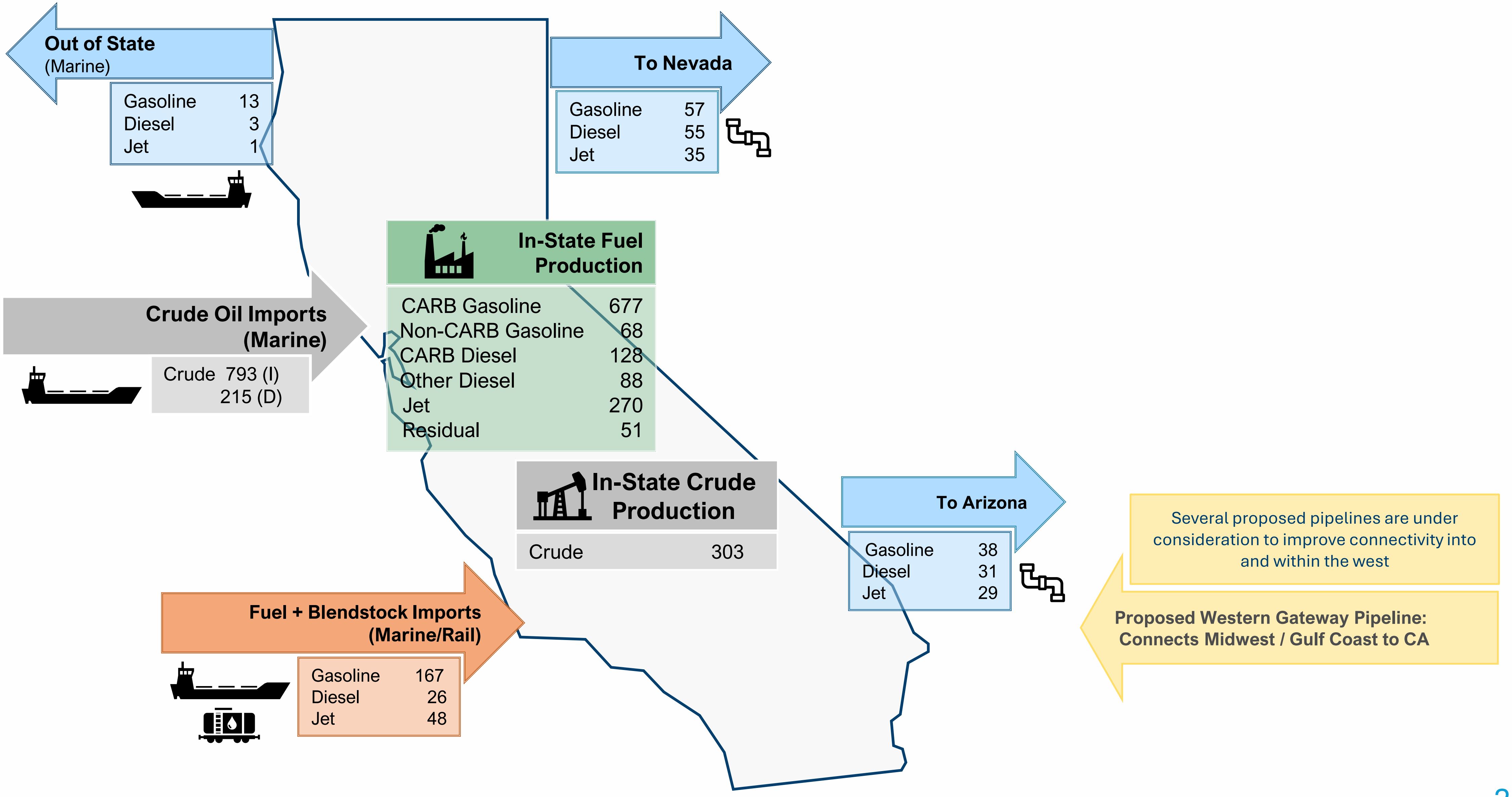
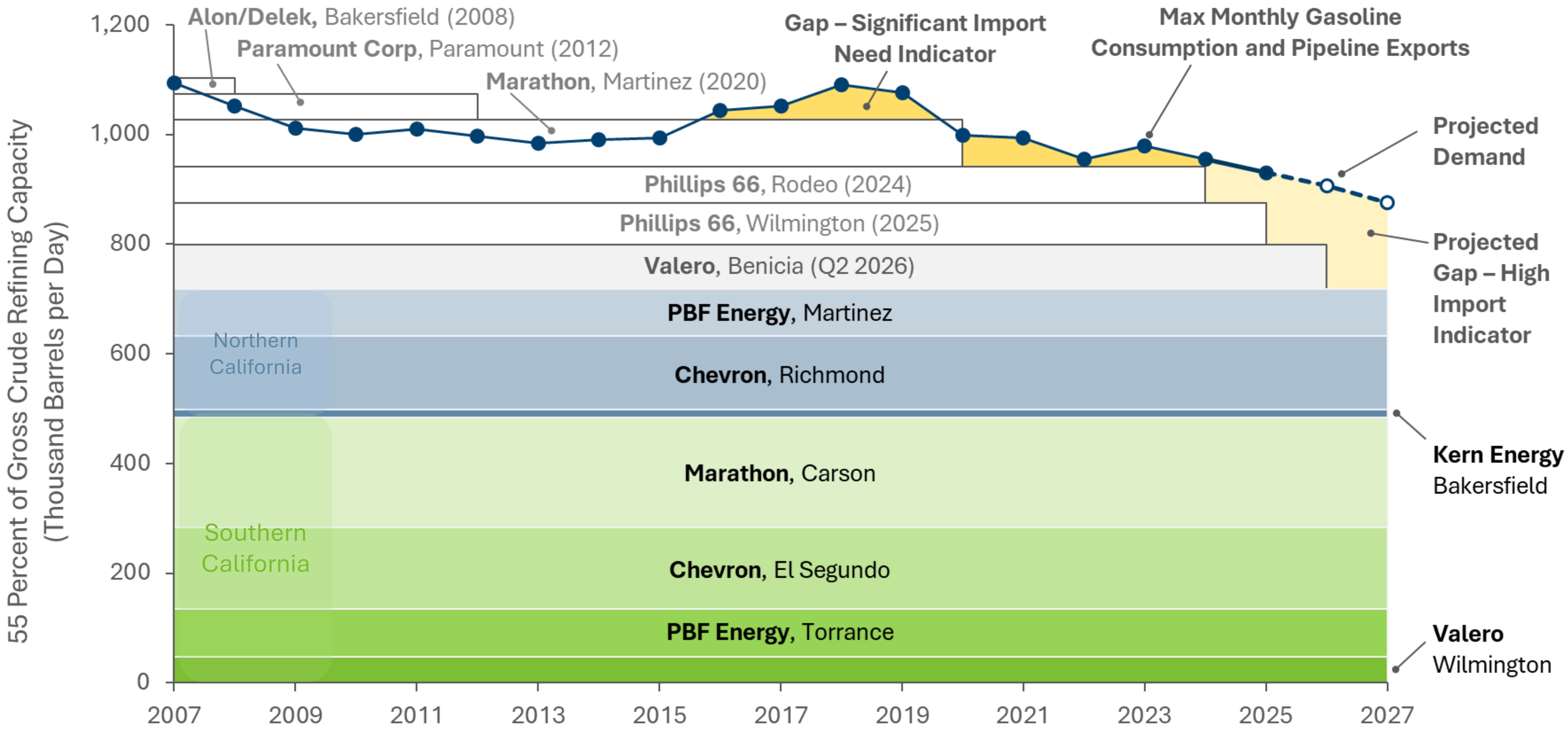
Panel 1: Current Petroleum Supply Shocks

