2025

Utah Gasoline Report

The 2025 *Utah Gasoline Report* is an update to *Utah Gasoline Prices* (2022), which was also published by the Utah Office of Energy Development.

The 2022 report analyzed Utah's petroleum supply chain to identify the contributing factors to our record-breaking gasoline prices during the global oil market surge of 2022. This updated edition revisits those findings, drawing on recent market conditions and data to provide additional context and insights into the dynamics shaping gasoline prices in Utah.

Table of Contents

Executive Summary

To foster a comprehensive understanding of Utah's gasoline prices, the Utah Office of Energy Development, along with supporting agencies, analyzed every aspect of Utah's petroleum supply chain to determine what factors contribute to the final price consumers pay at the pump. The analysis in this report first examines the general landscape, existing infrastructure, market dynamics and challenges Utah faces, followed by a step-by-step breakdown of the entire supply chain to identify Utah's costs and how they compare to the rest of the United States.

Over the past three years, the material conditions that influence gasoline prices in Utah have improved significantly. The main driver of this improvement has been the normalization of crude oil prices, which saw a global oil market surge in 2022. Today, prices are 39.6% lower than they were at their height in July 2022; however, Utah's gasoline prices still trend at or above the national average, with regional volatility and a lack of connections to other refining hubs causing prices to spike well above the national average during regional disruptions.

As of August 2025, the average cost of a gallon of gasoline in Utah is composed of 49% crude oil costs, 23% refining costs, 17% taxes and fees and 10% distribution and marketing costs. This is a notable shift from our previous report, primarily due to a 5% reduction in refining costs.

After a thorough review of all available data, a primary theme is clear: Utah continues to maintain, expand and fully utilize its refining capacity even as neighboring states reduce their own capabilities. At the same time, markets to the west of Utah are experiencing steady or rising demand for gasoline despite their declining in-state refining capacity. This imbalance has increased their reliance on imported fuels and elevated Utah's role in supplying the region. Consequently, upward price pressures have persisted, keeping Utah's gasoline prices elevated as its refineries operate near maximum capacity and limited infrastructure exists to import refined fuels from farther east.

While Utah continues to refine more fuel than it consumes with no plans to reduce capacity, the state remains vulnerable to regional market volatility and higher gasoline prices driven by external policy and supply decisions. These challenges are likely to intensify in the coming years. Increasing regulatory costs in neighboring states, particularly California, continue to raise the cost of refining gasoline. As a result, two major refineries have ceased gasoline production in the past five years, and two more are expected to close within the next year.

Finding solutions to these current and emerging risks will require coordinated action among industry members, policymakers and other key stakeholders. By working collaboratively to develop resilient, long-term solutions, Utah can strengthen its petroleum supply chain, safeguard refining adequacy and preserve affordable fuel prices for Utahns in the years ahead.

Utah's Petroleum Market

Before examining the individual factors that contribute to gasoline prices in Utah, it is important to establish a baseline understanding of the state's petroleum landscape. This includes Utah's supply and demand characteristics, the infrastructure that supports its petroleum system and the retail prices that result from those combined influences. Taken together, these conditions shape a petroleum market that is unique to Utah.

Supply

Utah is home to five petroleum refineries, all located along the I-15 corridor between Rose Park and Bountiful (Figure 1). Together, these refineries have the combined capacity to process 208,714 barrels of crude oil per day into a wide range of petroleum products.[2] While small compared to the overall refining capacity of the United States, this output is more than sufficient to meet Utah's fuel needs and positions the state as a consistent net exporter of petroleum products. Regionally, this means other states also rely on Utah's refining capacity to meet their own needs for gasoline and other petroleum products.

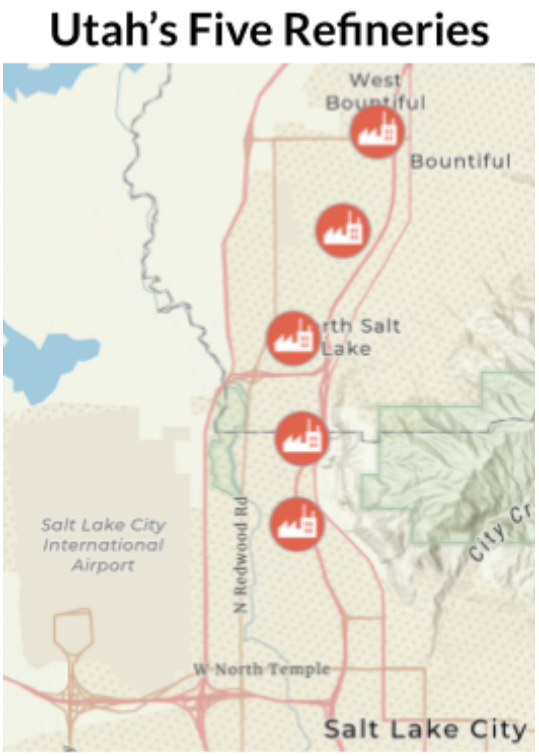

Figure 1 [1]

Utah is part of Petroleum Administration for Defense District 4 (PADD 4), which includes Utah, Colorado, Idaho, Montana and Wyoming. Originally established during World War II to manage gasoline rations, the PADD system (Figure 2) remains integral to the production, distribution and analysis of petroleum markets across the United States.

