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**CALIFORNIA
ENERGY COMMISSION**



November 4, 2022

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Dear refinery executives,

I am writing as a follow up to the letter I sent to you September 30, 2022, asking for information on why California's gasoline prices rose so sharply over the summer. I appreciate the responses to my questions and would like to invite you to participate as a panelist at the California Energy Commission (CEC)'s upcoming Informational Hearing on California Gasoline Price Spikes, Refinery Operations and Transitioning to a Clean Transportation Fuels Future.

The hearing will be held in person at the Rosenfeld Hearing Room at the Warren-Alquist State Energy Building in Sacramento, on Tuesday, November 29, 2022,

from 10:00 a.m. to 4:00 p.m. We also have a remote attendance option via Zoom.

The hearing will cover events in California's petroleum fuels market and explore solutions to reduce the likelihood of gasoline price spikes and support reliability in refinery operations and gasoline supply going forward. I am inviting you as the industry leaders, as well as economists and academics, to contribute to the conversation in a panel discussion to share your analysis and recommendations related to gasoline prices and the future of the petroleum market.

The CEC is requesting that industry representatives and experts attend in person to provide answers regarding inventory management practices and other factors that are cited as the reasons for the recent spikes in gasoline pricing in California—the highest California has seen over the last 25 years.

The panel discussion will focus on the following questions:

1. Why did gasoline prices rise so dramatically and suddenly over the summer despite a sharp downturn in global crude prices, no significant unplanned refinery outages in the state, and no increases in state taxes or fees?
2. Is the price increase, despite these factors that typically cause a decrease in price, the reason for the record profits that have been reported, or were other factors driving the price increase and record profits?
3. What are your immediate and long-term recommendations on measures California should consider to avoid sudden spikes in state gasoline prices versus national prices?
4. What are key questions policymakers should consider when evaluating remedies and price spike-prevention strategies?
5. The CEC is proposing a Fuels Transition Study to examine how California can successfully and economically transition to a clean transportation fuels energy future. What are your thoughts on what the scope of the study should be, what are the barriers to consider for shifting the industry to cleaner fuels, and how can the CEC ensure it provides a full and accurate assessment of the coming changes for policy makers?

The CEC is committed to work with you as the industry experts to find answers regarding gasoline pricing in California and consider long-term solutions on how California can successfully transition to a clean transportation future.

The CEC acknowledges participants may have information-sharing constraints imposed by federal anti-trust laws. Participants may rely on their own discretion

in determining whether information may be provided under any applicable federal trade laws.

Please RSVP to my chief of staff at Noemi.Gallardo@energy.ca.gov regarding the November 29 hearing.

Sincerely,



David Hochschild
Chair

cc: Governor Gavin Newsom
Secretary Wade Crowfoot, Natural Resources Agency
The Honorable Anthony Rendon, Speaker of the Assembly
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