

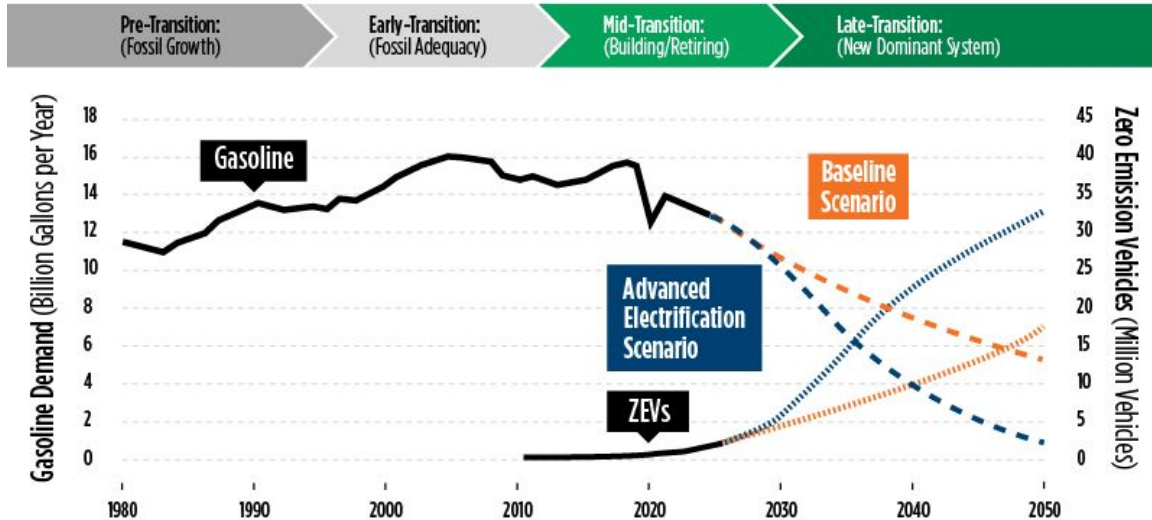
The California Gasoline Scene: Supply, Refining, Reliability, Affordability

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California Organizer
Oil and Gas Action Network

- Demand reducing
- Refineries closing
- Industry manipulating lawmakers
- The role of the state in transition
- Not leaving Californians behind

California is in the middle of the energy transition

- California gasoline demand has been declining steadily
- Lots of incentives to reduce demand: EV rebates, transit investments, fuel efficiency, renewable fuels, etc.



Refineries are closing

- 8 major refineries produce 81% of California's transportation fuels
- Over 100 years old, predate env. regulations (no plans for remediation)
- Phillips 66 in LA and Valero in Benicia, Martinez shut down for over a year
- Refineries keep exploding
 - 12 major explosions in the last decade, many more fires
- Need major investments to continue production with pollution and safety rules



California has planned for half the equation

- Lots of work and support for demand reduction
- No clear plan for supply reduction
 - supporting low income Californians who still rely on gas vehicles,
 - support workers in transition (DOGWF)
- Price gouging and inventory rules have not been implemented
- Imports?
- What happens to refineries that close if there's no buyer?
 - Demand will continue to decline, who would buy?

The fastest way to get through the energy transition is to set a bold vision, make a plan, and push forward to the other side

The role of the state

- Implement inventory and price gouging rules!
- Open gasoline market to other states
- Efficiencies in Transit systems
 - 27 different transit agencies in the Bay area
- Support workers and low-income Californians
- California convert abandoned refineries into gasoline storage facilities
 - With an oversight board elected from community members
 - With a phase out plan and charter
 - Profits can support low income transition and transit

Industry Manipulating Lawmakers

- Flooding the zone with \$ millions in ads and messaging attacking CA regulations as the cause of price spikes
- Pressureing lawmakers and regulators to not implement rules
 - Kern drilling law
- Myth #1 - CA oil drilling = cheaper gas
 - Crude oil is a global market
 - More local oil does not create new refining capacity
 - Opened up Kern county to more oil drilling
- Myth #2 - CA regulations are closing refineries and raising gas prices
 - “Mystery surcharge” = profit
 - Reduced demand + old infrastructure
- Myth #3 - Only CA refineries can supply CA gasoline
 - Energy island myth
 - Many out of state refineries can make CA gas
- Myth #4 - Refining CA oil is “cleaner” and safer than other oil
-

Industry Front Groups

In 2014, WSPA has activated a significant number of campaigns and coalitions that have contributed to WSPA's advocacy goals and continue to respond to aggressive anti-oil initiatives in the West.

Each campaign was structured to address specific state or local issues and provide an excellent opportunity for the petroleum industry to educate consumers and voters in all of WSPA's five Western states.

WSPA has also invested in several coalitions that are best suited to drive consumer and grassroots messages to regulators and policymakers.