Figure 2 [3]

Utah's refineries operate with a 10-year average utilization rate of 90.5%, compared with 88.6% for PADD 4 and 89.4% nationally.[4, 5] At this level, Utah's refineries are effectively running at maximum capacity. This is because refineries must regularly conduct a scheduled "turnaround," during which they shut down an entire processing unit for maintenance, repairs, and inspections. This typically takes place

during the winter months when fuel demand is lower. Figure 3 below illustrates how Utah's refineries have steadily expanded capacity and utilization over time.

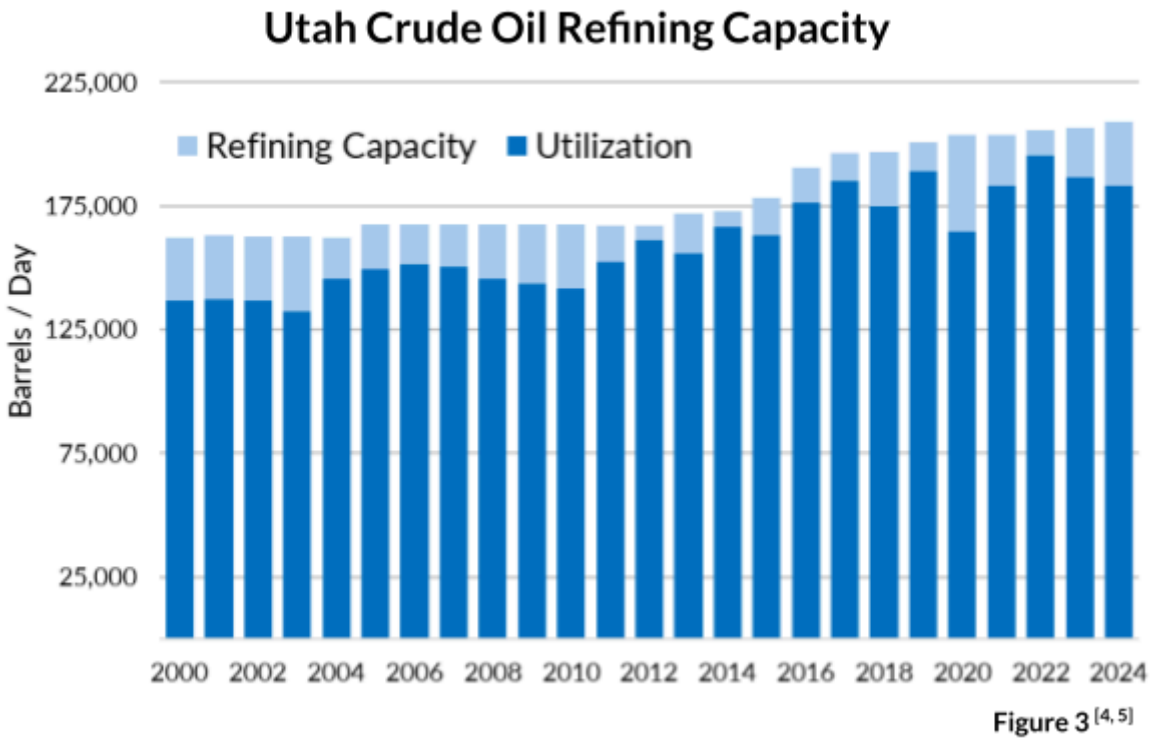

Figure 3 [4, 5]

Over the past 15 years, Utah's refining capacity has increased by 41,000 barrels per day, a 24.5% gain. By contrast, the rest of PADD 4 has seen a 2.4% decline, losing roughly 53,000 barrels per day since peaking in 2016. The most notable decline in the western United States has occurred in PADD 5, where capacity has fallen by 21%, or 675,000 barrels per day, over the same period (Figure 4).

With continued regulatory pressure in California making gasoline refining less viable, this downward trend is expected to accelerate, with two additional refineries projected to close by 2027. This will reduce capacity by a further 309,000 barrels per day.

Although Utah does not directly receive gasoline from PADD 5 refineries, supply volatility in California still affects Utah's market.

