



**DIVISION OF PETROLEUM
MARKET OVERSIGHT**

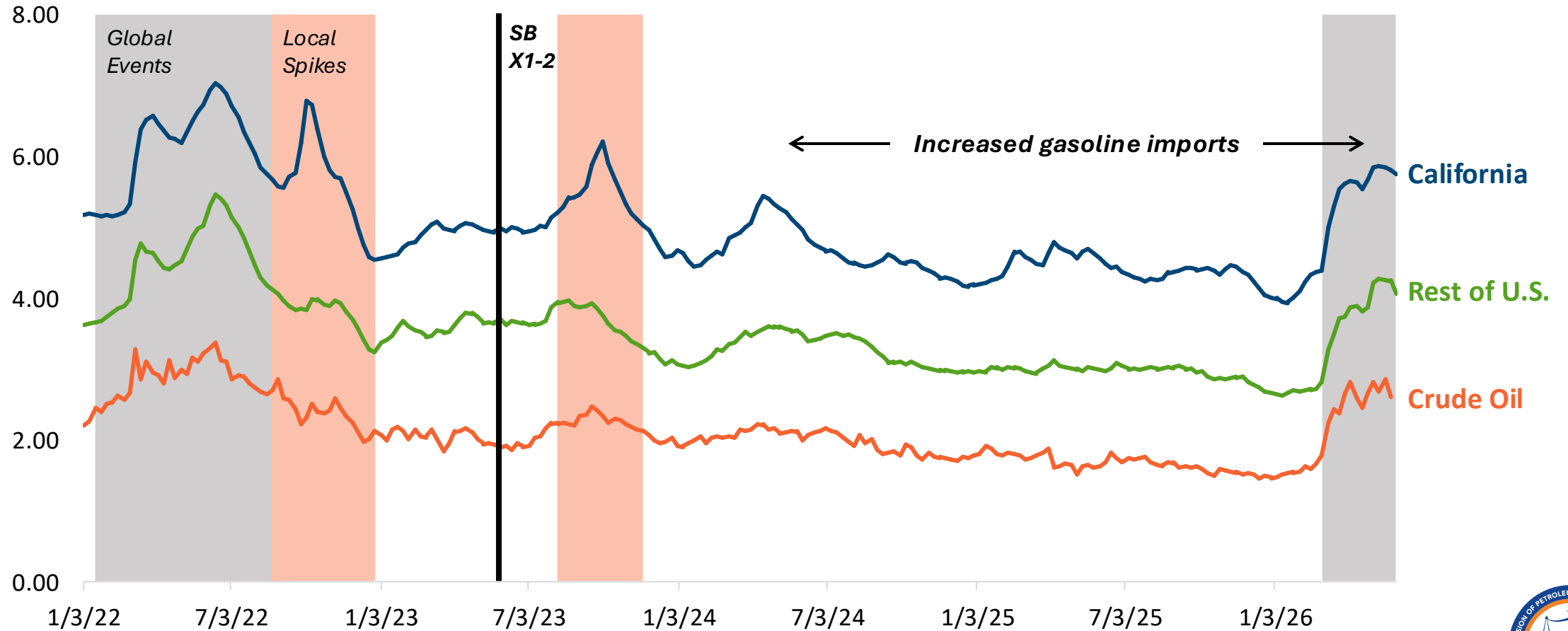
The Iran Conflict and Impacts on Transportation Fuel Prices in California

