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## **New research debunks oil industry misinformation on California gas price spikes**

*Oil companies gouge consumers while clean energy and pollution programs deliver benefits*

**Sacramento, Calif.** — A [new white paper from McCullough Research](#), the same firm that [provided expert testimony](#) for California's price gouging and transparency law SBX 1 2, responds to the misinformation on the recent gas price spike and other misleading comments perpetuated by Chevron, the Western States Petroleum Association (WSPA) and other oil industry representatives.

The white paper finds that the majority (58%) of the gasoline price at the pump can be blamed on crude oil cost — set by the global oil market — and margins from oil refineries and distributors, prompting windfall profits. In comparison, California climate programs are among the smallest line items embedded in the price at the pump, which has generated billions in investments for over 500,000 projects that save and protect Californians, including zero-emissions school buses and wildfire prevention programs. **See key findings from the white paper below.**

“Chevron understands global oil markets as well as anyone—and that’s exactly why their claims don’t hold up,” said **Robert McCullough, principal of McCullough Research**. “Gas prices didn’t spike because of anything that happened in Sacramento. They spiked because of a global oil shock tied to the conflict with Iran. We’ve seen this happen many times before. What our analysis shows is straightforward: the same disruptions driving up prices for consumers are also increasing refinery profits. California’s market is highly concentrated, and during crises like this, refiners benefit. This isn’t about climate policy—it’s about global oil markets and the structure of the refining industry on the West Coast.”

The oil industry is also using this moment to attribute long-standing market challenges to climate policies. However, refiners themselves have consistently cited broader market dynamics—not state climate policy—as the primary driver of closure decisions. [Phillips 66 cited “market dynamics”](#) and long-term business considerations in its decision to shut down its Los Angeles-area refinery, explicitly indicating that the closure was not tied to California’s recently adopted price transparency and accountability measures.

“Oil companies are making business decisions based on global market conditions—not California’s climate policies,” continued McCullough. “Blaming clean energy policies is a convenient narrative, but it simply doesn’t match the facts.”

Key findings from the white paper include:

- Recent **price spikes closely track rising global crude oil prices**, particularly following geopolitical disruptions such as the conflict involving Iran.
- The West Coast gasoline market is highly concentrated and relatively isolated, creating conditions where **refinery market power can amplify price increases**.
- **Refinery profit margins tend to rise alongside crude oil costs**, meaning periods of higher prices for consumers are also periods of increased profitability for refiners.
- **California’s climate policies**, including Cap-and-Trade and the Low Carbon Fuel Standard, account for a small share of the total price of gasoline and **do not explain rapid short-term increases**.
- While some industry claims assume carbon prices hit the ceiling, most **realistic scenarios keep prices near the floor, limiting their impact on gasoline costs**.
- Trade data show California frequently exports gasoline, **undermining claims that the state faces a supply-driven crisis** or must rely heavily on imports.

[Read the full white paper here.](#)

To schedule an interview with Robert McCullough, email or call Blake Marquez, [Blake@sunstonestrategies.com](mailto:Blake@sunstonestrategies.com), 310-897-6690.

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