for a public hearing is received from any interested person, or his or her duly authorized representative, no later than 15 days prior to the close of the written comment period, pursuant to Government Code section 11346.8. Submit a written request for a public hearing in an email to SaferConsumerProducts@dtsc.ca.gov or to the Office of Legislation and Regulatory Review, as specified below.

Notice Pertaining to Accessibility and Reasonable Accommodation

All documents related to these regulations can be made available in alternate format (i.e., Braille, large print, etc.) or in another language, as requested, in accordance with State and Federal law. Further, to ensure the public has equal access to all available services and information, DTSC will provide disability-related reasonable accommodations and/or translator/interpreter needs, upon request. For assistance, please contact the office below. Note: the range of assistive services available may be limited if requests are made less than 10 business days prior to a public hearing.

Office of Legislation and Regulatory Review
Department of Toxic Substances Control

P.O. Box 806
Sacramento, California 95812–0806
Fax Number: (916) 324–1808

TTY/TDD/Speech-to-Speech users may dial 7–1–1 for the California Relay Service.

AUTHORITY AND REFERENCE

Authority: Health and Safety Code (HSC) sections 25252, 25253, and 58012 (added by Gov. Reorg. Plan Number 1, section 146, eff. July 17, 1991).

Reference: HSC sections 25252 and 25253.

INFORMATIVE DIGEST

Policy Statement Overview: DTSC proposes to amend section 69502.2 of article 2 of the SCP Regulations. The proposed action will add PPD derivatives to the Candidate Chemicals List.

Background and Effect of the Proposed Regulatory Action: The SCP Regulations were adopted in October 2013 to meet the statutory requirements outlined in HSC sections 25252 and 25253. The Regulations outline a science-based process for evaluating Chemicals of Concern in consumer products and safer alternatives by:

- Establishing a list of Candidate Chemicals and specifying criteria by which these may be designated Chemicals of Concern;
- Establishing a process to identify and prioritize product and Candidate Chemical combinations that may be listed as Priority Products;
- Requiring manufacturers of a product listed as a Priority Product to notify DTSC within 60 days of the listing regulation's effective date;
- Requiring manufacturers of a Priority Product to determine how best to reduce exposures to the Chemical(s) of Concern in the product;
- Allowing DTSC to identify and require implementation of Regulatory Responses following completion of an Alternatives Analysis, if needed; and,
- Creating a process for persons to petition DTSC to add chemicals to the Candidate Chemicals list, add or remove Candidate Chemicals lists in their entirety, or to add or remove a product-chemical combination from the Priority Products List.

DTSC proposes to add PPD derivatives to the Candidate Chemicals List because PPD derivatives meet the criteria for Candidate Chemicals outlined in section 69502.2(b). Specifically, section 69502.2(b) allows DTSC to identify Candidate Chemicals that exhibit one or more hazard traits and/or environmental or toxicological endpoints. Following an extensive review of the scientific literature and analysis of the

known hazard traits of PPD derivatives, DTSC concluded the following:

- There are potential exposures to PPD derivatives;
- There is potential for one or more of these PPD derivative exposures to contribute to or cause adverse impacts; and,
- DTSC has considered the extent and quality of information that is available to substantiate the existence or absence of these potential exposures and adverse impacts.

Benefits of the Proposed Regulatory Action: A primary goal of the SCP Regulations is to prevent or reduce potential adverse health and environmental impacts to the public and to the environment in California. Reduction of PPD derivatives in consumer products and the environment may result in safer workplaces and healthier ecosystems.

Existing Laws and Regulations: The SCP Regulations limit DTSC’s regulatory authority to actions protective of people and the environment beyond other existing regulatory programs. DTSC has assessed all applicable state and federal laws and regulations, as well as international treaties or agreements with the force of domestic law, related to the proposed Candidate Chemical. DTSC has determined that no state or federal regulations overlap or conflict with the proposal to add PPD derivatives to the Candidate Chemicals List.

Evaluation of Inconsistency/Incompatibility with Related State Laws and Regulations: DTSC has evaluated the proposed regulations for any inconsistency or incompatibility with existing state laws and regulations and has determined that no California state laws or regulations currently address the class of PPD derivatives. In addition, the identification of Candidate Chemicals is specific to the Safer Consumer Products Regulatory Framework. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state laws or regulations.

Comparable Federal Regulation or Statute: These regulations are not based on, identical to, or in conflict with any federal regulations.

Document Incorporated by Reference: None.