Tai S. Milder, Director

June 3, 2026

Retail Gasoline and Crude Oil Price Trends

Retail Gasoline and Crude Prices, 2025\$/gal

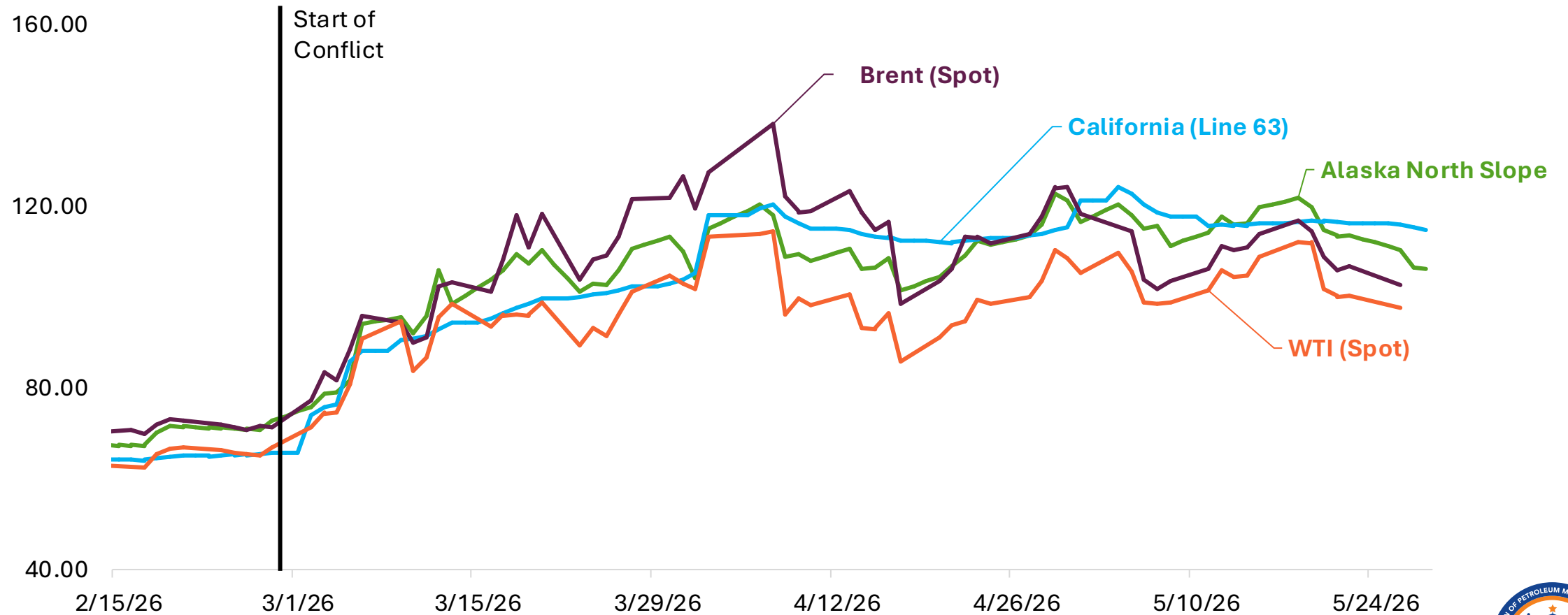


DPMO analysis of EIA data. Alaska North Slope is used as a crude oil benchmark. Last updated June 1, 2026.



