

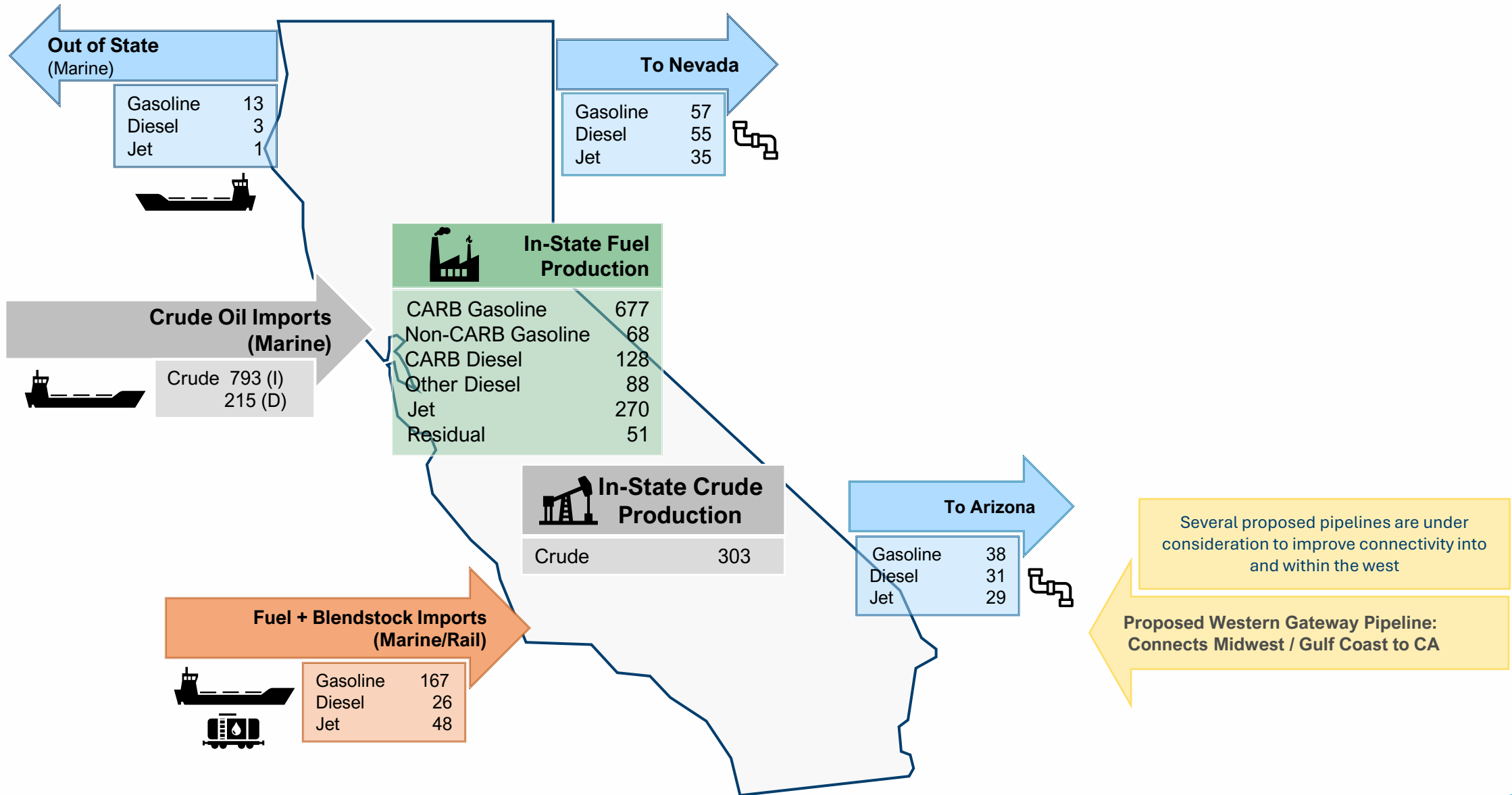


Update on the State's Efforts to Ensure Affordable and Reliable Fuel Supply

Vice Chair Siva Gunda
California Energy Commission
June 3, 2026

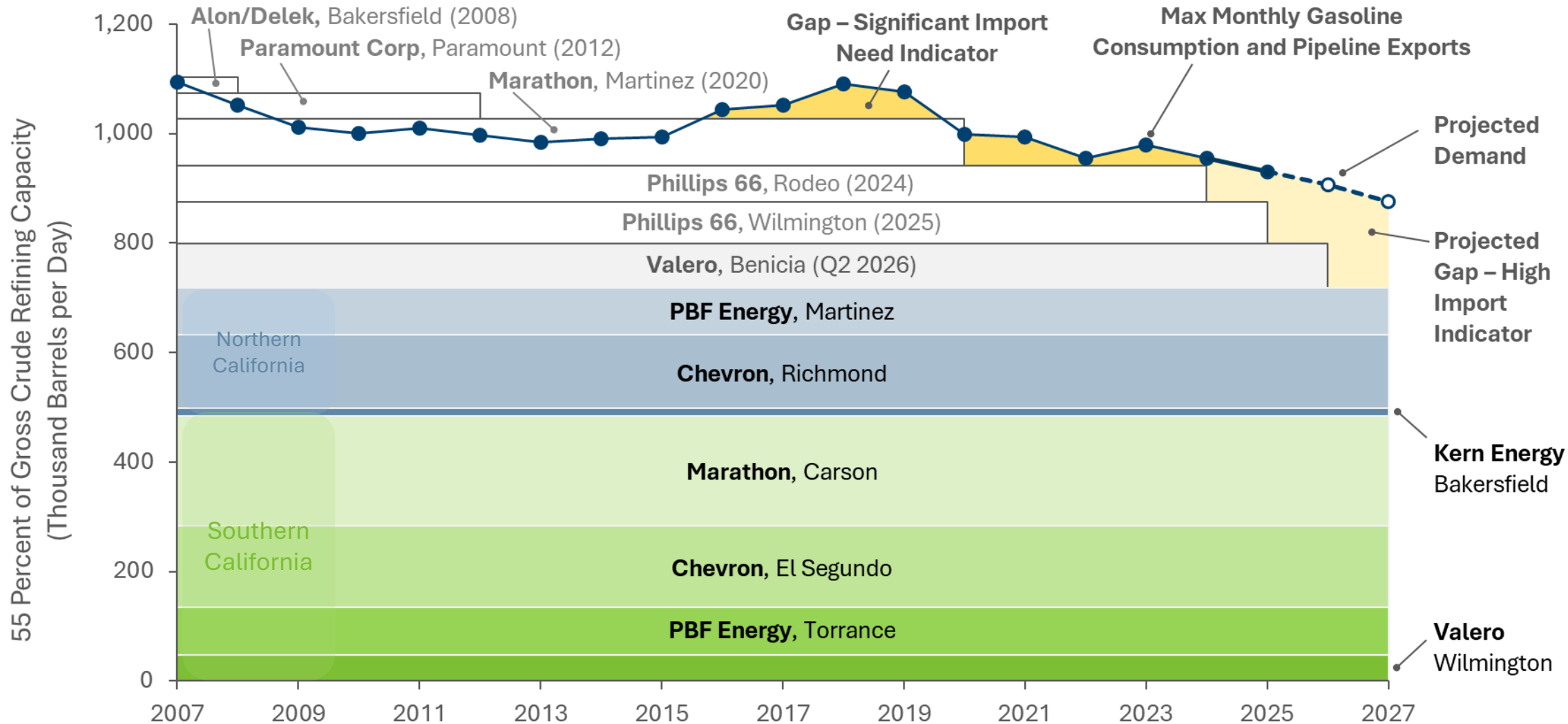


California And Regional Fuels System Is Evolving





Imports are Increasing with Contraction of In-State Refining



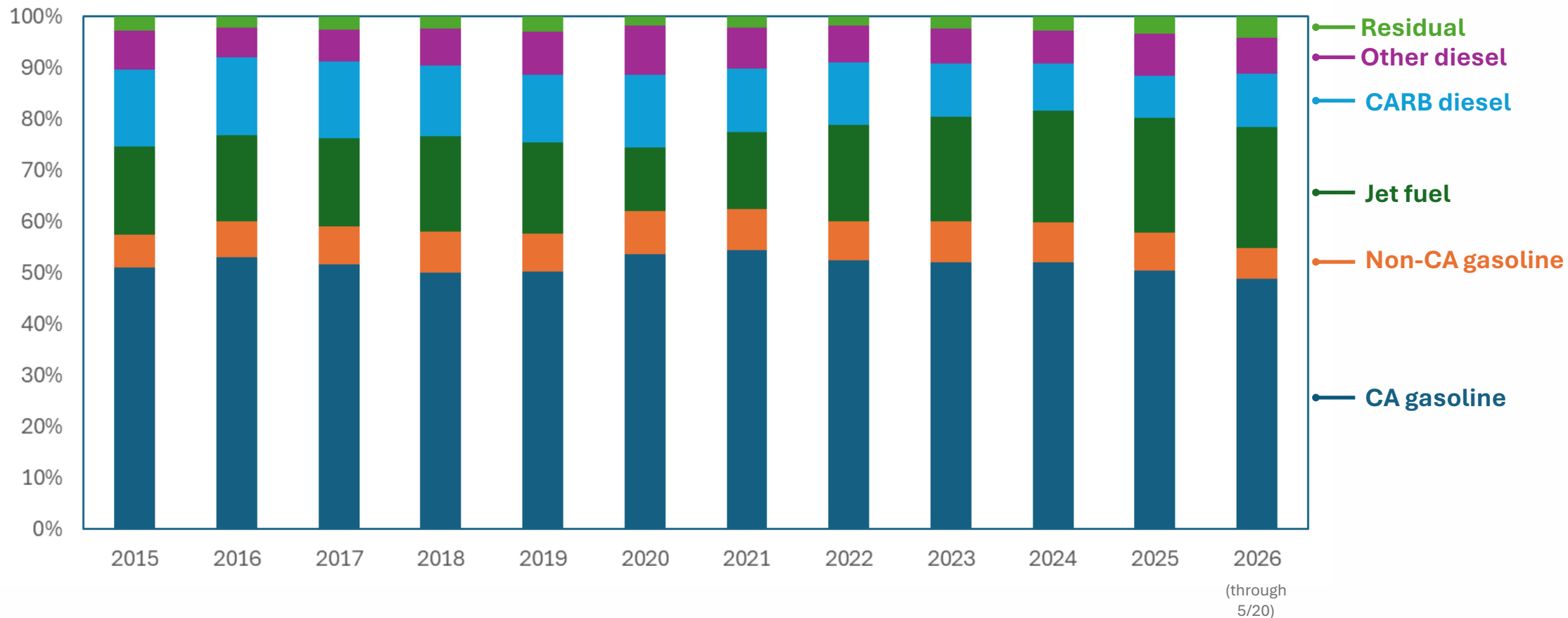
Source: CEC Staff



Refinery Production Slate Over Past Decade

There is some, though limited, flexibility in products refineries produce

California Refineries' Production

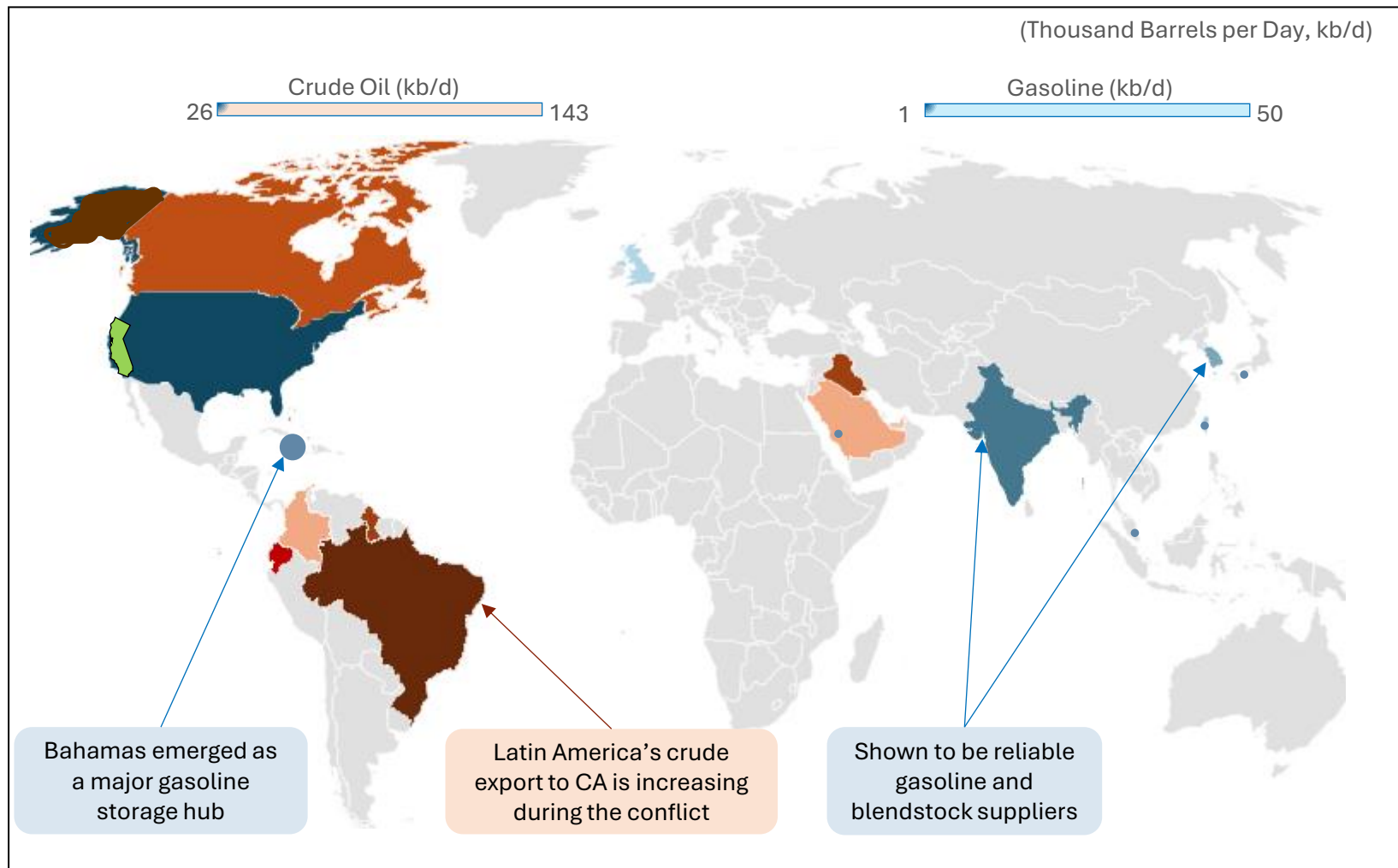


Source: CEC Staff



California's Crude and Gasoline Imports Continue to Diversify

California's Major Crude and Gasoline Suppliers, 2025



Crude Imports

1,008 kb/d
(2025)

Crude Oil Imports	
Region	Kb/d
Brazil	143
Iraq	139
Guyana	109
Canada	97
Ecuador	95
Saudi Arabia	62
Colombia	30
UAE	27
Others	92
International Crude	793
Alaska	215
Domestic Import	215

Gasoline Imports

167 kb/d
(2025-Unaudited)

Gasoline Imports	
Country	Kb/d
United States	50
The Bahamas**	23
India	35
South Korea	20
Others	15
Taiwan	8
United Kingdom	5
Netherlands	4
Japan	4
Saudi Arabia	1
Canada	1
Total	167

** The Bahamas has emerged as a key transit hub for US Gulf Coast and East Coast; gasoline shipments started coming to CA during 2024-25. Gasoline imports from The Bahamas are primarily US Gasoline.

