



FOR IMMEDIATE RELEASE: April 11, 2023

Contact: Alessandra Magnasco, CFCA, Policy Manager
Telephone: (916) 646-5999
Email: alessandra@cfca.energy

CFCA's Statement on the Price Gouging Penalty

Sacramento, CA – Following Governor Gavin Newsom's signing of SBX1-2, the Price Gouging Penalty aimed at profit-capping oil companies, the underlying intent of the bill has been irrevocably [exposed](#) as a means to completely eradicate the oil industry in the State.

In response to the unjust and biased agenda that has been highlighted in this signed legislation, the California Fuels & Convenience Alliance (CFCA) issues the following statement:

When announced that the Price Gouging Penalty bill would layer on additional, and redundant, reporting obligations not only required of oil refiners but also for the downstream fuel transporters and marketers, all of whom are small, community businesses. CFCA immediately acted to inform the entire Legislative body of the detrimental consequences this legislation would have on every California resident.

A [letter](#) from the coalition supporting the bill, which was sent to the Chair of the Senate Energy, Utilities and Communications Committee, highlights the real motive behind the Price Gouging Penalty bill - a bill that flew through the Legislature at a record, neck-breaking speed. The letter states, "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...'"

And paired with the State's rigorous push for a fully electric future, one can put two and two together to understand that a penalty on oil companies, and costly, onerous reporting requirements for the entire fuel supply chain, will undoubtedly make for an easier argument to transition; if the state can artificially inflate the cost of fuel and further strain consumers' pocketbooks, then maybe they have a chance at convincing Californians that the cost to switch to an EV is negligible.

Governor Newsom manipulated consumers into believing he was attempting to "lower gas prices" to pass his Price Gouging Penalty, which is now being exposed for what it was: a hidden agenda to shut down the oil industry in the State. When Newsom realized he didn't have the backing of the Legislature to force the oil industry out of business with a Windfall Tax, he was backed into a corner and had to settle for a "profits cap" and grueling reporting bill. The magnitude of these actions means that the small, neighborhood community businesses that serve all Californians at every block will suffer in order to appease a political agenda, and California residents will bear the burden of even higher gas prices as a result of increased business costs and diminished competition. The implications of this: almost 200,000 working-class Californians in the industry could be out of jobs, every Californian will pay higher prices at the pump, and even more businesses will flee the state.

"CFCA supports transparency and equitability in the transition to a cleaner energy future, values that the California government claims their policies are built upon. But this unveiling of the Price Gouging Penalty's true agenda proves that small businesses in the oil industry are not being provided the fair opportunity to stay in business by having a part in the State's clean energy plan," said Elizabeth Graham, CEO of the California Fuels and Convenience Alliance. "These small, neighborhood businesses operated by hardworking Californians do not deserve to suffer from these onerous mandates. They do not deserve to be displaced out of jobs when there is no proper course of action in place to ensure Californians in this industry will be taken care of and their livelihoods unaffected. The California government needs to understand that an attack on the state's oil industry is an attack on their very own people."

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.