

# Don't Just Take Our Word For It

## The Receipts Behind California's Gas Prices

### FACT ONE

In December 2023, the State of California imposed \$1.15<sup>1</sup> per gallon in taxes and fees on consumers, while oil companies LOST 31 cents per gallon of gasoline.<sup>2</sup>



State of California Imposed

**\$1.15**<sup>1</sup>  
PER GALLON



Oil Companies LOST

**\$.31**<sup>2</sup>  
PER GALLON

The California Energy Commission (CEC), collected seven months of data where the average net refiner profit margin was 5 cents per gallon.<sup>4</sup>



That means California collected

**471% more**

per gallon in taxes and fees than oil companies made in profits.<sup>3</sup>

“I’m not sure I understand the argument for a windfall profits tax on energy companies. If you reduce profitability, you will discourage investment, which is the opposite of our objectives.”

- Lawrence H. Summers, *Former Clinton Administration Secretary of the Treasury*

### FACT TWO

In February 2024, Californians paid 10 cents per gallon for the Low Carbon Fuel Standard (LCFS) program.<sup>5</sup> By 2025, the California Air Resources Board (CARB) expects the cost of the LCFS program to grow to 47 cents per gallon and increase to 52 cents in 2026.<sup>6</sup> That’s a 370% increase in cost per gallon for California consumers.<sup>7</sup>



**370% increase**

in cost per gallon for California consumers.<sup>7</sup>

“This will hit the working class between the eyes...That is unacceptable in order to get, even in exchange for what are very noble climate goals.”

- Jamie Court, *President, Consumer Watchdog*

“This won’t work—and will make the LCFS needlessly costly for California drivers, while postponing the needed reforms that would restore the stability of the LCFS.”

- Jeremy Martin, *Senior Scientist, Union of Concerned Scientists’ Clean Transportation Program*

1. This figure represents the sum of State Excise Tax, State and Local Sales Taxes and State Underground Storage Tank Fee collected by the California Department of Tax and Fee Administration; Low Carbon Fuel Standard fees based on OPIS methodology; and Cap-and-Trade fees (Fuels under the cap) based on most recent Auction Settlement Price for California Carbon Allowances. All information accessed in January 2024.

2. California Energy Commission Volume-Weighted Gasoline Refining Margin (February 2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/california-oil-refinery-cost-disclosure>

3. The percentage is obtained by multiplying the price per gallon difference and multiplying it by 100%.

4. The average is obtained by adding the net refining profit margin numbers for each month of data released by the CEC and dividing by seven. California Energy Commission Volume-Weighted Gasoline Refining Margin (February 2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/california-oil-refinery-cost-disclosure>

5. Based on OPIS methodology, available at: <http://www.opisnet.com/wp-content/uploads/2018/07/OPIS-California-Carbon-Allowance.pdf>. Accessed: March 2024.

6. California Air Resources Board Low Carbon Fuel Standard 2023 Amendments Standardized Regulatory Impact Assessment (SRIA). (2023). Retrieved from: [https://ww2.arb.ca.gov/sites/default/files/2023-09/lcfs\\_sria\\_2023\\_0.pdf](https://ww2.arb.ca.gov/sites/default/files/2023-09/lcfs_sria_2023_0.pdf)

7. The percentage is obtained by multiplying the price per gallon difference between February 2024 cost and projected 2025 cost and multiplying it by 100%.

**FACT THREE**

Californians pay about 35 cents per gallon<sup>8</sup> for the state's Cap-and-Trade program and that cost is set to dramatically increase by 2025<sup>9</sup>.

Cap-and-Trade Program adds



“We don't want to make the same mistakes of pulling too many levers at the same time poking through the ceiling and all of a sudden we have a repeal on the ballot like they have in Washington. You have the consent of the governed right now, don't lose that.”

- Mikhael Skvarla, *California Council for Environmental and Economic Balance*

Cap-and-trade is bread and butter now,  
 POLITICO, March 12, 2024

**FACT FOUR**


California only supplies

**23% of the oil**

OUR REFINERIES USE.<sup>10</sup>

**THE REST IS IMPORTED,**  
**increasing the cost at the pump.**

These are the logistic costs of transporting a barrel of crude to California refiners<sup>11</sup>.



**San Joaquin Valley**  
 via pipeline



**North Slope Alaska**  
 via oil tanker



**Brazil**  
 via oil tanker



**Middle East**  
 via oil tanker

8. Calculated based on public data from California Air Resources Board Summary of Auction Settlement Prices and Results (2024). Retrieved from: [https://ww2.arb.ca.gov/sites/default/files/2020-08/results\\_summary.pdf](https://ww2.arb.ca.gov/sites/default/files/2020-08/results_summary.pdf). And EPA Emission Factors, (2024). Retrieved from: [https://www.epa.gov/system/files/documents/2023-03/ghg\\_emission\\_factors\\_hub.pdf](https://www.epa.gov/system/files/documents/2023-03/ghg_emission_factors_hub.pdf)

9. California Air Resources Board Joint California-Québec Workshop: Potential Amendments to the Cap-and-Trade Regulation. (November 2024). Retrieved from: <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/cap-and-trade-meetings-workshops>

10. California Energy Commission: Annual Oil Supply Sources To California Refineries. (2024). Retrieved from: <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/annual-oil-supply-sources-california>

11. "California Refiners' Cost and Margin Analysis, 2000-2022" by Solomon Associates