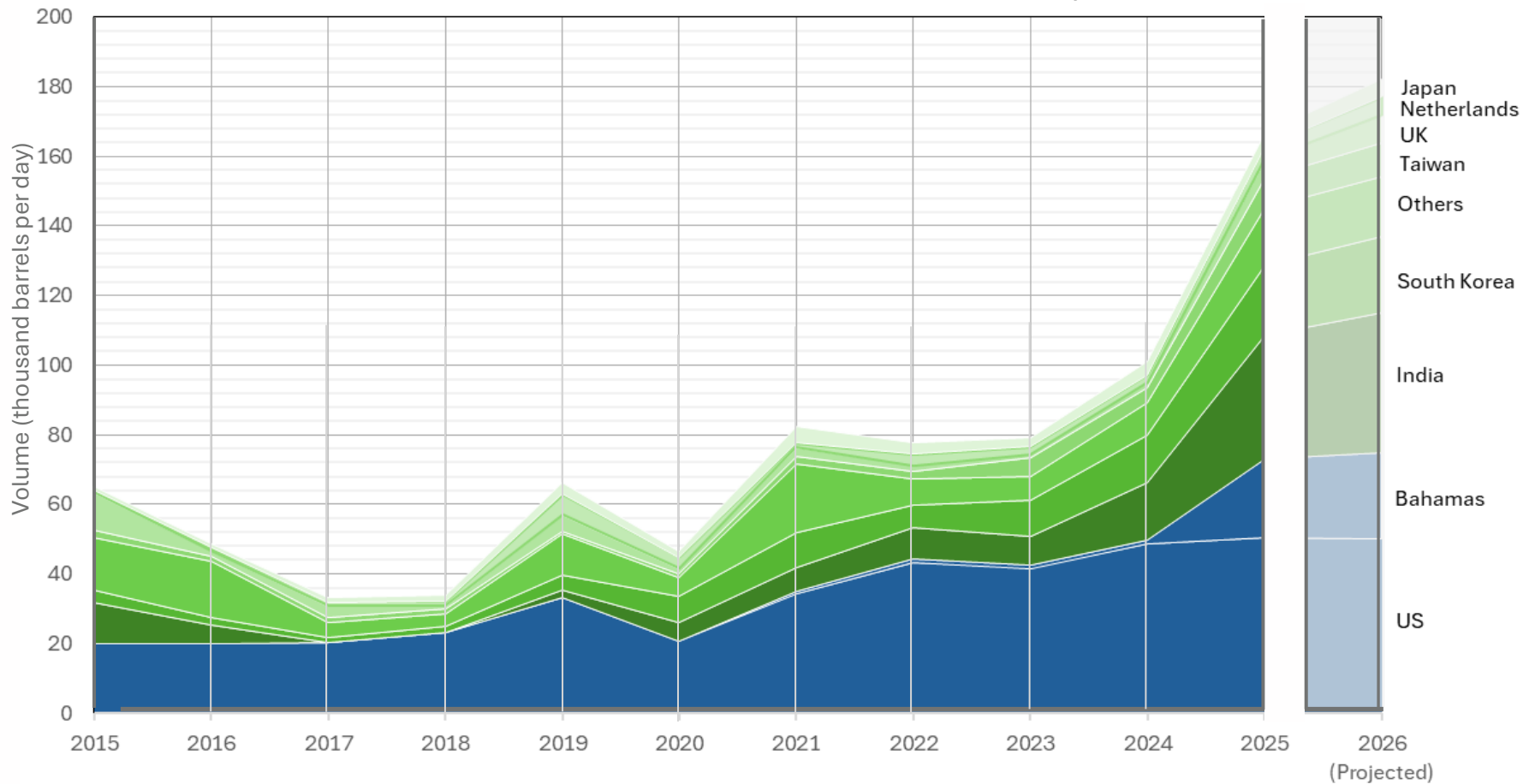
Source: EIA and CEC



Gasoline and Blendstock Imports are Growing

Share of Asian and European Gasoline Imports are Increasing

Volume and Sources of California Gasoline and Blendstock Imports (Thousand Barrels Per Day)

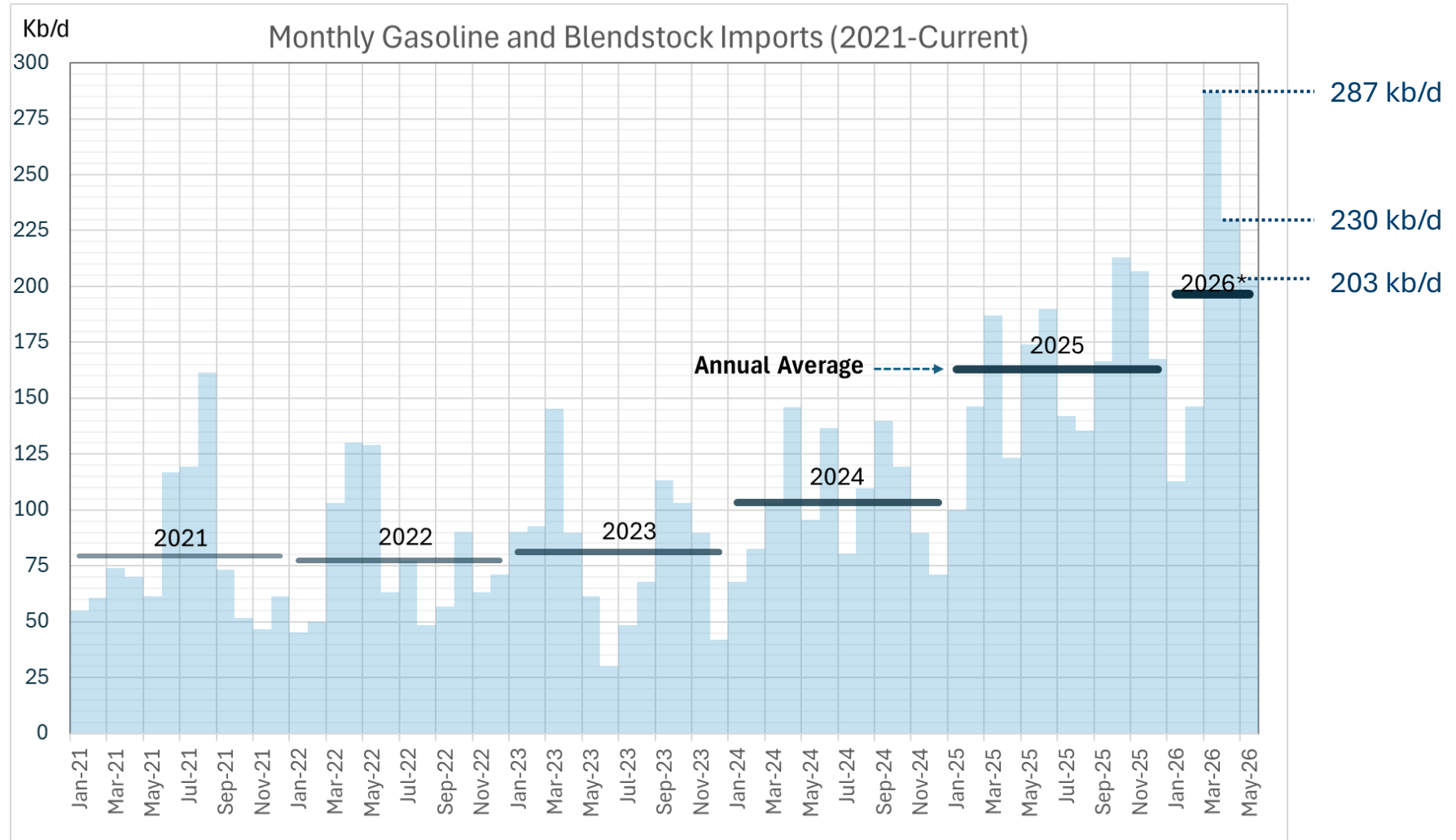


- U.S. domestic barrels remain the core supply base.
- The Bahamas has emerged as a major transit hub.
- Asian suppliers have expanded their presence.
- European volumes are adding flexibility during periods of tight supply.
- 2025 had ~165 kb/d of gasoline and blendstocks imports; 2026 is projected to be higher.

💡 California's gasoline supply system is undergoing a structural shift and imports data show that import infrastructure has been able to absorb elevated volumes. The CEC is evaluating marine terminals and related infrastructure capacity to handle higher volumes.



