TAKING ON BIG OIL'S EXCESSIVE PROFITS TO KEEP MONEY IN YOUR POCKETS

A price gouging penalty on Big Oil and the country's most aggressive transparency measures

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- **Governor Newsom is proposing a price gouging penalty on excess oil refiner profits to help keep gas prices down and protect Californians from being ripped off**
- **California will hold Big Oil accountable with the country's most aggressive transparency and oversight measures to help prevent future price gouging**

As oil companies continue to evade questions about unexplained gas price hikes that led to record profits, Governor Gavin Newsom is convening a special session of the California Legislature to pass a penalty on oil companies' price gouging to prevent Californians from being ripped off.

Oil companies hiked the price of gas in California to $6.42 per gallon this fall, a historic $2.61 more than the national average. This contributed to record oil profits of $63 billion in just 90 days for Big Oil. Governor Newsom's actions since the peak price has decreased costs by more than $1.63.

This price hike occurred while crude oil prices dropped, state taxes and fees remained unchanged, and refinery maintenance only affected 5.8% of the state's gas supply. Governor Newsom's proposal will discourage price hikes from happening in the first place, get money back into Californians' pockets, and establish new accountability and transparency measures.

PRICE GOUGING PENALTY TO KEEP MONEY IN CALIFORNIANS' POCKETS

The price gouging penalty is structured to prevent oil companies from lining their pockets by hiking up gas costs, instead keeping prices low and money in people's pockets. If an oil company violates the law by collecting excessive profits, they will be fined and that penalty money would be given back to Californians.

- **OUTLAWING REFINERS FROM CHARGING EXCESSIVE COSTS, DISCOURAGING PRICE HIKES FROM HAPPENING IN THE FIRST PLACE.** When a refiner's gross margin exceeds a certain amount, the California Energy Commission (CEC) will be authorized to impose a civil penalty that would increase with the size of the price gouging. The purpose is to deter excessive pricing by refiners in the first place.
- **KEEPING MONEY IN CALIFORNIANS' POCKETS.** While the goal of the price gouging penalty is to discourage price hikes from hitting Californians in the first place, any penalties collected will go to a Price Gouging Penalty Fund and will then go back to Californians.

TRANSPARENCY & OVERSIGHT TO HOLD BIG OIL ACCOUNTABLE

In addition to the price gouging penalty, California is taking action to demand greater transparency from the oil industry to shed light on factors that increase the price of gasoline and contribute to gas price spikes.

- **IMPROVING TRANSPARENCY IN THE OIL INDUSTRY SO THE STATE CAN ROOT OUT THE CAUSES OF PRICING IRREGULARITIES.** By expanding the CEC and the California Department of Tax and Fee Administration's ability to investigate and obtain information from Big Oil, the state can evaluate costs, profits, and pricing in the refining, distribution, and retail segments of the California gasoline market, and to uncover pricing irregularities in the California gasoline market and their effect on tax revenue.
- **PROVIDING FOR GREATER OVERSIGHT TO MINIMIZE THE LIKELIHOOD OF FUTURE SUPPLY OR PRICE SHOCKS.** The Governor's proposal will give the CEC the ability to ensure that maintenance and inventory levels do not lead to supply shortages, which have led to price hikes.