Vice Chair Siva Gunda
California Energy Commission
May 5, 2026

California And Regional Fuels System Is Evolving



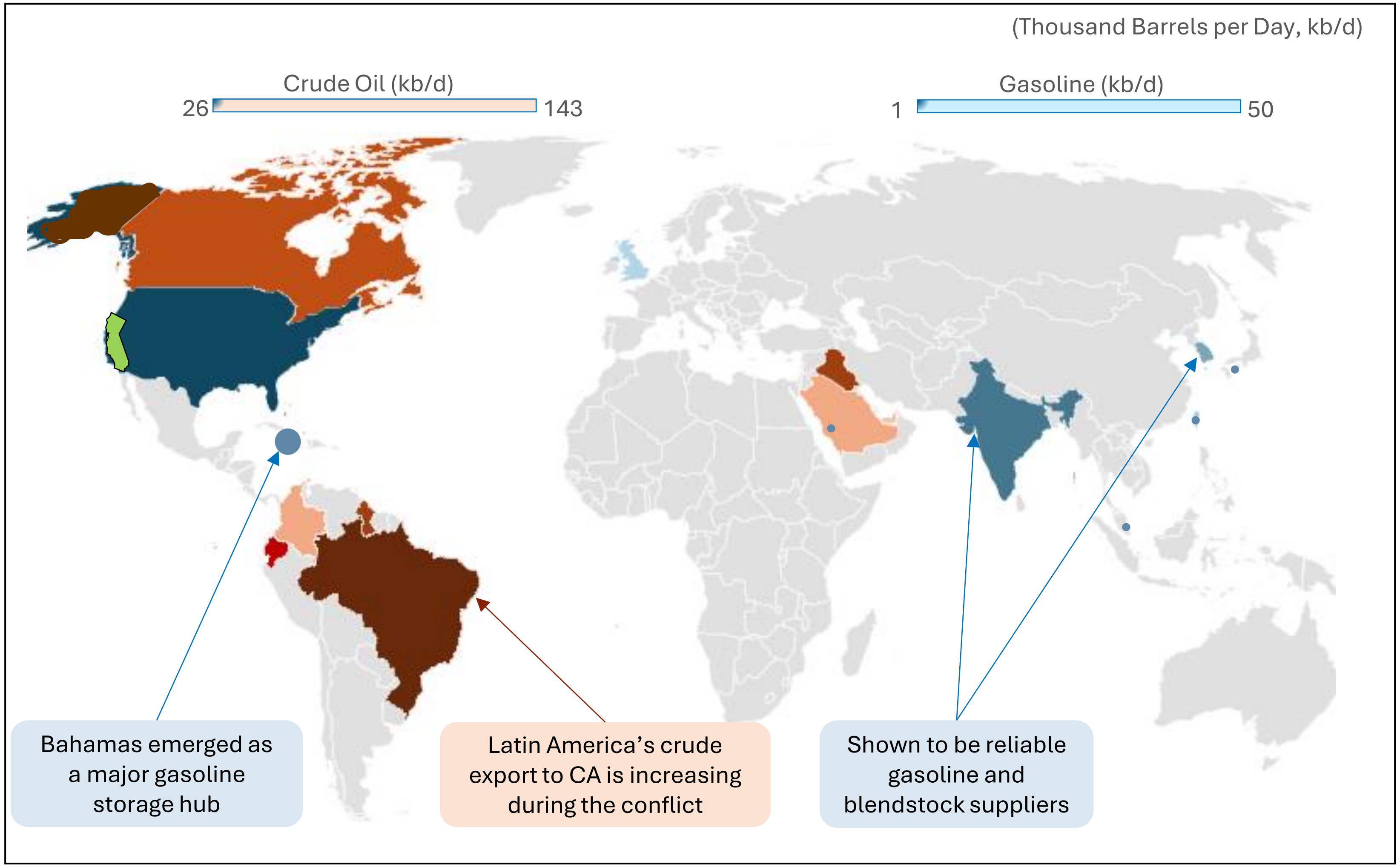
Imports are Increasing with Contraction of In-State Refining



Source: CEC Staff

California’s Crude and Gasoline Imports Continue to Diversify

California's Major Crude and Gasoline Suppliers, 2025



Crude Imports

1,008 kb/d
(2025)

Gasoline Imports

167 kb/d
(2025-Unaudited)

Crude Oil Imports

Region	Kb/d
Brazil	143
Iraq	139
Guyana	109
Canada	97
Ecuador	95
Saudi Arabia	62
Colombia	30
UAE	27
Others	92
International Crude	**793**
Alaska	215
Domestic Import	**215**

Gasoline Imports

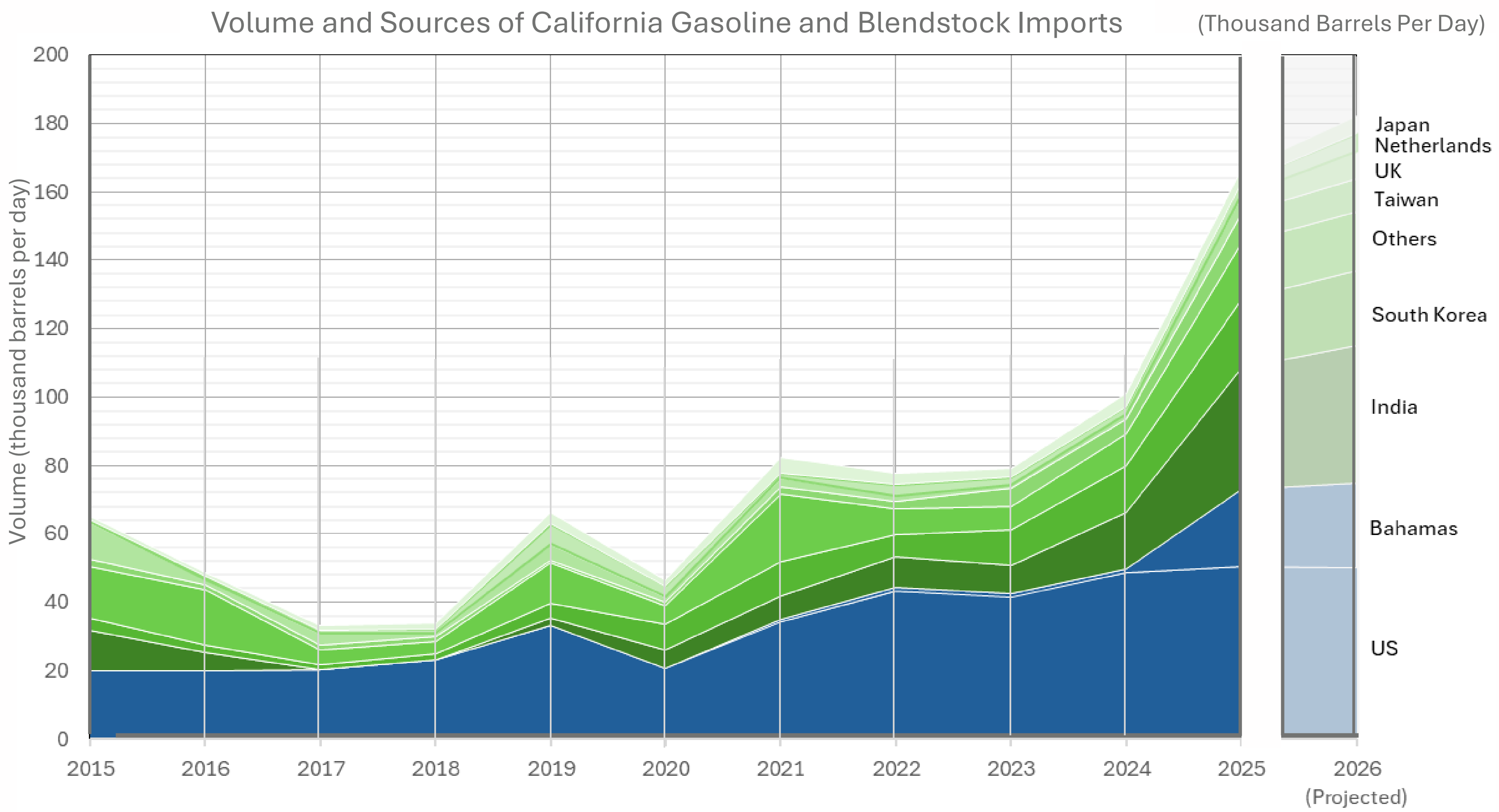
Country	Kb/d
United States	50
The Bahamas**	23
India	35
South Korea	20
Others	15
Taiwan	8
United Kingdom	5
Netherlands	4
Japan	4
Saudi Arabia	1
Canada	1
Total	**167**