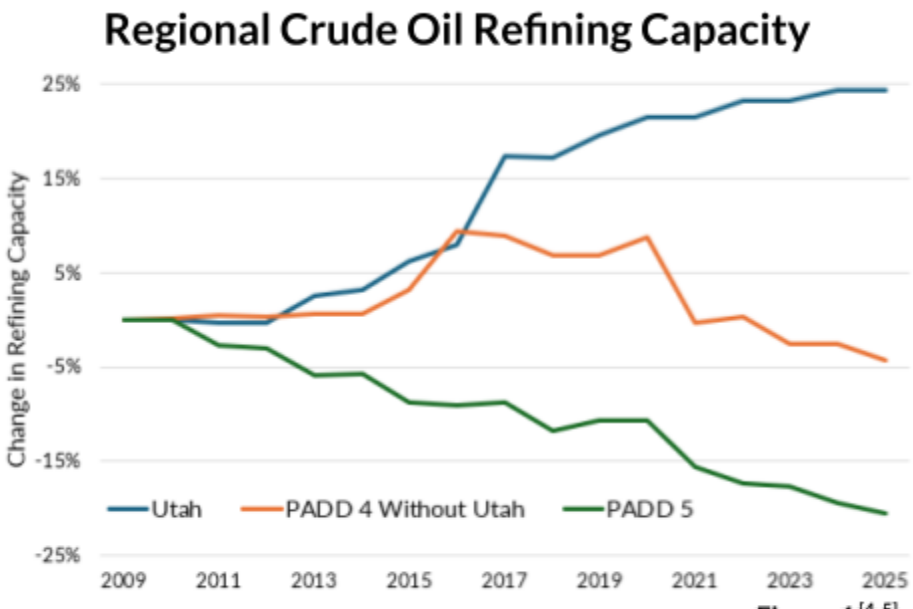

Figure 4 [4, 5]

Regions between the two states often draw supply from both, and as California's refining capacity declines, these areas turn to Utah to fill the gap. Utah's refineries, already running at full capacity, cannot increase production to meet this additional demand, which places upward pressure on local gasoline prices.

Utah's gasoline supply is also influenced by its pipeline infrastructure. The state has four major petroleum product pipelines: two that export refined fuels and two that import them. Together, these pipelines export about 65,000 more barrels of refined products per day than they import, reflecting Utah's role as a regional supplier. These pipelines transport a variety of petroleum products beyond gasoline, so the 65,000-barrel figure represents total refined fuels rather than gasoline alone.

On the export side, the UNEV pipeline allows Utah's refineries to serve customers in southern Utah before exporting products to Las Vegas, Nevada, and the Northwest Products Pipeline allows Utah's refineries to export products to Idaho and the Pacific Northwest. On the import side, the Pioneer pipeline brings products refined in Wyoming into northern Utah and the Enterprise pipeline brings products refined on the Gulf Coast into southern Utah (Figure 5).