Largest Retail Price Driver: Crude Oil Prices

Crude Oil Prices, \$/barrel

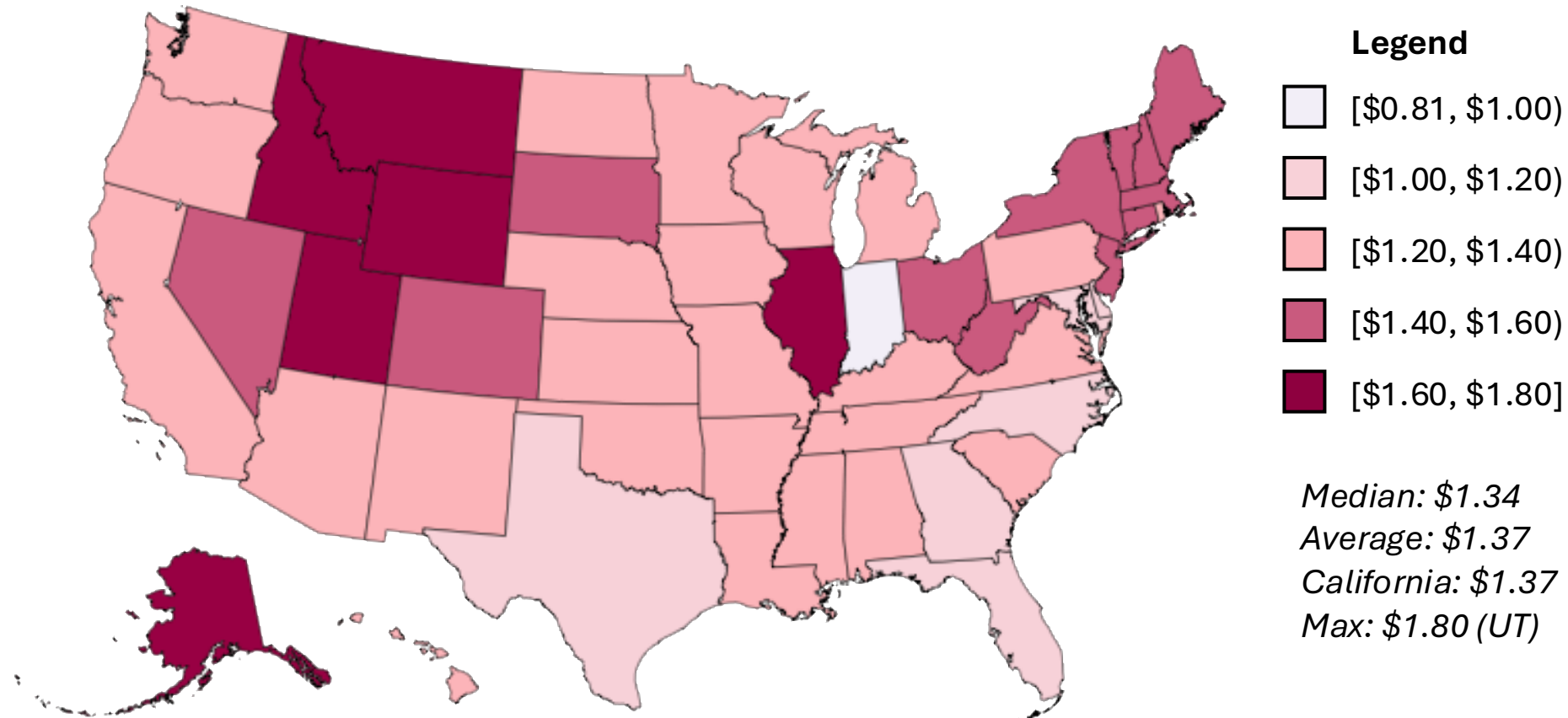


DPMO analysis of EIA (Brent and WTI), OPIS (California Line 63), and Alaska Department of Revenue data.



Iran Conflict: Retail Price Increases

U.S. Regular Gasoline Price Increases, \$/gal
February 28, 2026 - June 2, 2026



DPMO analysis of OPIS/AAA data.

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Retail Price Escalation: Significant Outliers

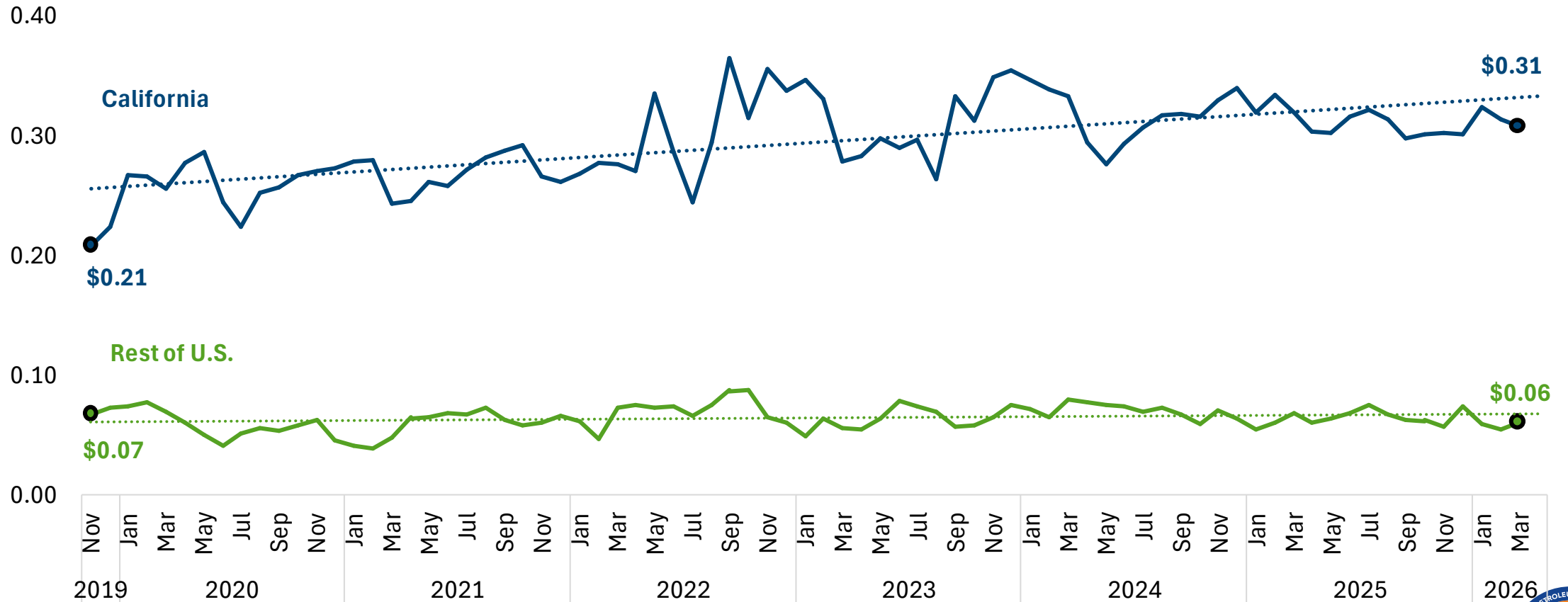


- **DPMO Enforcement Bulletin and Consumer Advisory issued on March 19**
- Targeted efforts focused on 99%+ percentile stations (all branded, mostly Chevron/Shell), generally above \$7-\$8/gal
- Goals are for DPMO to be highly visible during times of market dislocations and rapidly increasing prices; determine whether these are vertically imposed price hikes (from the supplier), retail price hikes, or both



