



Oil & Gas Industry Overview

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South Bay Cities Council of Governments

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Western States Petroleum Association (WSPA)



About WSPA

Western States Petroleum Association is a non-profit trade association representing the companies that safely and reliably explore for, produce, refine, transport and market the petroleum and energy products that fuel the five western states of Arizona, California, Nevada, Oregon, and Washington.

WSPA works with government leaders, regulators, media, and the public to share information and create an inclusive dialogue around our shared energy future.

WSPA is dedicated to ensuring Americans have reliable access to petroleum and petroleum products through socially, economically, and environmentally responsible policies and regulations.



Miles and Gallons By the Billions

315.2 Billion

number of vehicle miles traveled on California roads in 2022.²



That's as many miles as it would take to travel to Pluto and back **33 times.**³

In 2022

13.6 Billion

gallons of gasoline and 3.1 billion gallons of diesel were sold in California.⁸ It's estimated there were more than 10,742 retail stations in 2022⁴



As of 2022, California is the largest consumer of jet fuel and second-largest consumer of motor gasoline among the 50 states.²



More than

31 Million

motor vehicles were registered in California in 2022.⁵



Source 2: U.S. Energy Information Administration

Source 3: NinePlanets.org

Source 4: California Energy Commission

Source 5: U.S. Department of Transportation

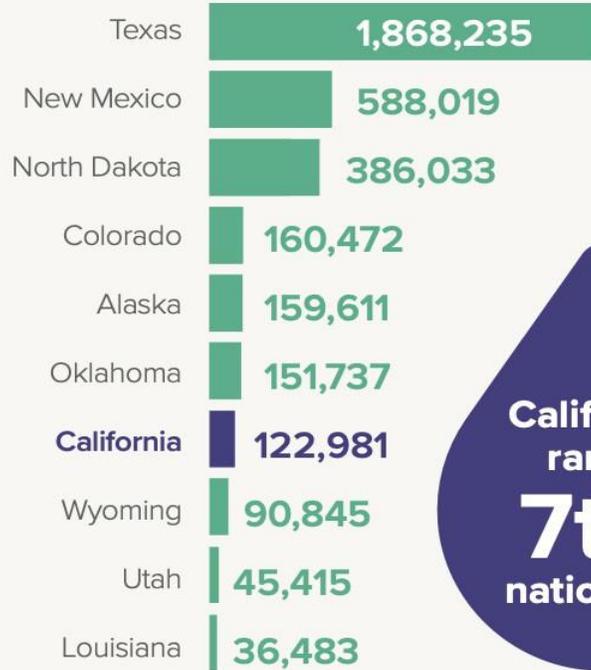
Source 8: California Department of Tax and Fee Administration

California Can't Meet Its Own Oil Demand

California imports the majority of oil to meet consumer needs.

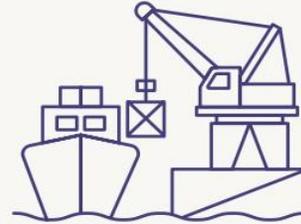
Crude Oil Production in 2022

(Thousands of barrels)



California ranks **7th** nationally²

Annual Oil Supply Sources to California Refineries



In 2022, about

25%

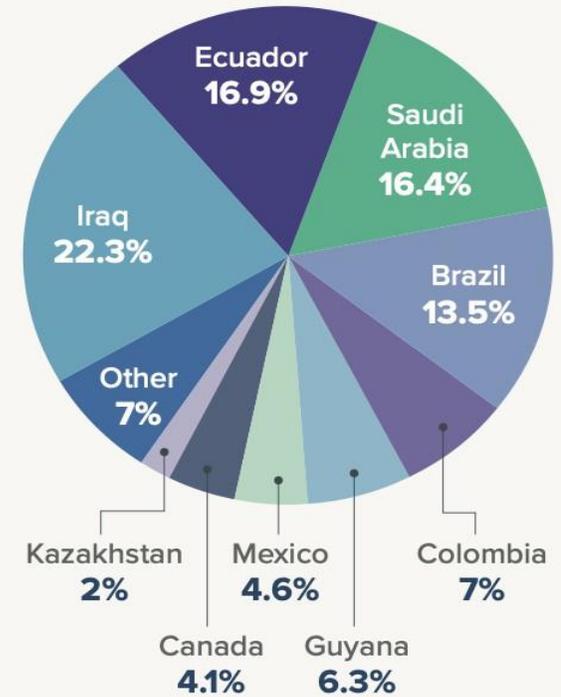
came from California.