Utah's Petroleum Product Pipelines

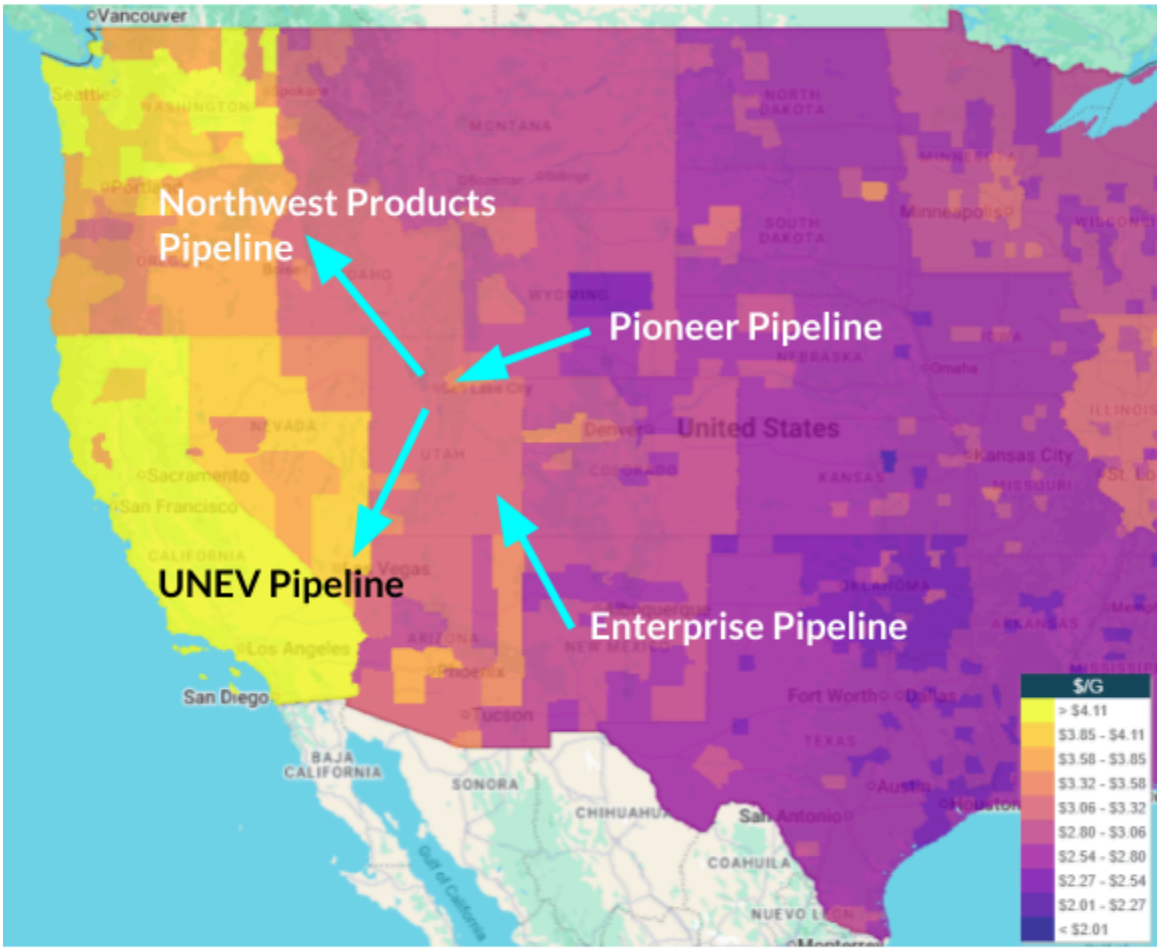

Figure 5 [6]

Demand

From the moment gasoline-consumption data collection started, Utah's gasoline consumption has steadily increased, a trend that is projected to continue in the coming decades. This additional demand can largely be attributed to population growth, which has increased 19.7% over the last 10 years.[7] In the same time period, Utah's gasoline consumption has increased by as much as 16.7%.[8] Figure 6 depicts that trend over the last 65 years.

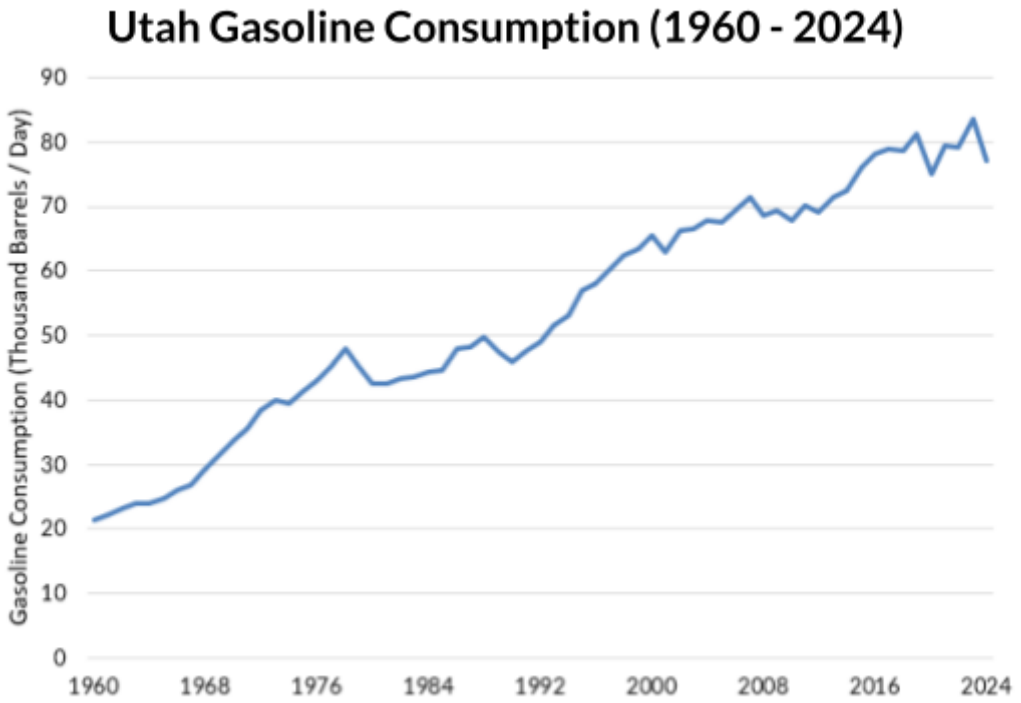

Figure 6 [4, 8]

Expanding to a more regional view, gasoline consumption over the last 15 years has increased by 5% in PADD 4, while it has decreased by 3.3% in PADD 5 (Figure 7). Figure 7 clearly shows the disconnection between refining capacity and demand between PADD 4 and 5

This demand is also not distributed evenly across the entire year. Gasoline consumption increases during the summer "driving season," a common name for the increased driving activity of Americans between Memorial Day (mid-May) and Labor Day (late September).

