



Big Legislative Win for Gregg, as Newsom Signs Bill He Co-Authored to Help Check Gas Price Spikes

(Editor's note: Assembly member Gregg Hart scored the most significant victory of his first term on Monday, when Gov. Gavin Newsom signed consequential legislation aimed at curtailing gasoline price hikes, co-authored by the Santa Barbara Democrat.

As both a policy and political matter, it is unusual for a freshman lawmaker to be at the center of such a high-profile affair in Sacramento. Hart's comment is below this news story).



On the right, Assembly member Gregg Hart, D-SB, stands with Gov. Gavin Newsom at signing ceremony of Hart's ABX2-1

By Alexei Koseff
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Only a few months delayed, Gov. Gavin Newsom finally got to take his victory lap over the oil industry on Monday.

Surrounded by Democratic lawmakers and other supporters in the state Capitol rotunda, Newsom signed Assembly Bill X2-1, his proposal to address gasoline price spikes, which he called “a profoundly consequential effort to reduce the costs of working people in the state of California.”

The measure, [co-authored by Assembly Majority Leader Cecilia Aguiar-Curry, D-Napa, and Assembly member Gregg Hart, D-Santa Barbara], aims to smooth out seasonal surges in prices at the pump by increasing state oversight of refinery maintenance. This could include requiring operators to maintain a minimum fuel reserve that they can dip into when they go offline.

The governor pushed for a version of this bill at the end of the legislative session in August but was rebuffed by lawmakers frustrated that they had no time to vet it. So Newsom called a special session, bringing the occasionally reticent Legislature back to Sacramento in the middle of an election campaign to pass his proposal, despite political jitters and the vocal opposition of organized labor.

But during Monday's signing ceremony, Newsom reserved his fire for oil companies — one of his primary political punching bags in recent years — eviscerating them as polluters, liars and price gougers.

- **Newsom:** "They're screwing you. They've been screwing you for years and years and years. There's no other way to put it."

Minutes before the event began, the governor released an animated video in which he accused the industry of manipulating prices to scare voters into supporting former President Donald Trump in the November election. Newsom, who has endorsed Vice President Kamala Harris, denied that his proposal was political retribution, but pointed to reports earlier this year that Trump asked fossil fuel executives to finance his campaign in exchange for deregulation.

- **Newsom:** "When a former president of the United States asks for \$1 billion — \$1 billion — in a room of oil industry executives to roll back regulations, I think that should scare the hell out of you. It sure as hell scares the hell out of me."

The Western States Petroleum Association, which represents the oil industry in California, slammed Newsom for "a political performance" that "chose to demonize an industry that powers California's economy and fuels the daily lives of millions."

- President and CEO **Catherine Reheis-Boyd**, in a statement: "The Governor's attacks, filled with personal insults toward the press and the industry, only serve to divide, not address the urgent issues we face."

The ceremony followed a succinct floor session in which the Assembly gave final approval to the bill so quickly and unceremoniously that reporters in the back of the chambers didn't even realize the vote had happened at first.

There was no formal debate before the Assembly concurred in the Senate amendments to the proposal by a 42-to-16 vote, one more than the minimum for passage. Four Democrats joined Republicans in opposition, while many others abstained.

Assembly Republican Leader James Gallagher of Chico, who briefly and unsuccessfully tried to adjourn the session before members could vote, told reporters it was "a complete travesty" that the special session had "done absolutely nothing but increase" gas prices, referring to arguments that mandating fuel reserves would drive up costs by artificially limiting supply.

Alexei Koseff covers the governor and Legislature for CalMatters, an independent, nonprofit media organization that provides news, analysis and commentary about statewide issues.

Background and commentary from Assemblymember Gregg Hart's office:

"California's oil market is uniquely vulnerable. The State's air quality standards and isolated fuels market mean that prices can be severely impacted by supply disruptions. Nearly all in-state supply comes from a handful of refineries—three in Northern California and five in Southern California, with only one small refinery in Central California.

A single refinery outage could drastically reduce refining capacity, by up to 45 percent in Northern California and 35 percent in Southern California. This volatility, combined with the higher costs compared to other states, has placed an undue burden on residents with fixed or limited incomes and strained the broader economy. Last year, price spikes at the pump cost consumers more than \$2 billion.

On August 31, 2024, the Governor convened a special session of the Legislature to address the issue of gas price spikes. In partnership with the Governor and Speaker Robert Rivas, Assemblymember Hart and Assembly Majority Leader Aguiar-Curry introduced ABX2-1 to protect Californians from preventable gas price spikes. The bill was the subject of extensive public hearings featuring testimony from diverse stakeholders. Following passage in the Legislature, the bill was signed into law on October 14, 2024.

To stabilize California's oil supply and prevent price spikes, ABX2-1 creates a mechanism to require refineries to maintain adequate reserves and properly plan for refinery shutdowns.

Specifically, the California Energy Commission will have the authority to require California's petroleum refiners to implement resupply plans and arrangements that adequately offset production losses from refinery maintenance. The Commission can only adopt these regulations if it determines that they will lead to lower average retail prices, increase the fuel supply, and reduce the price volatility at the pumps for consumers...

Hart: "This landmark legislation is a win for consumers, and a win for accountability in the state's gasoline market. ABX2-1 will save working California families billions at the gas pump. This common sense solution has received broad public support because consumers know that when gas prices spike in California, the oil industry unfairly profits."

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