That means almost

75%

is imported from Alaska and foreign sources to meet the state's consumption needs.⁴

Foreign Sources of Crude Oil Imports to California⁴



Source 2: U.S. Energy Information Administration

Source 4: California Energy Commission

California's Oil & Gas Industry Drives Our State's Economy

148,140

the number of Californians directly employed by the oil and gas industry.

536,770

total number of jobs supported by the oil and gas industry.

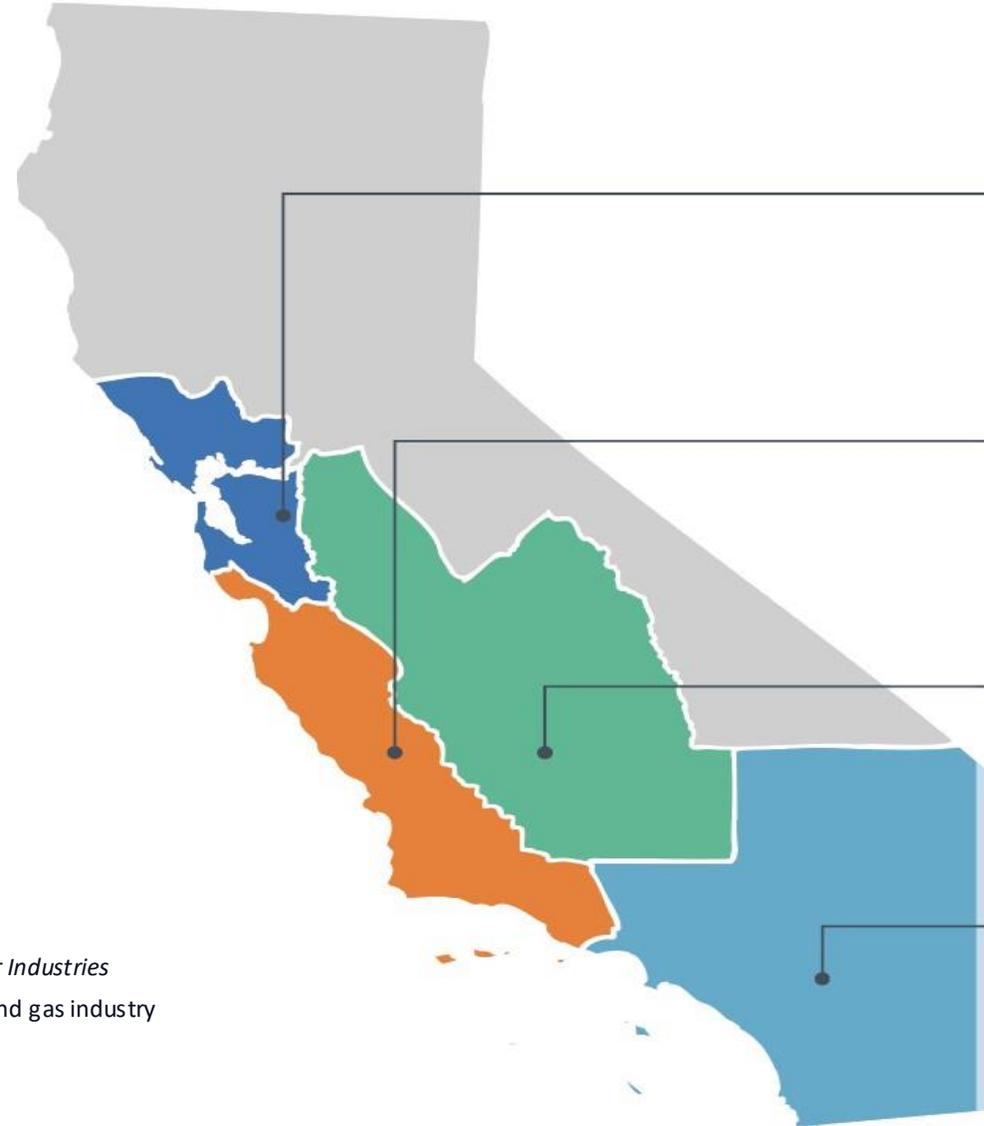
That's enough people to fill both NFL stadiums in California almost 4 times.¹

\$64.3 Billion

contributed in local, state and federal tax revenue to support schools, roads, public safety and other vital services.