Healthy Levels of Gasoline and Blendstock Marine Imports in 2026



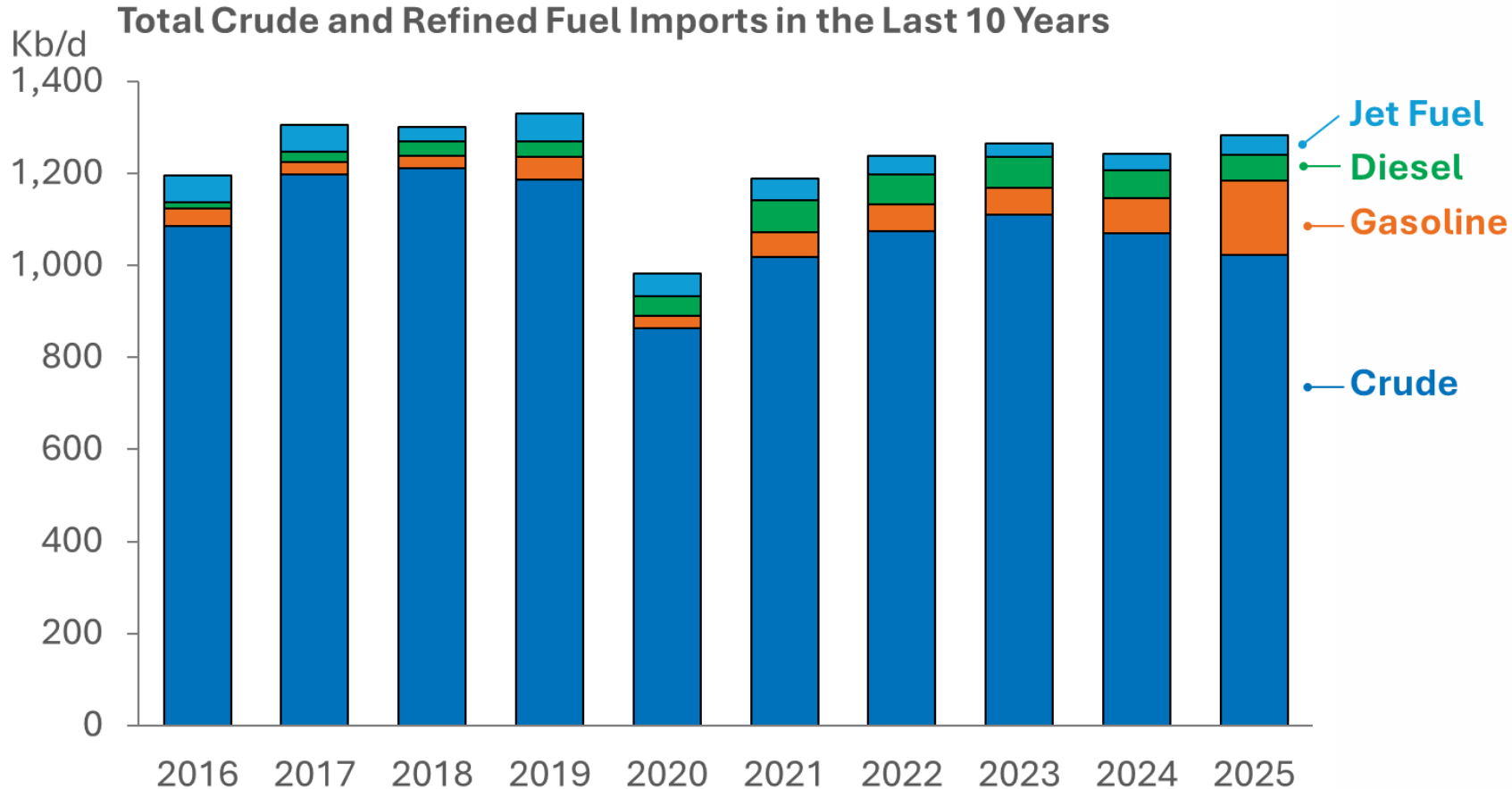
- May imports are based on information known as of 6/1/2026.
- Estimates are based on CEC marine import report form EBR700 and are validated against M700, State Lands Commission data and other data sources.
- 2026 data are projected, pending validation against other data sources.
- Marine imports include gasoline and blendstock received by refiners, which may be counted in gasoline production.

*Jan-May Average



Composition of Marine Imports into California is Changing

2023-2025 decrease in crude imports provides opportunities for refined fuel in the long run. CEC continues to analyze import needs and capacity.



- Lower crude import activity can free up capacity - a shift in how California's import infrastructure is utilized.
- Opportunity for redirecting capacity toward refined fuel imports, supporting long-term market and policy transitions.
- May offer refiners and terminal operators new flexibility as the import market evolves.
- CEC is conducting import need evaluations for the upcoming Transportation Fuels Assessment as required by AB X2-1.

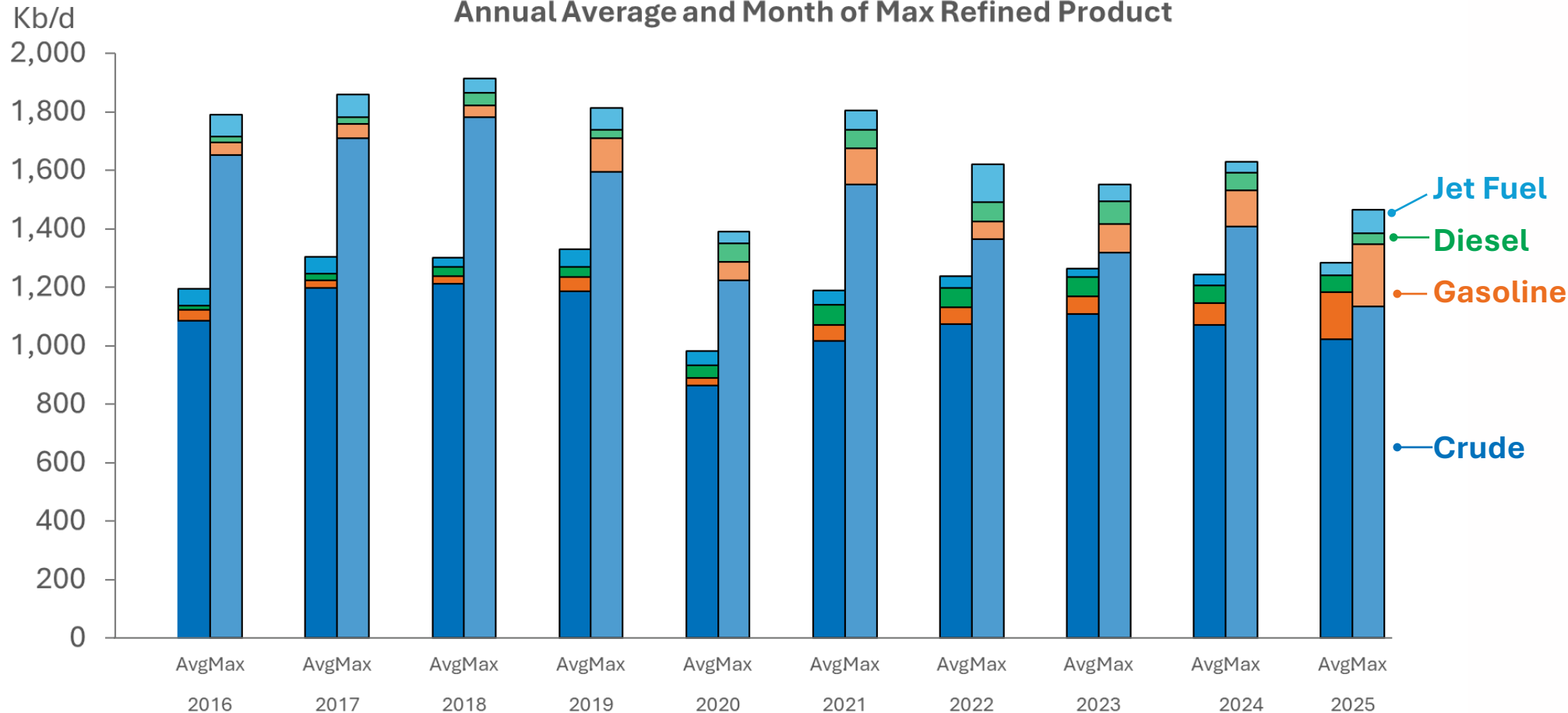
Source: EIA and CEC



Composition of Marine Imports into California is Changing

2023-2025 decrease in crude imports provides opportunities for refined fuel in the long run. CEC continues to analyze import needs and capacity.