OTHER APPLICABLE REQUIREMENTS PRESCRIBED BY STATUTE

California Environmental Quality Act (CEQA)
Compliance: The proposed regulation will not result in a change in significance of any of the physical conditions within the environmental factors that are analyzed under CEQA. DTSC has determined that none of the exceptions to the categorical exemptions apply to this project, as described in Public Resources Code section 21084(c), (d), and (e), and CCR, title 14, sec-

tion 15300.2. DTSC has determined that the proposed regulatory amendments are actions taken by DTSC to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

DTSC intends to prepare a Notice of Exemption (NOE) as the appropriate CEQA document for the adoption of a rule or regulation. A draft NOE is available for review during the public comment period upon request and will be filed with the State Clearinghouse if the regulation is finalized.

California Environmental Policy Council Review: Under the provisions of Health and Safety Code section 25252.5, the California Environmental Policy Council (CEPC) reviewed the framework SCP Regulations prior to their adoption in October 2013 (the CEPC Resolution may be viewed at: <https://calepa.ca.gov/cepc/>). Under HSC section 25252.5(f), the CEPC determined that the proposed regulations would not have any significant adverse impact on public health or the environment and could be adopted by DTSC without undergoing a multimedia life cycle evaluation.

DTSC determined that further review by the CEPC is not warranted for this rulemaking because the requirements of HSC section 25252.5 only applies to the creation of the SCP program and not regulations that may be required to implement this program.

Peer Review: DTSC requested and obtained an external scientific peer review of the scientific basis of the proposed regulation pursuant to Health and Safety Code section 57004. The result of the external scientific peer review is posted to DTSC’s rulemaking website at: <https://dtsc.ca.gov/regs/>.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

DTSC has determined that adoption of this regulation will not impose a local mandate or result in costs subject to state reimbursement pursuant to part 7 of division 4, commencing with section 17500, of the Government Code or other nondiscretionary costs or savings to local agencies.

COST OR SAVINGS TO STATE OR LOCAL AGENCIES, OR SCHOOL DISTRICTS SUBJECT TO REIMBURSEMENT

Mandate on Local Agencies and School Districts: None.

Cost to any Local Agency or School District Which Must be Reimbursed in Accordance with Government Code Sections 17500 Through 17630: None.

Other Nondiscretionary Costs or Savings Imposed on Local Agencies: None.

Costs or Savings to Any State Agency: DTSC determined that adoption of this regulation will not result in costs or savings to any state agency. In the future, engaging in potential compliance oversight activities with manufacturers of newly regulated Priority Products containing PPD derivatives would generate minor and absorbable costs for DTSC.

Cost or Savings in Federal Funding to the State: None.

DETERMINATION OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT

DTSC has made the initial determination that the proposed regulatory action will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. DTSC determined the proposed regulation is not a major regulation and is unlikely to have a significant adverse impact on businesses.

Cost Impacts on Representative Private Persons or Businesses: DTSC is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant Effect on Housing Costs: None.

Effect on Small Businesses: DTSC has determined that the proposed changes to these regulations will not impact small businesses because the regulations do not impose new responsibilities for small businesses.

RESULTS OF THE ECONOMIC IMPACT ASSESSMENT

DTSC concludes that it is (1) unlikely that the proposal will eliminate any jobs, (2) unlikely that the proposal will create an unknown number of jobs, (3) unlikely that the proposal will create new businesses, (4) unlikely that the proposal will eliminate any existing businesses, and (5) unlikely that the proposed regulations will result in the expansion of businesses currently doing business within the state.

Benefits of the Regulation on the Health and Welfare of California Residents, Worker Safety, and the State’s Environment: By listing PPD derivatives as a Candidate Chemical, the proposed regulation will ultimately benefit the health and welfare of California residents, worker safety, and the state’s environment by expanding the reach of the Safer Consumer Products Regulations and any other laws or regulations that reference the Candidate Chemicals List.

CONSIDERATION OF ALTERNATIVES

DTSC must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the attention of DTSC would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law. DTSC’s consideration of alternatives is available in the Initial Statement of Reasons included as part of this proposed regulation.

CONTACT PERSONS

Inquiries regarding technical aspects of the proposed regulation or CEQA documents may be directed to Logan Hayes of DTSC at (916) 322–4985 or Logan.Hayes@dtsc.ca.gov and Tiglath Moradkhan of DTSC at (279) 895–5158 or Tiglath.Moradkhan@dtsc.ca.gov or, if unavailable, David Rist of DTSC at 510–540–3763 or David.Rist@dtsc.ca.gov. However, such oral inquiries are not part of the rulemaking record.

AVAILABILITY OF TEXT OF PROPOSED REGULATIONS, INITIAL STATEMENT OF REASONS, AND OTHER RULEMAKING DOCUMENTS

Copies of the Notice of Proposed Action, Initial Statement of Reasons, all the information upon which this proposal is based, and the express terms of the proposed regulation (also known as the proposed regulatory text) are posted to DTSC’s website at <https://dtsc.ca.gov/dtsc-proposed-regulations/> and will be made available for viewing at the Office of Legislation and Regulatory Review, as specified below.

