

**DOCKETED**

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<b>Project Title:</b>	Order Instituting Informational Proceeding on Maximum Gross Gasoline Refining Margin and Penalty
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*Comment Received From: Scot Mussi  
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## **Out of state impacts associated with proposed Max Refining Margin and Penatly**

Members of the California Energy Commission,

My name is Scot Mussi, President of the Arizona Free Enterprise Club. Our organization represents over 15,000 consumers throughout the state of Arizona, and have spent the last several years engaging in energy policy due to the impacts of rising gasoline prices on hardworking families and business owners.

We have been monitoring the proposed rule on Gross Gasoline Refining Margin and Penalty by the California Energy Commission, and have serious concerns about the impact it will have on both supply and costs for Arizona consumers.

As you are already aware, a substantial portion of Arizona's gasoline supply is currently refined and transported from California to our state. It is our belief that the proposed rule being considered will result in Arizona bearing the brunt of any supply disruptions and cost increases. We believe this for two reasons:

- 1) How the law was written, it instructs the California Energy Commission, when considering costs, to take steps to defray any potential impacts on California Consumers. Arizona consumers were left out, which means we are likely first in line to incur any cost increases.
- 2) The political reality is that California voters will always be prioritized over Arizona voters. It is difficult to imagine any scenario where political pressure will not result in minimizing pain on California consumers, while Arizona Consumers are left picking up the tab.

Ultimately, our organization believes that the proposed rule will have an impact on refinery capacity and gasoline costs. We also believe that it is a near certainty that Arizona will bear the brunt of those cost and supply disruptions. It is for these reasons that we request that the California Energy Commission provide more details and information on how it intends to address the interstate cost and supply impacts associated with the proposed rule.

Thank you,

Scot Mussi  
President  
Arizona Free Enterprise Club.