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Governor's Effort to Reduce Energy Production Will Hurt Consumers and the Environment, Kill Jobs, and Further Delay California's Economic Recovery

(Sacramento, CA) – California Independent Petroleum Association (CIPA) Chief Executive Officer Rock Zierman today issued the following statement regarding Governor Gavin Newsom's executive order on in-state production of oil.

"Let's be clear: today's announcement to curb in-state production of energy will put thousands of workers in the Central Valley, Los Angeles basin, and Central Coast on the state's overloaded unemployment program, drive up energy costs when consumers can least afford it, and hurt California's fight to lower global greenhouse gas emissions.

"California's oil production has been declining, reducing by [20 percent over just the last few years](#). The most [recent data](#) available shows California production at 392 thousand barrels per day. Meanwhile, foreign imports have increased to [over a million barrels per day](#), with Saudi Arabia as the number one producer of the oil California consumes. However, since Governor Newsom's has taken office, consumption has not gone down even as California's greenhouse gas emissions have gone down and the state is ahead of its climate goals. Instead of creating our own local energy, each year California relies [more and more upon foreign oil](#) which isn't produced with our strong environmental protections nor does it generate desperately needed local and state tax revenue. In fact, [one study](#) found that every day tanker ships idled in the Los Angeles ports earlier this year, they created the same emissions as 68 thousand cars on the road. We should be supporting American workers, not the Saudi Royal Family.

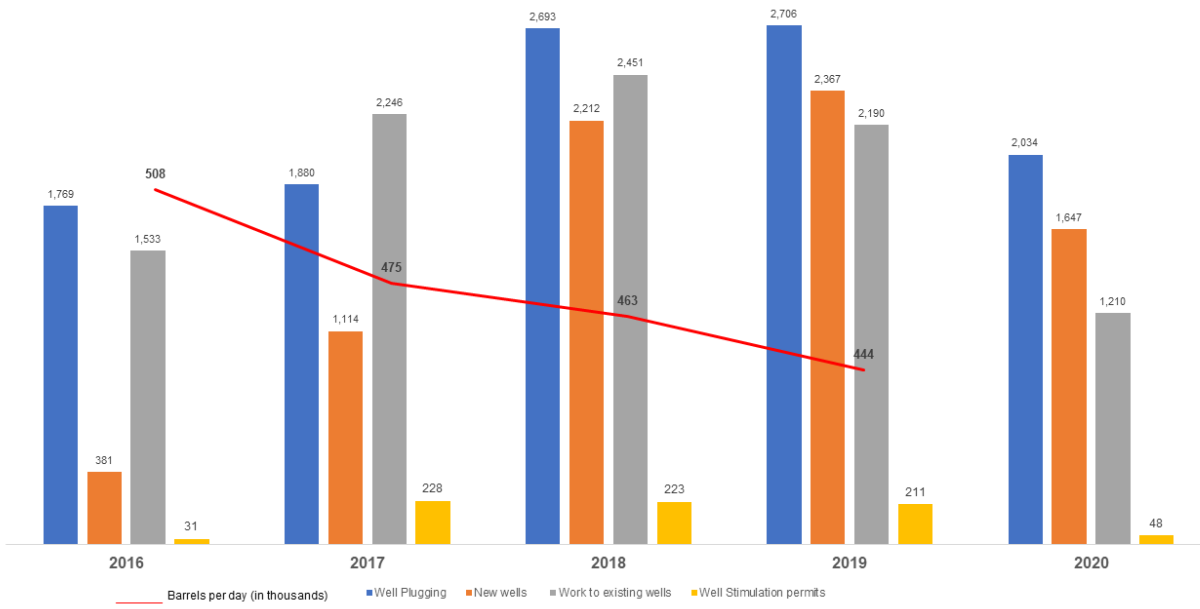
"Our member companies embrace new and traditional energy sources working together. For a state as large as California we need an all-of-the-above energy portfolio. Our industry is uniquely poised to invest in technology like carbon capture and sequestration, which unlike any other form of energy, can remove carbon from the atmosphere and actually result in negative emissions.

"At a time when Californians pay more for energy while experiencing manmade 'green outs', it doesn't make sense to hurt consumers, our economy, and our environment by banning California production. We urge the Governor to ignore the rhetoric, stand up for science, and know that we are willing partners in California's climate future. The focus should be on reducing overall emissions, not picking winners and losers."

Background: As the chart below demonstrates:

- Overall production has declined since 2016.
- The number one permit being issued for the last 3 years has been to decommission existing wells, not drill new ones.
- No new projects have been approved in over a year. All drilling has been infill wells in existing oil production facilities.

California Permitted Well Activity



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