

DOCKETED

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*Comment Received From: Mayor Drew Boyles
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**Comment on SBX1-2 Maximum Gross Gasoline Refining Margin
and Penalty Workshop**

Additional submitted attachment is included below.



City of El Segundo

Office of the Mayor

May 1, 2024

By Email
California Energy Commission
Docket Unit
Docket No. 23-OIR-03
715 P Street, MS-4
Sacramento, CA 95814
docket@energy.ca.gov

Re: Comment on SBX1-2 Maximum Gross Gasoline Refining Margin and Penalty Workshop

To whom it may concern:

I am the Mayor of the City of El Segundo. I see the price at the pump every day, and I thank the Energy Commission for setting the goal of delivering affordable prices at the pump for Californians. El Segundo has a strong interest in what the CEC is doing here. It goes without saying that El Segundo residents rely on affordable gasoline to get to work, get to school, and to connect with friends and family across our city and our state. El Segundo businesses, big and small, rely on affordable gasoline to deliver affordable products, services, and exceptional dining and entertainment. But El Segundo also has a more specific connection to CEC's actions because El Segundo is home to a Chevron refinery, which brings thousands of jobs to the city and drives the local economy.

A margin cap is going to hurt Californians and El Segundans in particular. Many of our residents work in the Chevron refinery. What will a margin cap mean for these hard-working Californians? The regulations CEC published last month about refinery maintenance have already raised eyebrows because of safety concerns. Now CEC is threatening jobs too.

Missing from the conversation at the commission are the impacts that gross margin caps will have on labor and local governments. By setting gross margin caps, rather than net margin caps, the Commission will effectively be restricting refinery workers' ability to freely negotiate working conditions with their employers, because these labor costs are factored into the proposed gross margin caps.

Furthermore, setting gross margin caps for refiners places limits on Gross Receipts Taxes that can be collected by local governments in cities, like El Segundo, which must live with the impacts of hosting a refinery. While we bear the costs and risks of hosting a refinery which provides a necessary resource for the rest of California, the proposed margin caps will limit our local government's ability to collect taxes from the refinery, which is fundamentally unfair to El Segundo and its residents.

I strongly urge you to take your time and consider impacts like these on cities like El Segundo. El Segundo is hundreds of miles away from our state's Capitol in Sacramento, but we play a pivotal role in our state's economy. Thank you for considering our perspective.

Sincerely,



Drew Boyles
Mayor of El Segundo