

# PETROLEUM WATCH

CALIFORNIA ENERGY COMMISSION

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## PETROLEUM NEWS

### REFINING NEWS

- **Phillips 66 Rodeo:** On December 3, the refinery completed planned maintenance.
- **Phillips 66 Wilmington:** On December 24, the refinery had a fire in the area of the boiler plant.

## GASOLINE RETAIL PRICES BY BRAND

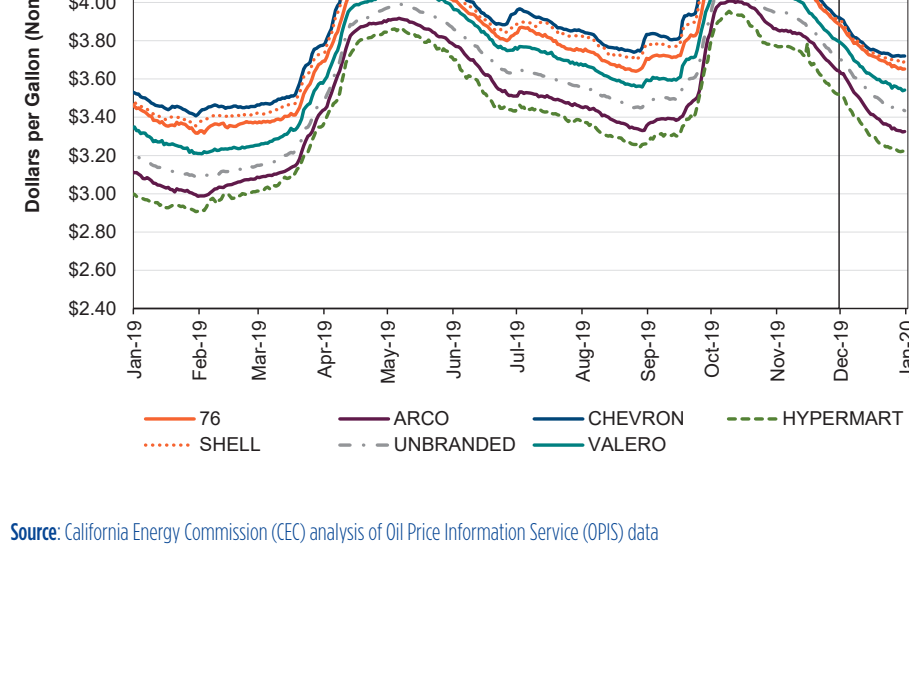
### December 2019 vs. 2018

(Percentage Change)

76	6% higher
ARCO	8% higher
Chevron	5% higher
Hypermart	8% higher
Shell	6% higher
Unbranded	8% higher
Valero	6% higher

### December 2019 Averages

76	\$3.73
ARCO	\$3.44
Chevron	\$3.78
Hypermart	\$3.32
Shell	\$3.76
Unbranded	\$3.54
Valero	\$3.63



