

From: craigspencerharrison@gmail.com
To: [PlanningAgency](#)
Subject: ORD23-001 (February 2, 2023)
Date: Friday, January 27, 2023 4:20:07 PM
Attachments: [California Has Expensive Gas.docx](#)

EXTERNAL

The attached article from the Wall Street Journal suggests that a major reason gas is more expensive in California than elsewhere is the lack of sufficient gas stations to make pricing competitive.

California has twice as many drivers per gas station as the rest of the nation.

This ordinance won't persuade anyone who has to rely on PG&E for electricity to purchase a battery-powered vehicle.

But it will impose higher costs for gasoline on blue collar workers, many of whom are Hispanic who struggle with housing costs.

This seems a very poor policy. When gasoline becomes uneconomic, gas stations will shutter without any governmental agency directing them to close.

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California Has a Gas-Price Mystery: Too High, but Why?

Drivers in the most populous U.S. state are paying more at the pump than anyone else. California's gas taxes and its strict clean-air policies don't explain away all of the \$1.23-a-gallon difference.

By [Jinjoo Lee](#)
Jan. 20, 2023

Why do California's drivers pay so much for gas?

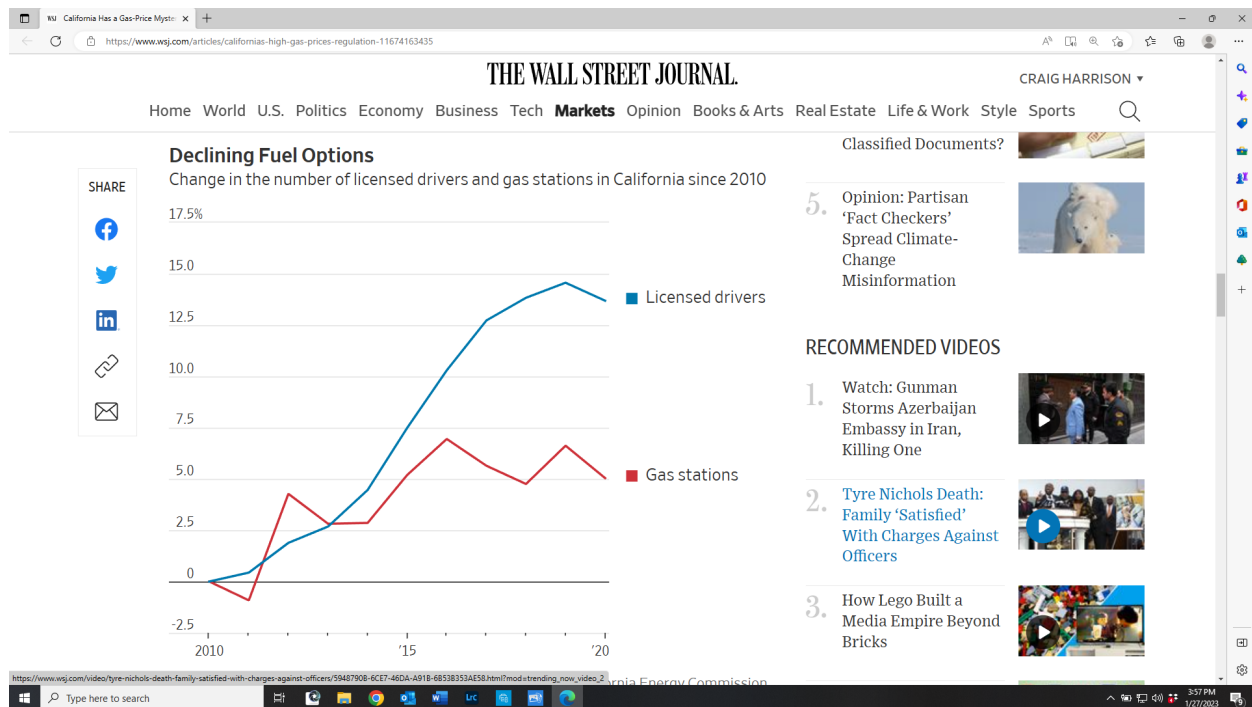
California's retail gas price was \$4.32 a gallon in December 2022, while it was \$3.09 a gallon on average elsewhere in the U.S. That is a \$1.23-per-gallon difference. There are some quantifiable sources of the California premium. Higher state gas taxes are one reason. The state's clean air policies are another. These include a cap-and-trade program for greenhouse-gas emissions, a low-carbon fuel standard and a fee for the abatement of leaking underground storage. California also mandates a cleaner-burning gasoline, which adds around 10 cents a gallon.

