

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0005
(916) 319-2005
FAX (916) 319-2105

DISTRICT OFFICE
6030 WEST OAKS BOULEVARD, SUITE 145
ROCKLIN, CA 95765
(916) 435-0501
FAX (916) 435-0518

Assemblymember.JoePatterson@assembly.ca.gov
<https://ad05.asmc.org/>



COMMITTEES
VICE CHAIR, HOUSING AND COMMUNITY
DEVELOPMENT
VICE CHAIR, PRIVACY AND CONSUMER
PROTECTION
BUDGET
HEALTH
INSURANCE
JUDICIARY
UTILITIES AND ENERGY
BUDGET SUBCOMMITTEE NO. 5 ON
STATE ADMINISTRATION

SELECT COMMITTEES
DOWNTOWN RECOVERY
FENTANYL, OPIOID ADDICTION, AND
OVERDOSE PREVENTION
WILDFIRE PREVENTION

JOINT LEGISLATIVE COMMITTEE ON
EMERGENCY MANAGEMENT

October 30, 2024

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Urgent Request to Call a Special Session to Repeal ABX2-1, Delay LCFS Update

Dear Governor Newsom,

In the days following the passage of ABX2-1, which will require California refineries to create and maintain a reserve of gasoline, the fallout has been swift, destructive, and predictable, driving critical business out of the state and threatening even higher costs for millions of California drivers. In response to this, we respectfully request you call a special session to repeal ABX2-1 and direct the California Air Resources Board (CARB) to postpone its upcoming Low Carbon Fuel Standard (LCFS) decision until the ramifications of such a decision are made available to the public.

On October 16, due to “long-term uncertainty”, Phillips 66 announced the closure of its Wilmington refinery, the state’s 7th largest, which currently accounts for 8.1% of California’s refining capacity.¹ The closure will directly eliminate roughly 900 jobs, with exponentially more job losses in light of the fact that each direct refinery position results in the creation of an additional 14.5 jobs in the rest of the economy.²

Then, on October 23, the CEO of Valero said “all options are on the table” for its two California refineries, citing “the California regulatory environment.” The Valero facilities make up a combined 13.5% of our state’s refining capacity.³

The looming decrease from 9 to 8 oil refineries in the state will result in significant impacts on the energy market and the state’s economy. Fuel prices will rise, unemployment will

¹ Venteicher, Wes. “Closing Time for another California Refinery.” [Politico](#), 16 Oct. 2024.

² Riedl, Danielle, and Devashree Saha. “In a Clean Energy Future, What Happens to California’s Thousands of Oil Refinery Workers?” [World Resources Institute](#), 23 Apr. 2024.

³ Raji, Bayan, “Valero CEO Says ‘All Options on the Table for its Future in California - - OPIS” [MarketWatch](#), 25 Oct. 2024.

increase, and California will be forced to import energy from states and countries that do not share our environmental goals, undermining the policies you promote.

We urge you to call a new special session in conjunction with the return to the Assembly in December to repeal ABX2-1, and work urgently to stop the loss of any additional refineries. While we support efforts to stabilize gas prices, California's web of regulations and mandates, including ABX2-1, has created an environment where oil refineries cannot survive. That will inevitably result in higher energy prices for California consumers as gasoline is purchased from overseas to make up the difference.

While we think ABX2-1 should be repealed, at minimum we ask that you direct your appointees at CARB to refrain from updating the LCFS until the negative implications of the loss of multiple oil refineries in the state have been accurately reflected. Additionally, CARB must be directed to disclose the cost of its LCFS proposal on retail gasoline prices.

Thank you for your thoughtful consideration of this request. We look forward to your prompt response.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Patterson".

Joe Patterson
Assemblyman, 5th District

A handwritten signature in blue ink, appearing to read "James Gallagher".

James Gallagher
Assemblyman Republican Leader, 3rd District