



February 13, 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,

Let's Green CA!
350 Butte County
Marin Interfaith Climate Action
Santa Cruz Climate Action Network
United Native Americans
Climate First: Replacing Oil & Gas (CFROG)
350 Humboldt
San Francisco Bay Physicians for Social
Responsibility
The Climate Center
Environmental Working Group
Spottswoode Winery, Inc.
Transformative Wealth Management, LLC
Feminists in Action Los Angeles
Ecology Center
Santa Barbara Standing Rock Coalition
Battle Creek Alliance & Defiance Canyon
Raptor Rescue
Fossil Free CA
Breast Cancer Action
Greenpeace USA
Food and Water Watch
Oil and Gas Action Network
Physicians for Social Responsibility/
Sacramento
Biofuelwatch
SoCal 350 Climate Action
Citizens' Climate Lobby, Santa Cruz chapter
350 Bay Area Action
Citizens' Climate Lobby Sacramento
Alameda County Democratic Party
Sustainable Mill Valley
Center for Biological Diversity
Pelican Media
CERBAT
1000 Grandmothers for Future Generations
Ocean Conservation Research
350 Conejo / San Fernando Valley
Climate Hawks Vote
Oil Change International
Sacramento Climate Coalition
Elected Officials to Protect America
Action for the Climate Emergency
Pacific Environment
RootsAction.org
Environmental & Public Health Consulting
SanDiego350
Long Beach Gray Panthers
Let's Go Farm
Stand.earth
Manhattan Beach Huddle
Defend Ballona Wetlands
350 Ventura County Climate Hub
Ballona Wetlands Institute
350 South Bay Los Angeles

Friends of the Earth
Health Justice Commons
Corvallis Interfaith Climate Justice Committee
Asian Pacific Environmental Network
350 Southland Legislative Alliance
Equity Transit
PDA-CA (Progressive Democrats of America
– California)
CA Youth Vs Big Oil
Sunrise SLO
EldersClimateAction, NorCal and SoCal
Chapters
The Climate Alliance of Santa Cruz County
Communities for a Better Environment
Glendale Environmental Coalition
Sunflower Alliance
Central California Asthma Collaborative
Silicon Valley Youth Climate Action
Novasutras
FracTracker Alliance
Businesses for a Livable Climate
CatholicNetwork US
Save the Environmental Protection Agency
Small Business Alliance
System Change Not Climate Change
RapidShift Network
Consumer Watchdog
NextGen California
Center for Race Poverty and Environment
Sierra Club California
Drawdown Bay Area
California Climate Voters
Center for Community Action and
Environmental Justice
Menlo Spark
350 Sacramento
BeniSolSolar
Brightline
CA Working Families Party
California Green New Deal Coalition
California Nurses for Environmental Health
and Justice
CEJA
Clean Power Campaign
Gemini Energy Solutions, Inc.
Green Building Architects
Greenlining
LACI
Physicians for Social Responsibility-Los
Angeles
Project Green Home
Undaunted California
Women's March Santa Barbara