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# **Commissioner Hearing on California Gasoline Price Spikes, Refinery Operations, and Transitioning to a Clean Transportation Fuels Future**

## **Public Comment Key Points and Takeaways Submitted to Docket Number 22-IEPR-05**

Summary: Most of the public comments submitted to Docket Number 22-IEPR-05 were in response to a windfall tax and price gouging penalty. Other comments supported California's environmental policies and the proposed Transportation Fuels Transition Study. Last, two members of the petroleum industry published comments addressing California's gasoline prices.

Many comments were submitted by private citizens opposed to the Governor's proposed legislation to set a penalty for oil companies making excessive profits. Explanations for opposition included reasoning that:

- Taxing refiners for excessive profits will result in higher prices to consumers.
- Californians can't afford additional taxes.
- California's existing taxes and environmental policies are the reasons for California's high gasoline prices and supply issues.

A small number of comments were in support of a penalty on excessive oil refiner profits, California's environmental policies, and CEC's authority to gather data and develop the proposed Transportation Fuels Transition Study.

- The Low Carbon Fuels Coalition urged CEC to consider the importance of "climate-smart" and "consumer-friendly" policies, like the LCFS, when studying solutions to transition to a clean transportation fuels future.
- The Union of Concerned Scientists supported increased CEC authority to gather data to effectively monitor the petroleum supply chain and requested the CEC to make as much of this data public as possible to allow for broad scrutiny of the industry's behavior. Further, the group requested that future CEC advisory panels include refinery communities and environmental justice groups to advise on monitoring the industry and planning for a responsible petroleum phaseout.
- The United Native Americans supported implementing regulations banning toxic air pollution from refineries in Northern California.
- One comment recommended the transition study look at spot prices and to consult with market participants and brokers to understand the supply transactions and why prices are set as they are.

PBF Energy submitted a comment explaining why they did not attend the hearing and provided responses to the panelist questions. They commented on the reasons for high gasoline prices and the 2022 gasoline price spikes, agreeing with CEC's presentation on the issue. PBF requested clarity on the definition of the gross gasoline refining margin (GRM) and stressed that the GRM does not equal profit. In addition, PBF provided input on potential policy solutions and mitigation strategies and emphasized safe operations first.

The Western States Petroleum Association (WSPA) submitted comments on the reasons for California's high gasoline prices and the policy implications to prices. WSPA highlighted the supply issues identified by the Petroleum Market Advisory Committee and commented on how new demand scenarios for the Transportation Fuels Transition Study should be conducted.