California's Net-Zero Emissions Plan is a 'National Security' Risk for America

By Ronald Stain, PE and Nathan Hammer

July 5, 2025

The DEMAND for the products and transportation fuels made from fossil fuels continues to increase while the State has only focused on choking off the SUPPLY.

California's "Green" and "Net Zero" policymakers that wish to "transition away from fossil fuels" have focused on reducing just the SUPPLY of in-state oil production and refining to reduce emissions but have offered no backup plan to maintain the supply chain of the products and fuels to support the 4th largest economy in the world.

The States' contribution to global emissions is a small percentage, roughly 0.75%. To put that into perspective, if the "big earthquake" hit California, and the entire state fell into the Pacific Ocean, there would be less than a 1% reduction in Worldwide emissions. The amount of money paid by the 40 million Californians to meet those net-zero green policies is staggering!

"Green" and "Net Zero" policymakers mistakenly believe that wind and solar renewable ENERGY will replace fossil fuel ENERGY!

Today, we're a materialistic society. Wind and solar cannot

make EV's, asphalt, tires, or any of the products or fuels that are made from fossil fuels.

REALITY CHECK: Fossil Fuels and wind and solar do different things:

- Fossil fuels are the supply chain source for all the products and transportation fuels that are demanded by economies, societies, and all the infrastructures.
- Wind and solar (made from fossil fuels), can ONLY generate ELECTRICITY.

As reported by Californians for Energy Independence, California's Economy is Supported by Oil and Gas, so, let's look at the States' demands for the products and transportation fuels that so-called renewables like wind and solar CANNOT make for society, as they can ONLY generate electricity under favorable weather conditions.

The West Coast gasoline, diesel, and aviation fuels market are isolated from other supply/demand centers as California is an energy island isolated from the States East of the Sierra Mountains. The Sierra Mountains are a natural barrier that prevents the state from pipeline access to any of that excess oil from fracking, or from transportation fuels manufactured East of the Sierra Mountains.

Refinery Closures:

- Last year, in October 2024, Phillips 66 announced that it would close its Wilmington-area refining complex this year, which will further reduce in-state gasoline, diesel, and aviation fuels production capacity, wiping out more than 8% of the state's crude oil processing capacity. Losing another 1.3 billion gallons in annual gasoline output will only worsen the state's supply challenges to meet the demands.
- The recent announcement that the Valero Benica Refinery in Northern California will be closing by the end of

2026 was disappointing, but shockingly, a prelude to more closures in the future. The Valero refinery at Benicia represents almost 9% of the state's crude oil processing capacity to meet the materialistic demands of the States' residents and businesses.

Rising Regulatory Costs for Oil and Gas:

California's environmental regulations have driven up costs for oil and gas operations, further limiting in-state production. The Low Carbon Fuel Standard (LCFS) and Cap-and-Trade program add significant expenses, with LCFS compliance costing refiners $0.15–$0.20 per gallon and Cap-and-Trade allowances totaling $150–$200 million annually for the industry per the California Air Resources Board Cap-and-Trade Program Data. Permitting delays and environmental reviews also burdens producers, with compliance costs up to $500,000 per well. These costs have contributed to a 40% drop in California's oil production since 2000, accelerating refinery closures and increasing reliance on foreign oil, heightening national security risks.

Fuel demand from in-state refineries:

California transportation fuel demands for airports, trucks, and cars have staggering numbers:

- Jet fuel: With all its 145 airports, including 9 international airports and 41 military airports, the demand is 13 million gallons of aviation fuel daily. Several of those airports have direct pipelines to local refineries. In 2019, California consumed 16.7% of the national total of jet fuel, making it the largest consumer of jet fuel in America.
- Diesel: Diesel fuel is the second largest transportation fuel used in California, consuming 10 million gallons a day of diesel to support the state's is trucking of products from 3 of the busiest shipping ports in

America.

- Gasoline: For its 30 million vehicles, California is the second-largest consumer of motor gasoline among the 50 states consuming 42 million gallons a day of gasoline, just behind Texas. Gasoline is just 1 of the more than 6,000 products made from fossil fuels to meet the materialistic demands of societies and economies.
- Arizona and Nevada: California refineries supply 45% of Arizona's and 88% of Nevada's transportation fuel demands for their airports, trucks, and cars so any disruption in California impacts all three states.

In the more immediate term, China has plans for multiple new refineries, with at least five projects expected to be completed by 2028, and another three new refineries by 2030, contributing to a broader shift towards integrated petrochemical facilities. These eight new Asian refineries coming online by 2030 are a reality that China will be coming to the rescue to meet the transportation fuel demands of California!

California has almost 400,000 miles of roadways used by the State's 30 million vehicles. Those roadways are heavily dependent on road taxes from fuels that contribute more than $8.8 billion annually, for planning, constructing, and maintaining California's publicly funded roadways. The same gas tax revenues that also funds many environmental programs and the high-speed rail project.

That $8.8 billion revenue source from fuel taxes will diminish in the years ahead as heavier EV's are being mandated in California to replace the lighter internal combustion engine vehicles. Fuel taxes that contribute to the $8.8 billion to maintain the roads are a result of California having the highest gas taxes in the USA.

Over the last several decades, California's passion to transition away from fossil fuels has overregulated and overly

burdened just the SUPPLY of oil production and refining but has not reduced the increasing materialistic DEMANDS of the State for the more than 6,000 products and transportation fuels made from those fossil fuels. Thus, China is savoring the future with their many refineries coming online to meet the DEMANDS of California.

California has obviously not learned much in the 50 years since the Oil Embargo of 1973, as the following persist:

- Rather than increase crude oil production from its terminal decline in California, Governor Gavin Newsom supports importing oil from foreign countries to meet the demands of Californians, and remains oblivious that maritime transport, including oil tankers, is estimated to contribute about 3% of global GHG emissions and 27% of freight transport emissions.
- California, the 4th largest economy in the world, was virtually independent of foreign oil imports in 1973, relying on just 5% of crude oil imports to meet the demands of the State. But due to its relentless regulations and restrictions over the last 50 years to reduce in-state oil production the State now imports more than 70% of its crude oil demand from foreign countries like Ecuador, Saudi Arabia, Iraq, and Colombia to run the States' 9 International airports, 41 Military airports, and 3 of the largest shipping ports in America.

Not only does California's la-la land have a minuscule impact on worldwide emissions but is a national security risk to the entire United States of America due to its growing dependence on refineries in China to meet the humongous demands for transportation fuels to support the demands of the States' international and military airports, and the diesel fuel to support the demands for trucking of the products received at three of the busiest terminals in America to the rest of the

country.

Please share this information with teachers, students, and friends to encourage Energy Literacy conversations at the family dinner table.

Click this Link to **Sign up for Energy Literacy from Ronald Stein**

E-Mail Ronald Stein: Ronald.Stein@EnergyLiteracy.net