*** The Bahamas has emerged as a key transit hub for US Gulf Coast and East Coast; gasoline shipments started coming to CA during 2024–25. Gasoline imports from The Bahamas are primarily US Gasoline.*

Source: EIA and CEC

Gasoline and Blendstock Imports are Growing

Share of Asian and European Gasoline Imports are Increasing

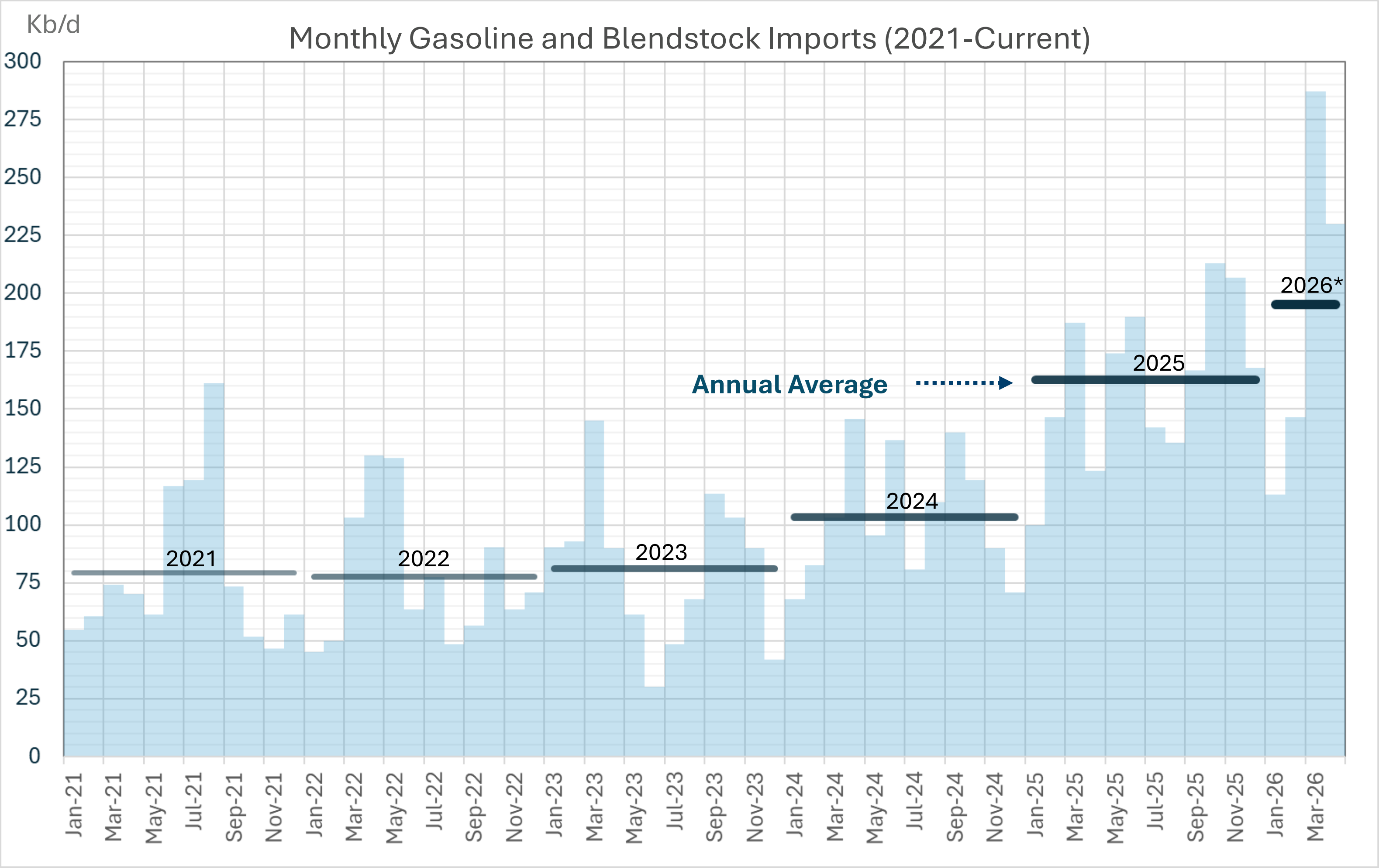


- U.S. domestic barrels remain the core supply base.
- The Bahamas has emerged as a major transit hub.
- Asian suppliers have expanded their presence.
- European volumes are adding flexibility during periods of tight supply.
- 2025 had ~165 kb/d of gasoline and blendstocks imports; 2026 is projected to be higher.

California's gasoline supply system is undergoing a structural shift and imports data show that import infrastructure has been able to absorb elevated volumes. The CEC is evaluating marine terminals and related infrastructure capacity to handle higher volumes.

Source: EIA and CEC

Healthy Levels of Gasoline and Blendstock Marine Imports in 2026



*Jan-Apr Average

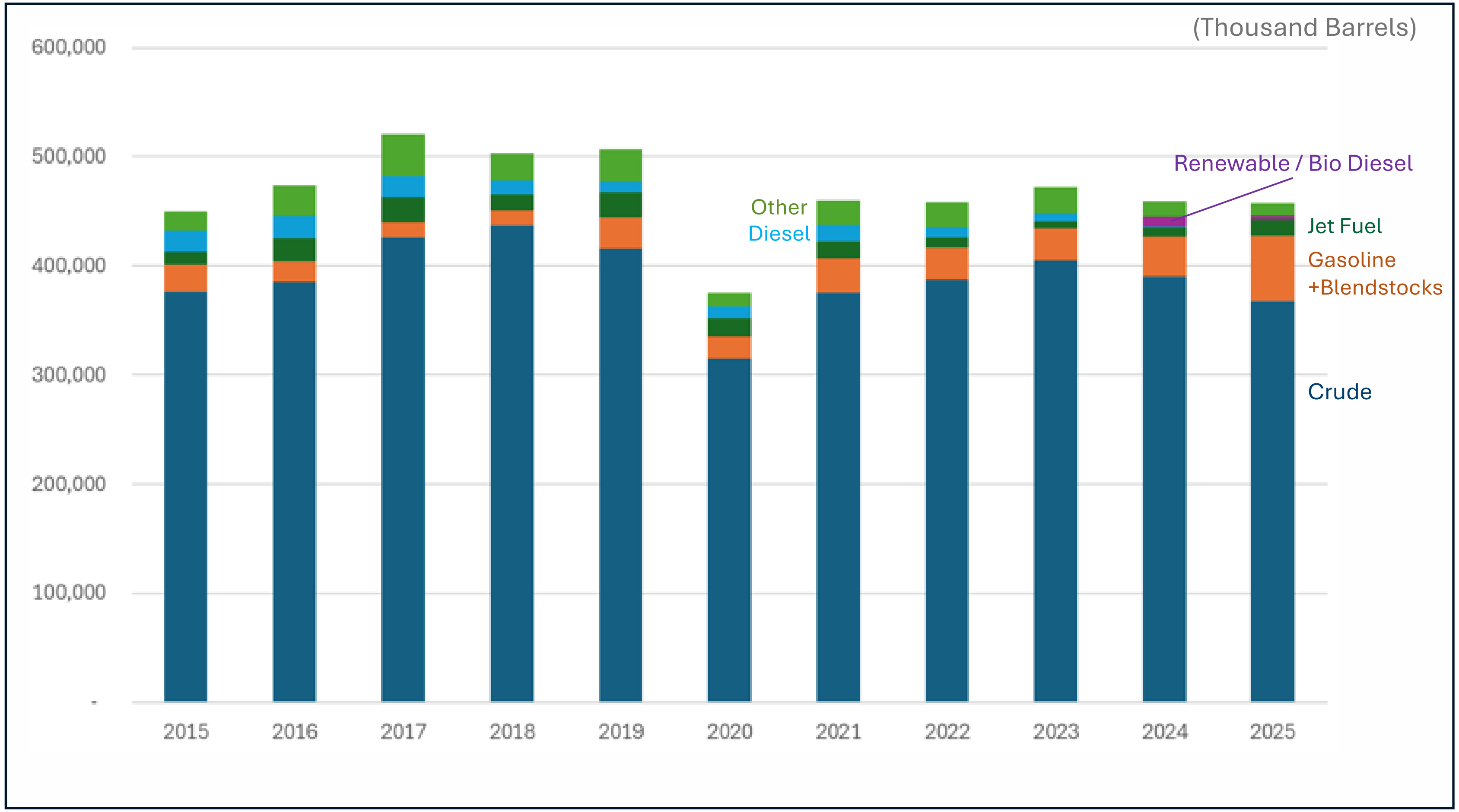
- April 2026 imports is based on information known as of 04/27/2026.
- Estimates are based on CEC marine import report form EBR700 and are validated against M700, State Lands Commission data and other data sources.
- 2026 data are projected, pending validation against other data sources.
- Marine imports include gasoline and blendstock received by refiners, which may be counted in gasoline production.