Retail Price Driver: High Branded Prices

Average Monthly Branded-Unbranded Retail Gasoline Price Spread, 2025\$/gal

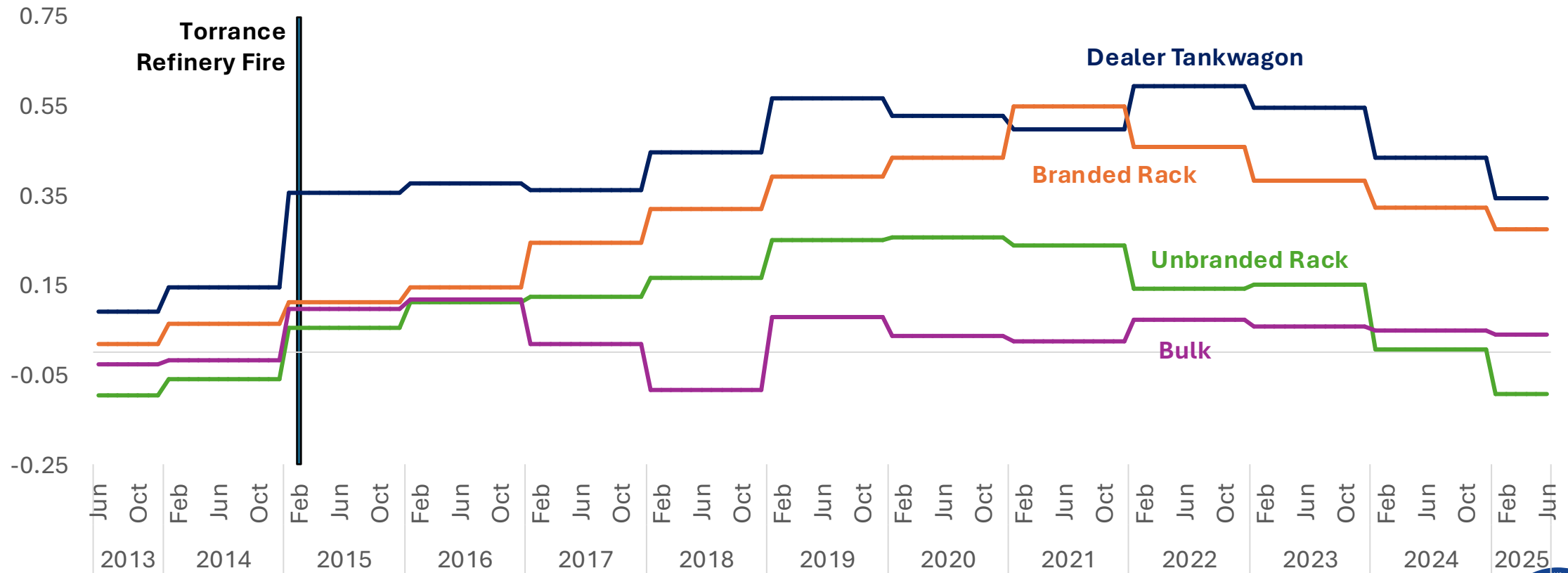


DPMO analysis of OPIS data. Adapted from 2024 Annual Report (published Oct. 2025).



Branded Wholesale Price Premiums

Annual Average Wholesale Price Above Spot Pipeline Price by Sales Channel, 2024\$/gallon

