



February 18, 2026

Ben Allen, Chair  
Senate Committee on Energy, Utilities and Communications

Cottie Petrie-Norris, Chair  
Assembly Committee on Utilities and Energy

RE: Current Gasoline Price Spike Demands CEC Oversight Hearing

Senator Allen and Assembly member Petrie-Norris,

California is experiencing another gasoline price spike and the inaction of the California Energy Commission (CEC) is, in no small part, to blame.

We call upon you to hold oversight hearings to address the failure of the CEC to enforce its agreement with Valero to keep its Benicia refinery running through April and to write rules for minimum inventory and resupply arrangements – a cause of the current gas price spikes.

The gap between California gas prices US gasoline prices is \$1.49 per gallon as of February 16, according to the [U.S. Energy Information Administration](#). The standard gap is \$1.10. [AAA reports](#) that, as of February 18, the average California gasoline price is \$4.58 per gallon and the average national price is \$2.92 – a \$1.66 difference.

The cause is clear.

Valero notified the CEC a year in advance of plans to shutter Benicia by April 2026, but then started shutting down certain key units at its Benicia refinery this month. Valero announced the change on its fourth quarter investor call in January, claiming it was idling its refinery in

February. The CEC has the power to demand that Valero keep its refinery online through April, but has failed to use it.

Under [SB X-1-2](#) (2023), refiners are to report all maintenance activities to the CEC and to notify the executive director “at least 120 days before the planned maintenance or turnaround.” In addition, “The operator of any refinery in this state shall report to the Commission at least 12 months in advance if that refinery operator intends to permanently shut down, shut down to reconfigure, or sell a refinery in a transaction that may result in a refinery shutting down or reconfiguring.” If within five days of after being notified of failure to provide specified information, refineries have not responded, the CEC can impose penalties of between \$5,000 and \$20,000 dollars per day for this violation.

PBF Energy also moved back the full restart of the Martinez refinery to March from this month. PBF Energy is taking its time bringing its Martinez refinery back to full operation after a damaging fire a year ago. Construction activities are expected to be complete by February 16. But executives reported on their fourth quarter profits call that they expect the startup of their Catalytic Cracking Unit—a primary gasoline production unit—will be complete only in the first week of March when the refinery is expected to be fully operational. The refinery has a capacity of 157,000 barrels per day of crude but had been operating in the 85,000 to 105,000 barrel per day range since the second quarter of 2025, according to PBF.

This is creating a perfect storm driving gas price spikes – two Northern California refineries being offline at the same time. This is the very situation the CEC was supposed to use its powers to avoid.

SB X 1-2 directs the CEC to “consider ways to manage necessary refinery turnarounds and maintenance that would...minimize the impact of maintenance-related production losses on fuel prices. The commission may, by regulation, impose requirements governing the timing of turnaround and maintenance...”

The CEC has failed not only to use its power to force refiners to keep their refineries operational, but failed to develop resupply and minimum inventory regulations, which could have prevented the current gas price spike. The CEC's failure will cause California consumers to overpay tens of millions of dollars at the pump.

The Commission needs to explain itself and articulate a plan to do better for consumers in the future.

Sincerely,

*Jamie Court*

Jamie Court

*Liza Tucker*

Liza Tucker

Cc:

Governor Newsom

California Energy Commissioners

Division of Petroleum Market Oversight (DPMO) Director Tai Milder

Senator Pro Tem Monique Limon

Assembly Speaker Robert Rivas