Source: CEC Staff

Composition of Marine Imports into California is Changing

2023-2025 decrease in crude imports provides opportunities for refined fuel in the long run

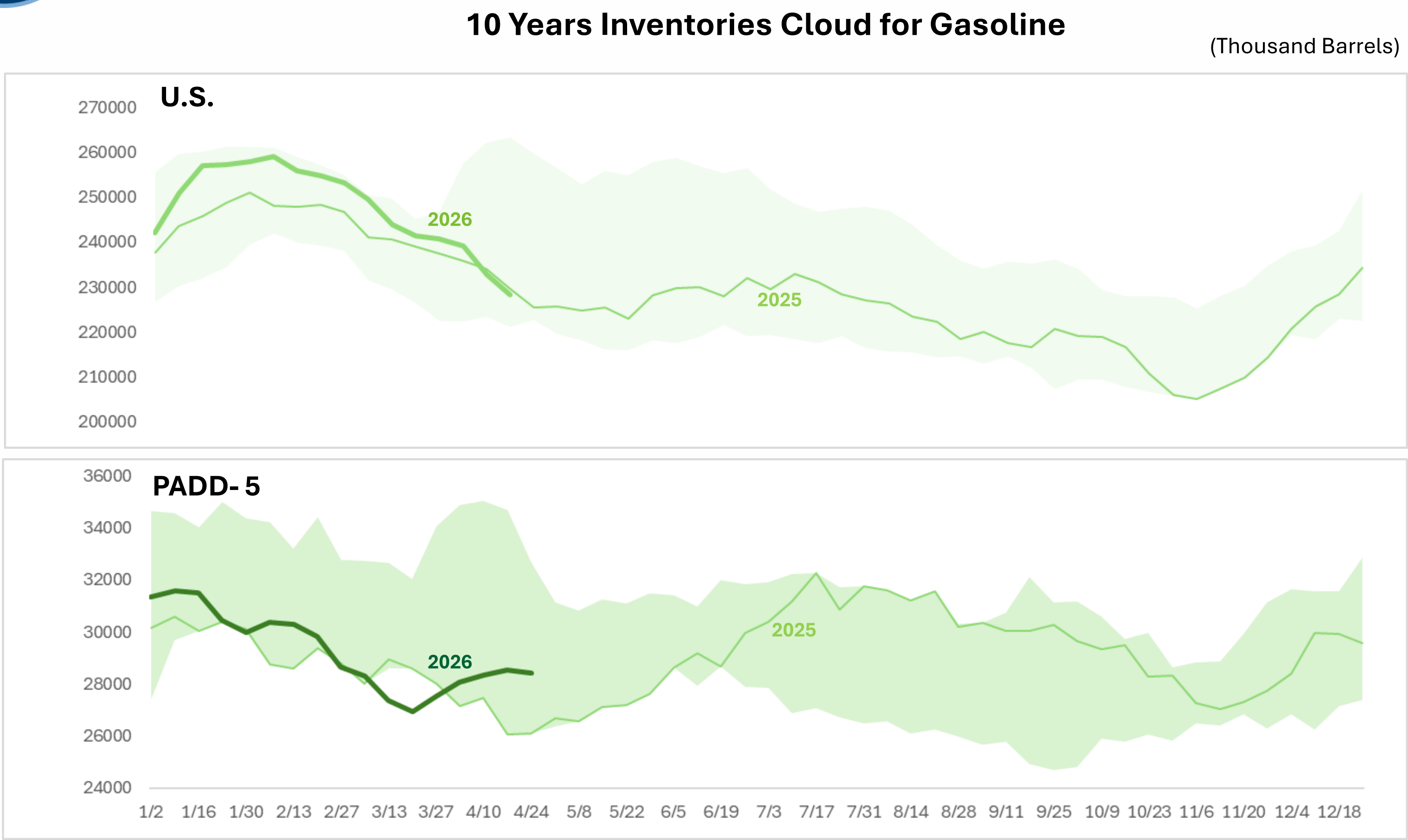
All Petroleum Products Imports
(Including Crude Oil & Refined Products)



- Lower crude import activity can free up capacity - a shift in how California's import infrastructures are utilized.
- Opportunity for redirecting capacity toward refined fuel imports, supporting long-term market and policy transitions.
- May offer refiners and terminal operators new flexibility as the import market evolves.