Tally all of those California-specific costs up, though, and it comes out to about \$1.09 a gallon, or 80 cents more than what the average state gas tax is elsewhere in the U.S., according to calculations by Prof. Severin Borenstein at the University of California Berkeley's Haas School of Business, based on the monthly average for December 2022. But that still leaves a 43-cents-per-gallon difference not explained by California-specific tax and air policy-related costs. Mr. Borenstein was a member of a committee that the California Energy Commission assembled in 2014 to better understand fuel-price fluctuations.

The premium surfaced after an [explosion occurred](#) at a Torrance, Calif. refinery in February 2015. While a disruption like that could cause a temporary spike, it has lasted long after the refinery restarted in 2016. In all, Mr. Borenstein estimates that what he calls a "mystery gasoline surcharge" has cost California's drivers almost \$50 billion in eight years.

Who is capturing those profits? It doesn't appear to be refineries—at least not directly. The price differential between California's spot wholesale gasoline and the dirtier fuel used elsewhere in the U.S. has been fairly consistent before and after the Torrance refinery fire. That means the surcharge shows up between the refineries and consumers' gas tanks.

One important aspect to consider: There is less competition among California's retail fuel stations compared to other states. Elsewhere they typically have razor-thin margins on fuel and make up for it by selling things like coffee and lottery tickets. California has twice as many drivers per gas station as the rest of the country, according to an analysis presented by transportation-fuels consulting firm Stillwater Associates to the California Energy Commission in November. While the number of licensed drivers in California grew 14% between 2010 to 2020, the number of stations only grew 5%. True, Californians drive more electric vehicles than any other state but, as of 2021, they accounted for only 1.6% of total vehicle registrations there.



Fuel margins at California's gas stations were about 79 cents a gallon on average in 2022, 79% higher than the 44 cents-a-gallon nationwide average, according to data from Oil Price Information Service, an energy data firm that is part of Dow Jones & Co., publisher of The Wall Street Journal. In Texas, where the margin was the thinnest, it was 26 cents a gallon. OPIS tracks the difference between the average price retailers charged for gasoline at their station and the price a refiner or distributor charges at the distribution point, known as the rack price.

That isn't to say all retail gas stations are collecting rich margins. What is unique about California is that a large share of its gas stations are still owned by refiners or have long-term contracts that give refiners significant control over fuel prices, according to Prof. Borenstein. In that so-called dealer system, a branded station with a long-term contract is locked into buying their gasoline from a specific supplier—say, [Chevron](#), [Shell](#) or Valero—and can't shop around if prices look more attractive at the rack. That is to say, some of that big California premium could be going back to those oil companies and refiners, too. Tom Kloza, global head of energy analysis at OPIS, said that while his firm can track prices at the racks, there is little visibility on what price refiners or oil companies charge to fuel stations with which they have long-term contracts.

Why wouldn't fat margins attract more new gas stations? Part of it could be that California's state-level policies all [point toward a faster transition](#) away from gasoline. Opening a new gas station looks unappetizing, and some cities aren't even allowing it. Petaluma enacted a ban in March 2021 and a handful of other cities have [followed suit](#). Alessandra Magnasco, a policy manager for the California Fuels & Convenience Alliance, a trade group, says the cost of doing business is simply higher in California, citing higher electricity prices, wages and permitting costs. But those factors existed before the Torrance explosion, making it difficult to tie it to the California premium. Prof. Borenstein notes that there needs to be an investigation into how much

cost these regulations impose and how many gas stations have been forced to shut down because of them.