**Total Crude and Refined Fuel Imports:
Annual Average and Month of Max Refined Product**



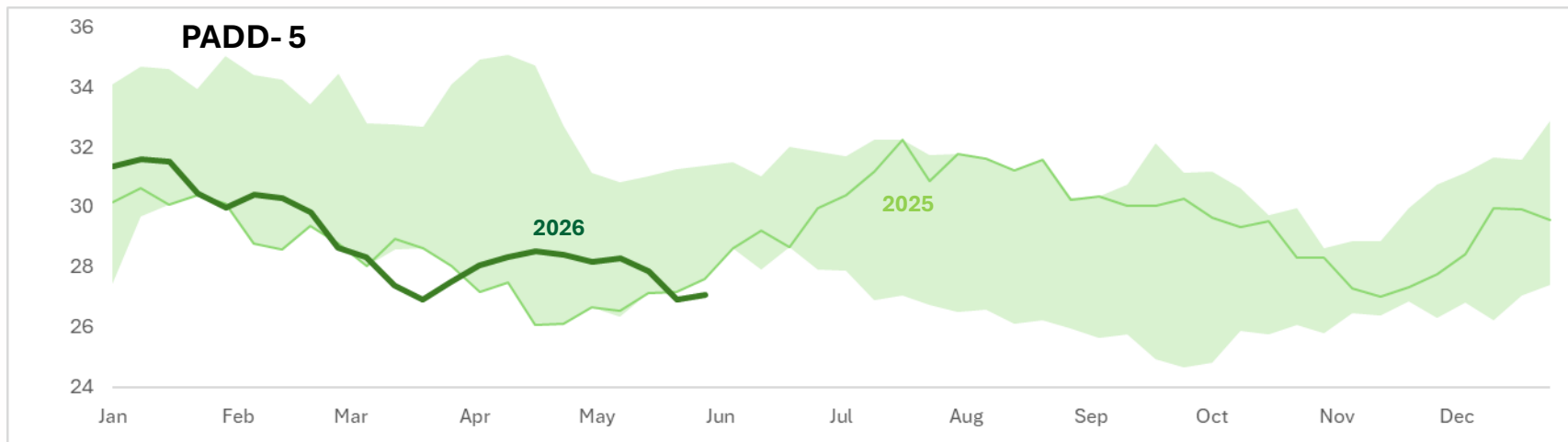
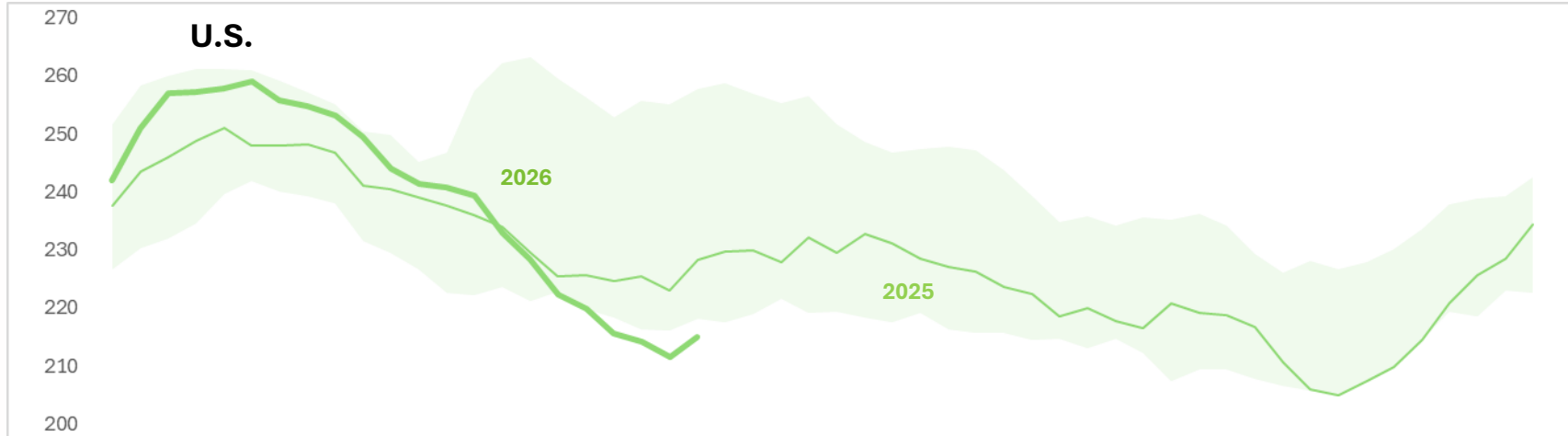
- Maximum volumes can be significantly higher than the average - “surge capacity” needed.
- Refined product import needs are higher than historical peaks.
- CEC is conducting import need evaluations for the upcoming Transportation Fuels Assessment as required by AB X2-1.



U.S. & Regional Inventories for Gasoline

10 Years Inventories Cloud for Gasoline

(Million Barrels)



PADD 5 Inventories

GASOLINE	
10 YEAR RANGE : 24.7M - 35M	
05/08	28.3M
05/15	27.9M
05/22	26.9M
05/29	27.1M

JET FUEL	
10 Yr. RANGE: 7.2M - 12.4M	
05/15	11.0M
05/22	10.8M
05/22	10.8M
05/29	10.8M

DIESEL	
10 Yr. RANGE: 9.8 M - 15.8M	
05/08	10.2M
05/15	10.0M
05/22	10.0M
05/29	10.0M

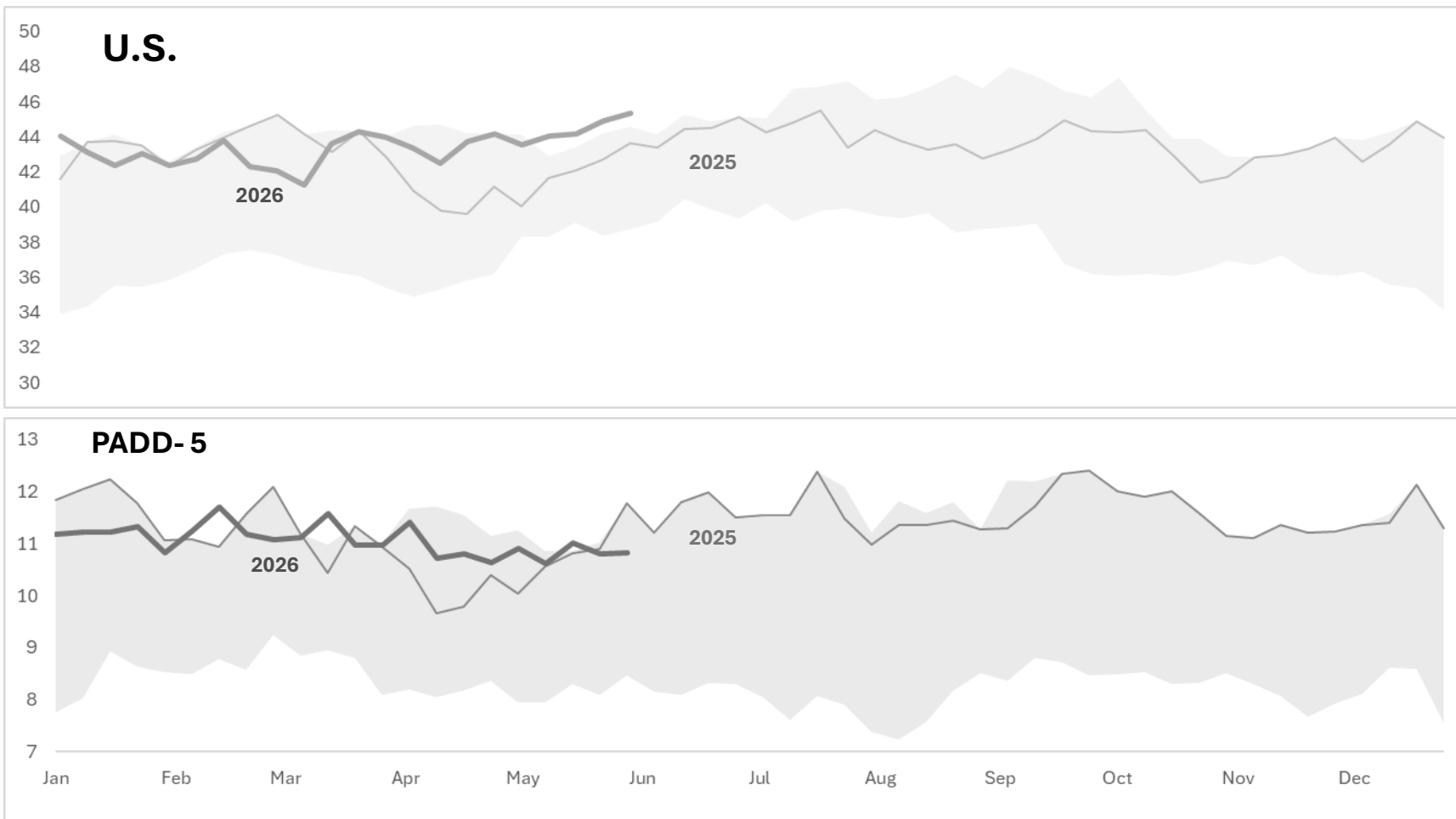
PADD 5 = CA, OR, WA, NV, AZ, AK, HI



U.S. & Regional Inventories for Jet Fuel

10 Years Inventories Cloud for Jet Fuel

(Million Barrels)