Source: EIA and CEC

U.S. & Regional Inventories for Gasoline



PADD 5 Inventories

GASOLINE
10 YEAR RANGE : 24.7M - 35M

04/03 28.1M
04/10 28.3M
04/17 28.5M
04/24 28.4M

JET FUEL
10 Yr. RANGE: 7.2M - 12.4M

04/03 11.4M
04/10 10.7M
04/17 10.8M
04/24 10.6M

DIESEL
10 Yr. RANGE: 9.8 M - 15.8M

04/03 11.3M
04/10 11.3M
04/17 10.7M
04/24 10.1M

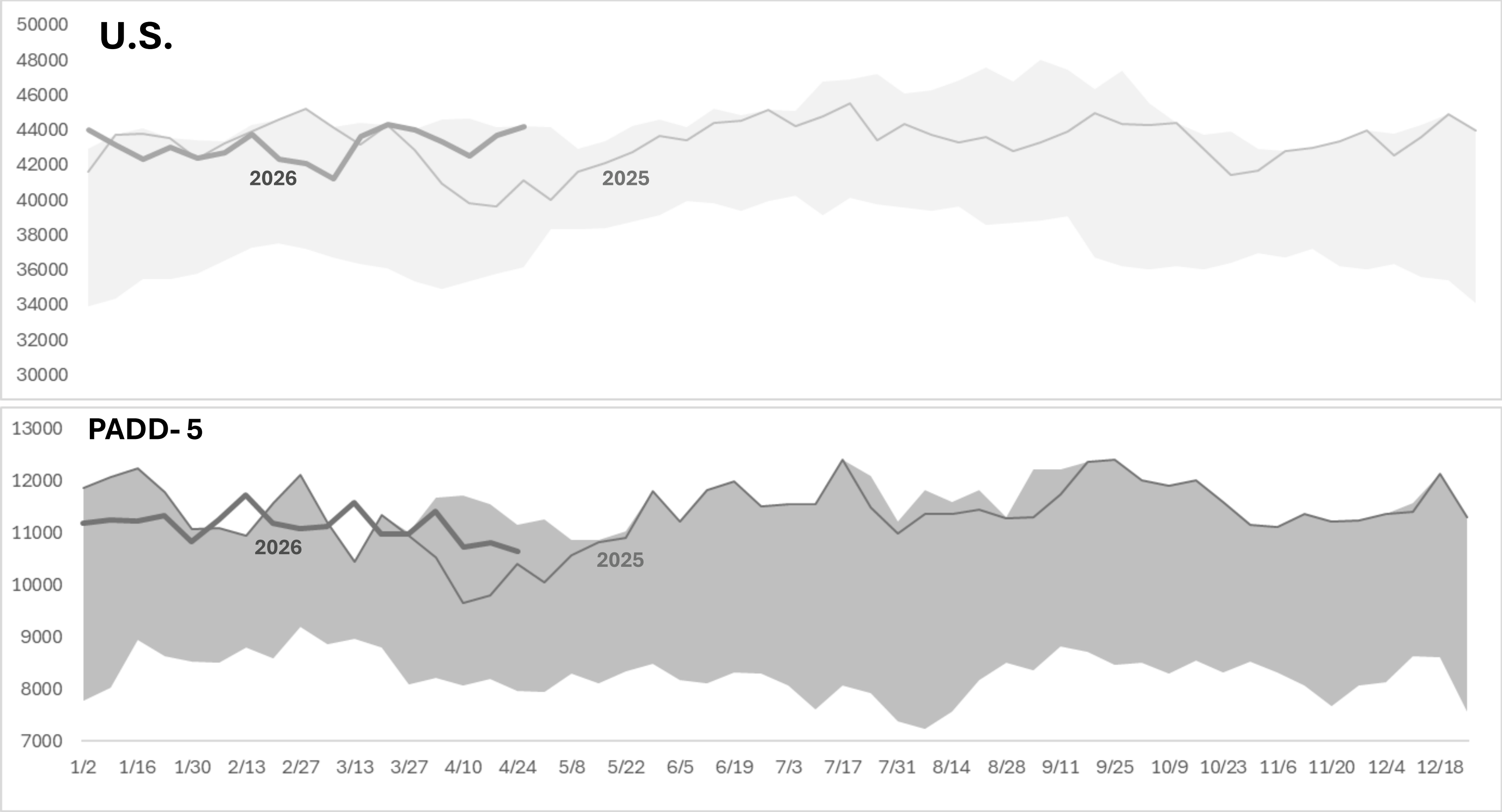
PADD 5 = CA, OR WA, NV, AZ, AK, HI

Source: EIA Data

U.S. & Regional Inventories for Jet Fuel

10 Years Inventories Cloud for Jet Fuel

(Thousand Barrels)



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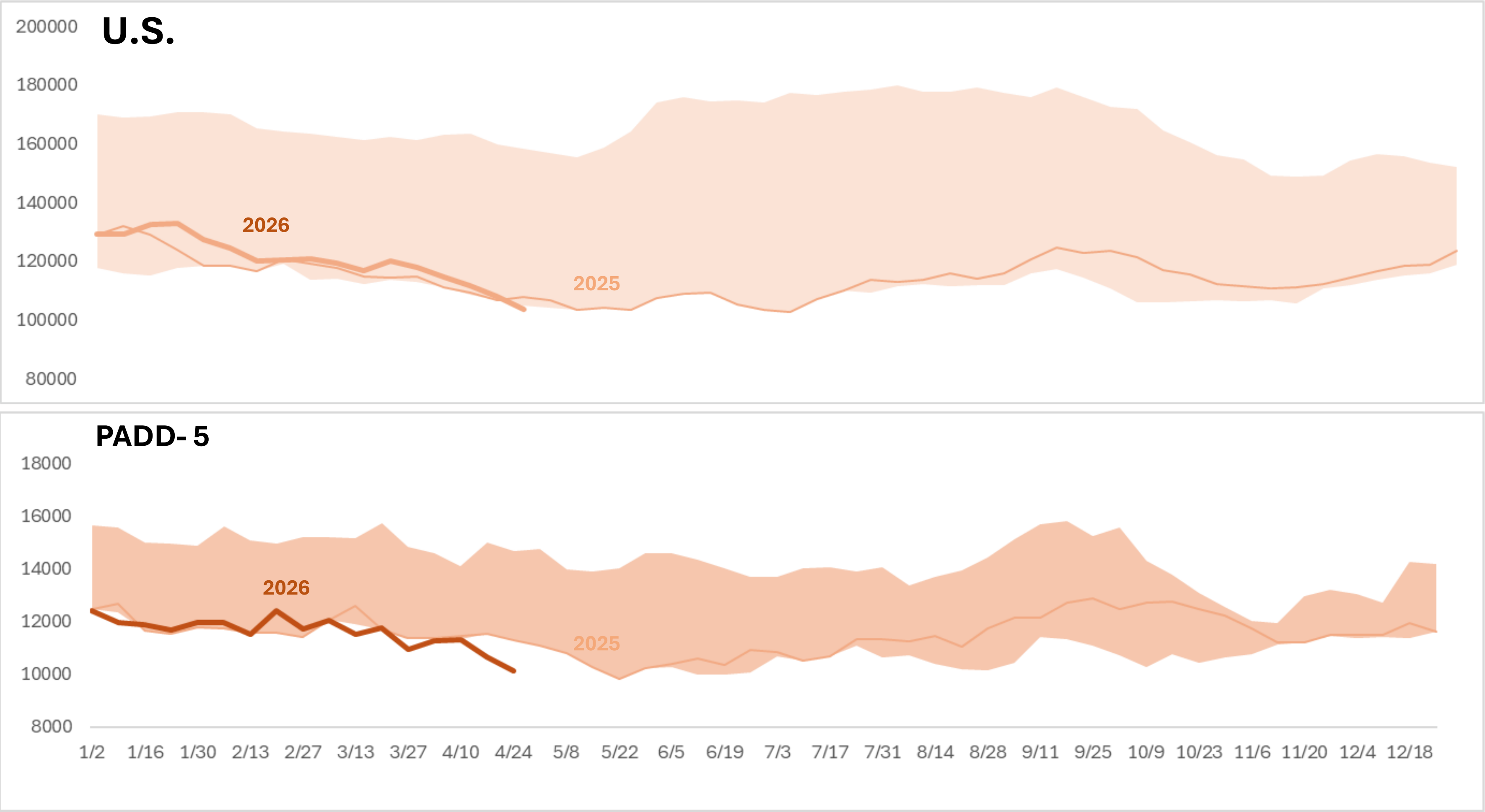
Source: EIA Data

U.S. & Regional Inventories for Diesel

10 Years Inventories Cloud for Fossil Diesel

(Thousand Barrels)



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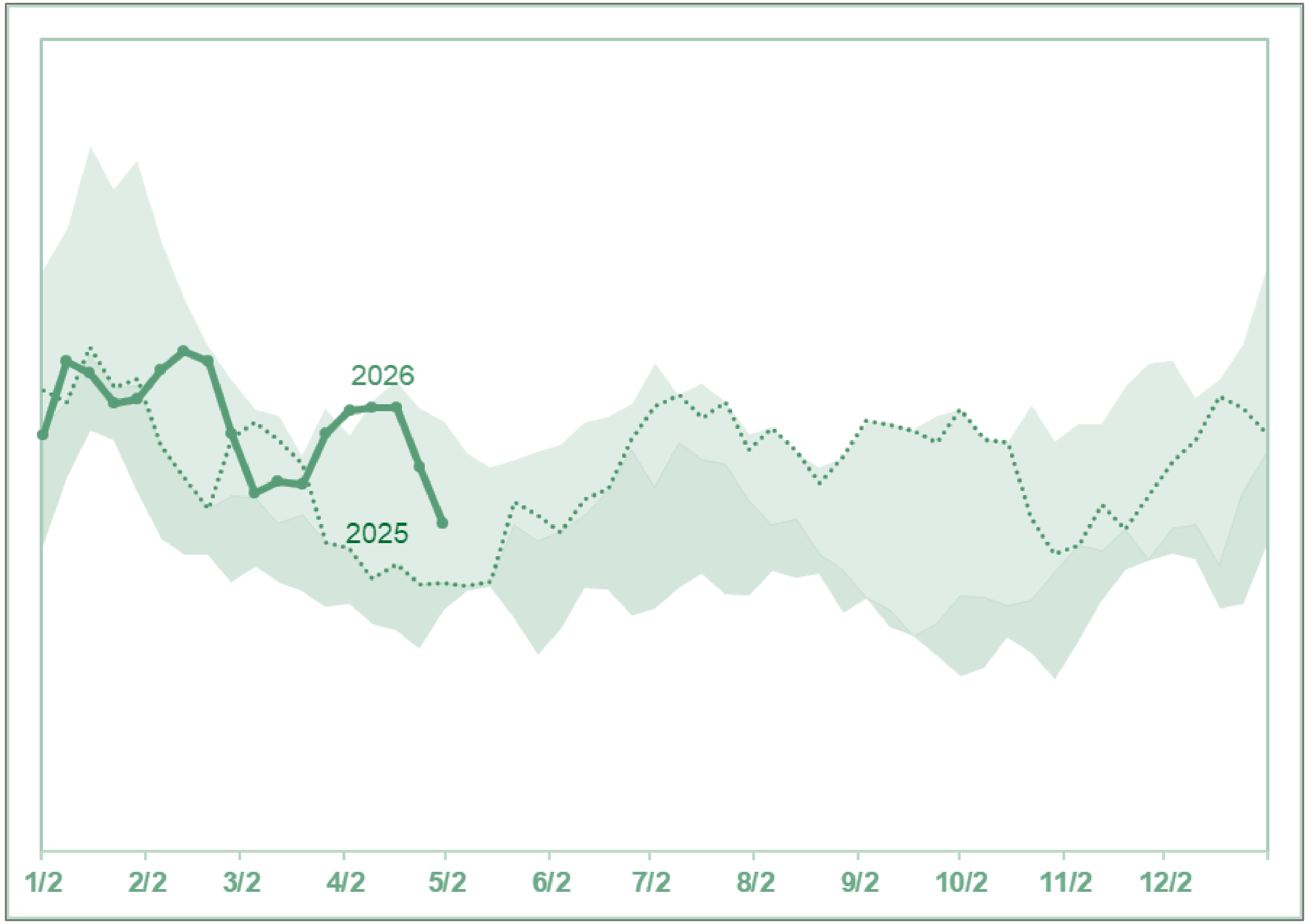
Source: EIA Data

