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DISTRICT 3

Arizona House of Representatives Phoenix, Arizona 85007

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NATURAL RESOURCES,
ENERGY & WATER

June 15, 2023

Kevin Allen, Associate Director Arizona Department of Agriculture Weights & Measures Service Division 1802 W. Jackson St., #78 Phoenix, AZ 85007 kallen@azda.gov (480) 848-1709

RE: Request for Registered Suppliers of Arizona Reformulated Blendstock for Oxygenate Blending (AZRBOB) and Summer and Winter Cleaner Burning Gasoline (CBG)

Associate Director Allen:

This spring, the price of gas in Phoenix skyrocketed 25%, from \$4 per gallon in March to \$5 per gallon in May, as several refineries that serve Arizona were down for maintenance. Meanwhile, the price of gas in other parts the country remained relatively flat, including in California and Nevada, which are a part of the same Petroleum Administration for Defense District as Arizona (PADD 5), and New Mexico, which represents one of the PADDs that Arizona receives gasoline from (PADD3). According to one source, "Phoenix prices even topped [Los Angeles]'s for the first time in at least a decade."

These prices hurt our economy and most vulnerable residences, making it harder to do business in our state and enjoy a low cost of living. These localized price spikes are simply unacceptable.

As you know, the gasoline that is sold in our state is unique to our state. It is not sold anywhere else in the nation. Only Arizona Cleaner Burning Gasoline (CBG) can be sold in Maricopa County throughout the year, and only Arizona Reformulated Blendstock for Oxygenate Blending (ARBOB) can be utilized to make Arizona CBG. Yet, Arizona produces none of this gas in-state. It must rely entirely on out-of-state producers to meet its domestic demand.

With the recent shortages and price spikes, I am concerned that our boutique blend of fuel, and the potentially few refineries that manufacture it, may be exposing our state to unnecessary prices spikes and shortages, which harm our state's economic competitiveness and increase the financial stresses on our most vulnerable. To help relieve the burden on Arizona families and

¹ https://www.azcentral.com/story/money/business/energy/2023/06/12/arizona-officials-warned-by-oil-companies-in-early-march-of-possible-fuel-shortages/70302247007/.

² <u>ld</u>.

³ <u>ld</u>.

secure our long-term economic stability, I'd like to understand the complete supply chain for this unique blend of fuel and know which refineries, exactly, are producing it for our state.

Pursuant to Arizona Administrative Code § R3-7-750, each refiner, importer, and blender of Arizona CBG and ARBOB must register with the Associate Director of Weights & Measures the entity's name, business address, and contact information—as well as the entity's facilities (including name, location, and contact information) used to make or transport such blends.

Accordingly, I am requesting you provide me and each member of the Joint Legislative Ad Hoc Committee on Air Quality & Energy a list of all registered suppliers of Arizona CBG and ARBOB under A.A.C. § R3-7-750 and all related information regarding their facilities, primary contacts, and Arizona CBG and ARBOB products. To protect competitively sensitive information from unauthorized disclosure, please provide the requested information under seal.

As a member of the Arizona House of Representatives, I believe it is time we end the blend of boutique gas in our state and break up the refineries' hold over our state's critical fuel market.

Please provide this information at your earliest convenience but in no event later than June 30, 2023. Thank you.

Respectfully,

Alexander Kolodin

Representative, Legislative District 3

Arizona House of Representatives