Office of Legislation and Regulatory Review
Department of Toxic Substances Control
1001 I Street
Sacramento, California 95814–2828

The text of the proposed amendment contains the following formatting features:

- The symbol “*****” means that intervening text not proposed for amendment is not shown.
- Proposed additions are indicated in single underlining to show where the new text is being added.
- Proposed deletions (repeals) are indicated as a strikethrough to show where the existing text is being removed.

After the close of the comment period, DTSC may adopt the proposed regulation. If substantial, suffi-

ciently related changes are made to the regulatory text, the modified full text (with the changes clearly indicated) will be made available for comment for at least 15 days prior to adoption. Only persons who request to be notified of any modifications to the proposed text, submit written or oral comments (comments submitted at a hearing, if one is held, or comments submitted to DTSC), will be sent a copy of the modified text, if substantial, sufficiently related changes are made.

Once DTSC finalizes the regulatory text, DTSC will prepare a Final Statement of Reasons that updates the Initial Statement of Reasons, summarizes how DTSC addressed comments, and includes other materials. A copy of the Final Statement of Reasons will also be posted on DTSC’s website at <https://dtsc.ca.gov/dtsc-proposed-regulations/>, along with the date the rulemaking is filed with the Secretary of State and the effective date of the regulation.

ALL OTHER QUESTIONS/COMMENTS/ INQUIRIES/UPDATES

Please direct all written comments, procedural inquiries, and requests for documents by mail, email, or fax to the Office of Legislation and Regulatory Review, as specified above. To be included in this regulation package’s mailing list and to receive updates of this rulemaking, please email: regs@dtsc.ca.gov.

TITLE 27. ENVIRONMENTAL PROTECTION AGENCY

30–DAY PUBLIC NOTICE AND COMMENT PERIOD

UNIFIED PROGRAM STATE SURCHARGE ADJUSTMENT

Notice is hereby given that the Secretary for the California Environmental Protection Agency (CalEPA) proposes to adjust the Unified Program state surcharge according to the California Health and Safety Code, Division 20, Chapter 6.11, section 25404.5(b), and the California Code of Regulations, Title 27, Division 1, Subdivision 4, Chapter 1, Section 15240.

The Unified Program state surcharge is an assessment on each entity regulated under the Unified Pro-

gram and funds the necessary and reasonable costs of all state agencies responsible for program implementation, ongoing maintenance and oversight of the Unified Program. An adjustment to the Oversight portion of the Unified Program state surcharge was made in 2021, CalEPA increased the Oversight surcharge component of the State Surcharge by \$27 to cover the cost of the replacement of the California Environmental Reporting System (CERS).

For the last four years the Certified Unified Program Agencies (CUPAs) have collected and remitted the funds necessary to cover the cost of CERS replacement. When CalEPA increased the State Surcharge in 2021, CalEPA intended to decrease the Oversight surcharge component in 2025 (after CERS NextGen was built) to cover system maintenance and operations. Due to unforeseen circumstances, the project to replace CERS has been extended through 2026. Therefore, CalEPA will not have any maintenance and operation costs until system development is completed and after the new system (CERS NextGen) is live, which is now anticipated to be January 1, 2027.

However, it is necessary to cover CalEPA CERS NextGen project staff costs (salary and benefits) to assist with building CERS NextGen and associated costs (e.g., office space, phones and other equipment). In addition, CalEPA is proposing to address an unfunded project funding variance, which is estimated to be \$60,000 and will be spread out over 2 years (\$30,000 each year). The unfunded project funding variance is to cover project costs that exceeded the original estimate to build CERS NextGen (e.g., licensing, software, etc.). Therefore, the CERS NextGen portion of the Oversight Surcharge will be reduced from \$27 to \$9 per regulated business annually (\$1,425,403/158,000 Regulated Businesses = \$9).

The second element of State Surcharge adjustment accounts for state Unified Program staff raises in FYs 24/25 and 25/26. Many scientists and other state classifications received up to 12% salary increases in 2024 and will receive additional 3–6% increases in 2025. In addition, several long-term employees received 2–3% longevity increases too.

CalEPA estimates a staff salary increase of \$373,000 which equates to a \$3 per regulated business annually (\$373,000/158,000 regulated businesses = \$2.60). Therefore, CalEPA proposes to add \$3 to the State Oversight Surcharge to cover costs associated with

recent (FYs 24/25 and 25/26) state employee salary increases.

