Congress of the United States

Washington, DC 20515

August 30, 2024

The Honorable Gavin Newsom Governor, State of California 1303 10th Street, Suite 1173 Sacramento, California 95814

Dear Governor Newsom:

Your recent proposal to force refineries to withhold supply from the market shows that you and your Administration are more interested in political gimmicks than solving real-world issues. Your proposal will negatively impact the ability of Californians to drive their children to school, purchase groceries, and get to work. By forcing refineries to withhold gasoline from the market, your refinery proposal will require California, Arizona, and Nevada residents to pay more at the pump. Your own Energy Commission states that this proposal threatens to shutter small, local refineries and limit the state's gasoline supply.

A similar stockpile effort attempted in the northeastern states failed miserably, proving that your proposal will have detrimental effects on gasoline prices across the states that depend on California's gasoline. While you claim that withholding supply will lower gas prices, your own Energy Commission recently stated that this will likely artificially constrict gasoline supply and increase prices. Granting political appointees the power to force refineries to store an unknown amount of gasoline without sufficient additional capacity will likely result in insufficient supply for Californians as well as Arizonans and Nevadans who rely on California refiners for gasoline. Refineries are not able to invest hundreds of millions of dollars into building the infrastructure required, especially when you have signaled that California plans to be fossil free by 2045.

Furthermore, granting the California Energy Commission the power to prevent refiners from performing needed maintenance threatens the workers in these refineries and the surrounding communities. Forcing refineries to withhold gasoline from the market and possibly pushing remaining refineries to shut down production threatens our gasoline supply and our way of life. This punitive mandate will have untold consequences on California's energy availability and is yet another attempt at a thinly veiled gas tax.

You have a responsibility to enact proposals that rely on facts and data to address cost of living issues. We are concerned with the course that has been set by this irresponsible policy decision, which will further pinch the pocketbooks of families across California, Nevada, and Arizona.

Sincerely,

Congress of the United States

Washington, DC 20515

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