

MONTEREY COUNTY



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January 19, 2023

The Honorable Senator Nancy Skinner
Capitol Office, 1021 O Street, Suite 8630
Sacramento, CA 95814

Re: SB X1-2: Transportation fuels: maximum gross gasoline refining margin. - SUPPORT

Dear Senator Skinner:

On behalf of the Monterey County Board of Supervisors, I am writing to express our support for SB X1-2, the Price Gouging Penalty bill.

As oil companies hiked prices and raked in record profits in late 2022, the impacts have had a ripple effect that staggered communities, consumers, labor, and businesses across the state. We support the Price Gouging Penalty to discourage these price hikes from happening in the first place and help provide much-needed oversight and transparency to hold the oil and gas industry accountable creating checks and balances to protect Californians. If oil companies exceed the bill's threshold for maximum refining margins, they will be charged a tiered penalty amount to be deposited into the Price Gouging Penalty Fund, which will return these excessive profits back to Californians for the prices they were gouged at the pump.

Furthermore, we support expanding the authority of the California Energy Commission and California Department of Tax and Fee Administration to investigate and obtain information from Big Oil. With increased oversight and transparency, the State can evaluate costs, profits, and pricing in the refining, distribution, and retail segments of the California gasoline market to uncover irregularities and minimize the likelihood of future unjustifiable price hikes.

Due to the significant and severe environmental and financial burdens that the oil and gas industry has imposed for decades, we thank you for taking steps to provide realistic solutions that will support communities, consumers, labor, and businesses through oversight and accountability.

Sincerely,

A handwritten signature in blue ink, appearing to read "Luis A. Alejo".

Luis A. Alejo, Chair
Monterey County Board of Supervisors

Cc: Governor Gavin Newsom
Hon. Anna Caballero, 14th Senate District
Hon. John Laird, 17th Senate District
Hon. Robert Rivas, 29th Assembly District

Hon. Dawn Addis, 30th Assembly District
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)