The Oversight Surcharge will be reduced from \$94 to \$79 per regulated business annually. The following tables depicts the changes:

FY 2025/2026 Oversight Surcharge Adjustment
\$94 (Current Oversight Surcharge)
– \$27 (CERS NextGen Project Cost collected for 4 Years)
+\$9 (CERS NextGen CalEPA Project Staff Costs and Funding Variance)
+\$3 (State Staff Salary Increases)
= \$79 FY 2025/2026 Oversight Surcharge

FY 2024/2025 Oversight Surcharge	Proposed New FY 2025/2026 Oversight Surcharge
\$94	\$79

The State Surcharge adjustment will be publicly noticed in the California Regulatory Notice Register (Z–Register) for a 30–day comment period, during which time comments will be accepted. Following the 30–day comment period, the Secretary will consider comments and prepare a response, along with the Secretary’s findings and the Secretary’s final fee decision(s). The Secretary will make responses available upon request and will publish the final surcharge in the California Regulatory Notice Register pursuant to Title 27, Section 15240.

For this public notice, the California Environmental Protection Agency will not hold a public hearing to receive comments. The public comment period for this notice will be from July 11, 2025, through August 11, 2025. CalEPA requests the public to submit comments by the closing date by email to cupa@calepa.ca.gov or by mail to the following:

Mr. John Paine, Program Manager
California Environmental Protection Agency
P.O. Box 2815, MS–2D
Sacramento, California 95812–2815

GENERAL PUBLIC INTEREST

DEPARTMENT OF FISH AND WILDLIFE

HABITAT RESTORATION AND ENHANCEMENT ACT CONSISTENCY DETERMINATION NUMBER 1653–2025–165–001–R4

Project: Walters Creek Streamflow and Habitat Enhancement Project

Location: San Luis Obispo County

Applicant: Carolyn Geraghty, Morro Bay National Estuary Program

Background

Project Location: The Walters Creek Streamflow and Habitat Enhancement Project (Project) is located within Walters Creek, a tributary to Chorro Creek, in San Luis Obispo County, California; centered at approximately 35.35271, –120.74623; Section 00, Township 30 South, Range 11 East; Assessor’s Parcel Numbers 073–211–003 and 073–211–010.

Project Description: Morro Bay National Estuary Program (Applicant) proposes to enhance or restore habitat within Waters Creek to provide a net conservation benefit for fish and wildlife species, including, but not limited to: California red–legged frog (*Rana draytonii*), a species listed as threatened under the federal Endangered Species Act (ESA), and southwestern pond turtle (*Actinemys pallida*), a species proposed to be listed as threatened under the ESA. Both species are also California Department of Fish and Wildlife (CDFW) Species of Special Concern. The primary purpose of the Project is to enhance streamflow and habitat function. The Project is expected to increase sediment capture, expand riparian vegetation, and increase the temporal duration of streamflow.

The Project includes the collection of onsite vegetative material and installation of up to 100 low–tech

process-based restoration structures. On-site vegetative material, including willow (*Salix spp.*), coyote brush (*Baccharis pilularis*), and sod, will be sourced by hand using manual and powered hand tools. Vegetative material will be transported by sled, carried by hand, and via truck and trailer on an existing access road. Low-tech process-based restoration structures include beaver dam analogs (BDAs), post-assisted log structures (PALs), and headcut erosion control structures. BDAs and PALs will be composed of untreated 8-foot-long wooden stakes and vegetative material, installed by hand in layers until the structure height reaches approximately three feet. BDAs will span the full width of the stream and PALs will either span the full width of the stream or will span 80–95% of the stream width. Headcut structures will be constructed by stuffing existing onsite headcuts of various sizes with wood and leafy vegetative material.

The Project will be carried out in two phases. Phase I includes the construction of 29 BDAs, five PALs, and seven headcut structures. Phase II includes the construction of 32 BDAs, four PALs, and 23 headcut structures. Structures will be adaptively maintained as needed.

Project Size: The total size of the Project, including material source areas, is approximately 2.686 acres. The length of temporary instream impacts is 440 feet. The total area of temporary instream impacts is 0.371 acres, and the total area of temporary riparian impacts is 0.495 acres. The proposed Project complies with the General 401 Certification for Small Habitat Restoration Projects and associated categorical exemption from the California Environmental Quality Act (Cal. Code Regs., title 14, § 15333).

Project Associated Discharge: Discharge of materials into Waters of the State, as defined by Water Code section 13050 subdivision (e), resulting from the Project include those associated with the following: (1) native vegetation and (2) untreated wooden posts.