\$338 Billion

total economic contribution to California's economy.



These four sub-regions account for 27 counties and more than 88% of direct employment in the industry.

BAY AREA

26,750 Jobs

\$94.6 Billion
Total Economic Contribution

CENTRAL COAST

6,330 Jobs

\$10.5 Billion
Total Economic Contribution

SAN JOAQUIN VALLEY

26,150 Jobs

\$39.6 Billion
Total Economic Contribution

SOUTHERN CALIFORNIA

71,130 Jobs

\$167.6 Billion
Total Economic Contribution

A report titled *Oil and Gas in California: The Industry, Its Economic Contribution and Major User Industries* highlights key economic contributions, workforce dynamics, and policy considerations the oil and gas industry faces in California.

To read the full report visit www.wspa.org/LAEDC2025

CA - State of Energy Isolation



PIPELINE INFRASTRUCTURE:

No crude oil pipelines exist from other states.
Regulatory approvals make this an untenable option.

RAIL AND TRUCK TRANSPORTATION:

Rail transport is very limited, extremely expensive, highly controversial, and would require an massive increase to meet current demands.



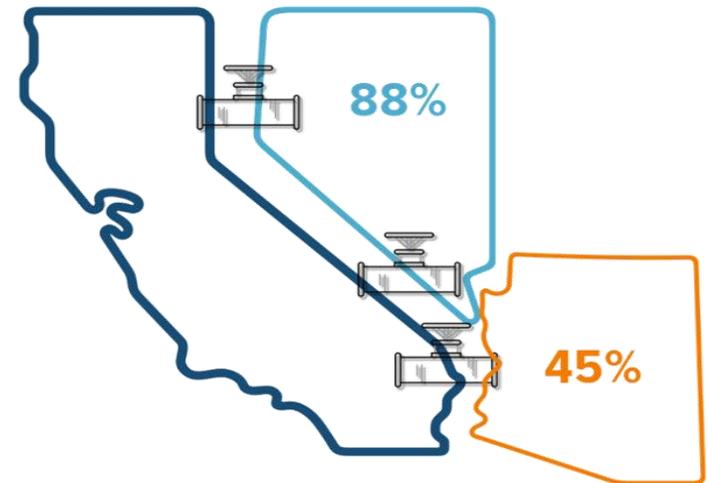
SHIPPING:

With increased global demand and war, shipping availability reduced and costs 2-4x higher

Arizona and Nevada Depend on CA

CA refineries supply

- 45% of Arizona's
- 88% of Nevada's transportation fuels
- CA's northern and southern fuel supply systems are not connected, requiring ocean-going vessels to transport fuel between them.



Vulnerabilities and Risks in California's Fuel Supply Chain

- WSPA enlisted Turner, Mason & Company (TM&C) to carry out the Transportation Energy Supply Chain Infrastructure and Investment (TESCII) study.
- CA transportation fuel supply chain is at risk of unprecedented disruption, primarily due to the culmination of tightening state policies and regulations.
- **The study focused on the CA transportation fuel system (upstream, downstream, logistics, refining, regulatory) with a focus on identifying potential “*pinch-points*” that could significantly impact the ability of the system to meet the state’s future transportation fuel demands.**