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

## DIESEL RETAIL PRICES BY REGION

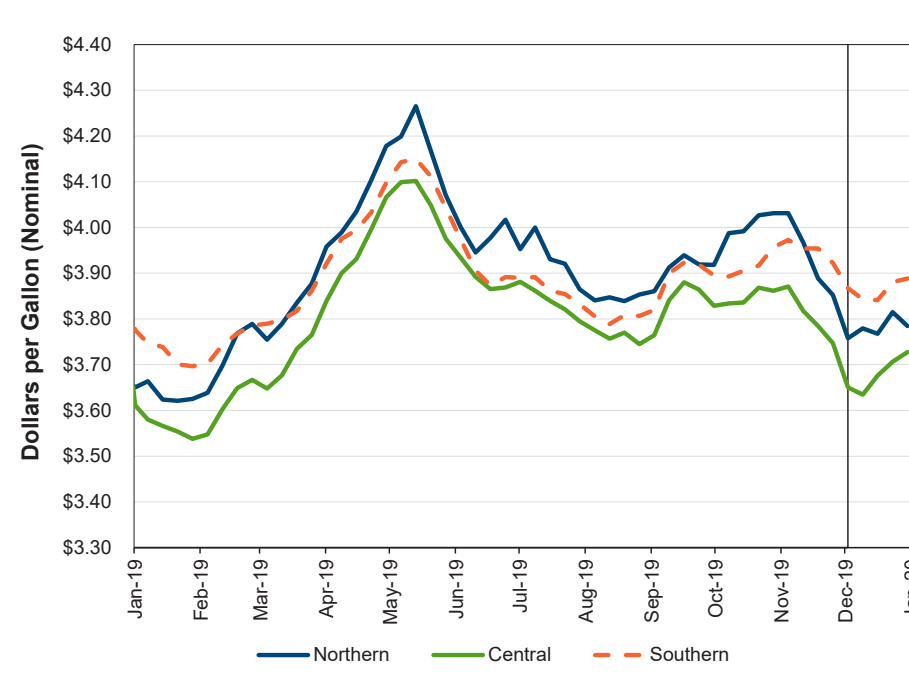
### December 2019 vs. 2018

(Percentage Change)