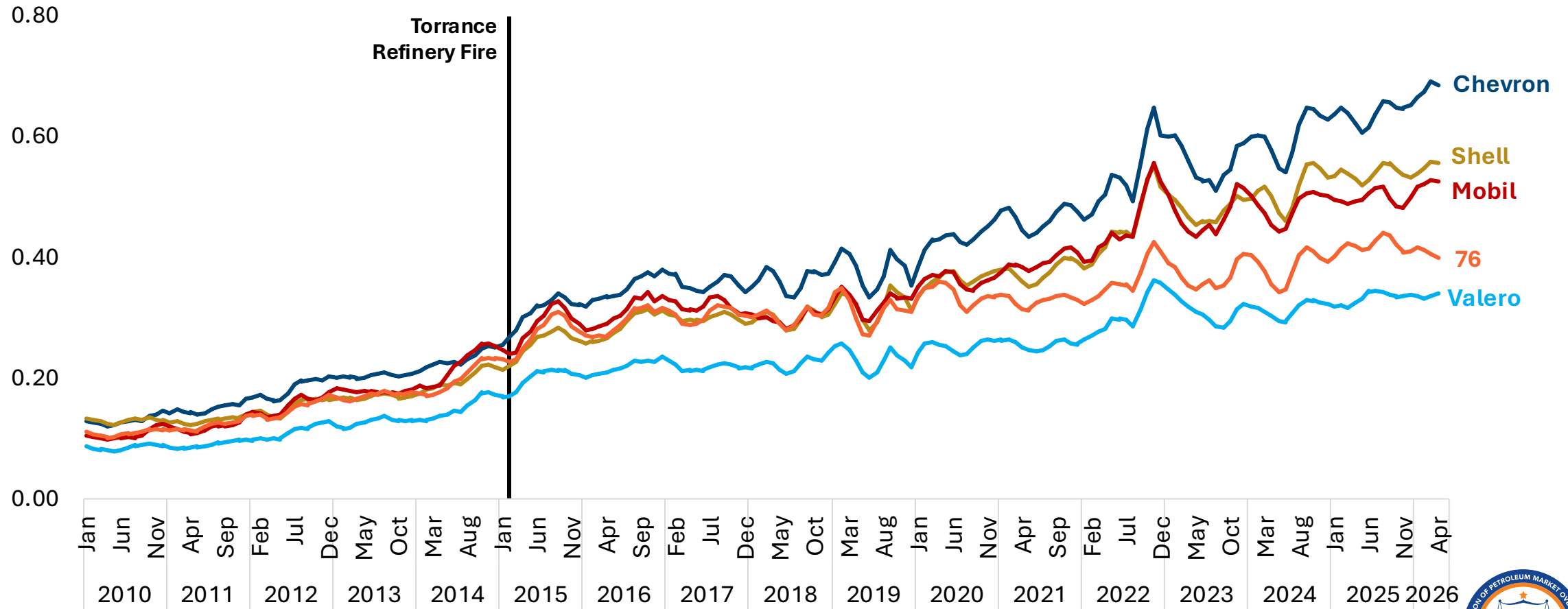


DPMO analysis of CEC SB 1322 data. From 2024 Annual Report (published Oct. 2025).