PADD 5 Inventories

GASOLINE

10 YEAR RANGE : 24.7M - 35M

05/08	28.3M
05/15	27.9M
05/22	26.9M
05/29	27.1M

JET FUEL

10 Yr. RANGE: 7.2M - 12.4M

05/15	11.0M
05/22	10.8M
05/22	10.8M
05/29	10.8M

DIESEL

10 Yr. RANGE: 9.8 M - 15.8M

05/08	10.2M
05/15	10.0M
05/22	10.0M
05/29	10.0M

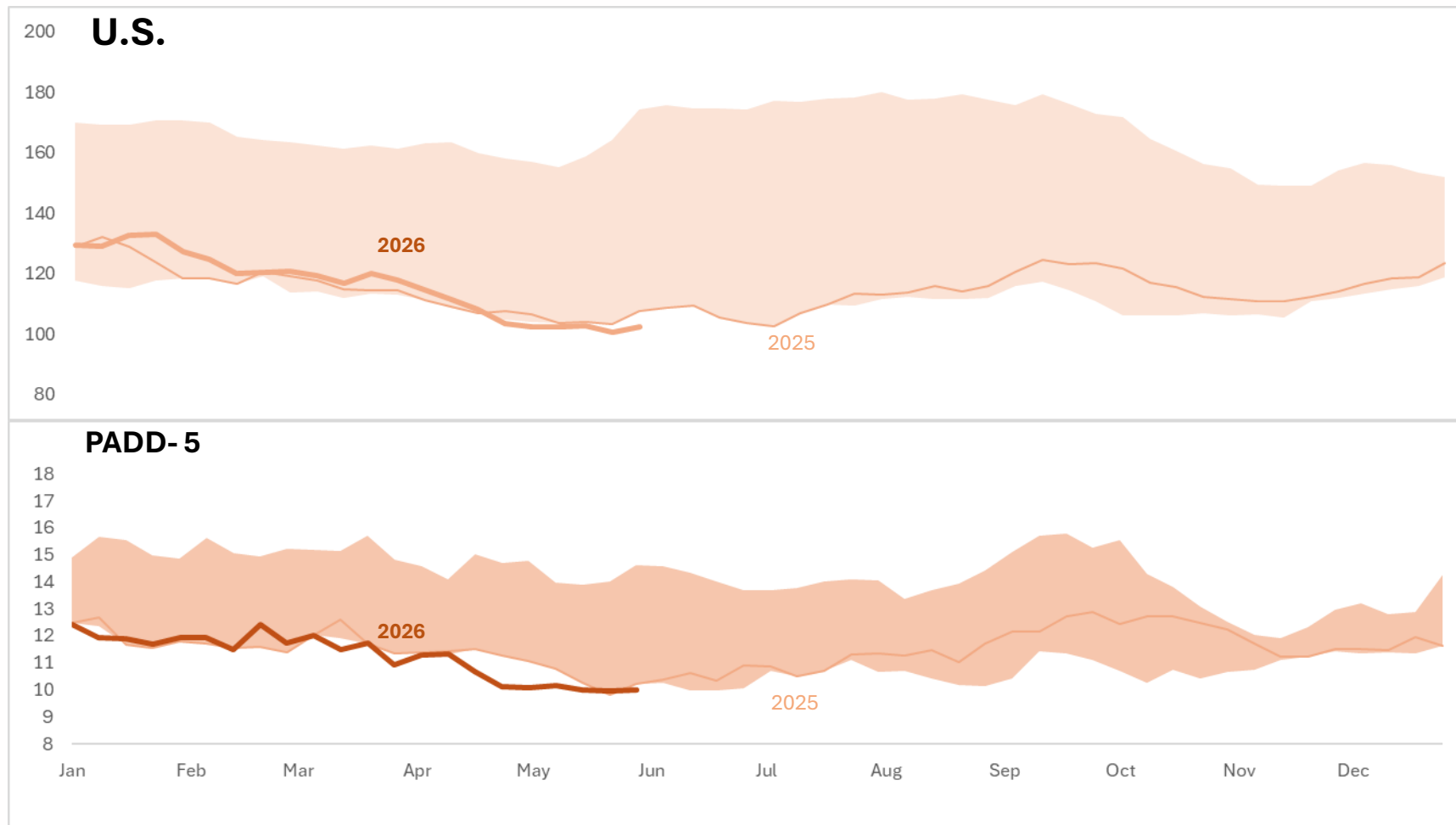
PADD 5 = CA, OR, WA, NV, AZ, AK, HI



U.S. & Regional Inventories for Diesel

10 Years Inventories Cloud for Fossil Diesel

(Million Barrels)



PADD 5 Inventories

GASOLINE

10 YEAR RANGE : 24.7M - 35M

05/08	28.3M
05/15	27.9M
05/22	26.9M
05/29	27.1M

JET FUEL

10 Yr. RANGE: 7.2M - 12.4M

05/15	11.0M
05/22	10.8M
05/22	10.8M
05/29	10.8M

DIESEL

10 Yr. RANGE: 9.8 M - 15.8M

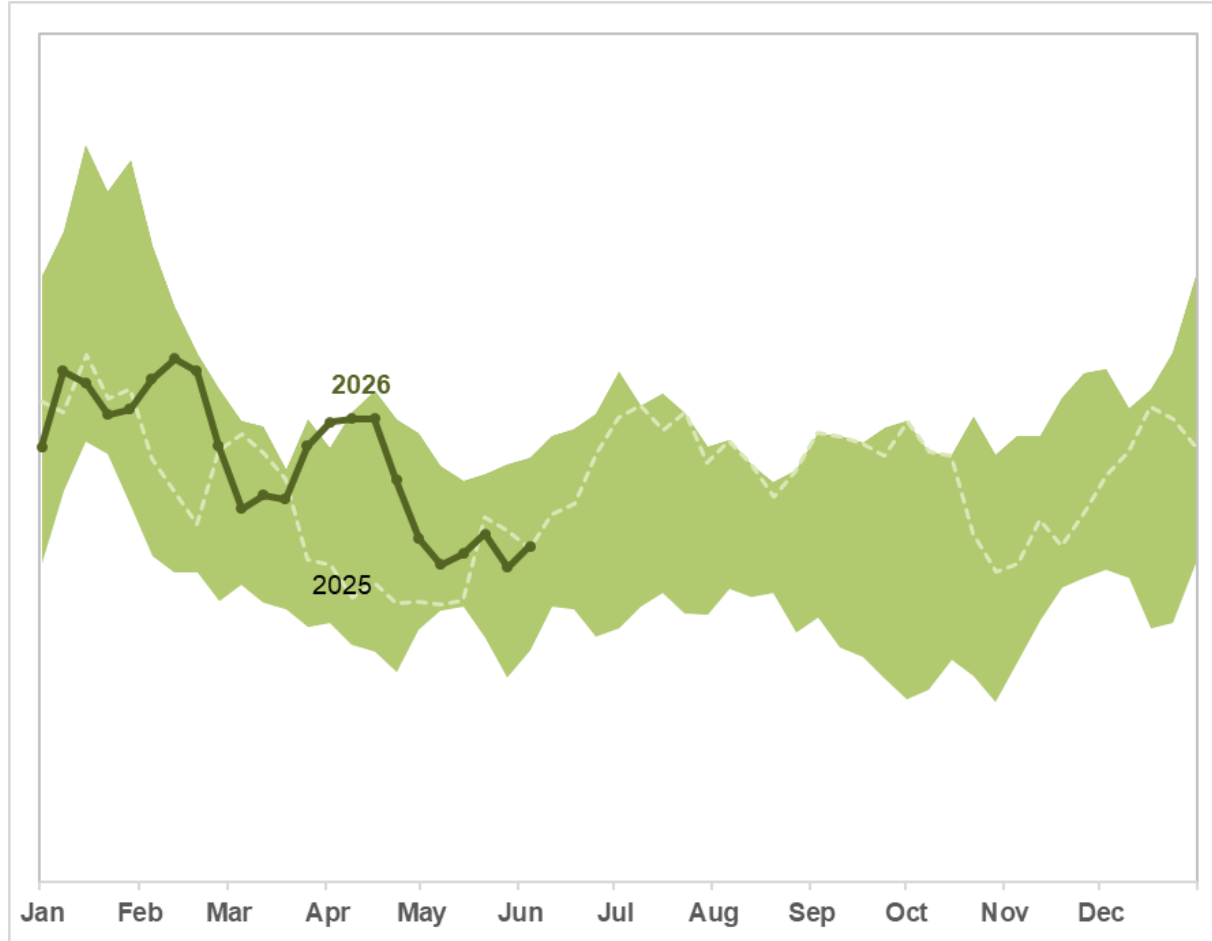
05/08	10.2M
05/15	10.0M
05/22	10.0M
05/29	10.0M

PADD 5 = CA, OR, WA, NV, AZ, AK, HI



California Gasoline Days of Supply is Within Historical Range

California Gasoline: Ten Years Days of Supply (DOS) Cloud



Low PADD 5 Inventory Offset By:

Strong Imports in 2026

- Record level imports for March, April, and May.
- Recent DOS fall calls for more imports in coming weeks

Production anticipated to strengthen in June

- PBF Martinez resumes operations
- June's historically high refinery utilization
- Refiners' ability to pivot crude sourcing from Latin America and Canada provides additional support.