Northern CA	1% higher
Central CA	1% lower
Southern CA	no change

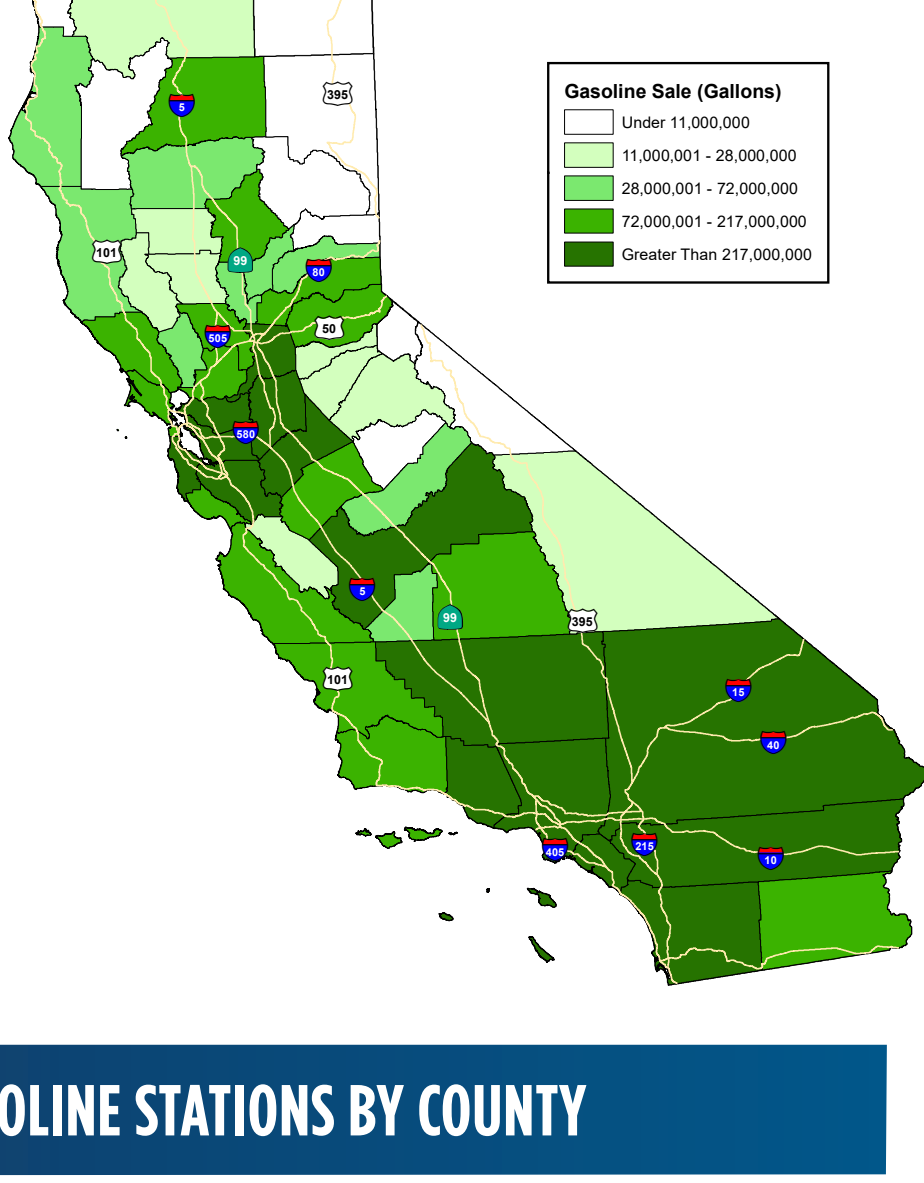
### December 2019 Averages

Northern CA	\$3.79
Central CA	\$3.68
Southern CA	\$3.87



Source: CEC analysis of OPIS data

## 2018 GASOLINE SALES BY COUNTY

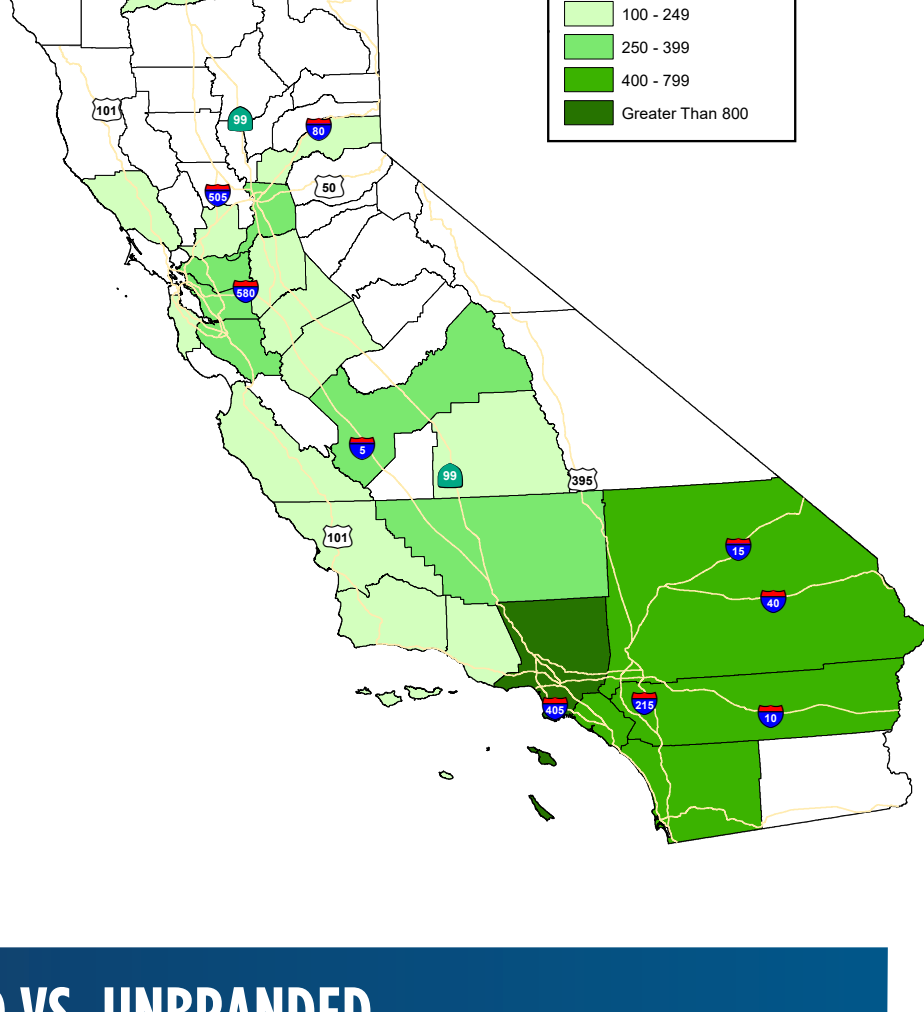


**Gasoline Sale (Gallons)**

- Under 11,000,000
- 11,000,001 - 28,000,000
- 28,000,001 - 72,000,000
- 72,000,001 - 217,000,000
- Greater Than 217,000,000

