



August 24, 2026

Senator Josh Becker
1021 O Street, Suite 6520
Sacramento, CA 95814

Submitted via Legislative Portal

RE: SB 493 (Becker) – OPPOSE

Dear Senator Becker:

On behalf of NARO-California and the hundreds of thousands of Californians who own oil and gas mineral and royalty interests, we respectfully write in opposition to SB 493.

Royalty owners agree consistent access to affordable and reliable fuel for California consumers should be an important priority for our state's policymakers. In fact, high fuel prices, price spikes, and supply disruptions demand immediate constructive action. California motorists endure the nation's highest fuel prices as a result of our state's anti-oil political policies.

However, we believe a price ceiling policy, as presented by this bill, is not the solution to the real issues and will instead be counterproductive.

NARO-California advocates for the interests of California's oil and gas mineral and royalty owners. These Californians include farmers, ranchers, retirees living on fixed incomes, small business owners, families, students, and nonprofit organizations. Royalty owners are an integral part of our communities and our economy.

Our role in providing affordable and reliable fuel to California provides for our own livelihoods and the communities we are proud to support.

California's Wartime Vulnerability Is a Supply Problem

SB 493 would extend California's existing emergency price-gouging laws to periods of war involving the United States. We share the goal of protecting Californians from exploitation during an emergency. However, war creates extraordinary energy-security challenges that cannot be addressed simply by restricting prices.

California already faces significant supply vulnerabilities. The California Energy Commission warned in a June 27, 2025 Advice Letter to Governor Newsom that California imports more than 75 percent of the crude oil needed by its in-state refineries and between 10 and 20 percent of its

Founded in 1980, the National Association of Royalty Owners is the only national organization representing solely, and without compromise, oil and gas royalty owners' interests.

gasoline. The Commission further warned that gasoline imports could rise to 25 to 35 percent of statewide demand and as much as 50 percent in Northern California following announced refinery closures, creating increased risks of supply disruptions and price volatility.

California is now experiencing the consequences identified in that warning. CEC Vice Chair Siva Gunda recently acknowledged the consequences of increasing dependence on replacement supplies: “Based on what we’re hearing from the industry, the pricing will move molecules to California, but it will come at a price, and that’s something we need to closely watch.”

An [October 2025 analysis](#) by Assemblymember Stan Ellis, USC Professor Michael Mische, and petroleum professional and U.S. Navy veteran Michael Ariza identified California’s refinery capacity, pipelines, domestic production and fuel inventories as national-security vulnerabilities. The analysis notes that California has no inbound pipelines supplying crude oil, gasoline or aviation fuel and that more than 95 percent of inbound crude oil and gasoline arrives by maritime tanker, predominantly aboard vessels that are not U.S.-flagged.

The authors further warn that declining California oil production threatens critical infrastructure. California’s major northbound pipeline requires approximately 90,000 barrels per day to remain economically and operationally viable, compared with current throughput of approximately 50,000 barrels per day.

These concerns extend beyond the oil industry. California’s refining and distribution network supplies military installations in California and neighboring western states. Maintaining adequate California production, refining and transportation infrastructure is therefore an issue of both consumer energy security and national defense.

Wartime Policy Should Encourage Supply

Even with the affirmative defenses provided under existing law, we are concerned that additional legal uncertainty during a war could work against California’s urgent need to attract fuel supplies.

During a severe shortage, California may have to compete with other states and nations for crude oil and refined products while transportation costs, maritime risks and wholesale prices increase. Policymakers should be extremely cautious about policies that could discourage suppliers from moving scarce fuel into California.

Price restrictions cannot produce another barrel of California oil, preserve a refinery, maintain a pipeline or bring another tanker into a California port.

Strengthen California Energy Security Before the Emergency

Rather than waiting for a war and attempting to manage scarcity after it occurs, California should strengthen its energy infrastructure now by encouraging responsible in-state oil

production, protecting refining capacity, maintaining critical pipelines and reducing dependence on foreign and out-of-state petroleum.

For California's mineral and royalty owners, responsible in-state production supports both their livelihoods and the infrastructure upon which consumers, emergency services and military installations depend.

If California is going to prepare its laws for the possibility of war, it should also prepare its energy system for war. The better policy is to ensure California has abundant, reliable and secure energy supplies when they are needed most.

For these reasons, NARO-California respectfully opposes SB 493 and urges the Legislature to reject the measure.

We invite you and your staff to visit www.NARO-CA.org to learn more about oil and gas mineral and royalty owners and our vital contributions to California communities.

NARO-California would welcome the opportunity to serve as a resource as the Legislature considers policies affecting California's energy future, mineral and royalty owners, and the affordability and reliability of our energy supply.

Respectfully submitted,



Eric S. Eisenhammer
Director of Public Affairs & Public Relations
NARO-California



Edward S. Hazard
President
NARO-California