California Gasoline Days of Supply is Within Historical Range

California Gasoline: Ten Years Days of Supply (DOS) Cloud



Days of Supply Indicators

Imports

- Elevated imports in March and April.
- Recent DOS fall calls for more imports in coming weeks to offset production softness.

Production

- To strengthen in May: PBF returns online and overall outage exposure declines.
- Refiners' ability to pivot crude sourcing from Latin America and Canada provides additional support.

Inventory

- PADD-5 inventories are within historical ranges.
- Provides high degree of confidence to meet demand under current operating conditions.

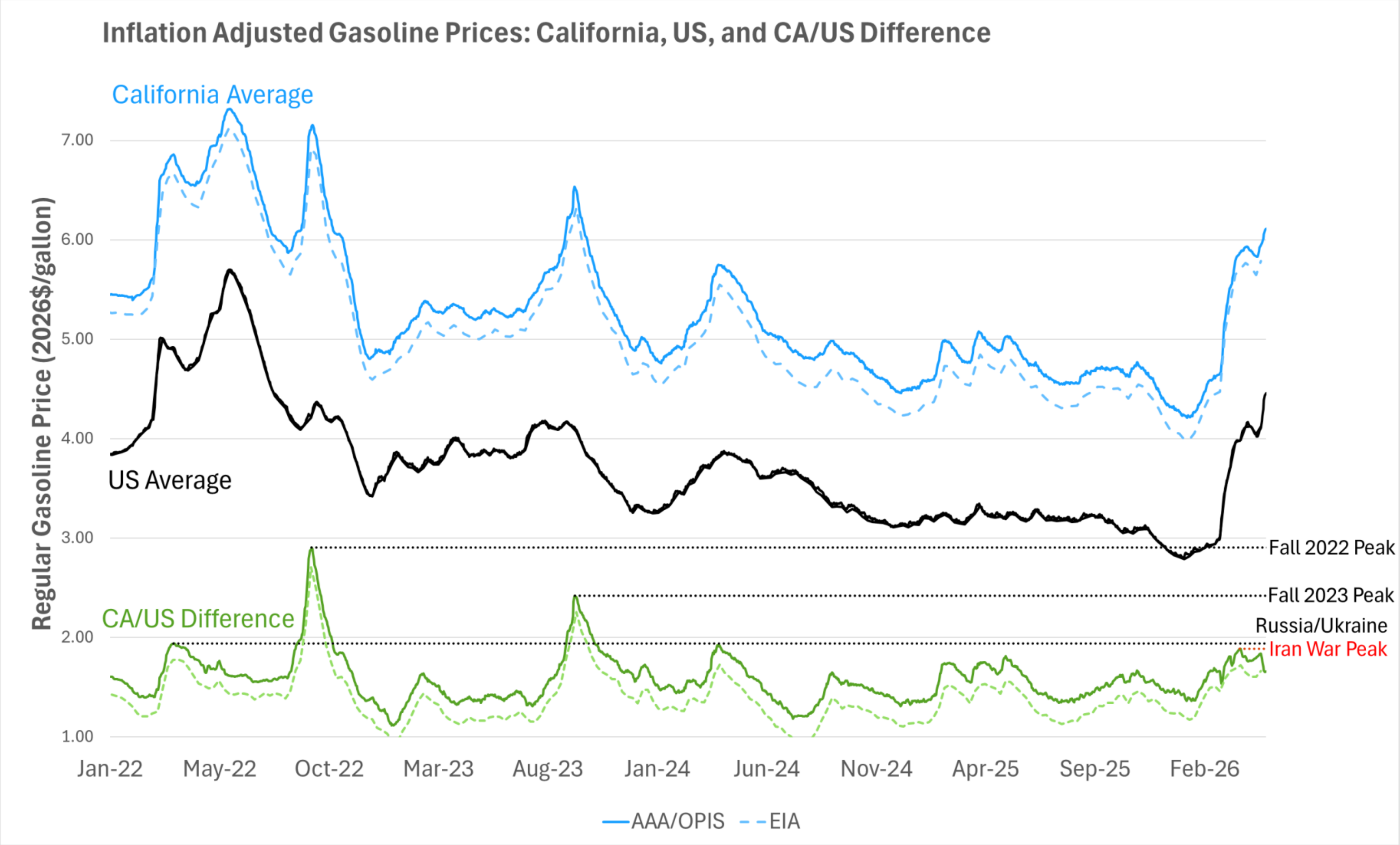
Days of Supply is estimated using weekly production and inventory metrics, projected marine imports, and projected refinery production based on available refinery maintenance information.

Calculated values and data points are not shown to maintain PIIRA confidentiality

Source: CEC Staff

Current Trends Are Unlike Fall 2022 and 2023 Spikes

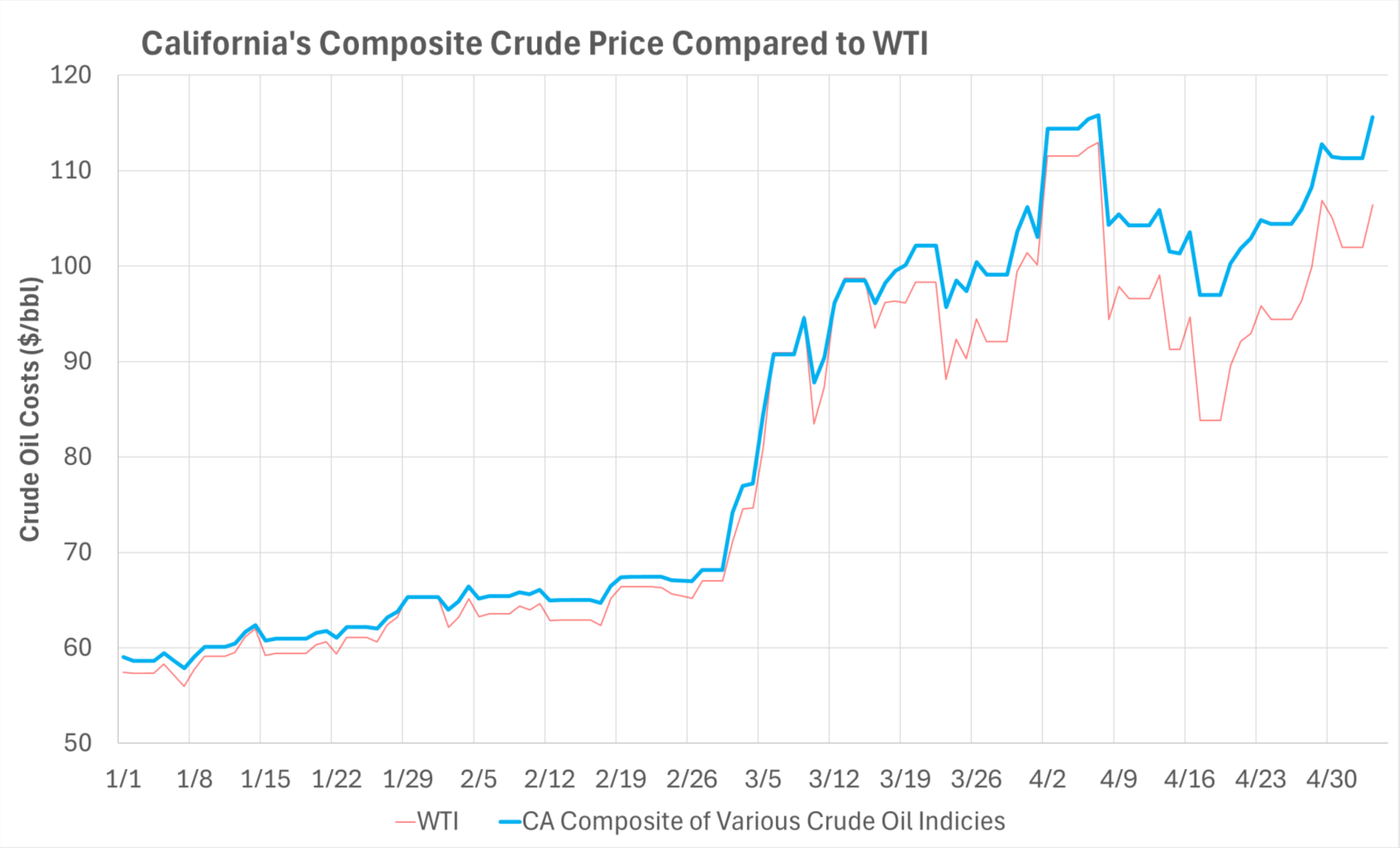
Price trends closely resemble 2022 Russian invasion of Ukraine, lower than fall price escalations



