



August 6, 2025

The Honorable Donald J. Trump  
President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

**Re: Energy Marketers Warn of West Coast Fuel Disruptions and Price Spikes from California Refinery Shutdowns**

Dear President Trump,

The Energy Marketers of America (EMA) brings to your attention concerns about significant disruptions to motor fuel supplies and public access on the West Coast, stemming from the planned shutdowns of two major California refineries: Phillips 66 in Wilmington and Valero in Benicia. Over the coming 12 to 18 months, these closures are projected to slash California's gasoline refining capacity by around 17 percent, curtailing exports to adjacent states and heightening the risk of fuel shortages and sharp price increases, especially in peak demand seasons. This could drive up gasoline costs in California, with ripple effects extending to Nevada, Arizona, and potentially the broader Western U.S. region.

The Energy Marketers of America (EMA) is a federation of 48 state and regional trade associations representing family-owned and operated small business energy marketers throughout the United States. EMA members are integral to the nation's motor and heating fuel distribution chain, supplying 80 percent of all finished motor and heating fuel products sold nationwide, including renewable hydrocarbon biofuels, gasoline, diesel fuel, biofuels, heating fuel, jet fuel, kerosene, racing fuel, and lubricating oils. Our members own and operate approximately 60,000 retail motor fuel stations, supply motor fuels to an additional 40,000 gas stations, and provide heating fuel to over 5 million homes and businesses. Energy marketers are on the front lines every winter, ensuring reliable fuel deliveries and equipment services to keep customers warm.

California refineries currently provide more than one-third of Arizona's gasoline supplies, while Nevada gets 86 percent of its motor fuels from California. Among the 15 California refineries that supply gasoline and diesel fuel to Nevada, two were affected by fires earlier this year; one has returned to full production, while the other one will operate at 50 percent capacity through the end of this year. Additionally, two refineries have transitioned from producing conventional fuels to renewable fuels. When these unplanned refinery disruptions are combined with the pending Phillips 66 and Valero closures, the anticipated result is a 25 percent loss in California's overall refining production which translates to supply decreases in Arizona and Nevada.

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Past disruptions in California's refining capacity have consistently triggered immediate price spikes in the Arizona and Nevada markets. For instance, unplanned maintenance at California refineries in the fall of 2022 and late 2023 led to elevated gasoline prices not only in California but also in these adjacent states. The sequential closures of the Phillips 66 Wilmington facility and the Valero Benicia refinery could similarly incite price volatility in the Arizona and Nevada gasoline markets.

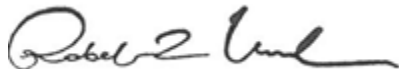
The Valero refinery accounts for nine percent of California's refining capacity, while the Phillips 66 facility contributes about eight percent. Transporting gasoline from alternative sources into Arizona and Nevada presents significant logistical hurdles. Existing pipelines have limited capacity, with the pipeline from El Paso, Texas to Arizona already operating at full volume. Arizona's reliance on a boutique fuel blend further complicates sourcing substitute products from other markets. While additional supplies could be trucked in or imported, these options are expensive and would exacerbate price volatility, potentially causing ripple effects with increased prices across Western states and, ultimately, the nation.

Regrettably, Nevada and Arizona have limited options to mitigate these effects due to insufficient pipeline infrastructure. EMA's fuel wholesaler members will need to source supplies from other states and regions, such as the Gulf Coast, which could drive up prices nationwide. Nevada primarily receives its fuel from California via pipeline, and shifting to trucked-in alternatives would significantly raise costs. The State's only other major source—accounting for roughly 15 percent of inbound fuel—arrives via the SF Holly Pipeline (UNEV Pipeline) from Utah.

EMA is encouraged by California's recent initiatives to ease permitting for new oil wells in existing fields, streamline refinery approvals, and, most crucially, phase out the State's unique fuel blend in favor of a fungible standard that could help stabilize pump prices. It is important that the interconnectedness of Western energy markets be understood and that appropriate measures be taken because of the California refinery closures to ensure adequate motor fuel supplies for California, Arizona and Nevada. If necessary, your administration may want to analyze whether its authorities under the Defense Production Act might provide a temporary solution.

We stand prepared to collaborate with the White House and the Western Governors Association on this critical energy security issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rob Underwood". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rob Underwood  
President