CALIFORNIA FUELS + CONVENIENCE ALLIANCE

**FOR IMMEDIATE RELEASE:**
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# California's Fuel Supply Takes Another Hit with Benicia Refinery Closure Announcement

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Valero's announcement that it will shut down its Benicia refinery in April 2026 is yet another blow to California's already fragile fuel supply system. The decision reflects the growing impact of California's increasingly aggressive energy policies, which have made it more difficult for in-state refineries to continue operating. As a result, this closure will leave the state with just seven remaining in-state refineries capable of producing California's uniquely formulated gasoline—a dangerously low number for a state of nearly 40 million residents.

"This closure is not just a loss of a refinery—it's a direct hit to California families, businesses, and our economy," said Alessandra Magnasco, Senior Director of Government Affairs for the California Fuels and Convenience Alliance. "California's policy landscape has become so restrictive that in-state operations are no longer tenable for many companies. The consequence is higher costs at the pump, greater price volatility, and increased dependence on foreign fuel sources at a time when global energy markets are anything but stable."

**Key Concerns Raised by the CA Fuels and Convenience Alliance:**

**1. Higher Prices for Drivers**

With fewer refineries producing California-grade gasoline, supply becomes even more constrained. This tight supply means Californians—who already pay the highest fuel prices in the nation—can expect even more price hikes.

**2. Greater Supply Volatility**

California is a "fuel island." No other state refines our fuel, and replacements must come from foreign imports. Losing Benicia removes a key buffer in the system. Even minor disruptions—like maintenance events or weather-related shutdowns—will now have outsized impacts on supply and price.

### 3. Broader Economic Disruption

Refineries don't just produce gasoline—they supply diesel, jet fuel, asphalt, propane, and critical feedstocks used in construction, farming, and shipping. This closure will affect industries across the board, potentially slowing projects, raising costs, and reducing product availability.

### 4. Heightened National Security Risks

Reducing in-state fuel production increases California's reliance on foreign nations for basic energy needs. In times of international tension or natural disaster, this makes the state—and by extension, the nation—more vulnerable to supply shocks and economic coercion.

### 5. Negative Impact on Small Businesses

Gas station owners and fuel marketers do not benefit from high fuel prices. In fact, higher prices discourage fill-ups and reduce foot traffic in stores. This hurts small, locally-owned businesses that rely on fuel sales to support broader retail operations.

### Call to Action for Policymakers

"This should be a wake-up call," said Alessandra Magnasco. "If California is serious about ensuring a stable, affordable, and secure energy future, it must take immediate steps to support in-state production, diversify fuel sources like E85 and E15, and make smart infrastructure investments that protect consumers and businesses alike."

CFCA urges state leaders to consider the long-term implications of declining refinery capacity and take a proactive approach to maintain energy stability during California's ongoing transition.

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### About CFCA

*CFCA is the industry's statewide trade association representing the needs of small and minority wholesale and retail marketers of gasoline, diesel, lubricating oils, motor fuels products, and alternative fuels, including but not limited to, hydrogen, compressed natural gas, ethanol, renewable and biodiesel, and electric charging stations; transporters of those products; and retail convenience store operators. CFCA's members serve California's families, agriculture, police and fire, cities, construction, and all consumer goods moved by the delivery and transportation industries.*