Source: CEC analysis of OPIS, AAA, and EIA data. AAA/OPIS and EIA use different gasoline price methodologies.

California's Crude Oil Acquisition Costs are More Exposed to World Events than Gulf Coast Refineries

Widening gap between California's composite crude price and West Texas Intermediate (WTI)

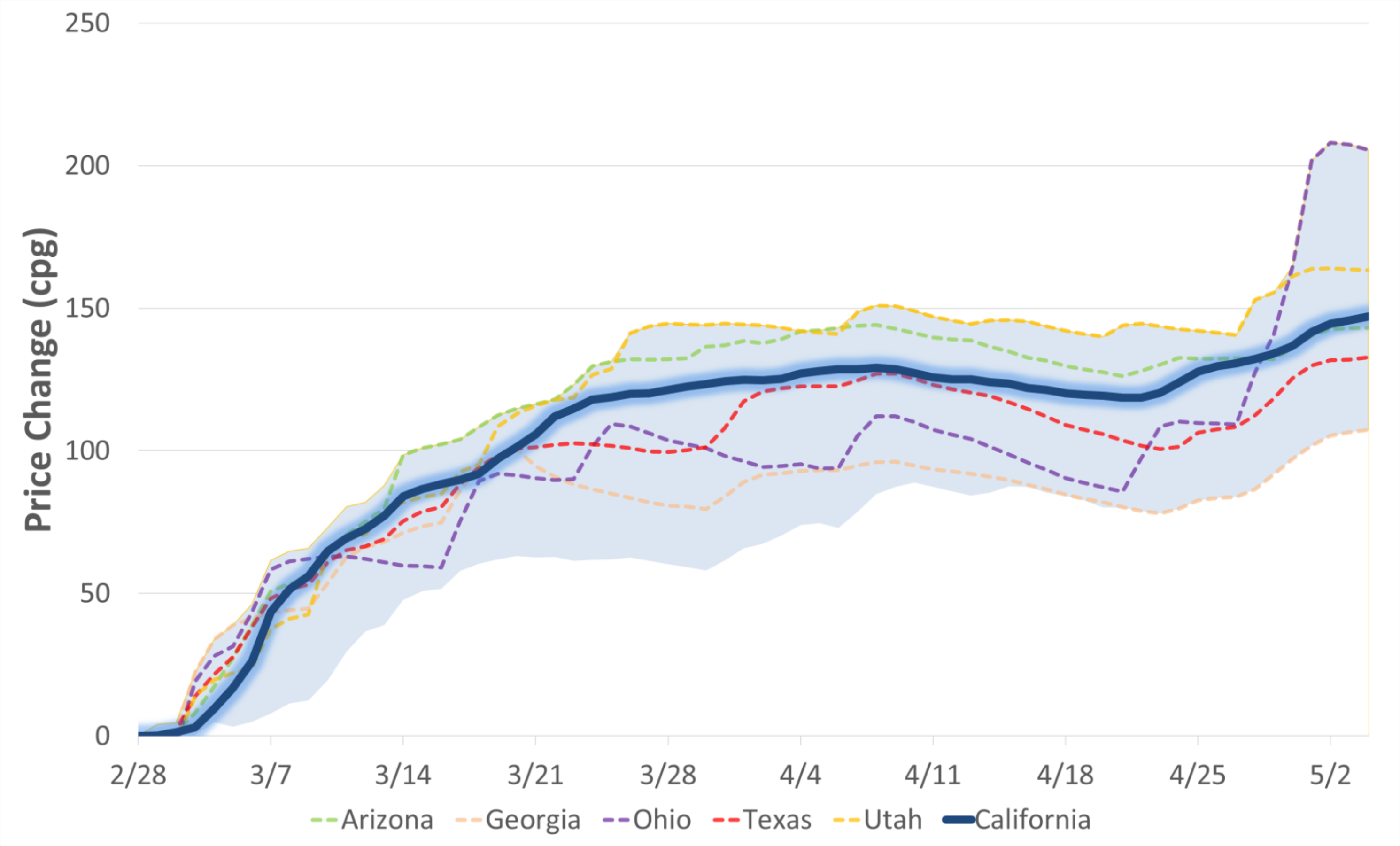


Source: CEC Analysis of OPIS and EIA Data. California composite price represents crude oil price indices representing sources used, including from Alaska, California, and international sources.

- Through the progression of the conflict, the one month forward looking gap in crude prices between the California Composite and WTI is expanding.
- This implies that California may remain exposed to elevated composite crude prices for a longer duration than the rest of the U.S. (pegged to WTI), given the state's unique market structure and slower pass-through relief.

Gasoline Prices are Elevated Across the U.S.

California has not been the state with the biggest price increase since the beginning of the conflict

