



Senate Bill 2 Fact Sheet – Repeal of the Low Carbon Fuel Standard Update

SUMMARY

SB 2 would repeal recent updates enacted by the California Air Resources Board (CARB) to the Low Carbon Fuel Standard (LCFS) regulations. The bill will save Californians from an impending \$0.65-\$0.85 per gallon increase at the pump.

BACKGROUND

On November 8, 2024, CARB adopted updates to its LCFS regulations that significantly impact California's oil and gas industry. These updates are set to dramatically increase operating costs for companies producing gasoline in the state as well as importers of oil and gasoline and all other ancillary businesses in the gasoline supply chain. With these costs assuredly passed on to consumers, the [Kleinman Center for Energy Policy at the University of Pennsylvania estimates](#) that the estimated point of sale price for California gasoline will increase by \$0.65-\$0.85 per gallon imminently.

Multiple legislative requests for cost estimates were submitted to CARB ahead of the November 8, 2024 vote on the issue, but CARB released no final estimate of cost impacts, so independent economic analyses remain the only available estimates.

PROBLEM

California consumers already face the highest in the nation gas prices. According to the Public Policy Institute of California, Californians name the economy, including the cost of living, as the most important issue facing the state. With California gasoline already costing \$1.50 above the national average, it is not reasonable at this time to ask Californians to take on additional expenses at the pump.

Additionally, CARB is not meant to operate as an independent, fourth branch of government that legislates on their own; rather they are meant to be responsive to the legislation passed by the elected Legislature. The refusal to release economic impact estimates ahead of a vote on the issue will turn real-world gas prices into a test case with the people of California suffering as the subjects of an economic experiment. Californians should instead expect such policy implementations to occur after thorough scientific analyses, particularly when those analyses have been requested by their legislative representatives.

BACKGROUND

SB 2 will restore the LCFS regulatory program to its status prior to the November 8, 2024 CARB vote and void entirely the updates enacted by CARB. This bill protects the integrity of the previously existing LCFS program and its revenue streams while alleviating the consequences of the recent haphazard and opaque regulatory updates and the potentially devastating economic impacts the updates will have on California consumers.

This bill does not eliminate the LCFS program and does not affect CARB's clean air initiatives, but rather simply cancels the LCFS updates enacted on November 8, 2024, restoring the program to its previous regulations.

Given the urgent nature of the problem, SB 2 would take effect immediately as an urgency statute.

CONTACT

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