

DOCKETED

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October 3, 2022

David Hochschild
Chair
California Energy Commission
California Natural Energy Resources Agency
715 P Street
Sacramento, California 95814

Re: California Gasoline Price Hike

Dear Mr. Hochschild:

Reference is hereby made to your letter dated September 30, 2022 addressed to refinery executives requesting certain information concerning gasoline prices in the State of California (the "September 30th Letter"). PBF Energy Western Region LLC ("PBF") appreciates being afforded the opportunity to engage with the California Energy Commission (the "Commission") concerning matters relevant to California's gasoline market, including the recent meeting on September 29th.

As the State of California progresses its plans to transition from fossil fuels, PBF believes it is important that this dialogue continue to ensure seamless gasoline supplies for California consumers until such time as the energy transition is complete. The laws and policies being implemented to decrease domestic crude oil production within the State are adversely affecting refining operations within the State and it is important that there be a full understanding of what the implications will be in the short-, medium- and long-term on the availability of gasoline supplies for consumers and businesses.

Importantly, it must be recognized that, since 1980, approximately one million barrels per day of crude oil refining capacity has been permanently shut down in California. Specifically, the August 2020 shutdown of a 166,000 barrels per day East Bay refinery, compounded by reduced imports in 2022, should be considered as a potential contributing factor to current supply disruptions and lower gasoline inventories that have been blamed for price increases. The effects of the 2020 refinery closure were not evident until post-COVID demand for fuels began rebounding.

The ability to import gasoline into California is limited as there are only a few refineries outside of California that manufacture the specific fuel blends mandated by the State's regulations. With a ~120,000 barrels per day refinery scheduled to be shut down in the East Bay in 2023, the State's gasoline supply and demand profile will be further challenged.

Other than the foregoing, unfortunately, we are not in a position to respond to the questions in the September 30th Letter; any further response would be prohibited by State and federal antitrust laws as it relates to our own operations and would merely be conjecture on our part as it relates to other refiners. To be clear, due to federal and state antitrust laws, we do not have access to any information other than public information regarding the inventories or operations of other California refineries. Compliance with these antitrust laws precludes the operators of refineries from coordinating planned maintenance and will not allow us to discuss our existing or planned inventories.

We can say, without equivocation, that our guiding principles are that we operate our refineries safely and in an environmentally responsible manner. We conduct planned and unplanned maintenance in furtherance of these principles to safeguard our employees, contractors, and the communities in which we operate. To the extent that unplanned maintenance occurs, it is to ensure the viability of our operations and/or to protect our employees, contractors, and local communities.

Finally, as a refiner with no retail outlets, there are no measures that PBF alone can implement that will impact the price of gasoline for consumers in the State of California.

We hope that you find the foregoing helpful. Please do not hesitate to contact us if we may be of further assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Paul Davis". The signature is fluid and cursive, with the first name "Paul" and last name "Davis" clearly legible.

Paul Davis
Senior Vice President

cc: Governor Gavin Newsom
Secretary Wade Crowfoot, Natural Resources Agency
Secretary Toks Omishakin, Transportation Agency
The Honorable Anthony Rendon, Speaker of the Assembly
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The Honorable Toni Atkins, Senate President Pro Tempore
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The Honorable Jacquie Irwin, Chair, Select Committee on Gasoline Supply and Pricing
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