

Gas prices in Sacramento, throughout California are in full flight

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The perfect storm of factors that pushed gasoline prices to unusually low levels in the last quarter of 2014 has been replaced by a perfect storm of price-inflating circumstances.

And unfortunately for Golden State motorists, prices are climbing much more quickly than they fell.

The average retail price of gasoline in the Sacramento area spiked 40.5 cents over the past week to \$3.18 a gallon, according to the weekly report issued Monday by national gas price tracker GasBuddy.com, which does a daily survey of more than 700 gas outlets in the region.

By midafternoon Monday, Sacramento's average was up to \$3.23 a gallon. That's 90 cents a gallon higher than it was a month ago, though still 42 cents less than at this time last year.

The good news for local motorists: They're not filling up in Los Angeles.

On Monday, GasBuddy put the average price of gas in the Los Angeles area at \$3.51 a gallon, up 45 cents from last week.

Skyrocketing prices in Southern California have helped push the statewide average price of gas to \$3.39 a gallon, up from \$2.95 just one week ago.

Patrick DeHaan, a senior petroleum analyst for GasBuddy, said "new records were broken last week in California as prices spiked at their fastest pace ever, even faster than when Chevron's sprawling Richmond refinery caught fire (in August 2012)."

The Richmond fire and a subsequent series of production disruptions at California refineries sent statewide gas prices to more than \$4.50. On Oct. 9, 2012, AAA said unleaded regular hit an all-time high average of \$4.67 a gallon, still the record. Soaring prices prompted Gov. Jerry Brown to call on the California Air Resources Board to issue an order allowing in-state refiners to begin blending cheaper, winter-grade fuel earlier than Oct. 31.

While the current price of gas is not as high as it was three years ago, its climb has been more brisk.

GasBuddy said the average price of gas rose about 20 cents overnight, from Thursday to Friday, in San Francisco and Los Angeles, both records.

Analysts said the current surge is being driven by a slew of factors: soaring wholesale gas costs, which in turn prompt higher retail prices at service stations; in-state refineries switching over to pricier spring/summer gas blends, and the United Steelworkers union strike idling workers at Tesoro's California facilities in Carson and Martinez.

Crude oil, usually a driver of gas price increases, is not now a factor. After a recent rally, crude prices have stayed relatively low and consistent. On Monday, crude fell 53 cents to close at \$49.23 a barrel on the New York Mercantile Exchange.

Crude's low price, plentiful gas supplies, consistent refinery production and less costly fall/winter gas blends combined to send gas prices lower in the last quarter of 2014. It's California's lot, however, that when refinery problems occur, they usually have a swift impact on gas prices.

State environmental regulations mandate that in-state refineries produce a California-specific fuel blend that meets

Golden State standards. So when something happens to disrupt production at a major California refinery, the ripple effect is sometimes immediate and dramatic.

DeHaan said he expects the West Coast price spike to slow down over the next week, but added that “increases will persist countrywide.”

Nationally, the average retail price of gas increased 13 cents over the past week to \$2.43 a gallon, up 38 cents from last month but nearly \$1.03 below the year-ago price. DeHaan said all 50 states saw gas price increases over the past week.

He said cold weather-related refinery shutdowns along the East Coast and Great Lakes region have affected U.S. prices.

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