Invest Engage Guide

Upstream

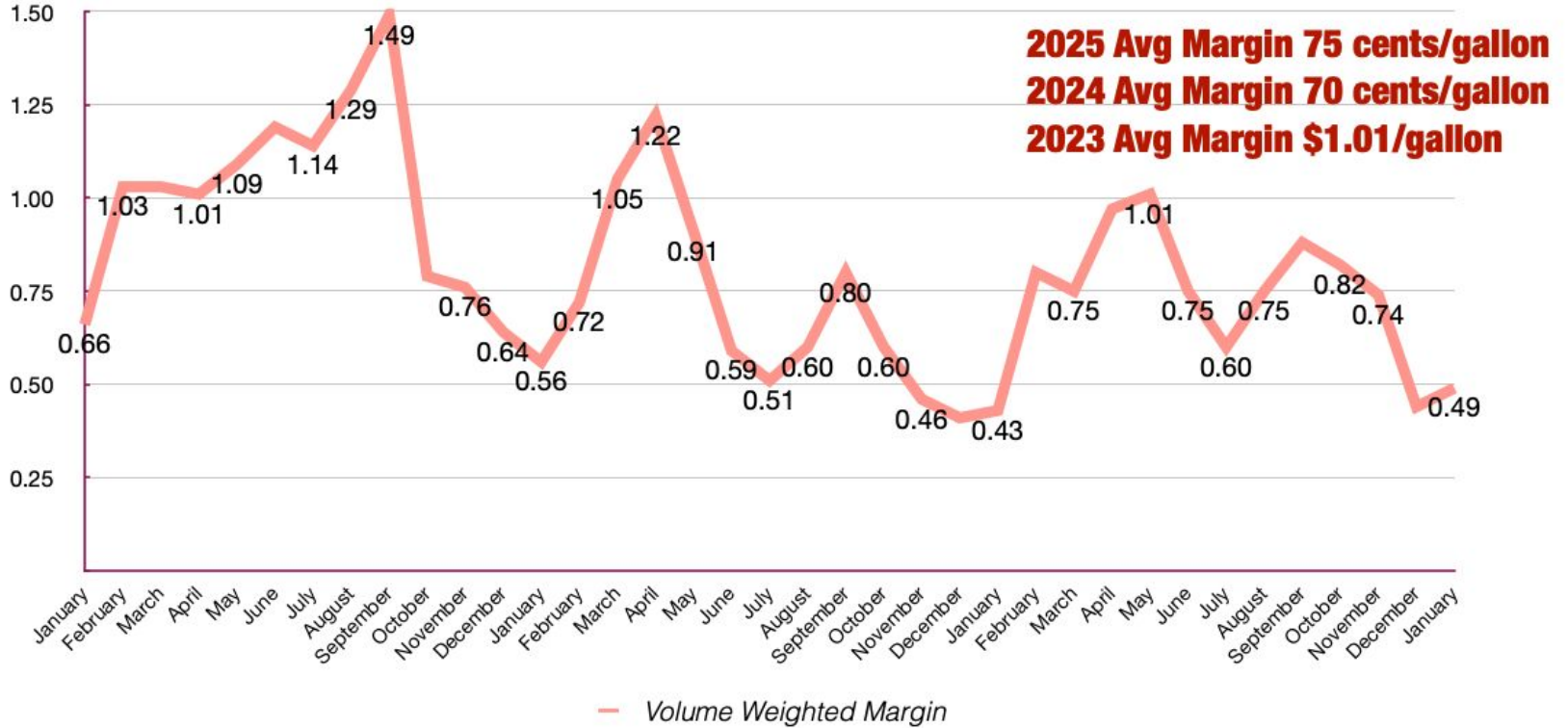
Downstream

Climate Center Convening

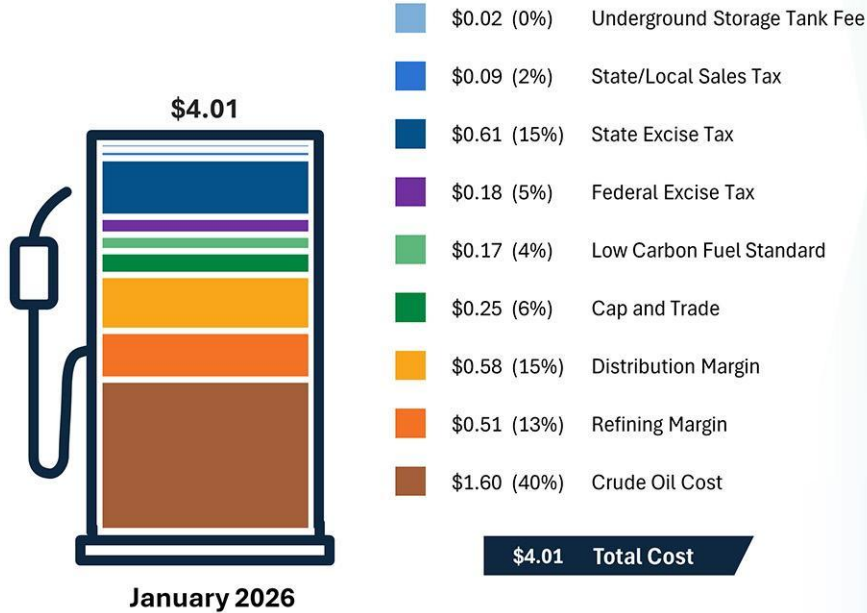
Monday, April 13, 2026



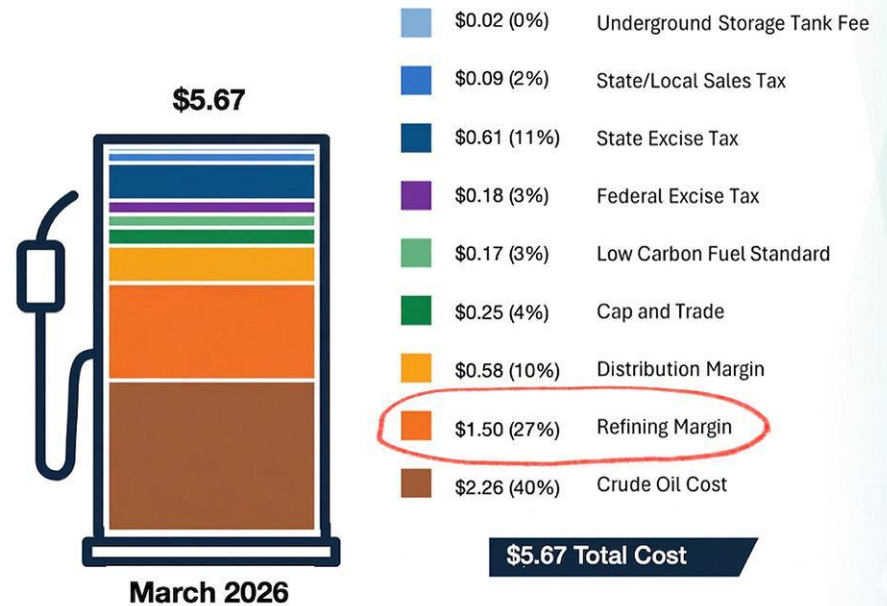
CA Oil Refiners Gross Refining Margins 2023 - 2026



California Energy Commission Price Breakdown and Margins



Consumer Watchdog Estimation Based on OPIS Reporting





Valero Benecia Refinery
Supposed to Close April, Started Idling
February



PBF Refinery Martinez

Supposed to Reopen February,
???

California Oil Refiner Executives ❤️ This Market



“We’ll continue to operate [our] Wilmington [refinery]. It’s a good asset and a good market.”

— Lane Riggs, CEO Valero



“We have a very strong downstream position there...I would argue advantage, really, versus the rest of the competitors in California.”

— Mike Worth, CEO Chevron



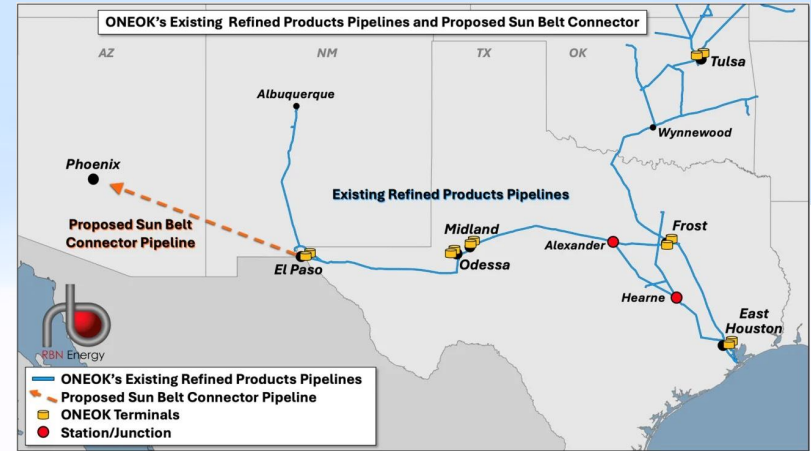
“We certainly see the closure [of the Phillips 66 LA refinery] as a significant tailwind for us.... And you know, we always used to say...that the region was short one refinery. Well, now it’s short several refineries.”

— Rick Hessling, Marathon Petroleum Chief Commercial Officer

Two Potential Pipelines Offer Hope For Market



Western Gateway Pipeline
(Phillips 66/Kinder Morgan)



Sun Belt Connector Pipeline
(ONEOK)

California Energy Commission Emerges As Biggest Threat To Stability Of Gasoline Market, Becoming Captive Agency



Failure To Write Rules For Resupply Requirement

(Mandated by SB1X-2 2023)



Failure To Write Rules for Minimum Inventory Requirement

(Mandated by ABX2-1, 2024)



Failure To Write Rules for Price Gouging Penalty

(Mandated by SB1X-2, 2023)

Conflict of Interest Threatens Greater Regulatory Capture of California Energy Commission

SHELL OIL EXECUTIVE
BECOMES
DEPUTY DIRECTOR OF
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DEBORAH MEEKS

WAS:

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