

PETROLEUM WATCH

CALIFORNIA ENERGY COMMISSION

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REFINERY NEWS

Chevron El Segundo: On June 10, the refinery reported flaring due to a mechanical/electrical malfunction according to a notice filed with the South Coast Air Quality Management District (SCAQMD).

CALIFORNIA GASOLINE RETAIL PRICES BY BRAND

June 2021 vs. 2020

(Percentage Change)

76	41% higher
ARCO	44% higher
Chevron	39% higher
Hypermart	43% higher
Shell	39% higher
Unbranded	42% higher
Valero	42% higher

June 2021 Averages

76	\$4.31
ARCO	\$4.05
Chevron	\$4.42
Hypermart	\$3.90
Shell	\$4.36
Unbranded	\$4.09
Valero	\$4.22



Source: California Energy Commission (CEC) analysis of Oil Price Information Service (OPIS) data

CALIFORNIA DIESEL RETAIL PRICES BY REGION

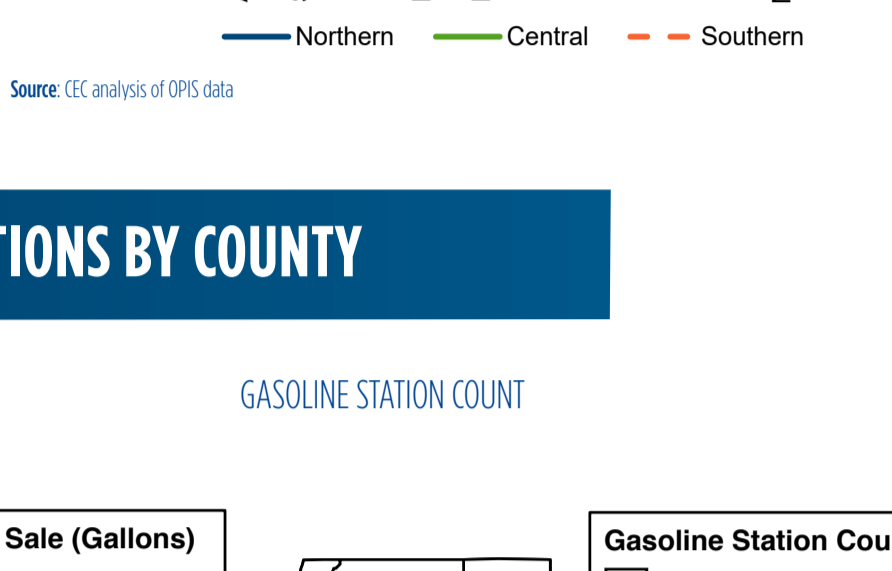
June 2021 vs. 2020

(Percentage Change)

Northern CA	30% higher
Central CA	31% higher
Southern CA	32% higher

June 2021 Averages

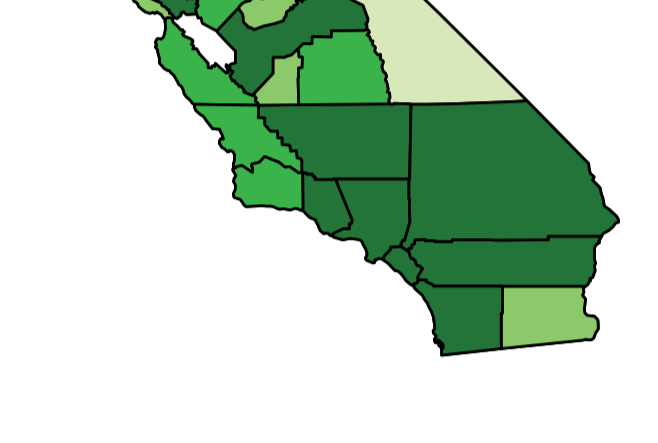
Northern CA	\$4.15
Central CA	\$3.99
Southern CA	\$4.12