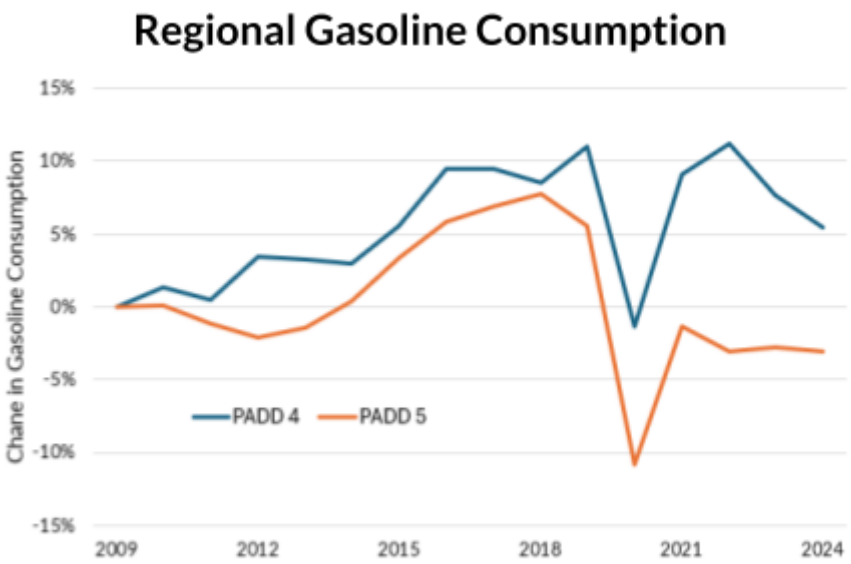

Figure 7 [9]

Price

These supply, demand and infrastructure factors all combine to dictate the overall price of gasoline in Utah. Over the past three years, gasoline prices in Utah have decreased significantly, down 39.6% from their height in July 2022. However, Utah's gasoline prices still trend at or above the national average. Figure 8 shows the retail price of gasoline in Utah and how it compares to the national average since 2018.

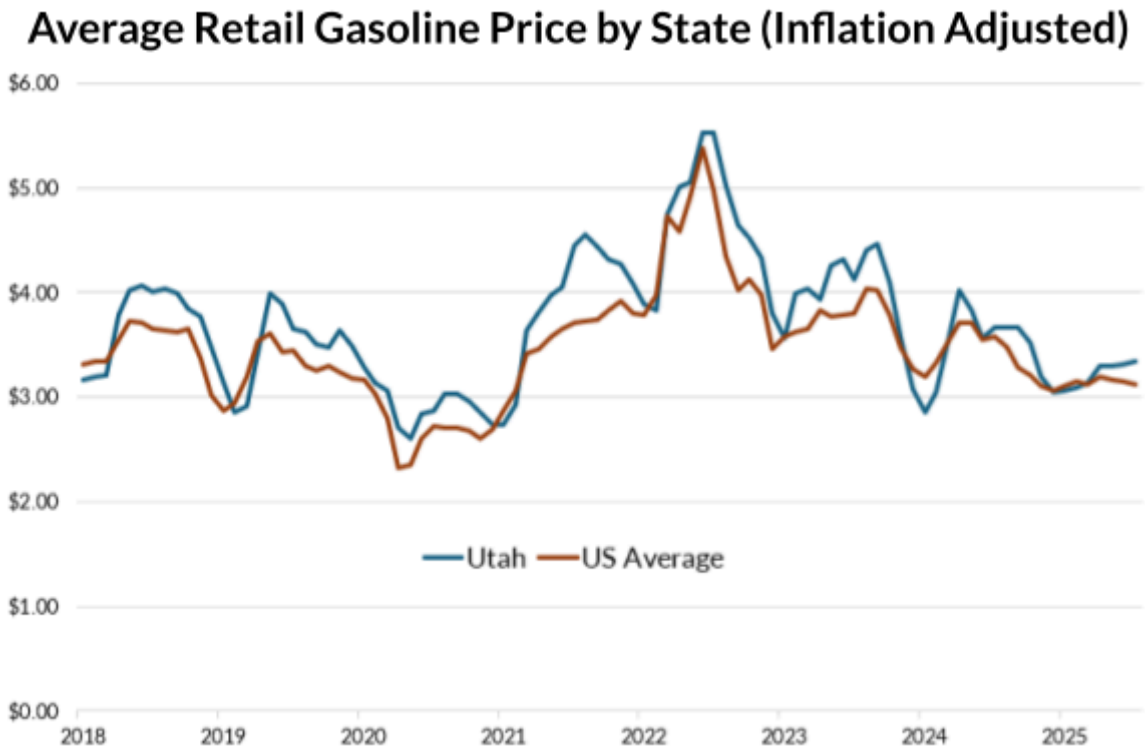

Figure 8[10, 11]

Gasoline prices consistently increase during the summer driving season (Figure 9). In Utah, peak driving season demand increases the price of gasoline by an average of 81 cents per gallon. While a 9-cent per gallon improvement since 2022, this peak is among the most pronounced in the country and about double the national average of 40 cents per gallon. That additional volatility can also be seen during regional disruptions, such as the recent El Segundo refinery fire in California–both of which resulted in market supply constraints unable to keep up with demand.