Transportation Energy System

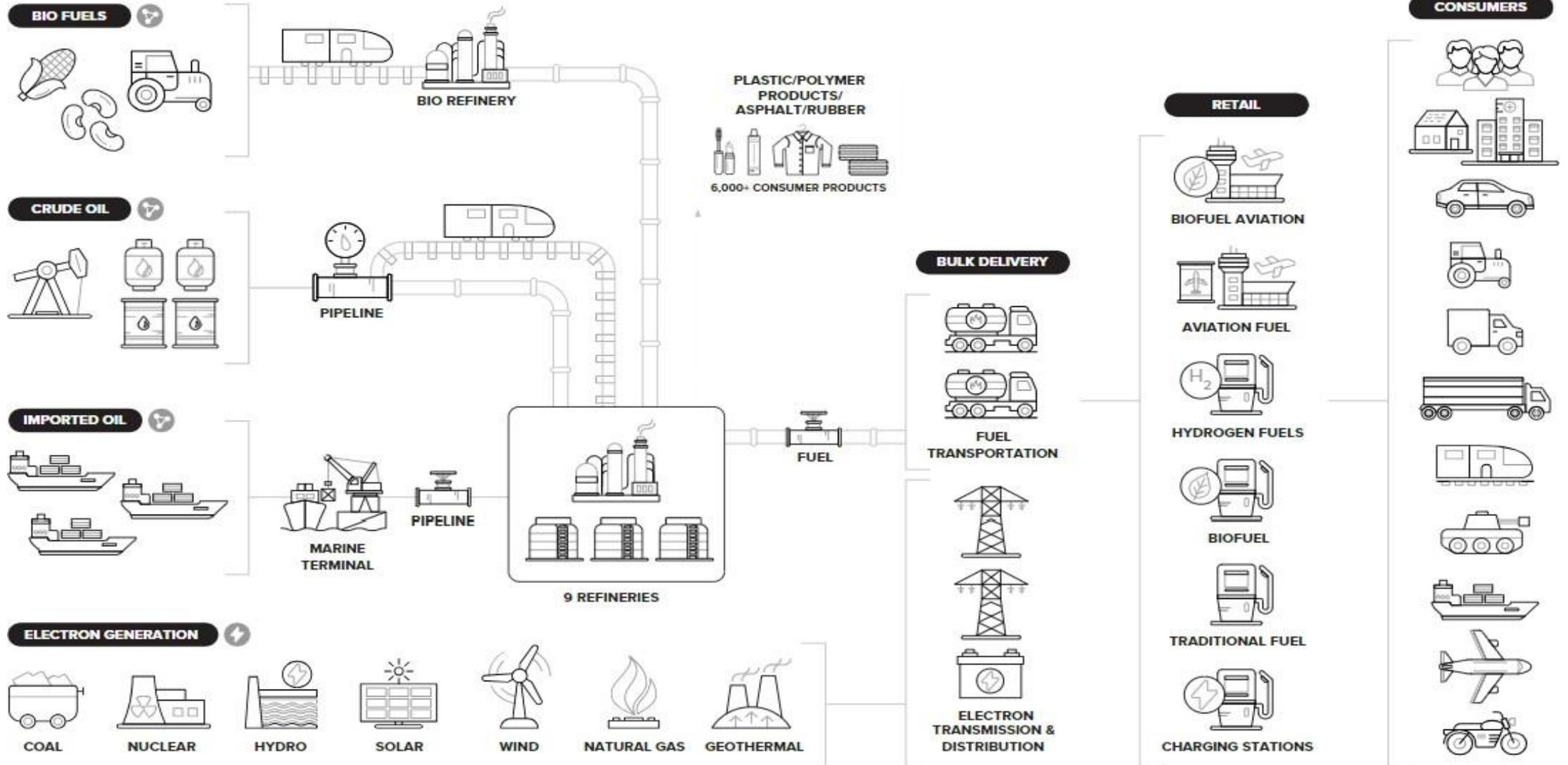
SUPPLY



SCAN TO LEARN MORE

MOLECULE ELECTRON

DEMAND



TESCII Study Concerns & Urgent Takeaways

- CA crude oil production is in decline, despite ample reserves.
- Crude pipelines are increasingly at risk of shutdown due to lack of volume; Statewide new drill permits down 96% since 2019.
- Marine facilities face increased congestion and dramatic vessel limits.
- 1980s, CA had over 30 refineries. Only 6 major refineries that make CARBOB remain in the state. Down from 16 refineries ten years ago.
- CARBOB is the gasoline blendstock that, when blended with ethanol, results in a finished gasoline which meets the requirements of the Phase 2 or Phase 3 of CA Reformulated Gasoline (RFG) Regulations.)
- California policies are making the state not investable.
- Refineries require ongoing investments, and a hostile policy environment makes those decisions difficult.