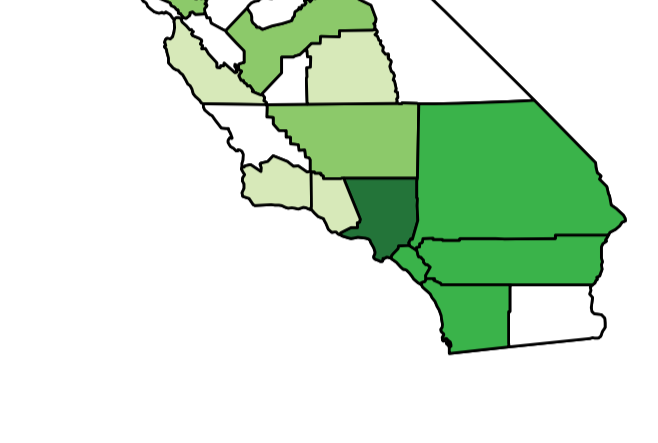
Source: CEC analysis of OPIS data

2020 RETAIL FUEL STATIONS BY COUNTY

GASOLINE SALES



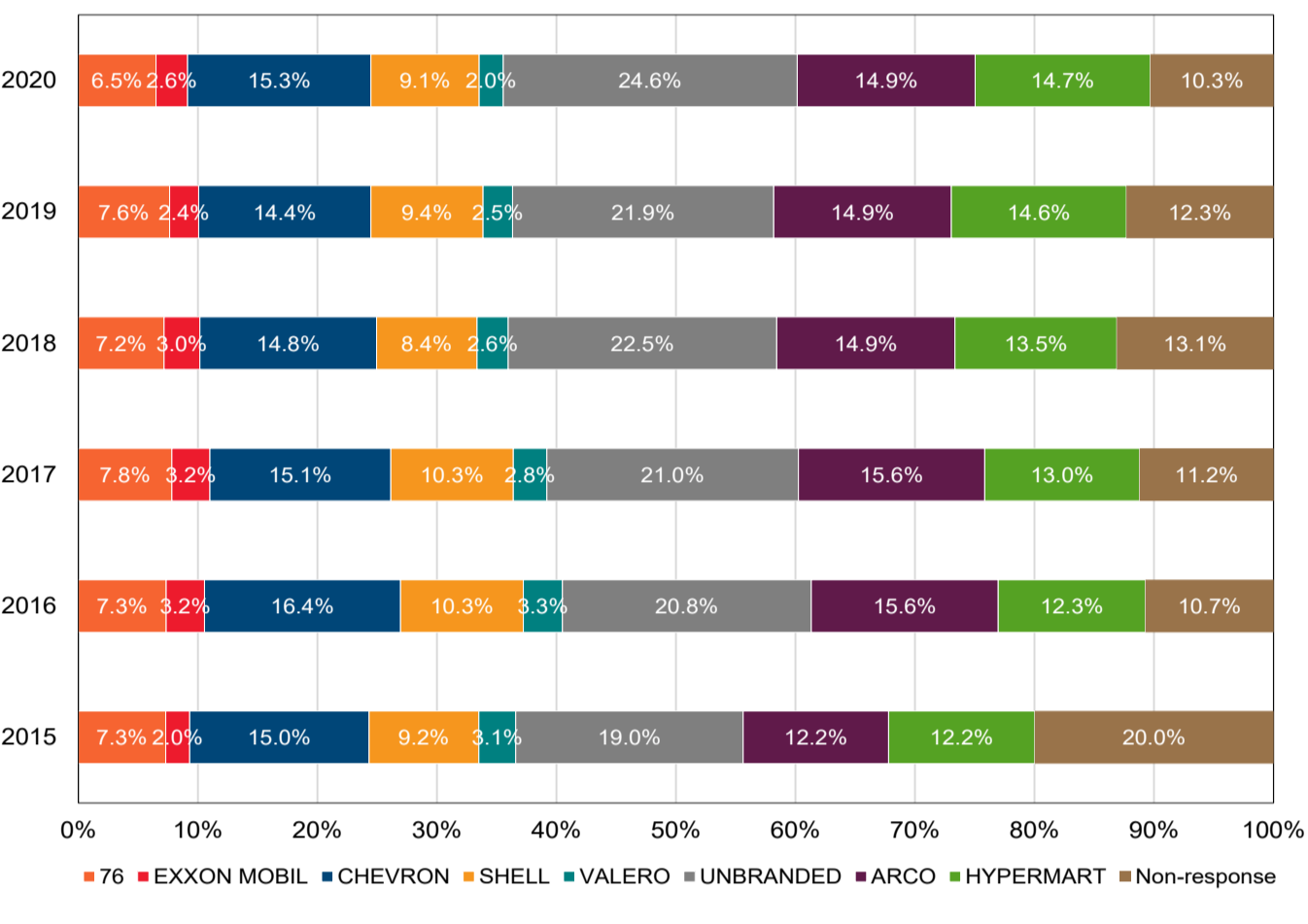
GASOLINE STATION COUNT



Source: CEC analysis of Petroleum Industry Information Reporting Act (PIIRA) data
Notes: Only includes stations that filed an AIS form for the 2020 Retail Fuel Outlet Annual Report

GASOLINE SALES BY FUEL BRAND

PERCENTAGES

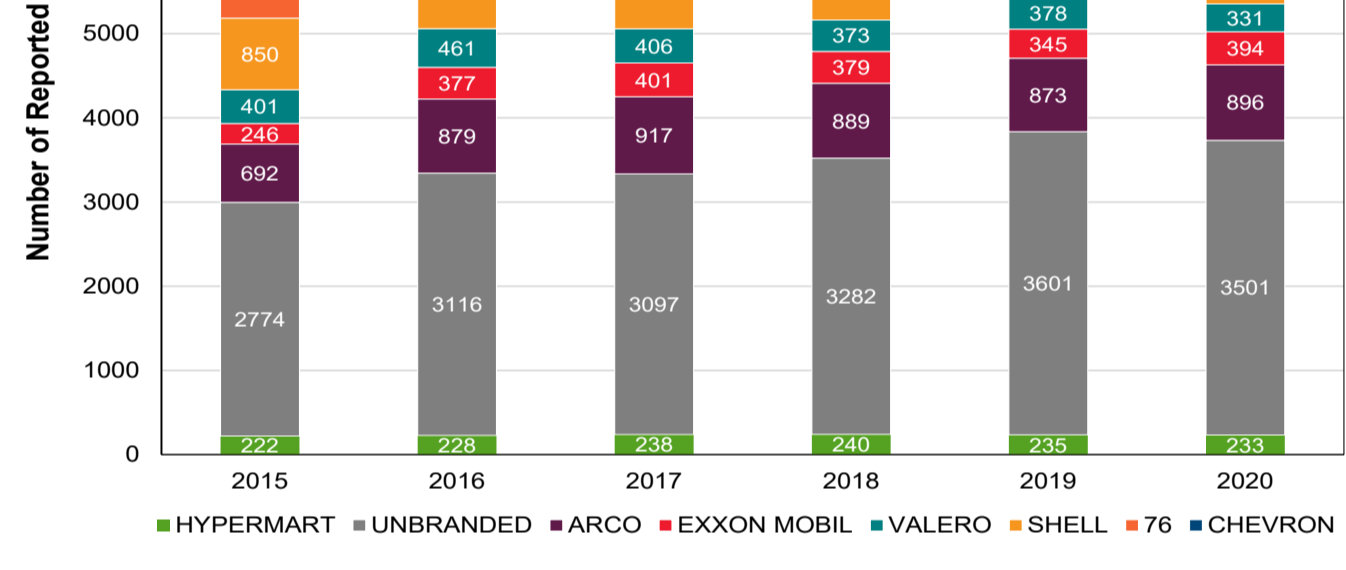


GALLONS

Fuel Brand	2015	2016	2017	2018	2019	2020
76	1,105,185,884	1,138,265,959	1,228,160,387	1,116,842,002	1,173,873,260	816,550,259
ARCO	1,837,847,512	2,424,601,338	2,447,826,067	2,320,669,500	2,283,305,741	1,871,918,215
CHEVRON	2,267,669,655	2,541,759,403	2,373,972,319	2,301,035,011	2,213,957,642	1,927,326,535
EXXON MOBIL	301,968,544	497,224,678	500,412,480	465,117,744	372,367,340	333,157,685
UNBRANDED	2,875,295,213	3,227,434,524	3,302,939,948	3,496,185,171	3,358,050,026	3,091,811,462
VALERO	465,350,133	505,297,479	440,062,303	405,566,138	378,578,404	253,257,084
SHELL	1,388,139,786	1,593,455,410	1,610,054,851	1,308,921,954	1,443,276,109	1,139,382,562
HYPERMART	1,847,738,803	1,909,112,503	2,032,962,518	2,107,087,750	2,250,446,116	1,842,683,621
Non-Response	3,018,802,309	1,660,463,570	1,759,249,766	2,040,489,530	1,891,825,139	1,296,200,553
Total Sales	15,107,997,839	15,497,614,864	15,695,640,639	15,561,914,800	15,365,679,777	12,572,287,976