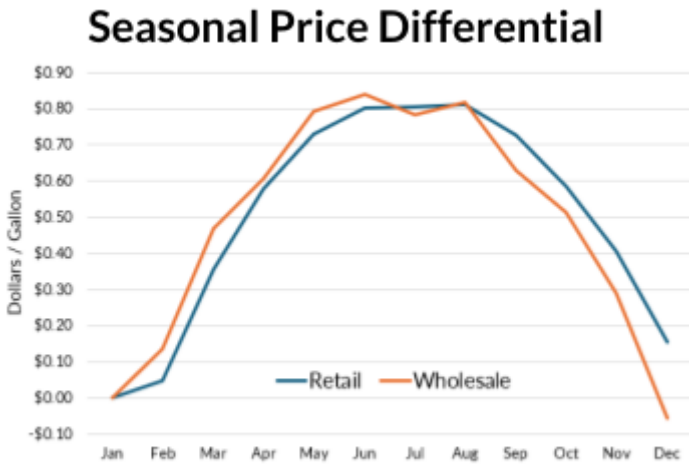

Figure 9 [10, 11]

What Drives the Price at the Pump?

As gasoline progresses from crude oil extracted from the ground to the refined fuel that powers our vehicles, it accumulates costs in four stages: 1) the cost of crude oil production, 2) the cost of refining, 3) the addition of taxes and fees and 4) the cost of distributing the finished fuel to gas stations. Together, these stages determine the final price consumers see at the pump.

Crude oil production is the first step in the supply chain. Operators drill and extract crude oil from the ground and sell it to refineries. **Refining** is the process of removing impurities from crude oil and separating it into component products such as gasoline, diesel and jet fuel. Once the refining process is complete, **taxes and fees** are assessed on the finished products. Finally, gasoline is **distributed and marketed** by gas stations for retail sale.

When data from these stages is analyzed collectively, a clearer picture emerges of the costs that contribute to the price of a gallon of gasoline. Figure 10 below compares how each category contributes to overall costs in Utah and the United States.

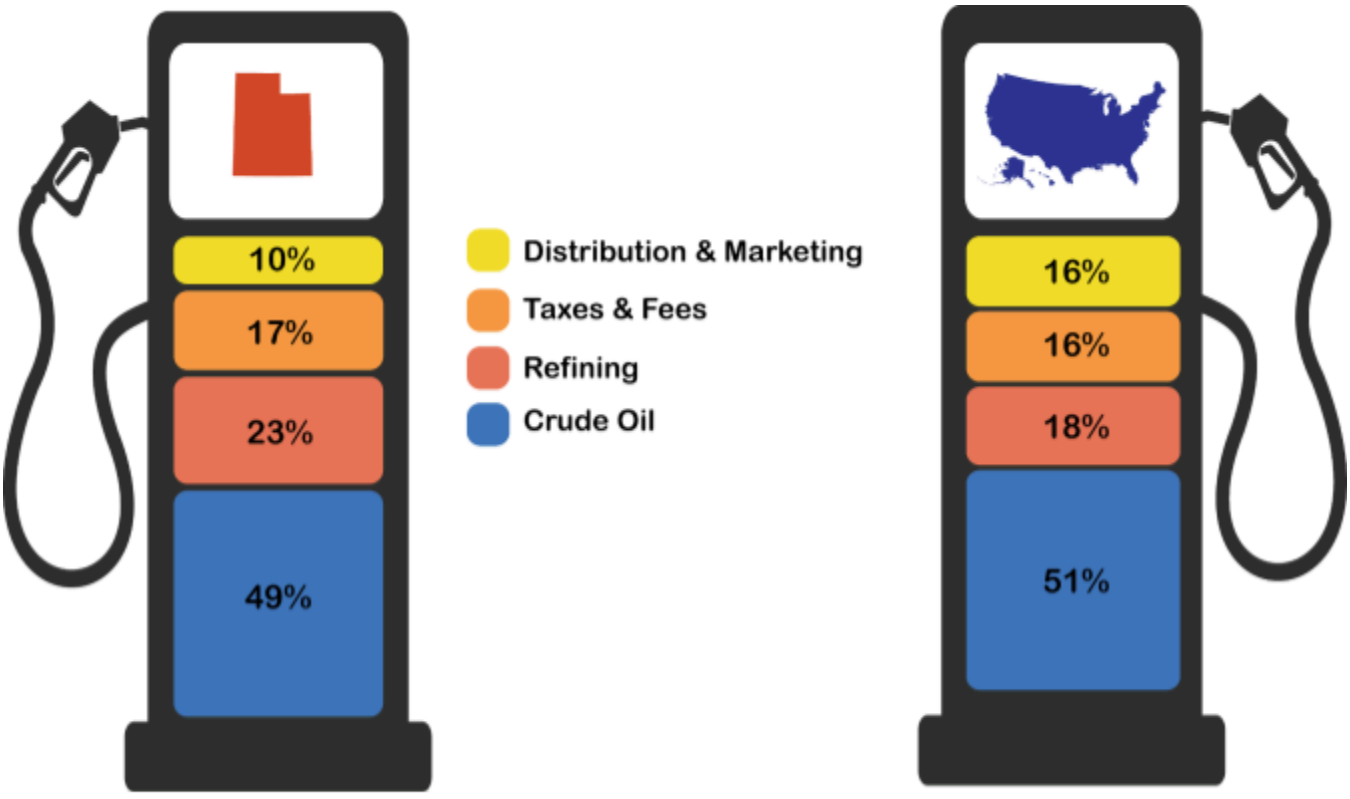

Figure 10 [10, 12]

The following sections examine each category in detail, describing their structure and processes, comparing Utah to its neighboring states and the nation overall and outlining the key factors shaping current and future trends.

