



Henry T. Perea
GM, State Government Affairs West Region

August 31, 2026

Industrial Strategies Division
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via the Workshop Comment Submittal Form

Re: Chevron Comments on the Discussion Draft Performance Standards for Continuously Operating Emissions Detection Systems

Chevron submits these comments in response to the California Air Resources Board's (CARB) proposed Discussion Draft Performance Standards for Continuously Operating Emissions Detection Systems Required by California Senate Bill 1137 (2021-2022)¹ for Upstream Oil and Gas Production Facilities in Health Protection Zones. Chevron has been operating in California for more than 140 years, working to provide affordable, reliable, and ever-cleaner energy to millions of consumers and businesses, including the US military. Chevron's San Joaquin Valley crude operations cover seven fields in California and produce an average of 63,000 barrels of oil-equivalent per day, which accounts for approximately 25% of California's total crude production. We are committed to engaging constructively with CARB and other stakeholders to help ensure SB 1137 is implemented in a manner that meets the statute's requirements while providing operators with adequate flexibility to comply efficiently and cost effectively.

Chevron urges CARB to address the following key points prior to releasing the draft regulation:

1. Update the cost impact analysis of the proposed requirements to include additional costs associated with planning, modeling, source testing, emission detection system (EDS) selection, installation, data systems, quality assurance/quality control (QA/QC), maintenance, reporting, and audits.
2. Ensure there is adequate flexibility within the regulation to allow operators to comply efficiently and cost effectively.
3. Remove the requirement for operators to hire independent third parties to conduct and complete performance audits since this is not a requirement in the legislative text of SB 1137.
4. Allow operators flexibility to avoid unnecessary production disruptions if there is a delay in leak detection response plan (LDRP) approvals.
5. Allow operators to submit confidential versions of LDRPs and supporting materials that contain confidential business information (CBI) or trade secrets, while providing redacted versions for public disclosure.

Update cost of compliance estimates

Chevron believes CARB's preliminary implementation cost breakdown that was presented during the July 16, 2026, workshop² significantly underestimates both the initial capital costs and the ongoing operational costs that industry will incur as a result of the draft performance standard.

¹ [Bill Text - SB-1137 Oil and gas: operations: location restrictions: notice of intention: health protection zone: sensitive receptors.](#)

² Public Workshop on July 16, 2026, staff presentation https://www2.arb.ca.gov/sites/default/files/2026-07/Draft_Workshop-Slides_6-30-2026%20version_ADA.pptx

Chevron requests that CARB update the cost impacts of the proposed performance standard based on the cost information provided by the Western States Petroleum Association's (WSPA) letter dated August 31, 2026, which includes updated and additional cost details associated with planning, modeling, source testing, EDS selection, installation, data systems, QA/QC, maintenance, reporting, and audits. Chevron is concerned that the cost impact analysis that CARB released underestimates the true costs operators will face to comply with CARB's proposed discussion draft requirements.

Allow sampling data aggregation

Chevron supports WSPA's recommendation in its August 31, 2026, letter to allow operators the ability to aggregate chemical characterization data developed from representative field sampling. Additionally, Chevron urges CARB to allow operators, subject to CARB approval, to use historical analytical data, compliance reports, and other relevant datasets for facilities that share common production characteristics. Operators should only be required to perform new site-specific sampling when there is evidence that facility-specific conditions materially differ from the aggregated characterization or have materially changed since the characterization was developed.

Remove requirement for operators to hire an independent party to conduct and complete independent performance audits

CARB should remove the independent audit requirement in 93504(n)³. The existing QA/QC, performance testing, reporting, and recordkeeping provisions provide the oversight needed to ensure compliance. The legislative text of SB 1137 does not require CARB to adopt an independent audit requirement nor require operators to hire an independent third party to conduct performance audits. The discussion draft already includes multiple safeguards to ensure EDS effectiveness and reliability, including CARB review and approval of each LDRP, ongoing QA/QC requirements, quarterly performance testing, corrective-action procedures, and comprehensive reporting and recordkeeping obligations. Collectively, these measures provide continuous verification of system performance and regulatory compliance.

Allow flexibility for operators to avoid unnecessary production disruptions if there is a delay in LDRP approval

Implementing an approved LDRP and installing a fully functional EDS by July 1, 2030, will require significant lead time. This includes equipment procurement, permitting, installation, system integration, calibration, testing, personnel training, and development of response, reporting, and recordkeeping procedures. Operators also must confirm that the systems provide required monitoring coverage, generate timely alerts, store data, and can produce required reports. Given this complex implementation process, CARB should provide flexibility when delays in LDRP approval, or other factors outside an operator's control or fault, could disrupt production operations.

Allow for confidential submittal of LDRPs due to CBI/trade-secret protections

CARB should allow operators to submit confidential versions of LDRPs and supporting materials that qualify as confidential business information or trade secrets and allow submittal of redacted versions for public disclosure. Protected information may include company specific natural gas and oil analytical composition data, process and production information, facility configuration details, dispersion-modeling analyses, alert-threshold calculations, and EDS siting details. Public disclosure of this information could not only reveal proprietary competitive information, but could also enable tampering with monitoring systems, create cybersecurity vulnerabilities, and increase the risk of vandalism or theft of monitoring equipment.

³ Discussion Draft Performance Standards for Continuously Operating Emissions Detection Systems Required by California Senate Bill 1137 for Upstream Oil and Gas Production Facilities in Health Protection Zones - https://ww2.arb.ca.gov/sites/default/files/2026-06/Discussion-Draft-Reg-Text_V6_ADA.pdf

Conclusion

Chevron appreciates CARB's continued engagement with stakeholders as it develops regulations required under SB 1137. As CARB moves toward draft regulatory language, Chevron encourages CARB to ensure the final rule is workable and provides operators with the flexibility needed to comply efficiently and cost effectively. This includes accounting for practical implementation challenges, avoiding unnecessary production disruptions, more accurately reflecting the full cost of compliance, protecting confidential business information, and maintaining appropriate agency responsibility for compliance oversight. Chevron looks forward to continuing to work with CARB on a regulatory framework that meets the statutory requirements while recognizing the operational realities of upstream oil and gas production facilities in health protection zones.

If you have any questions regarding our comments, please contact Steven Arita at STEVENARITA@chevron.com

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Perea', with a stylized flourish at the end.

Henry Perea
GM, State Government Affairs West Region