

Tan Rezaei

To the California Air Resources Board:

I am writing to urge CARB to reconsider any proposed amendments that would further increase gasoline prices for California families and businesses.

California motorists already face some of the highest fuel prices in the nation. As of now, AAA shows California's average regular gasoline price at about \$5.20 per gallon, compared with a national average of about \$3.48—a gap of roughly \$1.73 per gallon.

That price gap is not occurring in a normal or resilient fuel market. California's fuel system is unusually fragile. The California Energy Commission's Division of Petroleum Market Oversight reported that after the planned closure of Phillips 66's Los Angeles refinery in 2025, the top four firms would control 98% of in-state refining capacity, and if Valero's Benicia refinery closes in 2026, concentration would rise further. The same report indicates these refinery changes would significantly tighten supply in an already isolated market.

California also operates under a unique fuel system with special specifications and limited ability to quickly replace lost supply from other states, which means any additional regulatory cost or operational shock is magnified at the pump. At the same time, CARB is currently taking public comment on proposed amendments to the Cap-and-Invest regulation, with comments due March 9, 2026, and CARB's own recently amended LCFS program already took effect on July 1, 2025.

Whether the exact added cost is 10 cents, 37 cents, 74 cents, or more, the central issue is the same: California consumers are being asked to absorb more risk and more cost in a fuel market that is already strained. Reuters reported that CARB analysis on the LCFS amendments suggested gasoline price impacts averaging about 37 cents per gallon through 2030, while outside analyses have warned of substantially higher upside risk depending on credit prices and market conditions. CARB, on the other hand, has publicly argued that some independent experts project a much lower near-term pass-through. That range of disagreement itself is a reason for caution.

I respectfully ask CARB to do the following before advancing additional rules that could raise fuel prices further:

Pause or revise the proposal until a fresh, transparent, and independent assessment is completed on cumulative pump-price impacts, not just program-specific impacts in isolation.

Account for refinery closures and supply concentration in the state's fuel market before imposing additional costs that may accelerate instability.

Evaluate the affordability impacts on working families, commuters, small businesses, and inland communities, which are disproportionately harmed by fuel price spikes.

Coordinate with the California Energy Commission and other state agencies on a fuel reliability strategy before adopting changes that could further tighten supply.

Phase in any future requirements more slowly and include safeguards that automatically delay implementation if fuel prices or supply conditions deteriorate.

Climate goals matter, but policy durability matters too. If Californians increasingly associate climate policy with unaffordable gasoline, the long-term result will be a loss of public trust and support. A policy that may work on paper but worsens affordability in a fragile market needs to be reconsidered.

Please do not move forward with any amendment that materially raises fuel costs without first demonstrating, in a transparent and credible way, that California's fuel supply system can absorb it without causing further harm to consumers.

Respectfully,

Tan Rezaei