

Don't Just Take Our Word For It

The Receipts Behind California's Gas Prices

FACT ONE

In February 2024, the State of California imposed \$1.14¹ per gallon in taxes and fees on consumers, while oil companies LOST 14 cents per gallon of gasoline.²



State of California
Imposed
\$1.14¹
PER GALLON



Oil Companies
LOST
\$.14²
PER GALLON

The California Energy Commission (CEC), collected nine months of data and the average net refiner profit margin was negative 2 cents per gallon.⁴



That means California collected
\$1.28 more
per gallon in taxes and fees than
oil companies made in profits.³

I'm not sure I understand the argument for a windfall profits tax on energy companies. If you reduce profitability, you will discourage investment, which is the opposite of our objectives.

- Lawrence H. Summers, *Former Clinton Administration Secretary of the Treasury*

FACT TWO

In February 2024, Californians paid 11 cents per gallon for the Low Carbon Fuel Standard (LCFS) program.⁵ By 2025, the California Air Resources Board (CARB) expects the cost of the LCFS program to grow to 47 cents per gallon, and increase to 52 cents in 2026.⁶ That's a 372% increase in cost per gallon for California consumers.⁷



372%
increase
in cost per gallon for
California consumers.⁷

This will hit the working class between the eyes...That is unacceptable in order to get, even in exchange for what are very noble climate goals.

- Jamie Court, *President, Consumer Watchdog*

This won't work—and will make the LCFS needlessly costly for California drivers, while postponing the needed reforms that would restore the stability of the LCFS.

- Jeremy Martin, *Senior Scientist, Union of Concerned Scientists' Clean Transportation Program*

1. This figure represents the sum of State Excise Tax, State and Local Sales Taxes and State Underground Storage Tank Fee collected by the California Department of Tax and Fee Administration; Low Carbon Fuel Standard fees based on OPIS methodology; and Cap-and-Trade fees (Fuels under the cap) based on most recent Auction Settlement Price for California Carbon Allowances. All information accessed in February 2024.

2. California Energy Commission Volume-Weighted Gasoline Net Refining Margin (February 2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/california-oil-refinery-cost-disclosure>

3. This figure is obtained by subtracting the net price per gallon profit of California refiners from the state taxes and fees paid per gallon of gas.

4. The average is obtained by adding the net refining profit margin numbers for each month of data released by the CEC and dividing by nine. California Energy Commission Volume-Weighted Gasoline Net Refining Margin (February 2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/california-oil-refinery-cost-disclosure>

5. Based on OPIS methodology, available at: <http://www.opisnet.com/wp-content/uploads/2018/07/OPIS-California-Carbon-Allowance.pdf>. Accessed: February 2024.

6. California Air Resources Board Low Carbon Fuel Standard 2023 Amendments Standardized Regulatory Impact Assessment (SRIA). (2023). Retrieved from: https://ww2.arb.ca.gov/sites/default/files/2023-09/lcfs_sria_2023_0.pdf

7. The percentage is obtained by multiplying the increase relative to the February 2024 cost by 100.

FACT THREE

Californians pay about 33 cents per gallon⁸ for the state's Cap-and-Trade program and that cost is set to dramatically increase by 2025.⁹

Cap-and-Trade Program adds



“ We don't want to make the same mistakes of pulling too many levers at the same time poking through the ceiling and all of a sudden we have a repeal on the ballot like they have in Washington. You have the consent of the governed right now, don't lose that.

- Mikhael Skvarla, *California Council for Environmental and Economic Balance*

Cap-and-trade is bread and butter now,
POLITICO, March 12, 2024

FACT FOUR



California only supplies

23% of the oil

OUR REFINERIES USE.¹⁰

THE REST IS IMPORTED,
increasing the cost at the pump.

These are the logistic costs of transporting a barrel of crude to California refiners.¹¹



San Joaquin Valley
via pipeline



North Slope Alaska
via oil tanker



Brazil
via oil tanker



Middle East
via oil tanker

8. Calculated based on public data from California Air Resources Board Summary of Auction Settlement Prices and Results (2024). Retrieved from: https://ww2.arb.ca.gov/sites/default/files/2020-08/results_summary.pdf. And EPA Emission Factors, (2024). Retrieved from: https://www.epa.gov/system/files/documents/2023-03/ghg_emission_factors_hub.pdf.

9. California Air Resources Board Joint California-Québec Workshop: Potential Amendments to the Cap-and-Trade Regulation. (November 2024). Retrieved from: <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/capand-trade-meetings-workshops>.

10. California Energy Commission: Annual Oil Supply Sources To California Refineries. (2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/annual-oil-supply-sources-california>.

11. "California Refiners' Cost and Margin Analysis, 2000-2022" by Solomon Associates.