Source: CEC analysis of PIIRA data
Notes: Non-response represents the unknown branded fuel sales that were not filed through a CEC AIS report

TOTAL STATIONS REPORTED BY FUEL BRAND

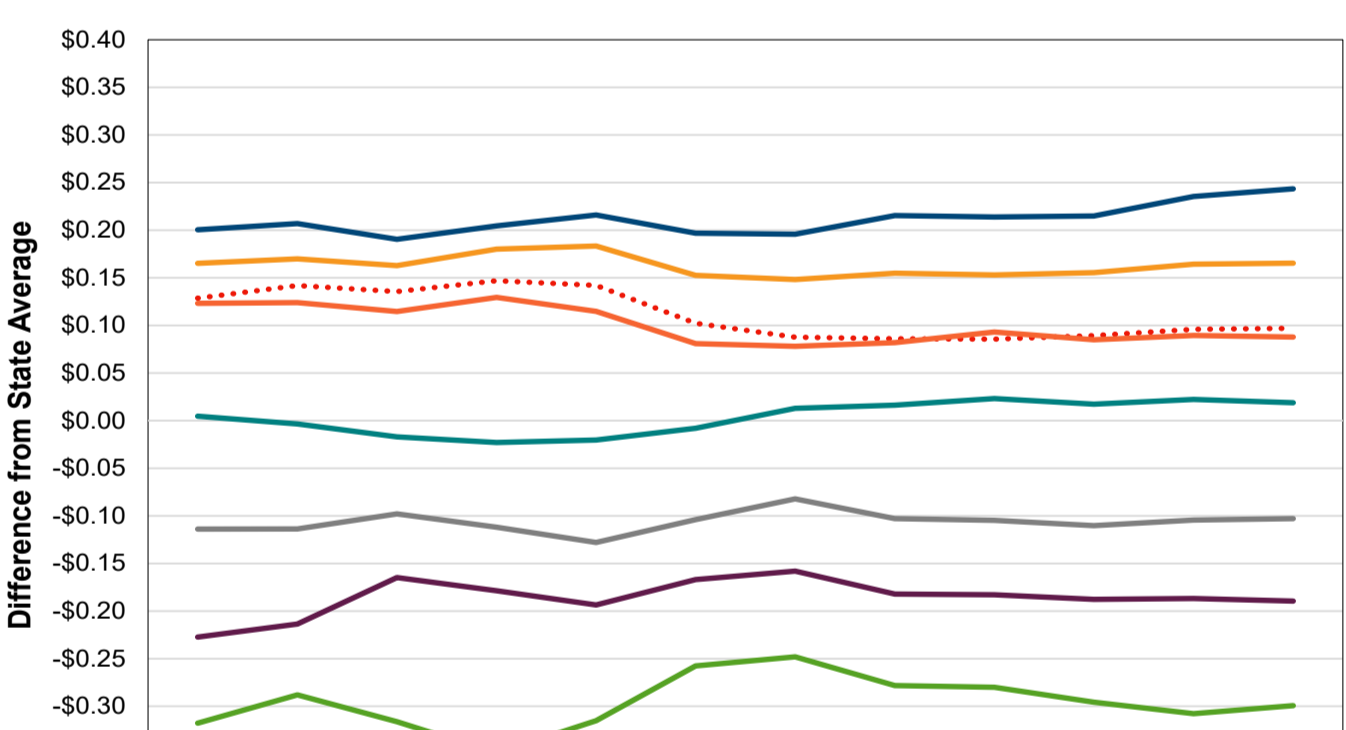


Source: CEC analysis of PIIRA data

2020 MONTHLY AVERAGE PRICES BY FUEL BRAND

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CHEVRON	\$3.71	\$3.68	\$3.45	\$3.02	\$3.00	\$3.18	\$3.30	\$3.40	\$3.41	\$3.38	\$3.38	\$3.40
SHELL	\$3.68	\$3.64	\$3.42	\$3.00	\$2.96	\$3.13	\$3.25	\$3.33	\$3.35	\$3.33	\$3.30	\$3.33
EXXON MOBIL	\$3.64	\$3.61	\$3.40	\$2.97	\$2.92	\$3.08	\$3.19	\$3.27	\$3.29	\$3.26	\$3.24	\$3.26
76	\$3.63	\$3.59	\$3.37	\$2.95	\$2.89	\$3.06	\$3.18	\$3.26	\$3.29	\$3.25	\$3.23	\$3.25
VALERO	\$3.51	\$3.47	\$3.24	\$2.80	\$2.76	\$2.97	\$3.11	\$3.20	\$3.22	\$3.19	\$3.16	\$3.18
UNBRANDED	\$3.40	\$3.36	\$3.16	\$2.71	\$2.65	\$2.88	\$3.02	\$3.08	\$3.10	\$3.06	\$3.04	\$3.06
ARCO	\$3.28	\$3.26	\$3.10	\$2.64	\$2.59	\$2.81	\$2.94	\$3.00	\$3.02	\$2.98	\$2.95	\$2.97
HYPERMART	\$3.19	\$3.18	\$2.94	\$2.47	\$2.46	\$2.72	\$2.85	\$2.90	\$2.92	\$2.87	\$2.83	\$2.86

FUEL BRAND MONTHLY AVERAGE LESS CALIFORNIA AVERAGE PRICE



Source: CEC analysis of OPIS data

FEATURED TOPIC

2020 ANNUAL RETAIL FUEL OUTLET REPORT AND GASOLINE PRICES

The [June 2021 Petroleum Watch](#) looked at fuel brand counts across a selection of major US states and highlighted that gasoline prices at hypermart stations were one of the lowest priced. This Petroleum Watch edition looks into gasoline sales and prices by fuel brand during the 2020 reporting year. As Californians experienced [stay-at-home orders due to the COVID-19 pandemic](#) in 2020, the total gasoline sales and prices saw big declines compared to other years. The COVID-19 pandemic was a major factor impacting gasoline consumption. Total gasoline consumption in California was 12,572.3 million gallons as reported by the [California Department of Tax and Fee Administration \(CDTFA\)](#), the lowest since 2001.

