Dear Governor Newsom:

On behalf of the City of Beverly Hills, I am REQUESTING YOUR SIGNATURE on SBX1-2, which would make it unlawful for oil refiner companies to charge excessive profits and would be punishable by a civil penalty from the California Energy Commission (“CEC”). Any penalties collected by the CEC would go to a Price Gouging Penalty Fund and then given back to Californians.

Gasoline prices in California have been a topic of concern for many years, especially as gas prices reached a high of $6.42 per gallon last fall, a record $2.61 more per gallon than the national average. This price gouging is of great concern to Beverly Hills, as these prices directly impact the livelihoods of our residents and the overall economy of our City. Unfortunately, the current market structure allows refineries to charge excessively high prices for gasoline, often without justification or transparency.

Senate Bill X1-2 would help address this issue by regulating the maximum gross gasoline refining margin, which is the difference between the price refineries pay for crude oil and the price they charge for gasoline. This will prevent refineries from charging excessive prices for gasoline and ensure that prices are more fairly aligned with the cost of production.

Additionally, Senate Bill X1-2 improves transparency and oversight of the oil industry by the state, expanding the CEC and the California Department of Tax and Fee Administration’s ability to investigate and obtain information on costs, profits and pricing so the state can better address the causes of pricing irregularities and minimize the likelihood of future supply or price shocks.

The City of Beverly Hills recognizes the importance of a competitive and fair market, and we believe that Senate Bill X1-2 will help achieve that goal. This bill will benefit our residents and the state as a whole by promoting transparency and accountability in the
fuel industry. For these reasons, the City of Beverly Hills strongly REQUESTS YOUR SIGNATURE on SBX1-2.

Thank you for your consideration.

Sincerely,

Lili Bosse
Mayor, City of Beverly Hills

CC: The Honorable Ben Allen, Senator 24th District
    The Honorable Rick Zbur, Assemblymember, 51st District
    Andrew K. Antwi, Shaw Yoder Antwi Schmelzer & Lange