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An Opinion Editorial by Supervisor Curt Hagman

Californians are tired of being nickeled and dimed by mandates, taxes and fees on gasoline. The legislature has added nearly 75 cents per gallon to the cost of gas, and that was before the recently passed gas tax which raised the cost of gas to almost 87 cents per gallon beginning this November.

To put that in perspective, Californians will soon be paying $13 in taxes and fees alone each time they head to the pump to fill up a 15-gallon tank.

If that wasn't enough, the South Coast Air Quality Management District (AQMD) is now contemplating a ban on the use of modified hydrofluoric acid at California refineries. Should they adopt a ban, the AQMD is essentially passing another hidden gas tax onto Californians – one that will drive the costs of gasoline, goods and services even higher.

Refineries use modified hydrofluoric acid during the alkylation process, which is necessary to make a special blend of gasoline only used in California. This gasoline is mandated by California law to improve air quality. It is cleaner than the gasoline used in the rest of the country and meets California's (strictest-in-the-nation) emissions regulations.

Some have claimed that forcing a refinery to stop using modified hydrofluoric acid is a simple change; but looking past the rhetoric, it would require a refinery to demolish its current alkylation infrastructure and build an entirely new system. A recent presentation, by the California Energy Commission's Gordon Schremp, explained that a forced conversion to an alternate infrastructure is so costly that it could cost nearly as much as the value of the entire refinery.

As a result, a ban on modified hydrofluoric acid could result in one or more Southern California refineries shutting down, creating supply shortages, price spikes and more. Because California uses a special formulation of gasoline, we can't flip a switch and start immediately importing our gas from outside the state. Out-of-state refineries would need time to modify their processes to make California's special blend of gasoline. For these out-of-state refineries to justify the costs associated with process modification, the gas shortage in California must drive prices high enough for a long enough time period to justify the expense. It takes up to 60 days just to get the outside fuel supplies into the state.

An independent analysis recently presented at a California Energy Commission meeting found that should this alkylation process be banned, the considerable loss in fuel supply would cause a market shortfall and conservatively increase gasoline prices by another 25 cents. This increase, coupled with the 28 cent increase we can expect by 2020 due to continued implementation of existing taxes, fees and mandates means Southern Californians could see costs go up to $20.97 in taxes, fees and mandates alone each time they head to the pump to fill up the same 15-gallon tank.

To make this point more clear, a study found that in just six months after the Torrance refinery temporarily closed in 2015, the loss in gasoline supply increased costs by 40 cents per gallon, costing consumers at least $2.4 billion in higher gas prices. These figures are staggering – and more than California's working families can afford. A new ban on a process that already complies with very strict regulations will no doubt lead to devastating consequences for working families and Southern California's economy.

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