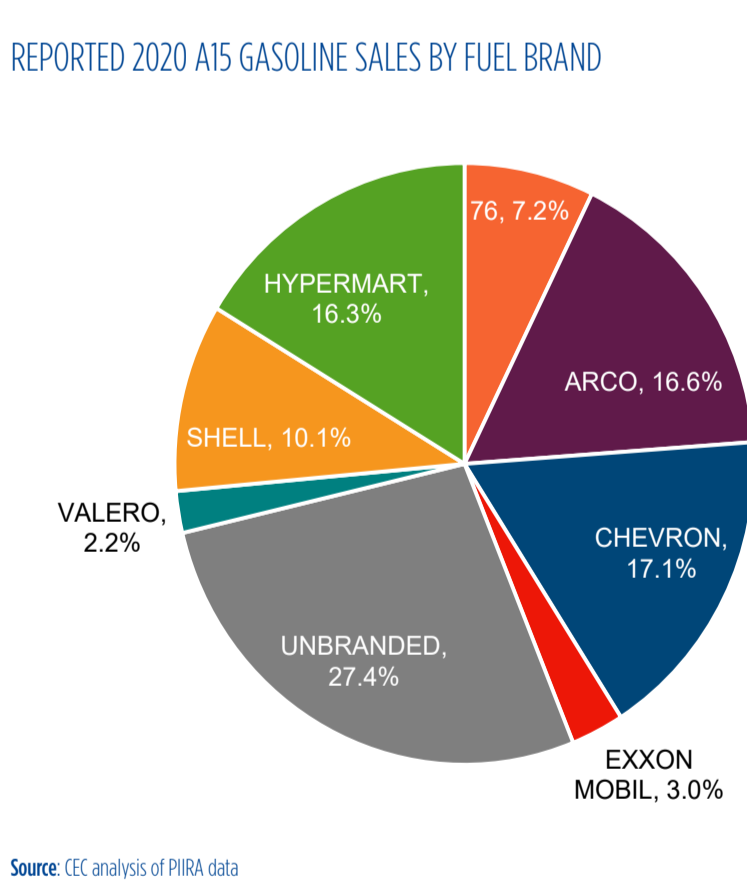
Gasoline prices and sales volumes are based on two sources of data: gasoline prices from Oil Price Information Service (OPIS), and annual gasoline sales volume at retailer sites in California from the California Energy Commission's Retail Fuel Outlet Report (CEC-A15). Retail fuel sales are totaled into fuel brands and compared over the last five years. Gasoline prices from OPIS are averaged monthly by fuel brand and compared to the state average. This Petroleum Watch edition considers branded gasolines as those sold by retailers that have labeling associated with a major oil production or refinery company. In California, those brands are Chevron, Shell, 76, Exxon Mobil, and Valero. The other gasoline brands that meet state and federal standards are classified as unbranded, including hypermart. Hypermart consists of gasoline stations that are a subset of a company's primary business. In California they are Costco, Sam's Club, Food 4 Less, FoodsCo, Safeway, Raley's, and Vons. They are broken out from unbranded for this analysis. This Petroleum Watch edition treats Arco brand fuel similarly to unbranded and hypermart due to similarity in prices.

CALIFORNIA GASOLINE MARKET SHARE BY FUEL BRAND

The [2020 CEC-A15 reported gasoline sales by fuel brand](#) pie chart represents 89.7 percent of gasoline consumed in California. The biggest share of gasoline sales are from unbranded stations at 27.4 percent. Following unbranded, the next highest gasoline sales in decreasing order are: Chevron, Arco, hypermart, Shell, 76, Exxon Mobil, and Valero. California gasoline retail prices by brand shows that the three "value" brands of gasolines - Arco, hypermart, and unbranded - totaled 60.3 percent of reported gasoline sales in California. The more popular of higher-priced gasoline brands - Chevron, Shell, and 76 - add up to 34.4 percent. Exxon Mobil and Valero are the lowest volume sellers of the five branded fuels, totaling 5.2 percent. Total gasoline consumption decreased in 2020, so the size of the pie is smaller than previous A15 reporting years.

In the [gasoline by fuel brand including non-response volume](#) chart, each year's bar represents total California gasoline sales by the total pie, or gasoline sold in the state each year since 2015. Non-response is total taxable gasoline reported by CDTFA subtracted by total A-15 gasoline sales reported. The share of branded gasoline sales volume has decreased in the last 5 years from 40.5 percent in 2016 to 35.6 percent in 2020.

REPORTED 2020 A15 GASOLINE SALES BY FUEL BRAND



Source: CEC analysis of PIIRA data

Arco, unbranded, and hypermart gasoline shares have increased from 48.8 percent in 2016 to 54.1 percent in 2020. Unbranded fuel, in the light blue, had its largest single year increase of 2.7 percent from 2019 at 21.9 percent to 2020 at 24.6 percent. Arco and hypermart have had similar sales volumes for the last three years, having a difference of 1.4 percent in 2018 and 0.2 percent in 2020. Chevron remains the leader of branded gasoline sales at 15.3 percent. The next highest share of branded sales is Shell at 9.1 percent.

[Total gasoline](#) consumed in California was down 2,793.4 million gallons in 2020 compared to 2019, likely because of the COVID-19 stay-at-home order. The stay-at-home orders started March 2020 and CDTFA reported 713.6 million taxable gallons sold the month after in April 2020. This was the lowest month by volume reported on the CDTFA's 10-year report, following by the second lowest of 923.9 million gallons for May 2020. Before those months, the monthly average was 1,255.5 million gallons. Hypermart and Arco had the largest decrease of 819.1 million gallons in combined sales. Of branded sales, 76 had the largest percent decrease, dropping 30 percent, or 357.3 million gallons, in total sales from 2019 to 2020. The lowest reported volume for a brand was Valero at 253.3 million gallons. The 2020 A15 reported year had the lowest non-response volume of any previous years at 1,296.2 million gallons.