Branded Retail Price Premiums

Average Branded Price Premium Over Local Market Minimum (3MMA), 2025\$/gal

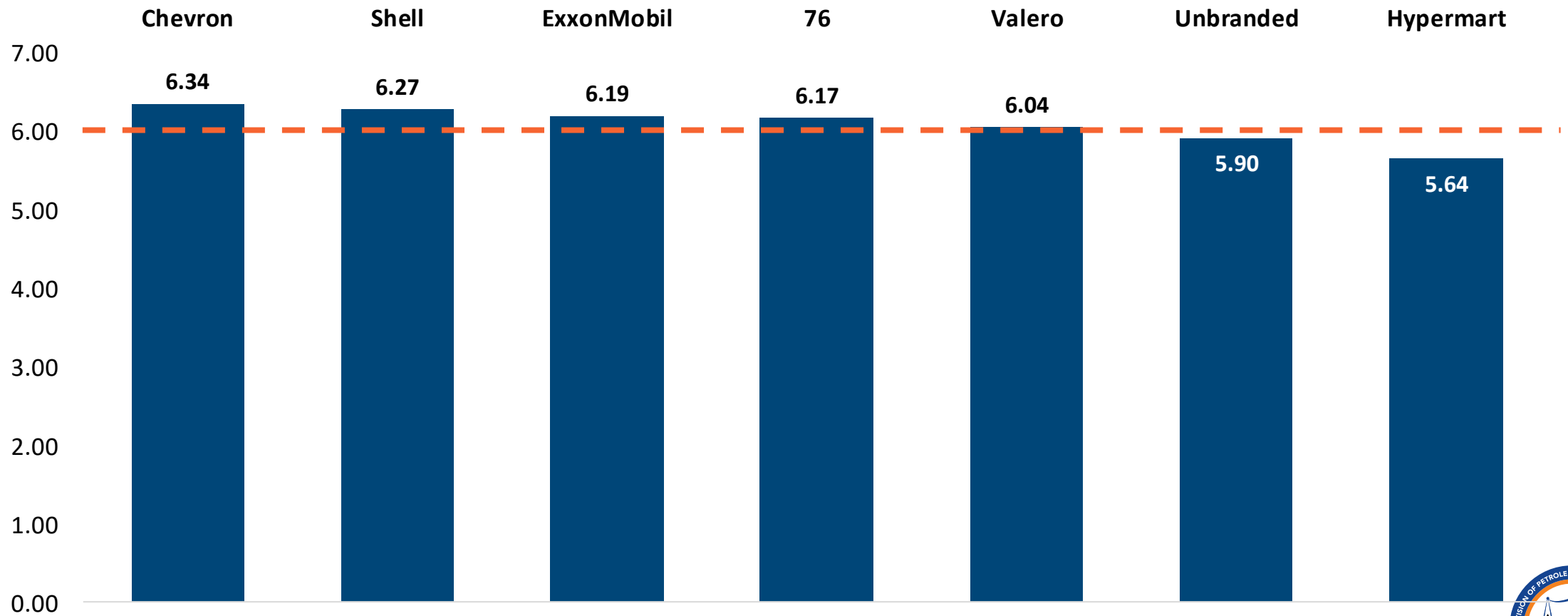


DPMO analysis of OPIS data. Local markets are defined as competitors within a 1-mile radius.



Who Is Exceeding \$6?

Average Retail Price by Brand (May 25-31, 2026), \$/gal



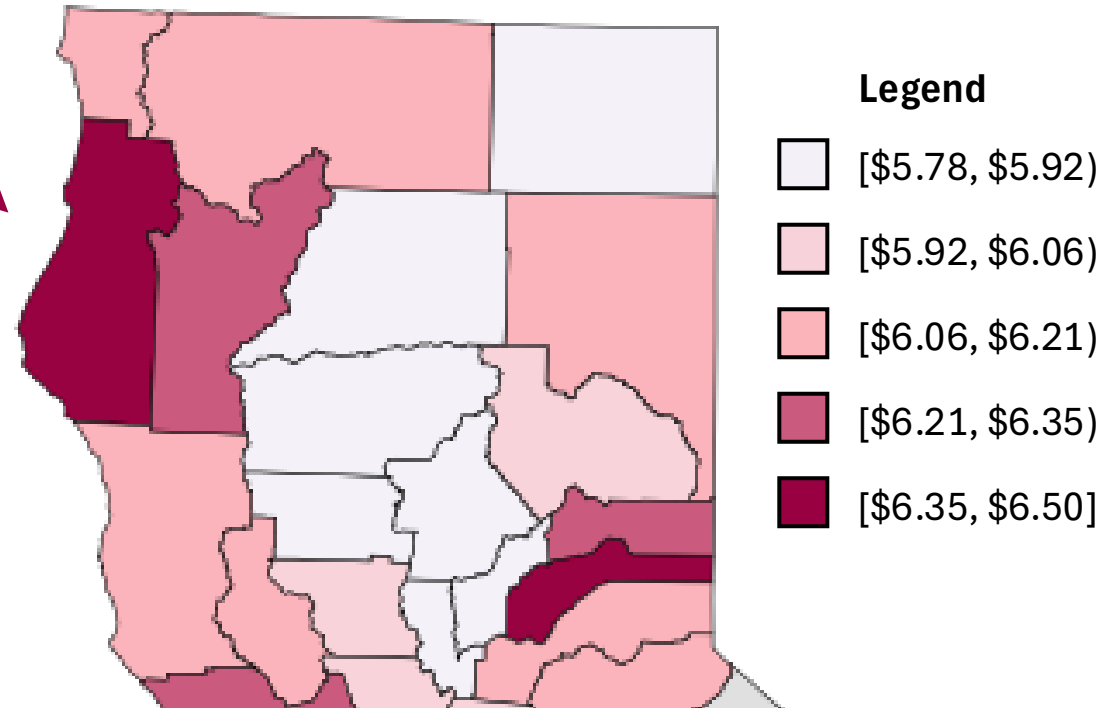
DPMO analysis of OPIS data.