Trends in Gasoline Demand

- Gasoline demand has been decreasing since 2021
- In the past, demand in June-July has tended to be lower than in May

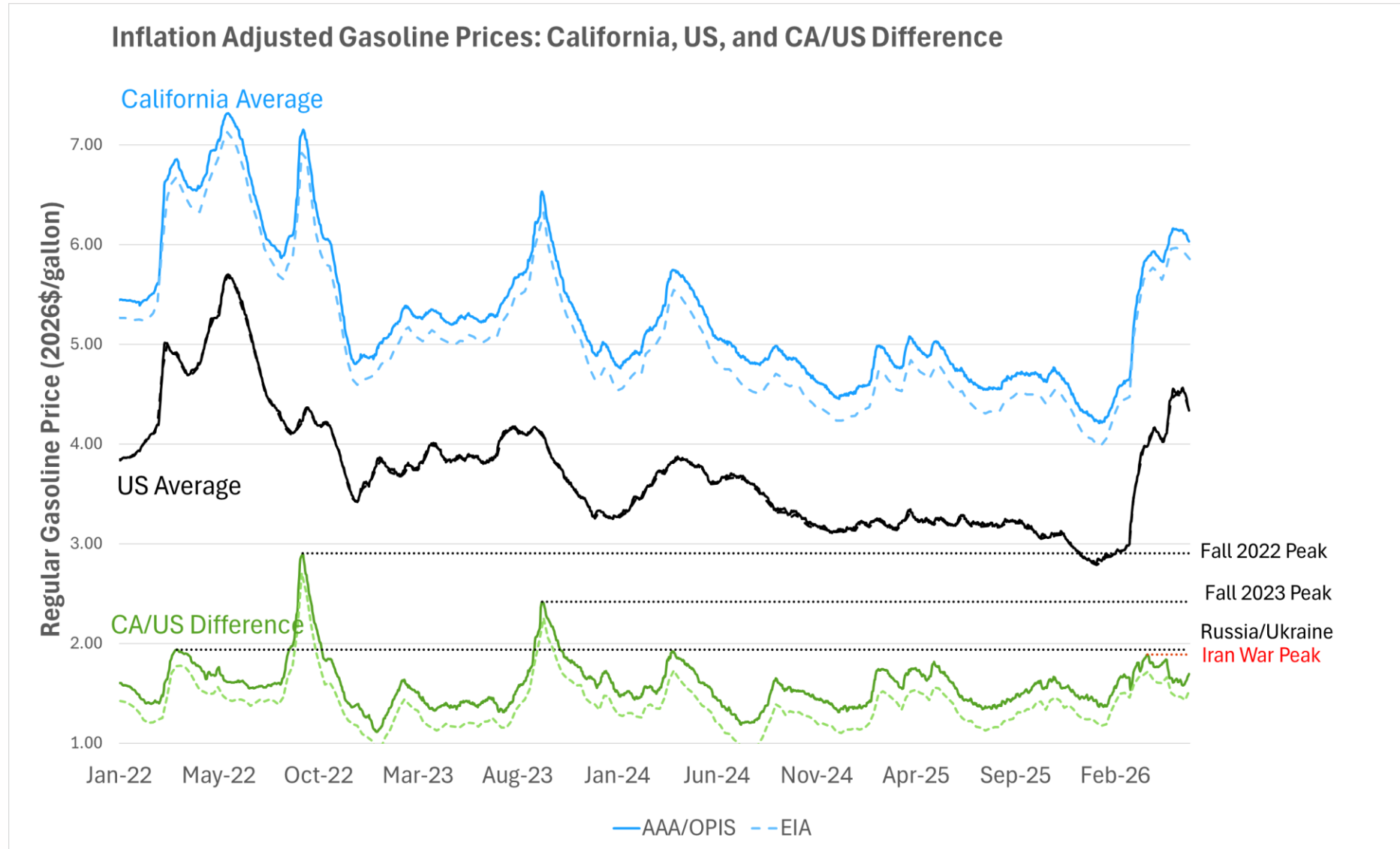
Days of Supply is estimated using weekly production and inventory metrics, projected marine imports, and projected refinery production based on available refinery maintenance information.

Calculated values and data points are not shown to maintain PIIRA confidentiality



Current Trends Are Unlike Fall 2022 and 2023 Spikes

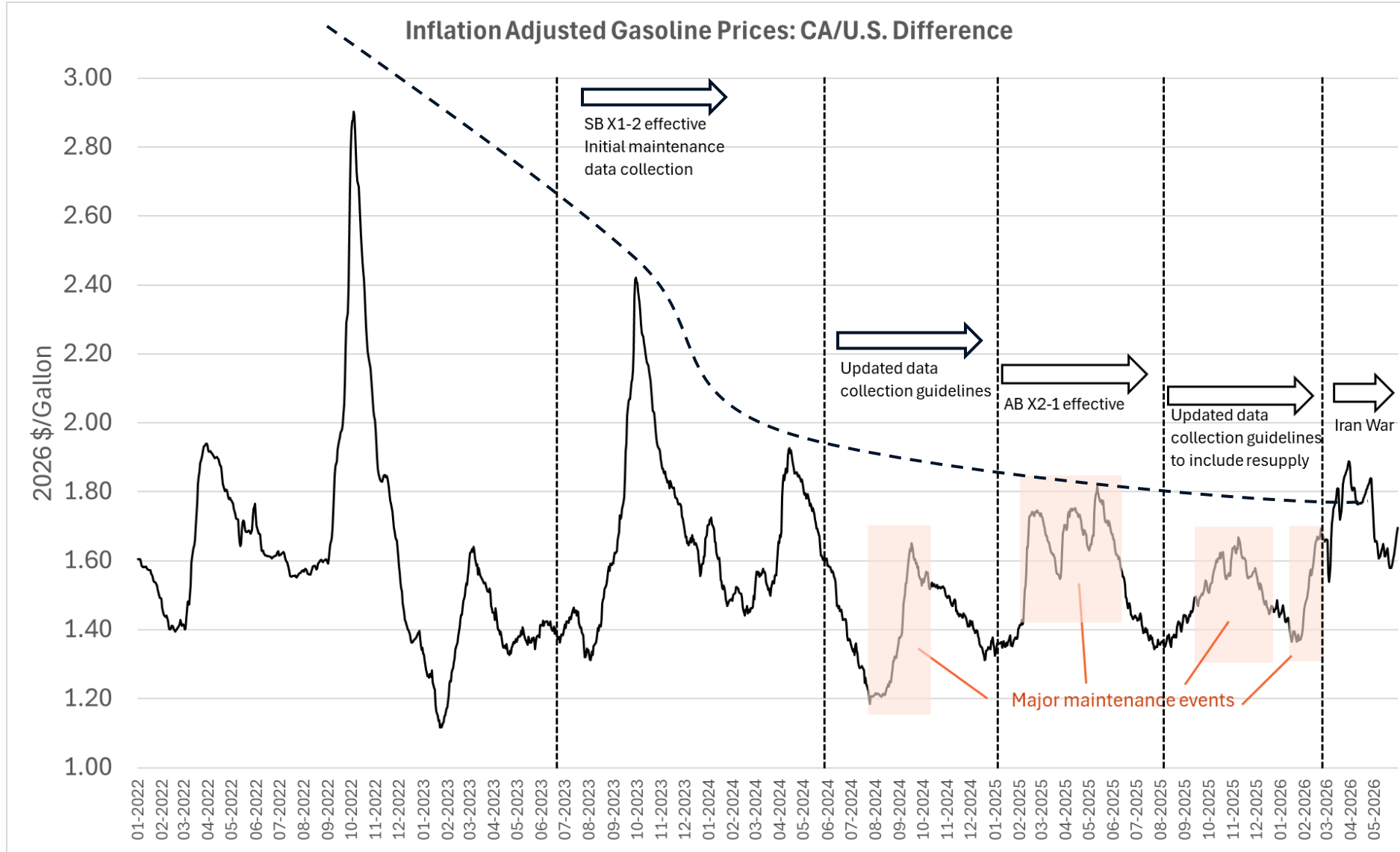
Price trends closely resemble 2022 Russian invasion of Ukraine, lower than fall price escalations



Source: CEC analysis of OPIS, AAA, and EIA data. AAA/OPIS and EIA use different gasoline price methodologies.



