

**DOCKETED**

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**Don Gilstrap**

Manager, Fuels Regulation, VCO, Midterm Initiatives & Fuels

October 7, 2022

Hon. David Hochschild  
Chair, California Energy Commission  
715 P Street  
Sacramento, CA 95814  
[Angelica.Romo@energy.ca.gov](mailto:Angelica.Romo@energy.ca.gov)

Re: CEC Letter Dated September 30, 2022

Dear Commissioner Hochschild:

Thank you for your letter dated September 30, 2022. Chevron shares your concerns over the higher prices that Californians are experiencing and is doing its part to help address those concerns. We appreciate the opportunity to engage with CEC and other state agencies and officials in a candid discussion aimed at finding solutions to the energy challenges faced by Californians. California's energy sector needs cooperation and support from the administration (policy, regulations, leasing, permitting, and infrastructure) for our state to return to a path toward greater energy security, economic prosperity, and environmental protection.

Many factors influence the price of gasoline, including several unique to California. In addition to the price of oil, other factors include the higher cost to produce gasoline to the specifications required by the California Air Resources Board, California having the highest effective tax rate (excise, sales, and other taxes and fees) on gasoline in the U.S., and the competitive conditions in the marketplace, which are impacted by policies that have reduced California's refining capacity.

Chevron remains committed to working on viable options that will contribute to a lower-carbon future while helping supply the fuel demands of California consumers. In 2022, Chevron has invested more than \$4 billion dollars in renewable energy and it's our plan to invest billions more to reduce greenhouse gas emissions and scale new advanced energy technologies, like carbon capture and hydrogen, along with growing our renewable liquid fuels capacity.

We believe that it is time to work together to find real and sustainable solutions for California consumers, which include supporting and sustaining California's existing oil and gas business while new forms of energy are developed at scale and are affordable and reliable to meet consumer needs. We look forward to engaging in meaningful dialogue to enhance our state's energy security. Collaboration between the energy sector and policymakers is required to keep California shining bright.

Sincerely,  
/s/

Don Gilstrap  
Manager, Fuels Regulation

cc: Drew Bohan, Executive Director  
[ExecutiveOffice@energy.ca.gov](mailto:ExecutiveOffice@energy.ca.gov)