California Climate Targets

- 48% reduction of greenhouse gases by 2030
- Achieve carbon neutrality by 2045
- ~~35% of new cars sold must be plug-in hybrid electric, EVs or hydrogen fuel cell by 2026, rises to 68% by 2030 and 100% by 2035.~~ **Federal Gov't revoked the EPA Clean Air Act Waiver but CARB is litigating the waiver repeal.**

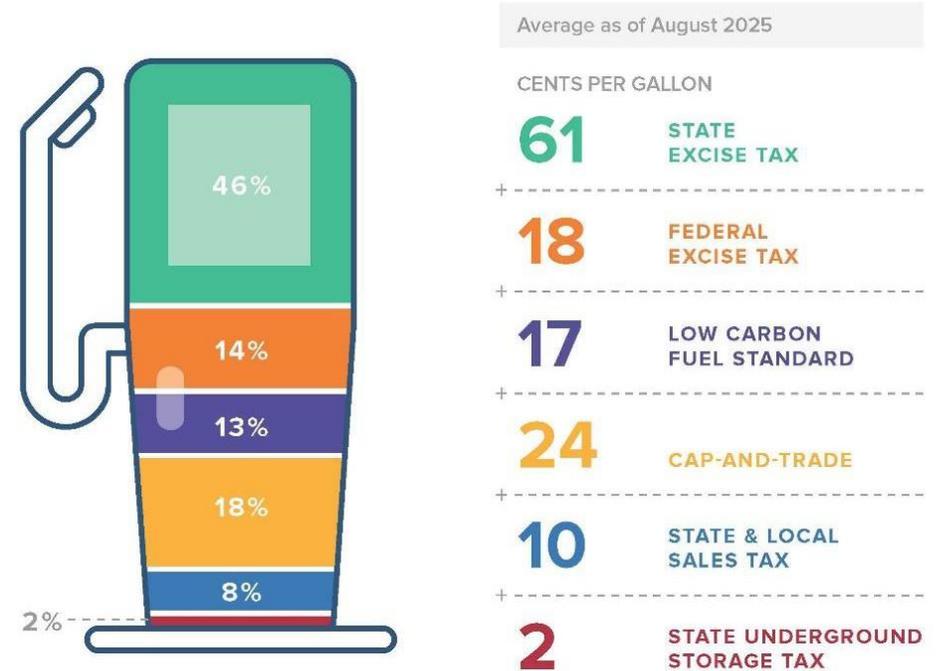
CA Crude Imports

- CA is heavily reliant on imported crude oil to meet its energy needs, with foreign imports accounting for **63.5%** of its crude oil supply in 2024 (324,037 thousand barrels in 2024)
- CA also receives crude oil from Alaska, which accounted for 13.3% of its supply in 2024
- In-state crude oil production at 23.3% in 2024
- California's foreign oil imports come from a variety of countries, with the top sources in 2024 being Iraq (21.26%), Brazil (20.41%), and Guyana (15.80%). Historically, Saudi Arabia and Ecuador have also been major suppliers.

What Influences Cost at the Pump?

- Price of crude oil
- CA is energy isolated (not connected to the national crude pipeline network)
- CA has its own fuel standard, gasoline cleanest and most expensive to make
- Supply problems on the West Coast
- Infrastructure and investment lacking
- Climate policies drive increased costs

Estimated Impact of California Taxes, Fees & Costs of Climate Programs



Source: U.S. Energy Information Administration; California Department of Tax and Fee Administration; Low Carbon Fuel Standard based on OPI methodology; Cap and Trade based on most recent Auction Settlement Price for California Carbon Allowances. All information accessed in July 2025.

Disclaimer: This infographic is based on average historical gas prices and is not a forecast of future gas pricing. The basic rules of supply and demand have an impact on the price of gasoline. Additionally, local taxes and fees also account for the cost of gasoline to consumers. This figure assumes all businesses pass on the entire cap-and-trade costs; however, WSPA does not have knowledge on whether individual companies pass on the costs and does not discuss or comment on whether they should do so.



Solutions for Affordable, Reliable and Ever Cleaner Fuels

- Increase Supply (in-state production & refining)
- Streamline Permitting To increase supply
 - For carbon reducing projects
 - Carbon Capture Utilization Storage
 - Renewable Diesel
 - Hydrogen
- Need “All of the Above” Energy Portfolio for WA, CA, AZ, NV





California's Energy Realities Can Shape Smarter Policies

TAKE ACTION NOW

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SCAN ME

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