Project Timeframes: Start date: July 2025

The construction period shall not exceed five years

Work window: March–November

Water Quality Certification Background: Because the Project's primary purpose is habitat restoration intended to improve the quality of waters in California, restore aquatic habitat, and enhance streamflow, the Central Coast Regional Water Quality Control Board (Regional Water Board) issued a Notice of Applicability (NOA) for Coverage under the State Water Resources Control Board General 401 Water Quality Certification Order for Small Habitat Restoration Projects SB12006GN (Order) (Waste Discharge Identification (WDID) Number 34025WQ06). The NOA describes the Project and requires the Applicant to comply with terms of the Order. Additionally, the Applicant

has provided a supplemental document that sets forth measures to avoid and minimize impacts to the stream and its fish and wildlife resources.

Receiving Water: Walters Creek, tributary to Chorro Creek.

Filled or Excavated Area: Permanent area impacted: 0 acres.

Stream length permanently impacted: 0 linear feet.

Temporary area impacted: 0.866 acres.

Stream length temporarily impacted: 440 linear feet.

Dredge Volume: None.

Discharge Volume: The Project will incur a discharge volume of 249.3 cubic yards of native vegetation and 402 cubic yards of untreated wooden posts.

Regional Water Board staff determined the Project may proceed under the Order. Additionally, Regional Water Board staff determined the Project, as described in the Notice of Intent (NOI) complies with the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.).

On June 3, 2025, the Director of CDFW received a notice from the Applicant requesting a determination pursuant to Fish and Game Code Section 1653 that the NOA, NOI, and related species protection measures are consistent with the Habitat Restoration and Enhancement Act (HREA) with respect to the Project (Request).

Pursuant to Fish and Game Code section 1653, subdivision (c), CDFW filed an initial notice with the Office of Administrative Law on June 3, 2025, for publishing in the General Public Interest section of the California Regulatory Notice Register (Cal. Reg. Notice File Number Z2025–0603–05) on June 13, 2025. Upon approval, CDFW will file a final notice pursuant to Fish and Game Code section 1653 subdivision (f).

Determination

CDFW has determined the NOA, NOI, and related species protection measures are consistent with HREA as to the Project and meets the conditions set forth in Fish and Game Code section 1653 for authorizing the Project.

Specifically, CDFW finds that: (1) The Project purpose is voluntary habitat restoration and the Project is not required as mitigation; (2) the Project is not part of a regulatory permit for a non-habitat restoration or enhancement construction activity, a regulatory settlement, a regulatory enforcement action, or a court order; and (3) the Project meets the eligibility requirements of the State Water Resources Control Board's Order for Clean Water Act Section 401 General Water Quality Certification for Small Habitat Restoration Projects.

Avoidance and Minimization Measures

The avoidance and minimization measures for the Project, as required by Fish and Game Code section

1653, subdivision (b)(4), were included in two attachments in the Request: *Species Protection Measures Incorporated into the Design and Supplemental Avoidance and/or Mitigation Measures to Protect Fish, Wildlife, and Plant Resources*. Measures avoid and minimize impacts to potentially present species protected by state and federal law.

Monitoring and Reporting

As required by Fish and Game Code section 1653, subdivision (g), the Applicant's Monitoring and Reporting Plan provides a timeline for restoration, performance standards, and monitoring parameters and protocols. Specific requirements of the plan are found in Section VIII of the NOI. A monitoring summary report will be submitted to the Regional Water Board and CDFW by September 30 each year.

Notice of Completion

Coverage under the State Water Resources Control Board General 401 Water Quality Certification Order for Small Habitat Restoration Projects requires the Applicant to submit a Notice of Completion (NOC) no later than 30 days after the project has been completed. A complete NOC includes at a minimum:

- photographs with a descriptive title;
- date the photograph was taken;
- name of the photographic site;
- WDID number 34025WQ06; and,
- success criteria for the Project.

The NOC shall demonstrate that the Applicant has carried out the Project in accordance with the Project description as provided in the Applicant's NOI. The Applicant shall include the project name and WDID number 34025WQ06 with all future inquiries and document submittals. Pursuant to Fish and Game Code section 1653, subdivision (g), the Applicant shall submit the monitoring plan, monitoring report, and notice of completion to CDFW as required by the General Order. The Applicant shall submit documents electronically to: megan.rooney@wildlife.ca.gov and R4LSA@wildlife.ca.gov.

Project Authorization

Pursuant to Fish and Game Code section 1654, CDFW's approval of a habitat restoration or enhancement project pursuant to section 1652 or 1653 shall be in lieu of any other permit, agreement, license, or other approval issued by CDFW, including, but not limited to, those issued pursuant to Chapter 6 (commencing with section 1600) and Chapter 10 (commencing with section 1900) of this Division and Chapter 1.5 (commencing with section 2050) of Division 3. Additionally, the Applicant must adhere to all measures contained in the approved NOA and comply with other conditions described in the NOI.

