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COMMENTARY

With Californians paying sky-high gas prices, now's not the time for new oil regulations

BY TONY STRICKLAND
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The Phillips 66 refinery in Wilmington, on Sept. 30, 2025. It shut down in December. Photo by Stella Kalinina for CalMatters

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parts of Los Angeles and Orange counties.

Californians are hurting, struggling to get by under the high energy costs that have become a hallmark of life in our state.

And rather than bring down costs, a proposal from regulators to update the state’s “[cap-and-invest](#)” program — designed to limit greenhouse gas emissions — is going to make things even worse.

Our state is at a turning point. Drivers here pay the [highest gas prices](#) in the country by a huge margin. Even before the war in Iran prices at the pump were soaring, [jumping nearly 40 cents a gallon in February](#).

In the past six months, one refinery shut down and another plans to in April. That will eliminate nearly 20% of California's refining capacity and deepen our reliance on imported foreign fuel.

Despite that, the California Air Resources Board, also known as CARB, is moving forward with [changes to the state's signature climate law](#) that are projected to further [increase prices at the pump by up to \\$1 per gallon by 2030](#).

CARB's changes would result in California's few remaining refineries facing [up to \\$9 billion in new compliance costs](#). This cost is unsustainable and many refiners can't or won't take on. With energy companies already leaving the state, this added cost burden could cause massive damage to what's left of our energy infrastructure.

Gov. Gavin Newsom recently praised California's transition to an "import model," where fuel is refined out-of-state and shipped into our market. His plan ignores major financial, environmental and national security drawbacks to outsourcing our energy infrastructure.

Californians are left to pay fuel production costs for foreign companies, who operate overseas refineries that produce greater pollution than California's refineries. That fuel is shipped on tankers that pump out carbon during around-the-world trips to our ports.

Additionally, local refineries and related businesses are bedrocks of their communities, employing hundreds of workers in good-paying jobs, paying millions in property taxes, contributing to local civic organizations and boosting the economy. When they shut down, those benefits disappear.

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By [Jeanne Kuang](#) and [Alejandro Lazo](#)

CARB calls that “leakage”— where demand for a product is strong, but companies decide it’s cheaper to operate outside California’s environmental mandates and just ship their goods into our markets.

California needs gasoline, diesel and jet fuel. If our policies push refineries out of business, we are forced to get it from somewhere else — no matter the cost.

Relying on imports also [leaves us vulnerable to geopolitical disruptions](#) and other factors outside our control. California depends on Asian refineries to produce our special blend of fuel. As those refineries decide to limit exports, the decision to allow foreign control of our fuel supply looks foolish.

With sky-high gas prices, refineries shutting down, and problems relying on imports highlighted by war in the Middle East, California cannot get this wrong.

Members of CARB should slow down and revise their proposal with a plan that protects the in-state energy infrastructure by avoiding massive new costs for fuel producers. Rushing through a proposal to hit an arbitrary emissions reduction target is reckless, with real consequences for working Californians who can least afford it.

Most people can’t afford [a new electric vehicle](#), with starting prices around \$55,000. They can’t choose to not go to work or not take their kids to school.