Case Study: Humboldt County

- **Humboldt County has the highest retail gasoline prices in Northern California**
- Chevron operates a proprietary marine terminal in Eureka
- Nearly half of all retail gasoline stations in Humboldt County are Chevron or Shell

Average Retail Price by County, \$/gal
Upper NorCal (May 25-31, 2026)

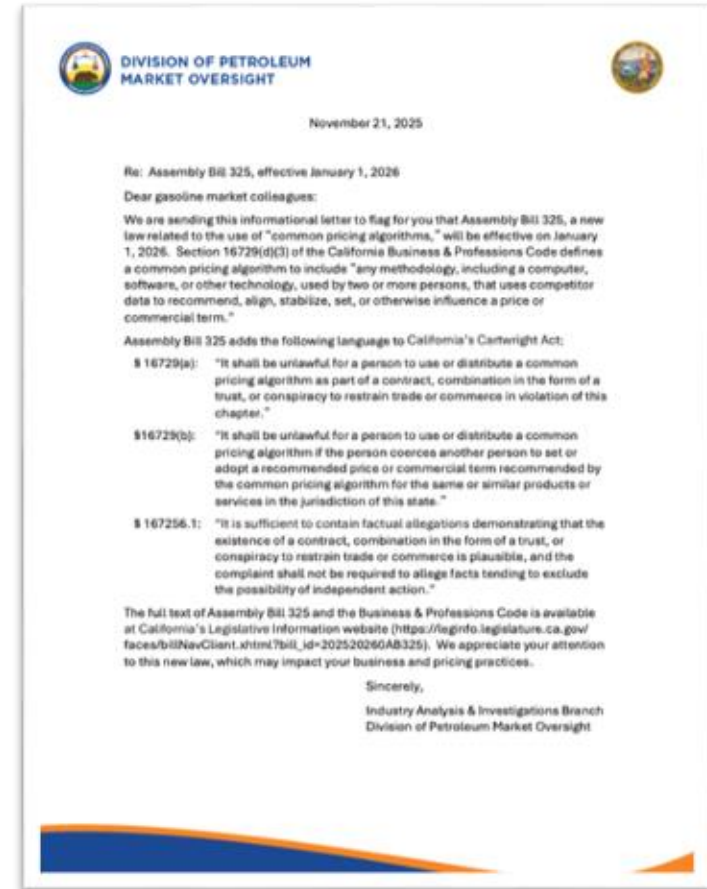


DPMO analysis of OPIS data.



Other Issues: Pricing Algorithms

- A 2021 paper (Assad et al) found that station-level adoption of algorithmic pricing in Germany in 2017 was followed by an average increase in prices of about €0.06/L (or ~\$0.35/gal in 2026 dollars)
- AB 325 (Aguiar-Curry, 2025) makes certain uses of common pricing algorithms a violation of the Cartwright Act
- DPMO issued a notice to market participants on November 21, 2025