Source: CEC

## 2018 GASOLINE STATIONS BY COUNTY



**Gasoline Station Count**

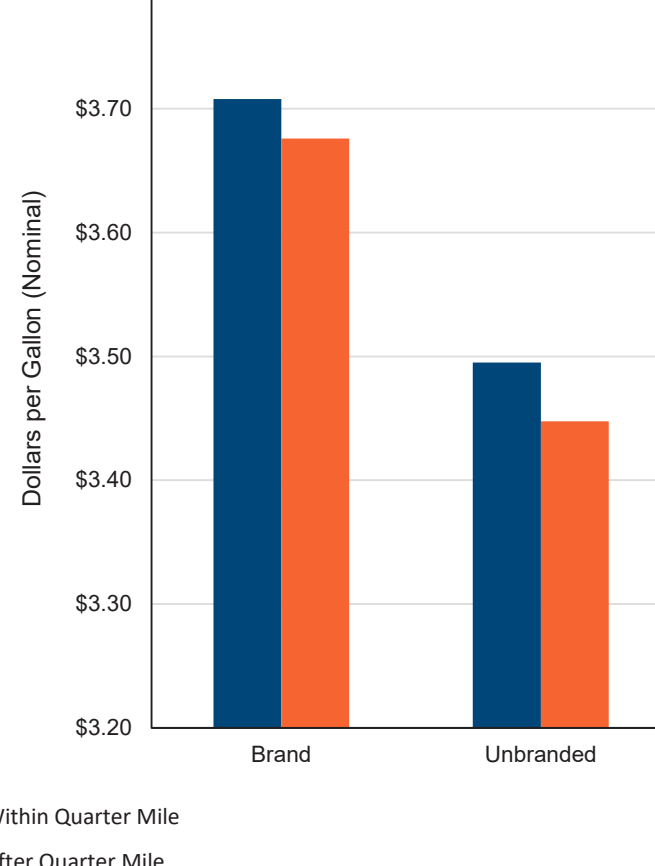
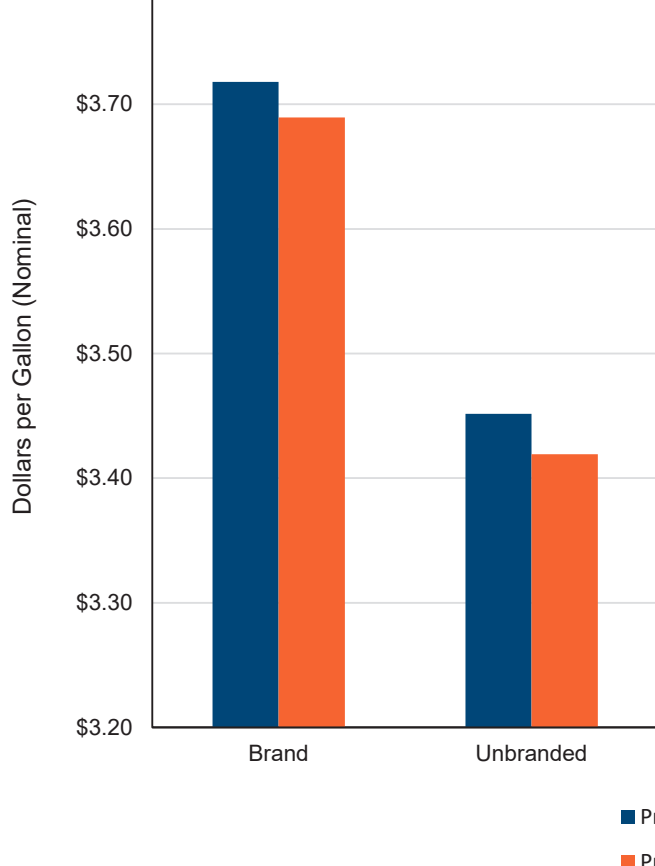
- Under 100
- 100 - 249
- 250 - 399
- 400 - 799
- Greater Than 800

Source: CEC

## BRANDED VS. UNBRANDED

### Los Angeles County

### San Francisco Area



■ Price Within Quarter Mile  
■ Price After Quarter Mile

Source: CEC analysis of OPIS data

## FEATURED TOPIC

### RETAIL DISTRIBUTION

Gasoline is the largest petroleum product produced by refineries through the processing of crude oil. Gasoline, whether produced locally by a refinery or imported, is inserted into a pipeline. The pipeline moves the gasoline to wholesale fuel terminals, commonly referred to as the rack, where it is sold to retail gas stations. Fuel trucks are loaded at the rack with the purchased gasoline and the fuel is then transported to retail gas stations.