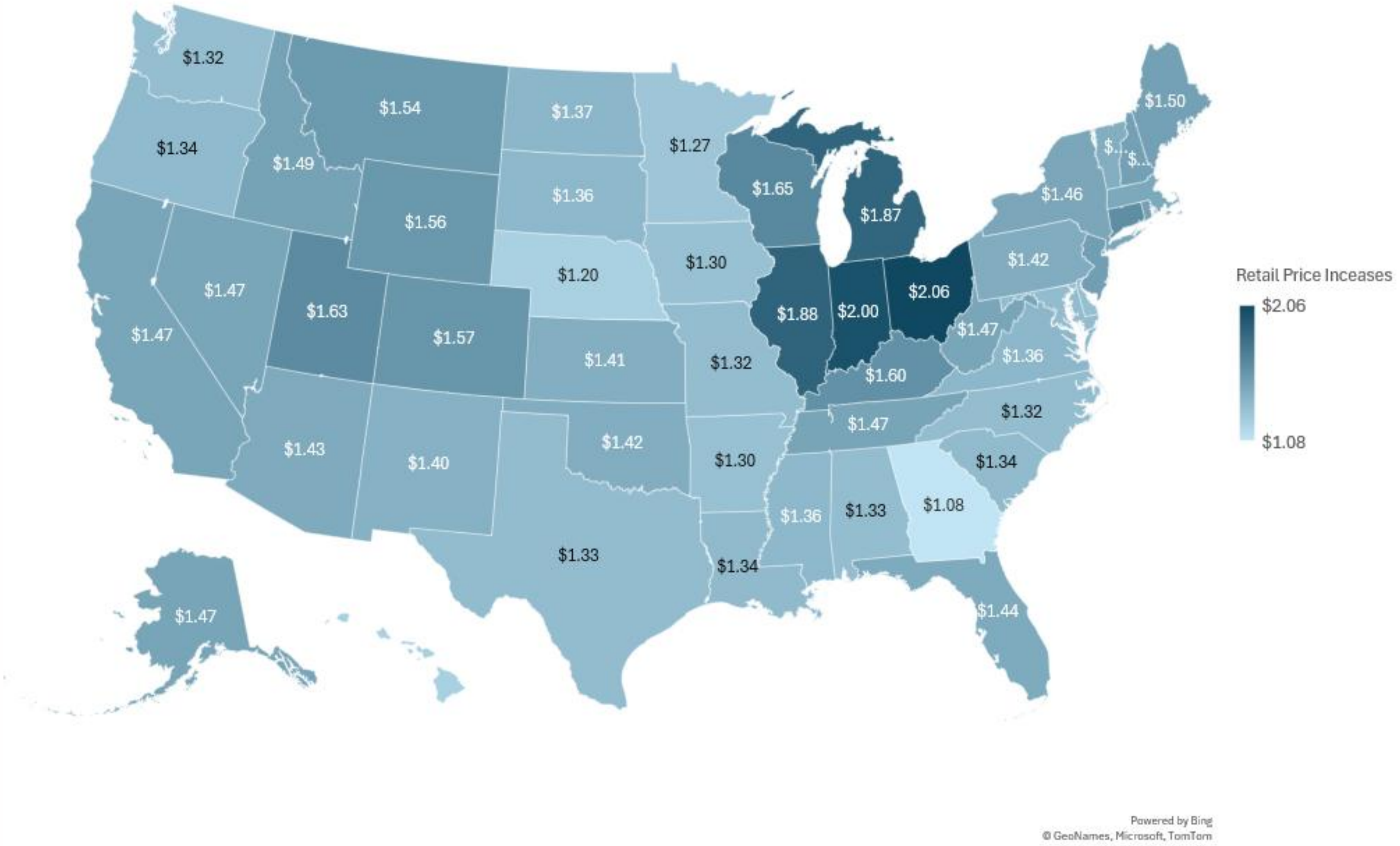


Source: CEC analysis of AAA data as of 5/4

Rank	State	Average Retail Price	Retail Price Inceases Since 2/28
1	Ohio	$ 4.87	$ 2.06
2	Indiana	$ 4.81	$ 2.00
3	Illinois	$ 4.94	$ 1.88
4	Michigan	$ 4.86	$ 1.87
5	Wisconsin	$ 4.38	$ 1.65
6	Utah	$ 4.39	$ 1.63
7	Connecticut	$ 4.53	$ 1.61
8	Kentucky	$ 4.24	$ 1.60
9	Colorado	$ 4.44	$ 1.57
10	Wyoming	$ 4.30	$ 1.56
11	Montana	$ 4.35	$ 1.54
12	New Jersey	$ 4.43	$ 1.51
13	Maine	$ 4.41	$ 1.50
13	Rhode Island	$ 4.39	$ 1.50
13	New Hampshire	$ 4.36	$ 1.50
16	Idaho	$ 4.46	$ 1.49
17	Tennessee	$ 4.04	$ 1.47
17	Alaska	$ 5.07	$ 1.47
17	California	$ 6.11	$ 1.47
17	Nevada	$ 5.18	$ 1.47
17	West Virginia	$ 4.31	$ 1.47
22	New York	$ 4.46	$ 1.46

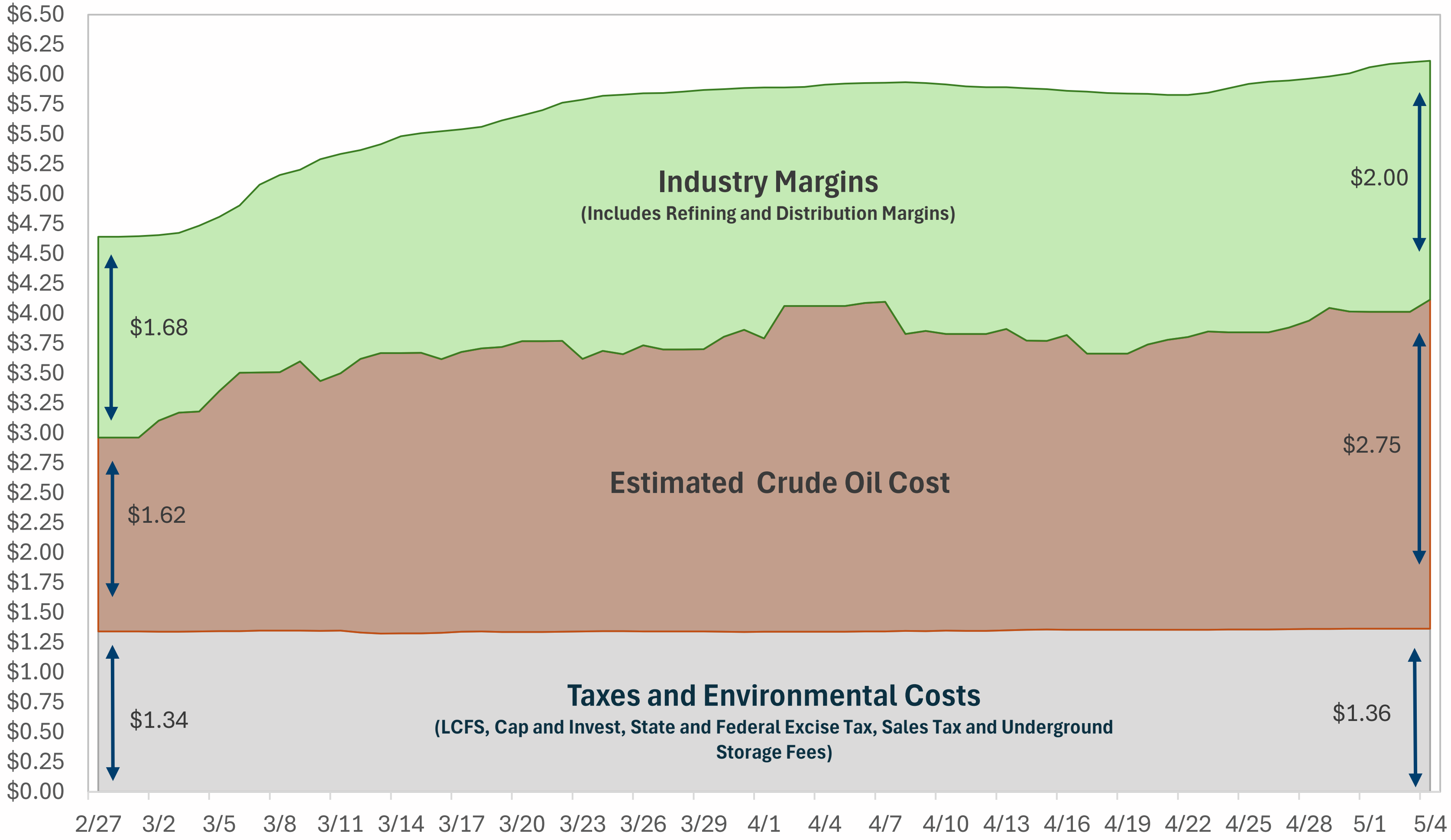
Gasoline Retail Price Increases Since Iran Conflict

Snapshot on 5/4/26



Increased Cost and Heightened Risks Have Driven up Prices

As of May 4th, $1.13 of gas price increase is attributed to crude oil costs. $0.32 par gallon is likely added in industry margin.



- Calculated composite crude oil cost is contributing **$1.13** to recent price increases.
- Industry margins increased from **$1.68/gal to roughly $2.00/gal**- volatility risks premium is accounted by the market.
- The combined effect is driving total pump prices upward, even as structural cost components remain unchanged.

Estimates based on AAA average retail prices and calculated composite crude costs during 02/27/2026 to 05/04/2026

Source: CEC Staff

Thank You!

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