Crude Oil

The first and largest contributor to the price of gasoline in Utah is the cost of crude oil. As a globally traded commodity, the price of crude oil is both volatile and beyond the State of Utah's control. For example, the global oil market surge of 2022 was the main driver of Utah's record-breaking gasoline prices that year, despite the surge originating 6,000 miles away with the Russian invasion of Ukraine and subsequent sanctions that forced European crude oil demand to find new supply elsewhere.

In the United States, the most frequently used benchmark of crude oil prices is the WTI (West Texas Intermediate) Index (Figure 11). This index tracks the average price of crude oil sold in Cushing, Oklahoma, a major trading hub for North American crude.

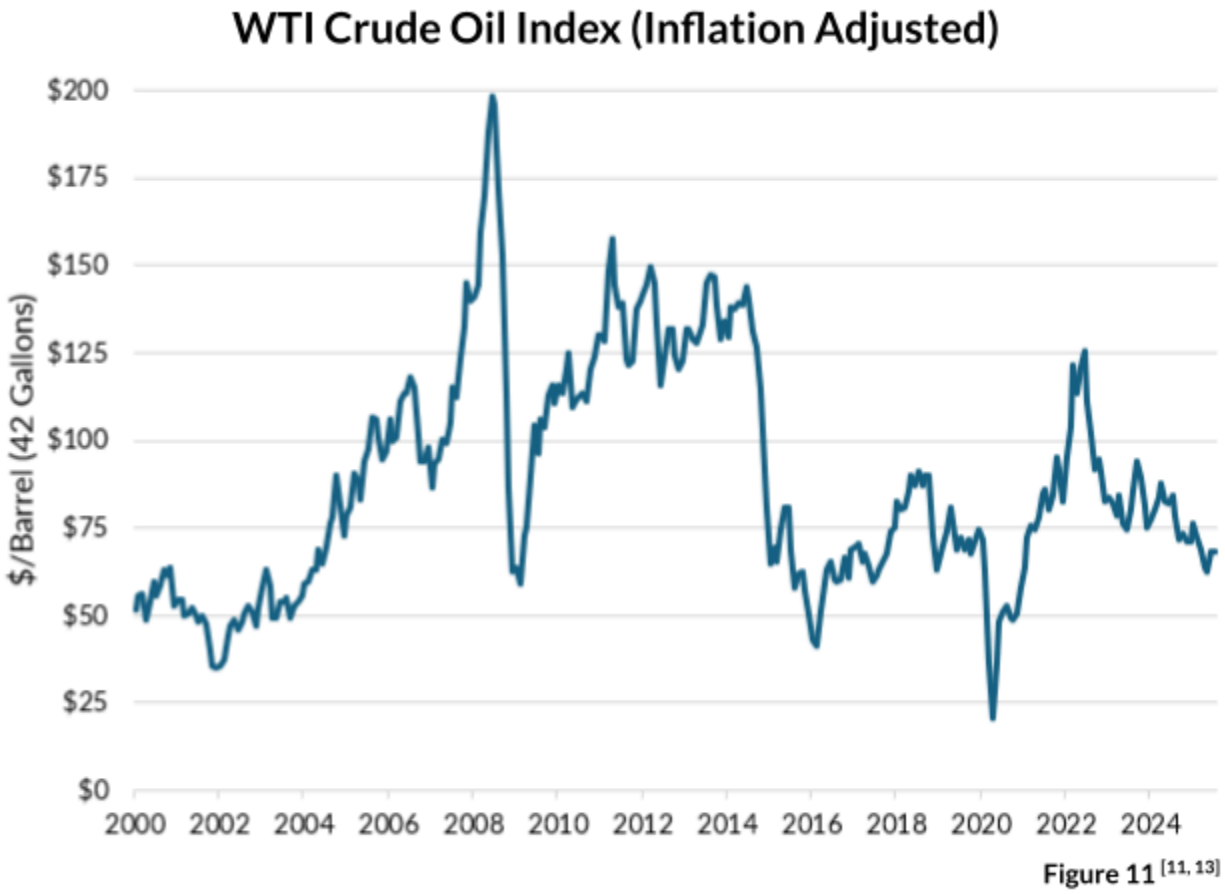

Figure 11 [11, 13]

While WTI is the most analogous index to the crude oil available to Utah refineries, the specific qualities of each crude oil source create regional price differences. These differences are identified through three grades.

The first grade is an oil's viscosity or weight. "Heavy" oils contain longer hydrocarbon chains, which are more difficult to refine and produce larger proportions of heavy products like asphalt. "Light" oils have shorter hydrocarbon chains and are more easily refined into larger portions of fuels like gasoline.

