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FOR IMMEDIATE RELEASE:
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Attack on Iran Underscores Risks of California's Heavy Reliance on Imported Oil as Gas Prices Rise, Affecting Drivers in the Southwest

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Recent geopolitical tensions following Saturday's attack on Iran have injected volatility into global crude oil markets, contributing to the spike in gasoline prices California drivers have seen this week and underscoring the state's vulnerability to international supply disruptions.

California is particularly exposed to global market swings because more than 75% of the crude oil refined in the state is imported, tying its fuel supply far more closely to international oil markets than most other parts of the country. When geopolitical events threaten global oil supply or shipping routes, crude prices often react quickly. Because of California's heavy reliance on foreign crude sources, those global shocks can translate into sharper and faster price increases at the pump for California drivers. CFCA has long warned elected officials that increasing dependence on foreign crude adds volatility to an already tight fuel market, a reality now playing out following the recent attack on Iran.

These price spikes come at a time when California's refining capacity is already tightening, with the state losing about 20% of its refining capacity as refineries shut down.

However, the recent attack on Iran illustrates why greater reliance on imports is not a long-term solution for California's fuel supply challenges. Importing more crude or refined products further exposes the state to geopolitical instability and global market disruptions, the very forces that are currently driving price volatility.

California's fuel market also plays a critical regional role. California refineries supply roughly 45% of Arizona's transportation fuels and 88% of Nevada's, meaning disruptions in California's supply can ripple beyond state lines and affect drivers throughout the Southwest.

"California drivers and small businesses are already stretched thin by the state's affordability crisis," said Elizabeth Graham, CEO of the California Fuels & Convenience Alliance. "The

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attack on Iran shows how quickly global instability can send prices higher when we rely on foreign supply. As California loses refining capacity, the priority should be protecting consumers from volatility, not increasing our exposure to it."

At the same time, California is beginning its annual transition to the state's required summer gasoline blend, which must be fully implemented by April 1. Summer-blend fuel is more expensive to produce due to stricter environmental standards, and prices typically rise during this seasonal transition as refineries adjust operations and inventories.

These overlapping pressures highlight the need for a more resilient fuel supply system in California. By becoming more fuel independent, increasing domestic supply and strengthening local infrastructure, California would be less vulnerable to geopolitical conflicts and the price increases they can trigger for drivers and working families.

CFCA is calling on California's state leaders to prioritize policies that support in-state fuel production and strengthen the state's energy infrastructure, so California drivers and small businesses are less vulnerable to global supply disruptions and price spikes.

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About CFCA

CFCA is the industry's statewide trade association representing the needs of small and minority wholesale and retail marketers of gasoline, diesel, lubricating oils, motor fuels products, and alternative fuels, including but not limited to, hydrogen, compressed natural gas, ethanol, renewable and biodiesel, and electric charging stations; transporters of those products; and retail convenience store operators. CFCA's members serve California's families, agriculture, police and fire, cities, construction, and all consumer goods moved by the delivery and transportation industries.