

Don't Just Take Our Word For It

The Receipts Behind California's Gas Prices

FACT ONE

In December 2023, the State of California imposed \$1.15¹ per gallon in taxes and fees on consumers, while oil companies LOST 31 cents per gallon of gasoline.²



State of California Imposed

\$1.15¹
PER GALLON



Oil Companies LOST

\$.31²
PER GALLON

The California Energy Commission (CEC), collected seven months of data where the average net refiner profit margin was 5 cents per gallon.⁴



That means California collected

471% 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 10 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 370% increase in cost per gallon for California consumers.⁷



370% 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 January 2024.

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

3. The percentage is obtained by multiplying the price per gallon difference and multiplying it by 100%.

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

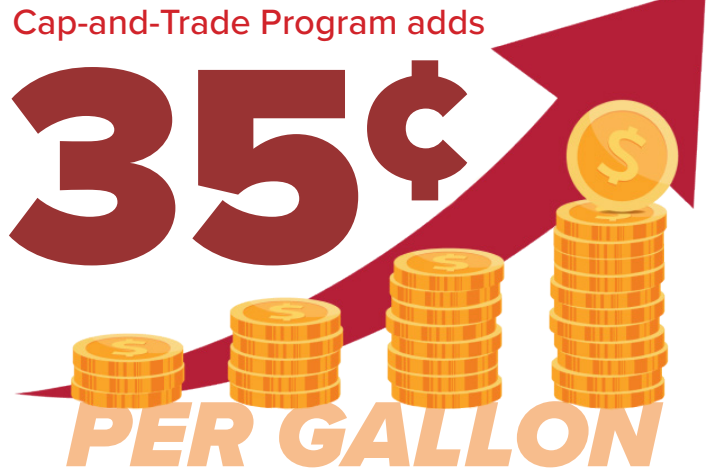
5. Based on OPIS methodology, available at: <http://www.opisnet.com/wp-content/uploads/2018/07/OPIS-California-Carbon-Allowance.pdf>. Accessed: March 2024.

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 price per gallon difference between February 2024 cost and projected 2025 cost and multiplying it by 100%.

FACT THREE

Californians pay about 35 cents per gallon⁸ for the state's Cap-and-Trade program and that cost is set to dramatically increase by 2025⁹.



“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.”

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

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 refiners¹¹.



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/cap-and-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