Gov. Gavin Newsom has [proposed](#) a “price-gouging penalty” on what he says are oil companies’ excess profits. Politicians blaming high pump prices, but not low ones, on “Big Oil” is nothing unique. But California’s leaders may be right in this case. They also should look in the mirror and consider the burden of regulation. Oil companies and retail gas stations may well be taking large profits, but the blame can’t be entirely on the companies if policies deter competition. Mr. Newsom’s other proposal—expanding California agencies’ ability to investigate the cause of pricing irregularities—seems like an important step if it helps the state identify exactly where California’s gas premium goes and why.

Ironically, California’s gas price premium illustrates that, far from punishing the fossil fuel industry, a rapid shift can be a bonanza for gas stations and refiners that stick around. As Mr. Kloza puts it, “it’s a sunset industry, but it’s going to be a beautiful sunset.”

Write to Jinjoo Lee at jinjoo.lee@wsj.com

From: [Steve Birdlebough](#)
To: [Greg Carr](#)
Cc: [Susan Gorin](#); [Wil Lyons](#)
Subject: Ban on new Gas Stations | Planning Commission
Date: Monday, January 30, 2023 9:46:43 PM

EXTERNAL

Greetings Commissioner Carr--

It has long been understood that leaking gasoline tanks are a serious and costly environmental problem.

See, e.g., <https://www.cancomply.io/blog/gas-station-spills-and-cleanups-what-you-need-to-know>

With the advent of electric cars, the addition of more gas stations has become unnecessary.

At this week's meeting, the Planning Commission will consider an ordinance to amend the Sonoma County Code Chapter 26 to prohibit the development of new retail fuel stations and related infrastructure as an allowed land use in all zoning categories in the Unincorporated County excluding the Coastal Zone.

This ordinance will be another step toward implementation of the 2021 recommendation of the Regional Climate Protection Authority: <https://scta.ca.gov/wp-content/uploads/2021/09/4.2b-RCPA-Gas-Station-Prohibition-Presentation.pdf>

I urge you to support the recommended ordinance on this matter.

Steve Birdlebough

707-576-6632

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From: [Kevin Conway](#)
To: [Wil Lyons](#); [Woody Hastings](#)
Subject: Comment for February 2nd public hearing
Date: Monday, January 30, 2023 10:22:35 AM

EXTERNAL

Dear Wil Lyons:

The following is a public comment regarding the public hearing to be held at 1pm on February 2nd regarding a draft ordinance to prohibit new gas stations:

Dear Members of the County Board of Supervisors,

Consistency has been called the hallmark of Ethics.

If our principles are not consistent with our practices, we are not behaving ethically.

Of course this applies to all of us but I would think that it is especially important for government officials to act ethically and with integrity... in ways that are consistent with their expressed principles.

To permit the building of new gas stations is not consistent with your Climate Change Action Resolution, which states that you will support a county-wide framework for reducing GHG emissions and **pursue local actions** that reduce GHG emissions.

Taking the local action of permitting new gas stations directly contradicts the principles stated in that Resolution.

I would ask that you have the integrity to act ethically and consistently with your principles by drafting a strong ordinance that would ban the building of any new gas stations in Sonoma County.

Thank you,
Kevin Conway - Santa Rosa

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From: [Cate Steane](#)
To: [PlanningAgency](#)
Subject: Permit Sonoma File No. ORD23-0001 - SUPPORT
Date: Monday, January 30, 2023 7:33:32 PM

EXTERNAL

Honorable Commissioners:

I write to urge you to vote in favor of the ordinance to prohibit new retail gasoline fueling stations.

In my view, the most important reasons to stop developing new gas stations are:

- (1) Poor land use planning
- (2) Air pollution
- (3) Environmental justice
- (4) Potential groundwater contamination, especially resulting from earthquakes and floods

Land Use

When a jurisdiction permits a gas station, it buys itself a brownfield. As [recent local news](#) has shown, station owners cannot be relied upon to follow laws intended to protect the environment from the risks of petroleum fueling infrastructure.