If there are any substantive changes to the Project or if the Water Board amends or replaces the NOA, the

Applicant shall be required to obtain a new consistency determination from CDFW. (See generally Fish & Game Code, § 1654, subdivision (c).)

RULEMAKING PETITION DECISION

DEPARTMENT OF CORRECTIONS AND REHABILITATION

NOTICE OF DECISION ON PETITION TO AMEND REGULATIONS PURSUANT TO GOVERNMENT CODE 11340.6, 11340.7

Petitioner:

Ms. Diane Artea, dianeartea@gmail.com, re; Angel Orona, #BZ3481.

Department Contact Person:

Please direct any inquiries regarding this action to Ying Sun, Associate Director, Regulation and Policy Management Branch, Department of Corrections and Rehabilitation, P.O. Box 942883, Sacramento, CA 94283–0001.

Availability of Petition:

The petition to amend regulations is available upon request directed to the Department's contact person.

Authority:

Penal Code Sections: 5054 and 5058.

Provisions of California Code of Regulations Affected:

Title 15, Crime Prevention and Corrections.

Division 3, Adult Institutions, Programs and Parole.

Summary of Petition and Department Decision:

Subsection 3375

Petitioner's Request: Modification of the California Department of Corrections and Rehabilitation's (CDCR) Classification Scoring System.

Reason for Request: Petitioner requests CDCR Classification Scoring System be modified such that there is: "Case-by-case scoring of returning individuals based on behavior, time since last term, support systems, and programming interest; Exclusion of automatic point penalties for new CDCR numbers if the prior term was served without serious violations; Pilot criteria for returning incarcerated persons to qualify for immediate Level 2 or 1 placement upon review."

Department's Response: Petitioner's request is denied, as the points mentioned in the petition request are consistent with already current CDCR policy and regulations concerning classification of incarcerated individuals. CDCR's mission is to protect the pub-

lic by safely housing adult and juvenile incarcerated persons while promoting effective rehabilitation and treatment, and to successfully reintegrate incarcerated persons into the community. As part of that mission, upon reception into CDCR, each incarcerated person undergoes a process of classification designed to help ensure that each person's rehabilitative needs are met and optimized for success, and a high standard of care is maintained with respect to the safety of the public, staff, and other incarcerated individuals housed within CDCR.

Per Title 15, Section 3375 (a): "The classification process shall be uniformly applied, commencing upon reception of a person committed to the custody of the Secretary and shall continue throughout the time the individual remains under the Secretary's jurisdiction. Each incarcerated person shall be individually classified in accordance with this article." See also Title 15, Section 3375.5 whereby various case factors and items such as favorable behavior since last review or unfavorable behavior since last review are given consideration. CDCR offers many rehabilitative and educational opportunities at all institutional levels and all efforts are directed toward helping to ensure that each individual is correctly classified and safely housed.

The intent of CDCR's classification system is to establish and maintain a process which promotes safety within prison, attempts to meet each individual's criminogenic and rehabilitative needs, helps to maintain meaningful family and community connections, and helps to prepare each individual for successful reintegration and release back to the community.

SUMMARY OF REGULATORY ACTIONS

REGULATIONS FILED WITH THE SECRETARY OF STATE

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

Department of Food and Agriculture

File # 2025-0610-02

Commercial Feed Ingredient Definitions

This Certificate of Compliance action makes permanent the emergency regulatory changes adopted in OAL Number 2024-1101-01E and readopted in OAL Number 2024-1101-01E, which adopted, amended

and repealed various sections of title 3 of the California Code of Regulations regarding labeling of commercial feed ingredients, to be consistent with the US Food and Drug Administration requirements and to promote clarity in the regulated industry.

Title 03

Adopt: 2709, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811

Amend: 2675, 2675.1, 2676, 2680, 2683, 2688, 2694, 2696, 2697, 2702, 2707, 2734, 2735, 2750, 2751, 2760

Repeal: 2691, 2695, 2704, 2705, 2706, 2770, 2773, 2773.1, 2773.5, 2774, 2774.5, 2775, 2776, 2777, 2778, 2781, 2782, 2783, 2783.5, 2785, 2787, 2788, 2789, 2790, 2790.5, 2790.7, 2791, 2793, 2794, 2795, 2795.5, 2796, 2796.5, 2797, 2798, 2798.5, 2799, 2800, 2801, 2802, 2803, 2804

Filed 07/01/2025

Effective 07/01/2025

Agency Contact: Erika Lewis (916) 576-0201

Department of Toxic Substances Control

File # 2025-0623-01

Industrial Ethyl Alcohol Exemption

This second emergency readopt action adds a recycling pathway for the safe and proper management of industrial ethyl alcohol by exempting the material from hazardous waste regulations when it is recycled. (See OAL Matter Nos. 2024-0926-02 and 2025-0328-01.)