Reduced Extremes in CA versus U.S. Prices Since Special Sessions and Greater Transparency

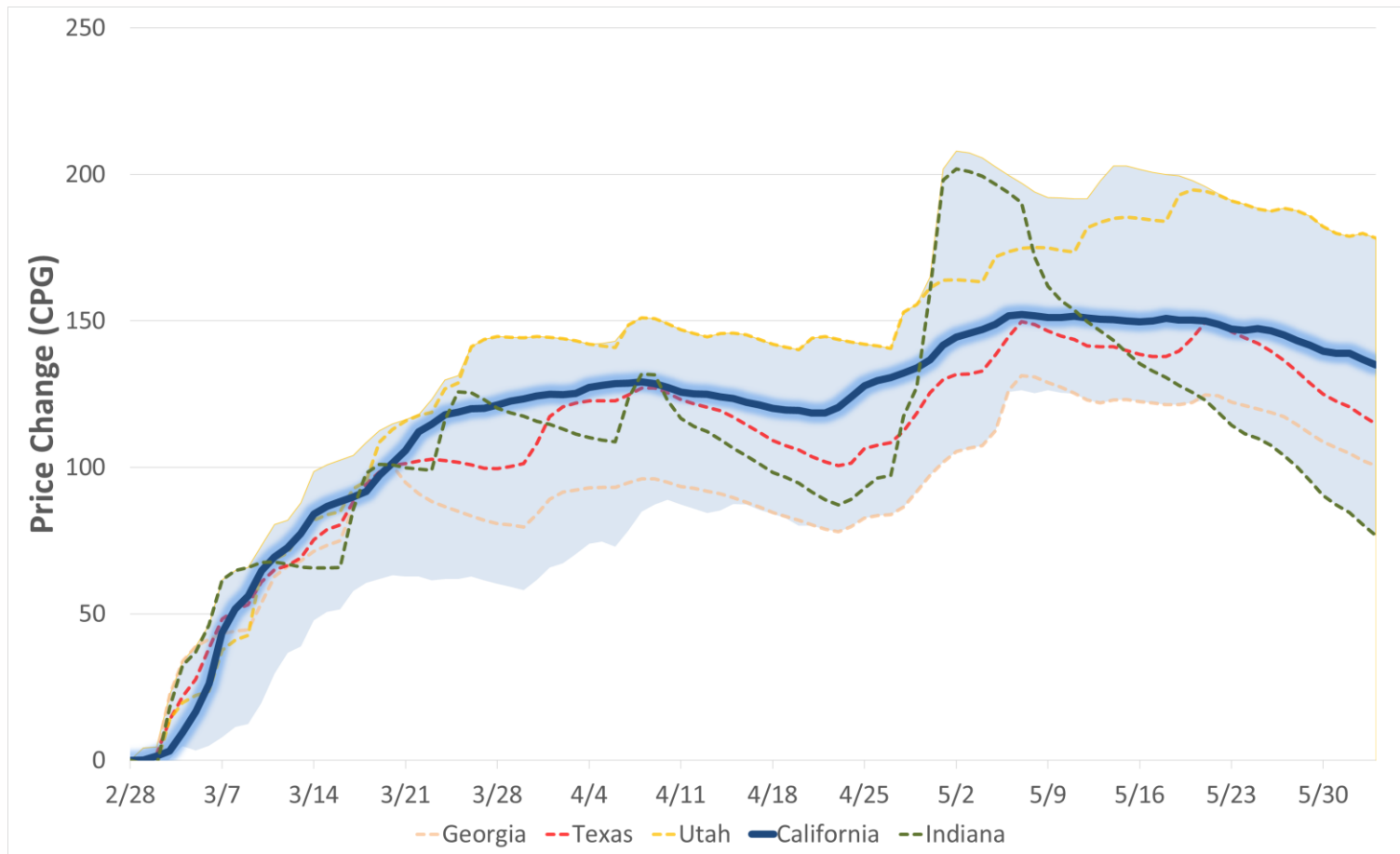


Source: CEC analysis of OPIS, AAA, and public data.



Gasoline Prices are Elevated Across the U.S.

California has not been the state with the biggest price increase since the beginning of the conflict



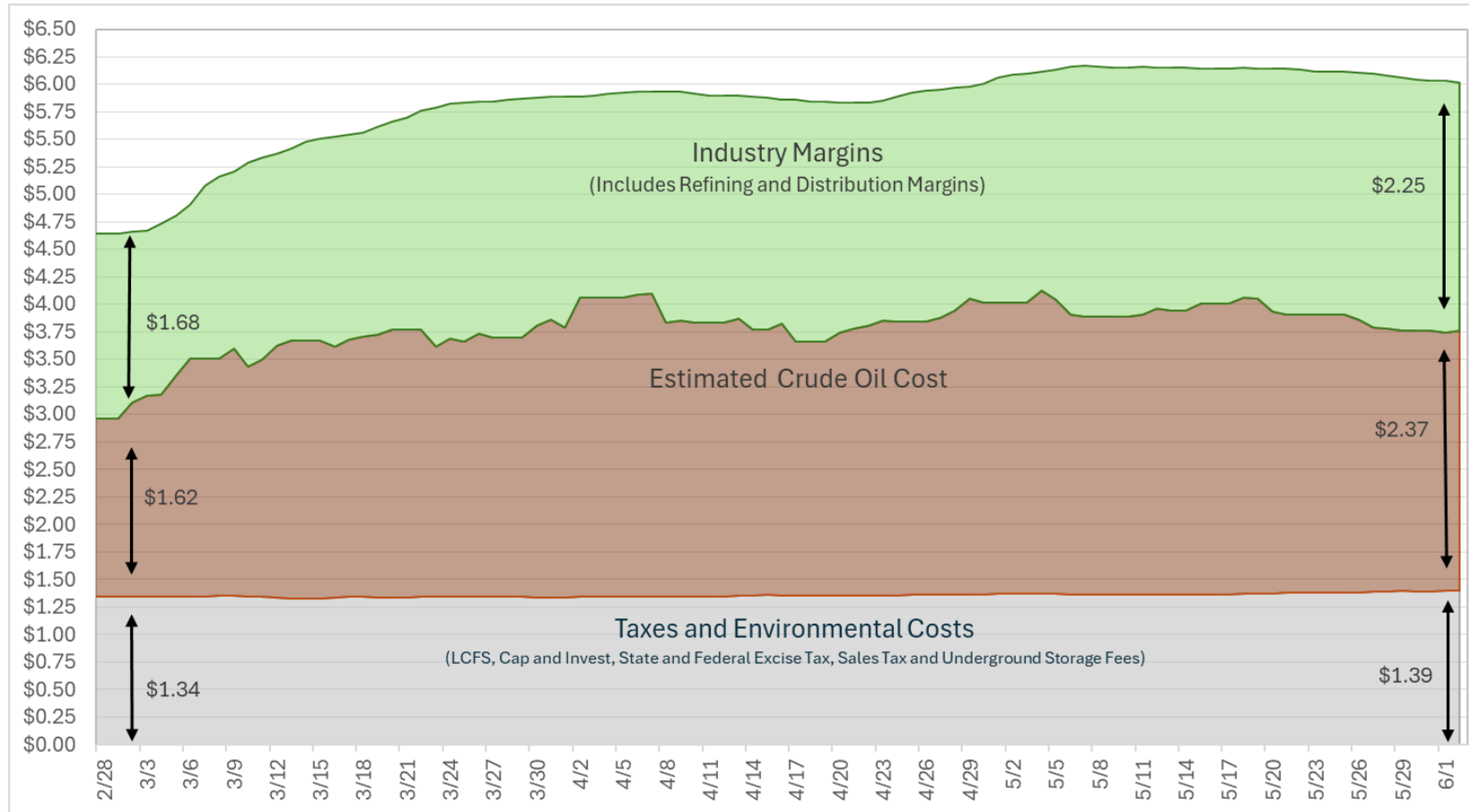
Source: CEC analysis of AAA data as of 6/3

Rank	State	Average Retail Price	Retail Price Increases Since 2/28
1	UT	4.54	1.782
2	WY	4.40	1.662
3	IL	4.69	1.640
4	AK	5.22	1.621
5	ID	4.59	1.615
6	MT	4.39	1.589
7	CT	4.47	1.556
8	NY	4.51	1.508
9	NH	4.34	1.484
10	MA	4.36	1.453
...
20	RI	4.27	1.376
21	CA	5.99	1.350
22	ND	3.97	1.338
23	PA	4.44	1.335



Increased Cost and Heightened Risks Have Driven up Prices

As of June 2, \$0.75 of gas price increase is attributed to crude oil costs. \$0.57 per gallon is likely added in industry margin.



- Calculated composite crude oil cost is contributing **\$0.75** to recent price increases.
- Industry margins increased from **\$1.62/gal to roughly \$2.25/gal**-volatility risks premium is accounted by the market.
- The combined effect is driving total pump prices upward, even as structural cost components remain unchanged.

Estimates based on AAA average retail prices and calculated composite crude costs during 02/28/2026 to 06/02/2026



CEC-CDTFA Joint Report

Report Key Takeaways

2024 FIRST REPORT *Foundational Analysis*

- California's oil refinery & infrastructure overview
- Gasoline prices vs. other states
- Tax revenue & fuel consumption trends
- Refining margins & spot market (introductory)
- Retail market: branded vs. unbranded vs. hypermart

2025 SECOND REPORT *Deepened Analysis*

- Refinery capacity changes (Phillips 66 LAR closures begin)
- Expand spot market & import analysis
- Refining margins: first full year of SB X1-2 data
- Retail margins by brand; local competition deep-dive
- Pricing software behavior & market concentration

2026 THIRD REPORT *Current findings*

- Further Refinery exits: Phillips 66 Wilmington, Valero Benecia
- Sustained import reliance & marine supply durability
- EV growth & long run excise tax revenue decline
- Spot-NYMEX differential stabilization