### TOTAL SALES AND NUMBER OF STATIONS PER COUNTY

In 2018, fifty-percent of all stations that reported gasoline sales in California were located within one-quarter of a mile from a highway or freeway. Gasoline stations and sales were concentrated in Los Angeles, San Francisco, and the surrounding counties where most highways and freeways pass through [\(2018 Gasoline Sales by County, 2018 Gasoline Stations by County\)](#).

### BRANDED AND UNBRANDED FUELS

California drivers can choose from a wide variety of stations to fill their gas tanks. Drivers can select from large brands like Chevron, Shell, or ARCO, companies that own thousands of stations across the country. Drivers can also fill up with smaller local brands. The gasoline sold by these brands is essentially the same. Each of these brand names represents different styles of business to get drivers to fuel at their stations. Drivers might consider ARCO gasoline as a branded fuel. However, the Energy Commission considers the fuel to be unbranded. The fuel that ARCO stations purchased from the rack is labeled as unbranded.

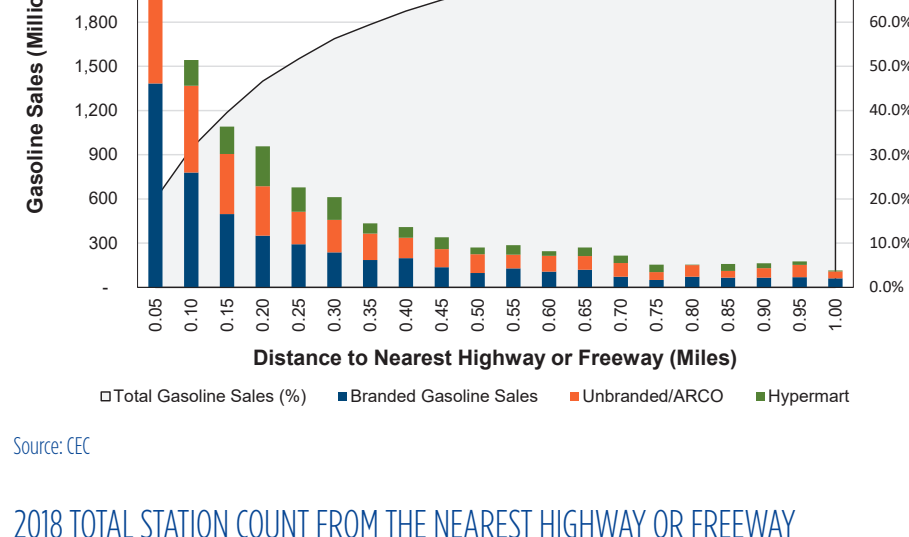
Branded fuel comes from major oil companies or refiners. A proprietary mix of fuel additives is injected at the rack to distinguish a brand's fuel. Unbranded fuels do not include these additives; the formulations are only guaranteed to meet state standards.

A retail gas station's convenience store brand does not necessarily have to be associated with a particular fuel. Some locations focus their brand image around a convenience store chain (7-Eleven, Circle K, Quik Stop) but can choose to sell branded or unbranded fuel. For example, it is common for Circle K stations to provide branded fuels like 76 or Shell but there are also some Circle Ks that do not partner with major oil brand labels.

*Branded Fuels: 76, Chevron, Exxon Mobil, Shell, Valero*

If a station is advertised as selling a branded fuel, then by law, that fuel brand must be what comes out of the pumps. This means that whatever is purchased and delivered from the rack must contain that brand's additive package. There may also be contractual obligations or terms concerning the volume of fuel, length of contract, or brand image standards that the gas station must meet.