Title 22

Amend: 66261.6

Filed 07/01/2025

Effective 07/08/2025

Agency Contact: Clara Silva (916) 324-0912

Department of Insurance

File # 2025-0516-03

Reordering of Variances

This action by the Department of Insurance makes changes without regulatory effect by reordering the list of valid basis for requesting various set forth in 10 CCR section 2644.27, subsection (f).

Title 10

Amend: 2644.27

Filed 06/30/2025

Effective 06/30/2025

Agency Contact: George Teekell (415) 538-4390

Contractors State License Board

File # 2025–0516–04

Incidental and Supplemental Defined

This action by the Contractors State License Board amends regulations to revise pronouns to gender–neutral language as a change without regulatory effect.

Title 16

Amend: 831, 883

Filed 06/26/2025

Agency Contact: Tracy Brazil (916) 255–4633

Board of Registered Nursing

File # 2025–0516–06

Nurse Practitioner Education

This rulemaking action by the Board of Registered Nursing (“Board”) replaces a previously incorporated document produced by the National Organization of Nurse Practitioner Faculties (“NONPF”), “Nurse Practitioner Core Competencies Content” (2017), with a newer version, “Nurse Practitioner Role Core Competencies” (2022). This action also amends licensing requirements for both clinical preceptors and students in the nurse practitioner program for clinical preceptorships occurring outside of California.

Title 16

Amend: 1484

Filed 06/27/2025

Effective 10/01/2025

Agency Contact: Ras Siddiqui (916) 574–7922

Civil Rights Department

File # 2025–0515–01

Modification to Employment Regulations Regarding Automated Decisions

In this rulemaking action, the Council amends its regulations to define terms such as “agent,” “employment agency,” “proxy,” “automated–decision system,” “algorithm,” “artificial intelligence,” “automated–decision system data,” and “machine learning.” Further, the amendments make it unlawful for an employer or other covered entity to use an automated–decision system or selection criteria that discriminates against an applicant or employee or a class of applicants or employees on a basis protected by the Fair Employment and Housing Act.

Title 02

Adopt: 11008.1

Amend: 11008, 11009, 11013, 11015, 11016, 11017, 11017.1, 11020, 11028, 11032, 11033, 11038, 11039, 11056, 11063, 11070, 11071, 11072, 11076, 11079

Filed 06/27/2025

Effective 10/01/2025

Agency Contact:

Rachael Langston

(916) 809–4371

Department of Insurance

File # 2025–0514–01

Mental Health and Substance Use Disorder Parity

This action by the Department of Insurance adopts, amends, and repeals regulations governing mental health and substance use disorder parity to further implement, interpret, and make specific Senate Bill 855 (Stats. 2020, chapter 151) and Assembly Bill 988 (Stats. 2022, chapter 747).

Title 10

Adopt: 2562, 2562.01, 2562.02, 2562.03, 2562.04, 2562.05, 2562.06, 2562.07, 2562.08, 2562.09, 2562.10, 2562.11, 2562.12

Amend: 2652.4

Repeal: 2562.1, 2562.2, 2562.3

Filed 06/26/2025

Effective 06/26/2025

Agency Contact: Kayte Fisher (916) 492–3342

Department of Social Services

File # 2025–0516–10

Adoption Agency Regulations Amendments

In this regular rulemaking action, the California Department of Social Services adds regulatory requirements for notification from and closure of an adoption agency that forfeits its license, and for case record retention and transfer.

Title 22, MPP

Amend: 89043, 89179

Filed 06/30/2025

Effective 10/01/2025

Agency Contact: Everardo Vaca (916) 657–2363

Fish and Game Commission

File # 2025–0522–03

Big Game Hunting for 2025–2026 and Chronic Wasting Disease Testing

In this rulemaking action, the Commission amends its big game hunting regulations for deer, bighorn sheep, pronghorn antelope, and elk. The amendments adjust tag quotas, set hunt periods, modify area boundaries, and authorize methods of take. Also, the amendments define chronic wasting disease (CWD) management zones (CMZ) and establishes permissi-

ble sampling methods used to designate a CMZ as a “testing CMZ” or a “testing and handling CMZ.”

Title 14
Amend: 360, 362, 363, 364, 364.1, 708.5
Filed 07/02/2025
Effective 07/02/2025
Agency Contact: David Haug (916) 902–9286

Fish and Game Commission

File # 2025–0522–04

Commercial Take of Red and Other Sea Urchins and Sea Cucumber

This action allows an individual with a commercial fishing license to assist a permitted diver harvesting sea urchins, removes a seasonal Friday prohibition north of the Monterey–San Luis Obispo county line, reduces the size of a sea urchin closure area at South Caspar Point, and adds a provision making all participants on a joint sea urchin trip accountable for any violation on board a vessel assisting the fishing operation.