[Total gasoline stations](#) reported was at its highest for the 2020 reporting year, reaching 8,730 stations reporting. This is an increase from a low in 2014 when the number of reports was [less than 7,000](#). From 2019 to 2020, the most notable station increase was Chevron, expanding to 1559 total stations from 1452. This is in contrast to a longer-term decreasing trend for branded stations. The three most prominent brands - Chevron, Shell, and 76 - combined for a decrease in their total stations count from 3,432 in 2016 to 3,375 in 2020. While Arco, unbranded, and hypermarts totaled 4,630 stations for the 2020 reporting year, an increase of 407 stations since 2016.

CALIFORNIA 2020 MONTHLY RETAIL GASOLINE PRICES

The [2020 monthly average gasoline prices](#) are ranked from higher price branded fuel at the top to lower price unbranded at the bottom. The average monthly prices are ranked from higher price branded fuel at the top to lower price unbranded fuel at the bottom. Lower gasoline prices can be found at hypermart, Arco, or unbranded stations, decreasing to as low as \$2.46 for hypermart stations during May 2020. Hypermart monthly average prices remained under \$2.92 for the rest of the year. The unbranded fuel was the highest

of the three, starting the year at \$3.40 but decreasing to \$2.65 in May during the stay-at-home order. Chevron decreased to an average of \$3.00 during May yet remained the highest average price brand with a monthly average of \$3.38 per gallon for the second half of the year. Gasoline prices from March to April were marked \$0.42 to \$0.47 lower due to less traveling or lower demand after the executive order. Gasoline prices then increased throughout the year, approaching pre-pandemic prices by the end of the year.

The [monthly average less California average prices differential](#) breaks down the price gap between brands of fuel by subtracting the general California average from the brand's California average price. If the brand is more expensive, then it will be above the zero line (x-axis). If the brand is inexpensive, then it will be below the zero line. Chevron had the highest price gap for all of 2020 at \$0.19 to \$0.24 above the state average. Hypermart had the lowest price gap, maintaining an average of a quarter of a dollar less than the state average all year, and had a low of \$0.35 less than the state average in April 2020. Shell, Exxon Mobil, and 76 were between \$0.12 to \$0.20 higher than the state average.

The price gap between branded gasolines was \$0.08 in January 2020, gradually increasing to \$0.15 by December with about \$0.05 between each brand. The price gap between the highest and the lowest, between Chevron and hypermart, was \$0.55 in April and averaged \$0.51 throughout the year.

CONCLUSION

The A15 report has total gasoline sales of 87 to 90 percent of total gasoline sales in California since 2016. The hypermart gasoline price was the lowest average, \$0.30 less than the state average. In comparison, Chevron brand gasoline averaged \$0.21 above the state average price for 2020. Low prices at unbranded, Arco, and hypermart stations are likely one reason why total market share at those locations have been increasing over the last five years. Because of the stay-at-home executive order in March 2020, total gasoline sales decreased resulting in low gasoline sales of 12,497 million gallons in 2020. CDTFA has reported low taxable gasoline sales for the first quarter of 2021, but sales did increase from January to March. With social distancing and restricted travel directives easing, staff anticipates that total gasoline sales will soon return to their previous volumes. On June 15, 2021, Governor Newsom ended California's stay-at-home order. Gasoline sales during the second half of the year will likely see an increase from the first half of 2021 as people return to commuting to offices and drive during their summer vacations. Read more about the CEC-A15 report on our [website](#).

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Executive Director

FOR MORE INFORMATION
California's Petroleum Market
Weekly Fuels Watch

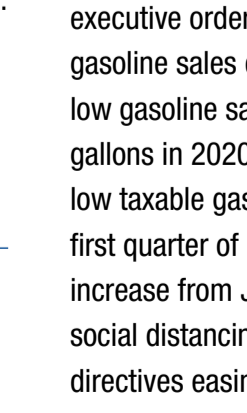
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SPECIAL THANKS

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Commissioners



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