While there are insurance programs aimed at preventing jurisdictions from getting stuck with the cleanup bill when a gas station is abandoned, it is a gamble to assume that this system will remain solvent, especially since vast numbers of gas stations will be going out of business over the next 20 years as we move away from petroleum-based transportation. One [real estate expert estimates](#) that 50% of gas stations will close by 2030.

Gas stations are a low-density use of land in a county in desperate need of land for housing. As transportation is electrified in the years to come, gas stations sales will decline and they will generate less sales tax revenue each year. Using land for a gas station greatly limits its future uses, as insurance carriers will be reluctant to insure property that may be contaminated with gasoline's component chemicals.

Air Pollution and Environmental Justice

Gasoline vapors are released by design in the regular operations of a gas station. Benzene constitutes up to 3% of the volume of gasoline. Benzene is a carcinogen associated with lung cancer and many types of blood cancers.

Benzene levels have been found at unsafe levels 150 yards from gas stations, 10 times higher than the estimates used to derive safe setback distance from gas stations. Numerous studies indicate increased risk of leukemia for people living near gas stations.

You can find citations for these studies and others regarding exposure to other toxic substances in gasoline in a 2021 article in the Environmental Law Reporter called Governing the Gasoline Spigot, 51 ELR 10058.

The City of Santa Rosa found that, of the 44 gas stations within City limits, 41 are in areas identified as having the highest concentration of people of color and people living in poverty. That means low-income and communities of color are bearing 93% of the air quality burden from gas stations in Santa Rosa. It is reasonable to expect that similar

patterns will be found in the unincorporated County.

We all know that any new gas stations will be sited in low-income and communities of color because residents of wealthier neighborhoods will always have the means to stop gas station development near their homes. More gas stations will exacerbate health inequities for poor, brown, and Black people. Banning gas stations is not only taking a stand on the climate crisis. It is also taking a stand for health justice.

Groundwater Contamination

A [10-gallon spill of petroleum](#) can contaminate 12,000,000 gallons of groundwater. Spills can occur because of leaks from underground storage tanks (USTs), piping connecting tanks to dispensers, and from dispensers themselves. Spills of small amounts of gasoline, which can pass through the concrete pads around dispensers, happen routinely when drivers fill their tanks and when tanker trucks refill underground storage tanks.

The cumulative effect of small gasoline leaks are enough to cause concern. But we live in earthquake country. Were a UST, fuel dispenser, or pipeline to rupture and release gasoline in an earthquake, the environmental impact would be catastrophic. Additionally, major floods can cause erosion that can displace USTs, which can then break free of the piping connecting them to fuel dispensers.

I urge you to vote in favor of the ordinance to safeguard our air and water, promote environmental justice, and keep land available for the most beneficial uses.

Sincerely,
Cate Steane
Santa Rosa, CA 95401

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From: [Liz Goebel](#) on behalf of [PlanningAgency](#)
To: [Alisa Sanders](#)
Cc: [Tasha Levitt](#)
Subject: FW: CONGAS Letter of Support: Agenda Item 1. Planning Commission, February 2 - New Gas Station Prohibition
Date: Tuesday, January 31, 2023 10:38:59 AM
Attachments: [CONGAS Letter of Support - Planning Commission Feb 2, 2023.pdf](#)

From: CONGAS <congas.contact@gmail.com>
Sent: Tuesday, January 31, 2023 10:35 AM
To: PlanningAgency <PlanningAgency@sonoma-county.org>
Cc: Wil Lyons <Wil.Lyons@sonoma-county.org>; Scott Orr <Scott.Orr@sonoma-county.org>; Ross Markey <Ross.Markey@sonoma-county.org>
Subject: CONGAS Letter of Support: Agenda Item 1. Planning Commission, February 2 - New Gas Station Prohibition

EXTERNAL

Good Morning,

Please see attached letter of support of the Coalition Opposing New Gas Stations regarding Agenda Item 1 of the Planning Commission meeting this coming Thursday, February 2, for the approval of the Resolution, Ordinance, and zoning amendments, as recommended by staff.

