



February 21, 2023

Re: Support SBX1 2 (Skinner)

Dear Senator Skinner:

We write to express our support for SBX1 2, legislation to create a price gouging penalty that is needed to hold the oil industry accountable and protect Californians from the industry’s greed and profiteering.

While Californians paid as much as \$2.60 more for their gasoline than average US gasoline prices, California oil refiners continued to post record-breaking windfall profits—literally profiting off Californians’ pain at the pump.

Oil refiners’ reports to their investors showed that the companies more than doubled their margin from refining gasoline in California from an average of 32 cents per gallon over the last twenty years to 69 cents per gallon in the first nine months of 2022. Moreover, their California refining profits were 30% greater than their refining profits reported anywhere else in the nation or world.

Setting a windfall profits cap on refining gasoline will save consumers billions of dollars in overcharges.

SBX1 2 must set a fixed maximum gross gasoline refining margin low enough to protect against future price gouging. In addition, it is critical that SBX1 2 mandate penalties high enough to negate incentives to ignore or circumvent the law and avoid jeopardizing the efficacy of the law with unnecessary discretion to the agency to grant exemptions.

There are numerous examples from around the world of successful policies that can cap windfall profits, bring relief to consumers, and disincentivize future price gouging.

Oil refiners are taking advantage of California consumers because they can. In the first three quarters of 2022, California's five biggest refiners—Chevron, Marathon, PBF Energy Phillips 66 and Valero—raked in \$67.6 billion in profits, nearly quadruple the same period in the prior year.

The oil industry is spending their record profits to undermine our democracy with disinformation, delay action on climate change, and overturn vital protections for communities living next to toxic oil drilling sites. Windfall Big Oil profits threaten our pocketbooks, our democracy, and our health. California oil companies are bullying working Californians—and since bullies only respond to strength, we need our leaders to hold firm.

We support a windfall profits cap to rein in refiners' unconscionable price-gouging and provide greater transparency for California's gasoline market. Additionally, given that SBX1 2 also notes the legislature's intent to establish a multi-agency process "to plan for and monitor progress towards the state's... transition away from petroleum fuels," we urge you to partner with environmental justice groups to ensure that transition is rapid, equitable, and just.

We hope that these unprecedented windfall oil profits will not only lead to a strong profits cap and penalty under SBX1 2, but also prompt the legislature to redouble its efforts to move California away from dirty fossil fuels to a healthier, sustainable future.

Sincerely,

1000 Grandmothers for Future Generations
350 Bay Area Action
350 Butte County
350 Conejo / San Fernando Valley
350 Humboldt
350 Sacramento
350 South Bay Los Angeles
350 Southland Legislative Alliance
350 Ventura County Climate Hub
Action for the Climate Emergency
Alameda County Democratic Party
Asian Pacific Environmental Network
Ballona Wetlands Institute
Battle Creek Alliance & Defiance Canyon Raptor
Rescue
BeniSolSolar
Biofuelwatch
Breast Cancer Action
Brightline
Businesses for a Livable Climate
CA Youth Vs Big Oil
California Climate Voters
California Environmental Justice Alliance
California Green New Deal Coalition
California Nurses for Environmental Health and
Justice
California Working Families Party
CatholicNetwork US
Center for Biological Diversity
Center for Community Action and Environmental
Justice
Center for Environmentally Recycled Building
Alternatives
Center on Race, Poverty & the Environment
Central California Asthma Collaborative
Citizens' Climate Lobby Sacramento
Citizens' Climate Lobby, Santa Cruz Chapter
Clean Power Campaign
Climate Action Campaign
Climate First: Replacing Oil & Gas (CFROG)
Climate Hawks Vote
Communities for a Better Environment
Consumer Watchdog
Corvallis Interfaith Climate Justice Committee
Defend Ballona Wetlands
Drawdown Bay Area
Ecology Center
EldersClimateAction, NorCal and SoCal
Chapters
Elected Officials to Protect America
Environmental & Public Health Consulting
Environmental Working Group
Equity Transit
Feminists in Action Los Angeles
Food & Water Watch
Fossil Free CA
FracTracker Alliance
Friends of the Earth
Gemini Energy Solutions, Inc.
Glendale Environmental Coalition

Green Building Architects
Greenlining
Greenpeace USA
Health Justice Commons
Let's Go Farm
Let's Green CA!
Long Beach Gray Panthers
Los Angeles Cleantech Incubator
Manhattan Beach Huddle
Marin Interfaith Climate Action
Menlo Spark
NextGen California
Novasutras
Ocean Conservation Research
Oil and Gas Action Network
Oil Change International
Pacific Environment
PDA-CA (Progressive Democrats of America -
California)
Pelican Media
Physicians for Social Responsibility - Los
Angeles Physicians for Social Responsibility -
Sacramento Physicians for Social
Responsibility - SF Bay Project Green Home
Rapid Shift Network
RootsAction.org
Sacramento Climate Coalition
SanDiego350
Santa Barbara Standing Rock Coalition
Santa Cruz Climate Action Network
Save the Environmental Protection Agency
SEIU California
Sierra Club CA
Silicon Valley Youth Climate Action
Small Business Alliance
SoCal 350 Climate Action
Spottswoode Winery, Inc.
Stand.earth
Sunflower Alliance
Sunrise SLO
Sustainable Mill Valley
System Change Not Climate Change
The Climate Alliance of Santa Cruz County
The Climate Center
Transformative Wealth Management, LLC
Undaunted California
Women's March Santa Barbara