Title 14
Adopt: 120.8
Amend: 120.7, 128
Filed 07/01/2025
Effective 07/01/2025
Agency Contact: Sherrie Fonbuena (916) 902–9284

Fish and Game Commission

File # 2025–0523–02

Recreational Take of Barred Sand Bass

In this action, the Fish and Game Commission limits the recreational take of Barred Sand Bass to four fish a year until June 1, 2028.

Title 14
Amend: 28.30
Filed 07/01/2025
Effective 07/01/2025
Agency Contact: David Haug (916) 902–9286

Fish and Game Commission

File # 2025–0603–03

Klamath River Basin Sport Fishing

Through this regulatory action, the Fish and Game Commission amends title 14, California Code of Regulations section 7.40 relating to Klamath River Basin salmon sport fishing. Specifically, the regulation updates the permissible number of salmon that can be taken from the Klamath River basin.

Title 14
Amend: 7.40(b)(50)
Filed 06/30/2025
Effective 07/01/2025
Agency Contact: David Haug (916) 902–9286

Public Employment Relations Board

File # 2025–0516–07

Santa Cruz Metro Act and Santa Clara Valley Transportation Dist.

This action adopts regulations regarding representation matters for transit districts and implements the Santa Cruz Metropolitan Transit District Act and the Santa Clara Valley Transportation Authority, which establish collective bargaining rights for certain employees of these districts and were recently amended to confer on the Public Employment Relations Board (PERB) the power to adjudicate unfair practice charges by and against these districts and unions representing employees of these districts. It also revises existing regulations applicable to all collective bargaining statutes under PERB’s jurisdiction concerning deferral to arbitration and repugnancy to reduce the number of cross–references.

Title 08
Adopt: 32019.81, 32019.82, 32019.83, 32019.84, 32614.4, 32614.5, 32614.6, 32614.7

Amend: 31001, 32020, 32030, 32040, 32050, 32055, 32060, 32075, 32080, 32090, 32091, 32092, 32093, 32094, 32096, 32100, 32105, 32110, 32111, 32115, 32120, 32125, 32130, 32132, 32135, 32136, 32140, 32143, 32145, 32147, 32149, 32150, 32155, 32162, 32164, 32165, 32166, 32168, 32169, 32170, 32175, 32176, 32178, 32180, 32185, 32190, 32200, 32205, 32206, 32207, 32209, 32210, 32212, 32215, 32220, 32230, 32295, 32300, 32305, 32310, 32312, 32315, 32320, 32325, 32350, 32360, 32370, 32375, 32380, 32400, 32410, 32450, 32455, 32460, 32465, 32470, 32500, 32602, 32615, 32616, 32620, 32621, 32625, 32630, 32635, 32640, 32644, 32645, 32647, 32648, 32649, 32650, 32661, 32680, 32690, 32980
Filed 06/30/2025
Effective 10/01/2025
Agency Contact: Yaron J. Partovi (818) 696–6345

State Personnel Board

File # 2025–0516–09

Appeals’ Assignments

Through this regulatory action, the State Personnel Board amends title 2, California Code of Regulations sections 53.1 and 53.2 regarding whether an appeal or complaint is assigned to informal hearing process or to investigative review process and investigatory hearings.

Title 02

Amend: 53.1, 53.2

Filed 06/25/2025

Effective 10/01/2025

Agency Contact:

Michelle La Grandeur

(916) 651–2740

Air Resources Board

File # 2025–0516–02

Low Carbon Fuel Standard Amendments

This rulemaking action by the Air Resources Board amends existing low carbon fuel standard (LCFS) requirements to increase the stringency of carbon intensity (CI) benchmarks pre– and post–2030, adopt a near–term step down of the CI benchmark and a mechanism to automatically increase the stringency of CI benchmarks, streamline application and reporting requirements, quantification methods, and analysis tools, and update third–party verification and validation requirements.

Title 17

Adopt: 95486.3, 95486.4, 95491.2

Amend: 95480, 95481, 95482, 95483, 95483.1,

95483.2, 95483.3, 95484, 95485, 95486, 95486.1,

95486.2, 95487, 95488, 95488.1, 95488.2, 95488.3,

95488.4, 95488.5, 95488.6, 95488.7, 95488.8,

95488.9, 95488.10, 95489, 95490, 95491, 95491.1,

95495, 95500, 95501, 95502, 95503

Filed 06/27/2025

Effective 07/01/2025

Agency Contact:

Jennifer Simpson

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<p>PRIOR REGULATORY DECISIONS AND CCR CHANGES FILED WITH THE SECRETARY OF STATE</p>
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