

Refinery expected to cause California gas prices to spike

By Mark Glover and Richard Chang, Sacramento Bee

California drivers will soon feel the heat from the fire Monday evening in the sprawling Chevron refinery in Richmond.

Energy analysts expect gas prices to surge to \$4 a gallon or more in the weeks leading up to the Labor Day holiday weekend.

GasBuddy.com, which tracks gas prices in Sacramento and other cities, warned that gas costs in California – which were already rising – are likely to spike between 10 and 25 cents this week alone.

“Spot (wholesale) prices have already increased by as much as 30 cents per gallon in some West Coast markets, and that’s before the refinery damage has been fully assessed,” said Patrick DeHaan, senior petroleum analyst for GasBuddy.

“While wholesale increases do not always translate directly into retail increases of the same amount, they certainly point to the direction for which consumers should be prepared.”

Even before the fire, California prices were affected by the shutdown of the Valero Benicia facility in July for maintenance. On Monday, SactoGasPrices said the average price of gas in the Sacramento area rose 5.8 cents over the previous week to \$3.73 a gallon.

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