### GASOLINE SALES BY DISTANCE TO NEAREST HIGHWAY OR FREEWAY



Source: CEC

### 2018 TOTAL STATION COUNT FROM THE NEAREST HIGHWAY OR FREEWAY

Company	≤ 0.25	> 0.25 to ≤ 0.50	> 0.50 to ≤ 0.75	> 0.75 to ≤ 1.00	> 1.00 to ≤ 2.00	> 2.00 to ≤ 3.00	> 3.00 to ≤ 4.00	> 4.00
76	486	127	87	55	137	35	8	10
ARCO	543	156	106	73	176	51	12	8
Chevron	904	204	111	80	166	71	17	23
Exxon Mobil	245	61	45	28	56	17	2	1
Hypermart	103	41	27	11	25	15	4	2
Shell	544	118	64	42	126	33	11	14
Unbranded	1430	433	262	181	418	129	55	95
Valero	236	58	38	35	52	15	6	12

Source: CEC

*Unbranded Fuels: ARCO, Hypermarts, Independents*

Unbranded stations do not sell fuel that is linked to any of the major brands. Although places like ARCO and hypermarts have a retail brand that they represent, the fuel that they sell is not branded or associated with a specific oil company. Hypermarts include retailers such as Costco, Safeway, and Sam's Club.

### BRANDED AND UNBRANDED STATION COUNTS AND SALES BY DISTANCE FROM HIGHWAY OR FREEWAY

There are 904 Chevron stations within a quarter mile of a highway or freeway, where one of every five stations is likely to be a Chevron station [\(2018 Total Station Count From the Nearest Highway or Freeway \(Miles\)\)](#). Chevron's gasoline sales totaled 1.4 billion gallons compared to 934.2 million gallons for hypermarts. However, hypermarts make only 2.3 percent of stations within a quarter mile of a highway or freeway.

There are 3,568 branded stations (76, Chevron, Exxon Mobil, Shell, and Valero), representing 81 percent of branded stations, within one mile of a highway or freeway. There are 3,366 unbranded stations (ARCO, hypermart, and unbranded), representing 77 percent of unbranded stations, within one mile of a highway or freeway.

### BRANDED AND UNBRANDED SALES SHARE WITHIN ONE MILE

More than 80 percent of all California gasoline sales in 2018 were within one mile of a highway or freeway [\(Gasoline Sales By Distance to Nearest Highway or Freeway\)](#). Total gasoline sales within 0.15 miles of a highway or freeway were split between branded and unbranded fuels, at 49 percent and 51 percent, respectively. Sales decreased to 42 percent for branded fuel while unbranded increased to 58 percent for stations located between 0.15 to 1.0 mile away from the highway or freeway.

### One City Block from Highway or Freeway

A California city block is about 440 feet wide. The total reported station count within one city block of a highway was 2,765 with a combined gasoline sales of 3.8 billion gallons. Unbranded and gasolellers accounted for 54 percent of those stations, with gasoline sales totaling 1.7 billion gallons.

### LOS ANGELES COUNTY COMPARED TO SAN FRANCISCO AREA PRICES

*Price Difference Between Branded and Unbranded Gasoline*

An estimated 20 percent of California fuel stations were located in Los Angeles County and 10 percent were located in San Francisco, Santa Clara, San Mateo, and Alameda counties. Branded gasoline prices in Los Angeles County and the San Francisco area were \$0.27 and \$0.22 more, respectively, than the unbranded prices [\(Branded Vs. Unbranded\)](#). Gasoline prices within a quarter mile of highway averaged \$0.03 to \$0.04 more than further away from the highway.

In 2018, the branded gasoline price in Los Angeles County averaged \$3.70, \$0.27 higher than the average unbranded price of \$3.44. Thirty six of the 37 stations with the lowest gasol prices in the county were ARCOs or hypermarts. In the San Francisco area, the branded gasoline price averaged \$3.69, \$0.22 higher than the unbranded price of \$3.47. The price difference between Shell and hypermarts was \$0.45 within a quarter mile a highway or freeway. The price difference increased to \$0.68 when 1.75 miles from a highway or freeway. A customer filling an 18-gallon gasoline tank of a standard size vehicle would pay \$12.24 more at Shell than at a hypermart.

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