



TAKING ON BIG OIL'S EXCESSIVE PROFITS TO PROTECT CALIFORNIA FAMILIES

Strong and effective new oversight measures & a price gouging penalty to hold Big Oil accountable

Oil companies hiked the price of gas in California to \$6.42 per gallon last year, a historic \$2.61 more than the national average. The bulk of that increase went straight to Big Oil's bottom line – leaving them with a record \$200 billion in profits for the year. Gov. Newsom's new transparency and oversight measures include a price gouging penalty to hold Big Oil accountable.

TRANSPARENCY AND OVERSIGHT FOR CALIFORNIA'S OIL INDUSTRY

- **NEW INDEPENDENT WATCHDOG TO DETER BIG OIL FROM RIPPING OFF CALIFORNIANS.** The Governor's proposal establishes a new independent division within the California Energy Commission (CEC). The division will be staffed by market experts, economists, and investigators charged with providing independent oversight and analysis of the petroleum market for the protection of consumers by identifying market design flaws and market power abuses. The division will have its own subpoena power to investigate industry's sales and pricing activities and can refer violations to the Attorney General for prosecution.
- **IMPROVING TRANSPARENCY IN THE OIL INDUSTRY SO THE STATE CAN ROOT OUT THE CAUSES OF PRICING IRREGULARITIES.** Enhancing CEC and CDTFA's authority to analyze why California has seen unexplained higher gas prices since 2015 – sometimes referred to as the "mystery gasoline surcharge" – and enforcing reporting requirements on the oil industry will provide greater transparency into California's petroleum market and force companies to play by the rules.

HOLDING BIG OIL ACCOUNTABLE FOR PRICE GOUGING

- **AUTHORIZES CEC TO IMPOSE A PRICE GOUGING PENALTY.** The goal of the price gouging penalty is to discourage price gouging of California consumers in the first place. This measure authorizes the CEC via a public rulemaking process, and informed by expert analysis, to impose a civil penalty on refiners who have engaged in price gouging.