



California is the seventh-largest oil producing state in the country, with a fossil fuel industry that is responsible for billions of dollars in state and local revenue and other economic activity each year. Yet continued oil and gas production contrasts with the state’s aggressive climate mitigation policies, while creating significant air and water pollution, particularly for disadvantaged communities in areas where much of the state’s drilling occurs.

As a result of these risks, many advocates and policymakers seek ways to enhance regulation of and eventually phase out oil and gas production in California. Recent global price wars and declining demand from the COVID-19 pandemic have underscored the need to conduct this phase-out in a just and orderly fashion.

To provide legal options for policy makers to facilitate this transition, Berkeley Law’s Center for Law, Energy and the Environment (CLEE) is today releasing the new report “[**Legal Grounds: Law and Policy Options to Facilitate a Phase-Out of Fossil Fuel Production in California**](#),” co-authored with CLEE climate law and policy fellow Ted Lamm.

The report analyzes steps California leaders could pursue on state- and privately-owned lands to achieve this reduction. Among the options discussed, state leaders could:

- Enhance regulatory authority over drilling by clarifying the need for the California Geologic Energy Management Division (the state’s primary oil and gas regulator) to prioritize environmental and climate impacts over production;
- Heighten scrutiny on permitting via comprehensive environmental review with mandatory, site-specific mitigation measures under the California Environmental

Quality Act (CEQA);

- Institute minimum statewide drilling setbacks of at least 2,500 feet or more from sensitive sites, such as schools, parks, and houses;
- Implement a per-barrel or per-well severance tax and dedicate the revenue to projects that further the goal of transitioning away from fossil fuel; and
- Task the California Air Resources Board with devising and implementing a comprehensive plan for a phase-out of all in-state oil and gas production by a date that tracks with overall climate goals.

To learn more about the report findings, please join our free webinar on Tuesday, May 12th, from 11am to noon, with fellow Legal Planeteer [Sean Hecht](#) of UCLA Law and Ingrid Brostrom of the Center on Race, Poverty & the Environment. Registration is [here](#).

This [report](#) ultimately comes at a unique moment in the history of in-state oil and gas production. The industry is struggling economically due to a global collapse in oil prices and a decrease in demand from COVID-19-related shutdowns. As sheltering Americans temporarily buy less gas and some drilling companies are approaching or entering bankruptcy with record-low oil prices, an intelligently structured phase-out could result in less harm to jobs and local economies. And California's actions could demonstrate to other states and countries how to successfully sunset their fossil fuel production.

We hope the menu of law and policy options presented in [Legal Grounds](#) will assist state leaders in addressing these challenges and charting a new course for California's in-state fossil fuel production.