

Impacts of a State and Local Bans on New Construction and Upgrades TO FUELING ESTABLISHMENTS IN CALIFORNIA

In view of growing interest by environmental advocates in banning new or upgraded fueling establishments in California, Capitol Matrix Consulting was commissioned by the California Fuels and Convenience Alliance to (1) analyze the various contributions the Fueling and Convenience industry, and (2) discuss the impacts that widespread local bans or a statewide ban would have on California.

Included here are CMC's main findings.

ENTREPRENEURIAL OPPORTUNITIES FOR SMALL BUSINESS OWNERS



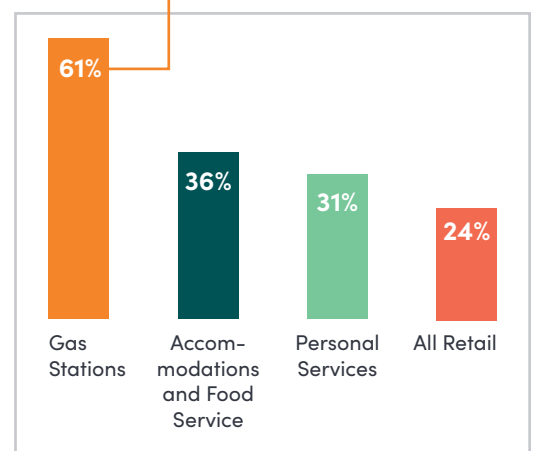
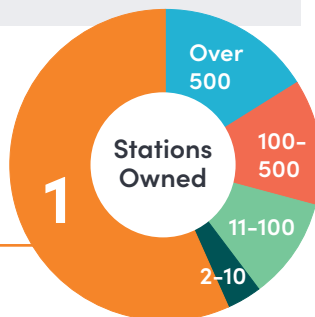
Over 95 percent of fueling establishments in California are **operated by small business owners** of branded franchisee gasoline establishments or of independent gasoline establishments.

61 percent

of the owners are **first generation, foreign-born immigrants** – the highest of any industry in the U.S.

About 60 percent

of gasoline establishments are **operated by owners that own just one station.**



INDUSTRY'S ECONOMIC FOOTPRINT

10,423

fueling establishments in California

8,900 (about 85 percent) are **connected to convenience stores**



66,000 workers directly employed

59,000 jobs indirectly supported

\$5.7 billion

in wages annually



\$15.0 billion gross state product annually



Nearly \$10 billion

paid in taxes to state and local governments in California, supporting roads, transit, schools and other state and local government services

CURRENT BENEFITS TO MOTORING PUBLIC



Provides the motoring public with **convenience, reliability, choices** of brands and pricing points, and the ability to **save time** by combining fueling with other purchases.



"Range anxiety" is never a problem, due the state's well-developed network of stations.

FUTURE BENEFITS TO THE MOTORING PUBLIC

California's fueling stations are well positioned to dispense **hydrogen**

Fuel cell electric vehicles, powered by hydrogen, are a logical alternative for the millions of California families living in apartments where there is a lack of dedicated space and electrical infrastructure for overnight charging of electric vehicles.



...and **renewable fuels**



Renewable fuels made from **agricultural feedstocks**, such as soybean or canola oil, **sharply reduce net CO2 emissions** from transportation and can play a major role in California's energy transition.

Yet as of early 2023 the state had **only 63 operating hydrogen dispensing retail stations** in place.

Examples include **renewable** diesel, gasoline, and natural gas.

ENACTED AND PROPOSED BANS ON FUELING STATION CONSTRUCTION AND UPGRADES



As of early 2023, **8 cities in Sonoma, Napa, and Marin Counties**, as well as the **County of Sonoma**, have enacted fueling station bans.



Other local governments are considering such bans, and **Legislation has been introduced** that would require the state to study the feasibility of phasing out existing gasoline stations across the state.

NEGATIVE CONSEQUENCES OF SUCH BANS



Loss of jobs, income and small business ownership opportunities in the fueling and convenience industry.



Loss of fueling options for consumers, adding time and vehicle miles traveled for refueling activities.



Loss of opportunity to convert fueling establishments to dispensers of hydrogen, electrical charging, and other alternative fuels.



Less competition and higher prices for gasoline during the energy transition, especially in growing regions of the state.