If you have any questions or difficulties opening the attachment, please let me know.

Thank you,
Woody Hastings
Co-coordinator, Coalition Opposing New Gas Stations
707-829-3460

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Sonoma County Planning Commission
2550 Ventura Avenue
Santa Rosa, CA 95403
Via email: PlanningAgency@sonoma-county.org

January 31, 2023

SUBJECT: Agenda Item No. 1: Gas Station Prohibition. Planning Commission, February 2, 2023. Recommendation of approval to Board of Supervisors, inclusive of policy options addressing expanded Article 94, and separating Retail and Non-Retail Fuel Station uses to allow Non-Retail Fuel Station uses to continue into the future. **SUPPORT**

Dear Planning Commissioners:

The Coalition Opposing New Gas Stations ([CONGAS](#)) wholeheartedly supports the Resolution and proposed Ordinance to prohibit the development of new retail fuel stations and related infrastructure in the unincorporated portions of the County, and we urge you to approve these and the zoning code text amendments proposed by staff.

We would like to express our appreciation to County staff for their detailed and comprehensive work on the Ordinance, the Resolution and the zoning code amendments.

CONGAS is a Sonoma County-based grassroots community not-for-profit group that started in early 2019 in opposition to a proposal for a new gas station in an unincorporated area of the county west of Cotati. We raised the issue of a countywide prohibition with Supervisors as early as 2019. Since then, we have been actively involved in successful opposition to three other individual gas station proposals, and have worked with staff, Planning Commissioners and City Council members, as well as Sonoma County residents and community members, to support the ordinances prohibiting new gas stations in the cities of Petaluma, Rohnert Park, Sebastopol, Cotati, Santa Rosa, and Windsor.

As pointed out in detail in the staff report, adopting this ordinance would be in alignment with California state policies in response to the climate crisis, with County policies on climate, and with the County General Plan. As also stated, there are many negative impacts to air, surface and groundwater quality, soils, and human health from pollution due to leaks and spills from gas stations, resulting in costly clean up. Sonoma County is riddled with leaking underground storage tanks.

This is also an environmental justice issue as every drop of gasoline from a gas pump leaves behind it a wake of destruction – from the drilling to the pumping to the transportation by rail, trucks, and pipelines to processing facilities and refineries – almost always disproportionately impacting indigenous, low income, and communities of color.

For all these reasons, we urge you to approve the Resolution and Ordinance before you today.

CONGAS enthusiastically supports efforts to improve walking, biking, public transit, and electric vehicle charging infrastructure at places where people live, work, and spend time such as at shopping centers, cinemas, and public buildings. However, we encourage the Commission to approve the Resolution as is, and resist the urge to include other proactive measures that can more appropriately be addressed in other arenas.

Again, we appreciate the time and effort staff and the Commission have invested in this matter and urge your unanimous approval.

Sincerely,

Jenny Blaker, Co-coordinator, CONGAS
Woody Hastings, Co-coordinator, CONGAS
Cate Steane, CONGAS Steering Committee
Laurie-Ann Barbour, CONGAS Steering Committee
Steve Birdleough, CONGAS Steering Committee
Rue Furch, CONGAS Steering Committee

Cc: Greg Carr, District 1
Lawrence Reed, District 2
Jacquelynne Ocana, District 3
Kevin Deas, Chair, District 4
Eric Konigshofer, District 5
Sonoma County Board of Supervisors
Wil Lyons, Planner, Permit Sonoma
Scott Orr, Deputy Director, Planning Division, Permit Sonoma
Ross Markey, Supervising Planner, Permit Sonoma
BC Capps, Climate Change Program Specialist, RCPA
Tennis Wick, Director, Permit Sonoma