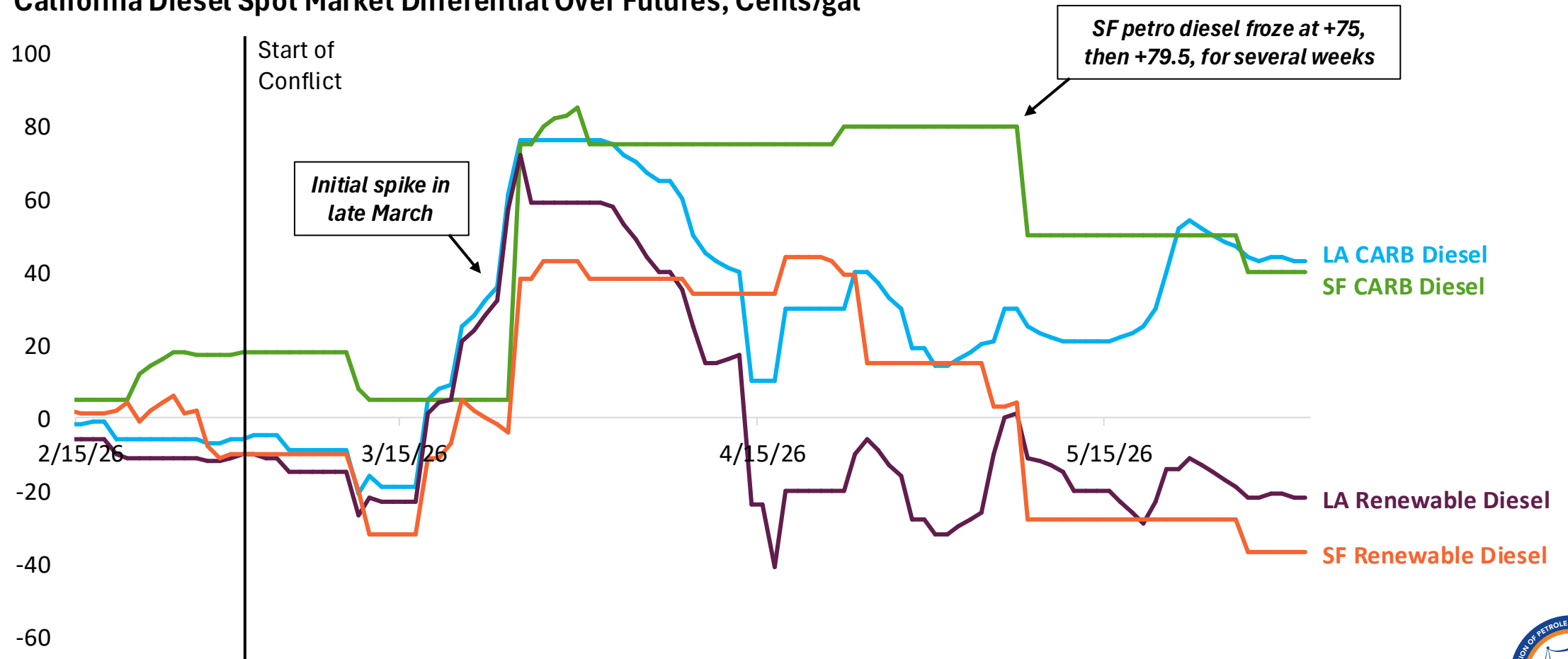


DPMO AB 325 Notice



Other Issues: Diesel Market

California Diesel Spot Market Differential Over Futures, Cents/gal

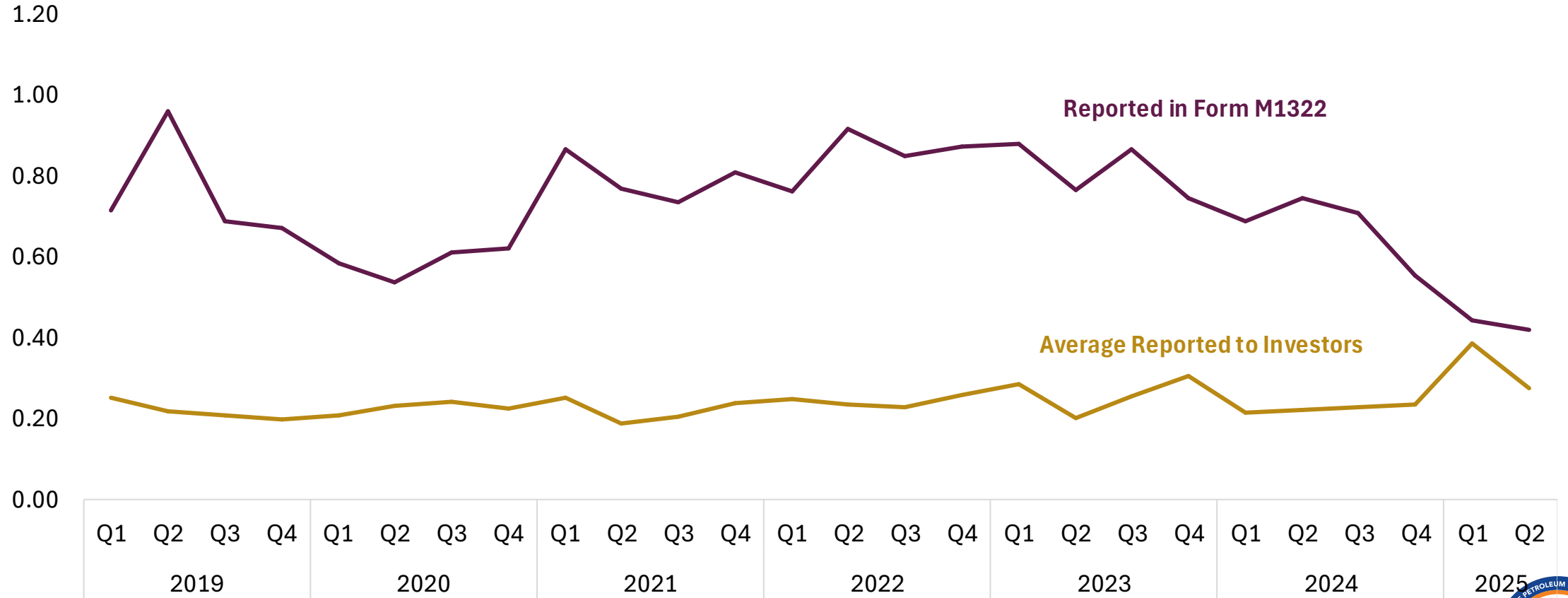


DPMO analysis of OPIS data.



Other Issues: SB1322 Costs

Average Quarterly Operating Costs for California Refineries, 2024\$/gallon



DPMO analysis of CEC SB 1322 data and refiner quarterly reports. From 2024 Annual Report (published Oct. 2025).