The second grade is an oil's sulfur content. "Sweet" oils have low sulfur levels while "sour" oils contain more sulfur, requiring extra processing to protect air quality and prevent engine damage.

The final grade is an oil's TAN (total acid number) count or acidity. Higher TAN counts mean that an oil is more acidic, making it more corrosive and damaging to pipelines and refining equipment.

Utah produces some of the most desirable oil in the world (Figure 12). Our Uintah Basin waxy crude is notorious for its medium-to-low weight, its extremely low sulfur content and its low TAN count. This makes it an excellent feedstock for reduced processing costs and improved air quality and environmental characteristics.

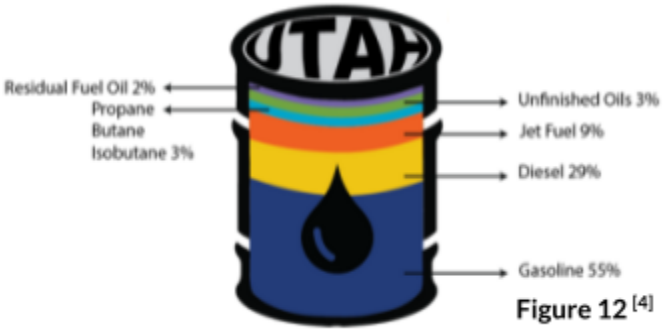

Figure 12 [4]

However, these amazing benefits also come with some difficult logistical challenges. As its name suggests, Uintah Basin waxy crude has a high paraffin wax content, making it take on a consistency similar to butter at room temperature. This makes the oil difficult to transport cost-effectively and requires additional processing considerations. Because of these challenges, Utah's crude oil has sold at an average discount of $6.59 per barrel ($0.1568 per gallon) over the past 10 years when compared to the U.S. average.

Figure 13 below shows the origins of the crude oil processed at refineries in Utah. Over the past quarter-century, oil drilled in Utah has grown from a tenth of our supply to nearly half of all oil processed in Utah. This is followed by Wyoming, which provides the majority of our imported oil, and Colorado and Canada, which also contribute a small portion to the Utah supply.

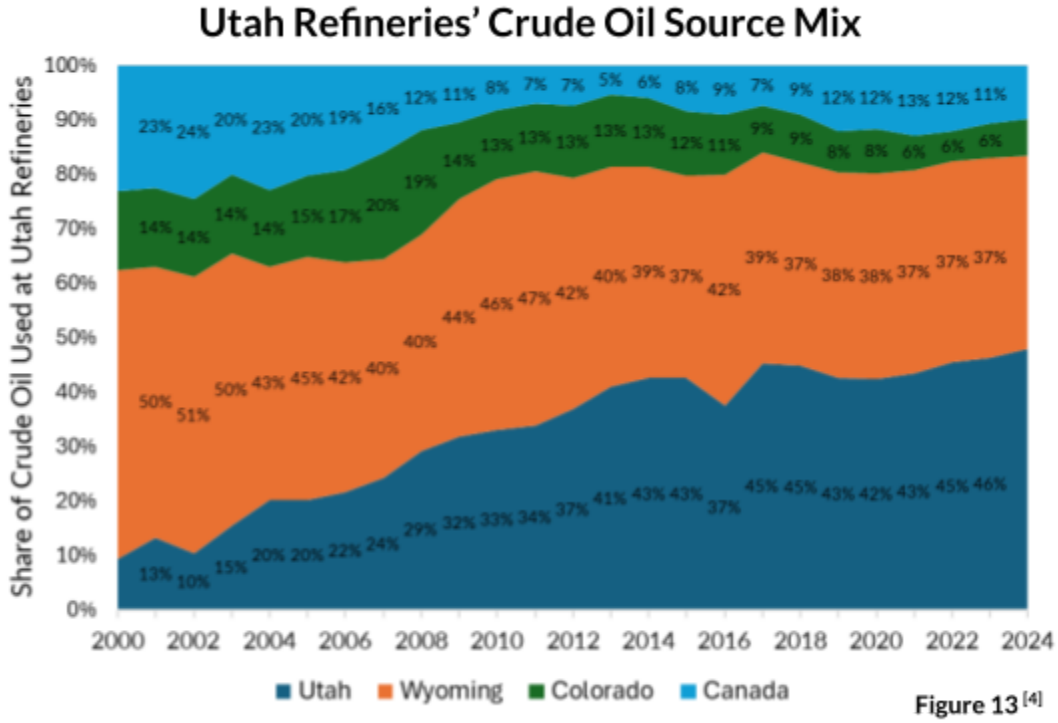

Figure 13 [4]

Refining

The next contribution to the price of gasoline in Utah comes from processing crude oil into a refined fuel. Refineries use a variety of physical and chemical processes to separate the complex mix of hydrocarbons found in crude oil into its component parts. While Utah's five refineries have the capacity to process 208,714 barrels of crude oil per day, only about half of this production produces gasoline.

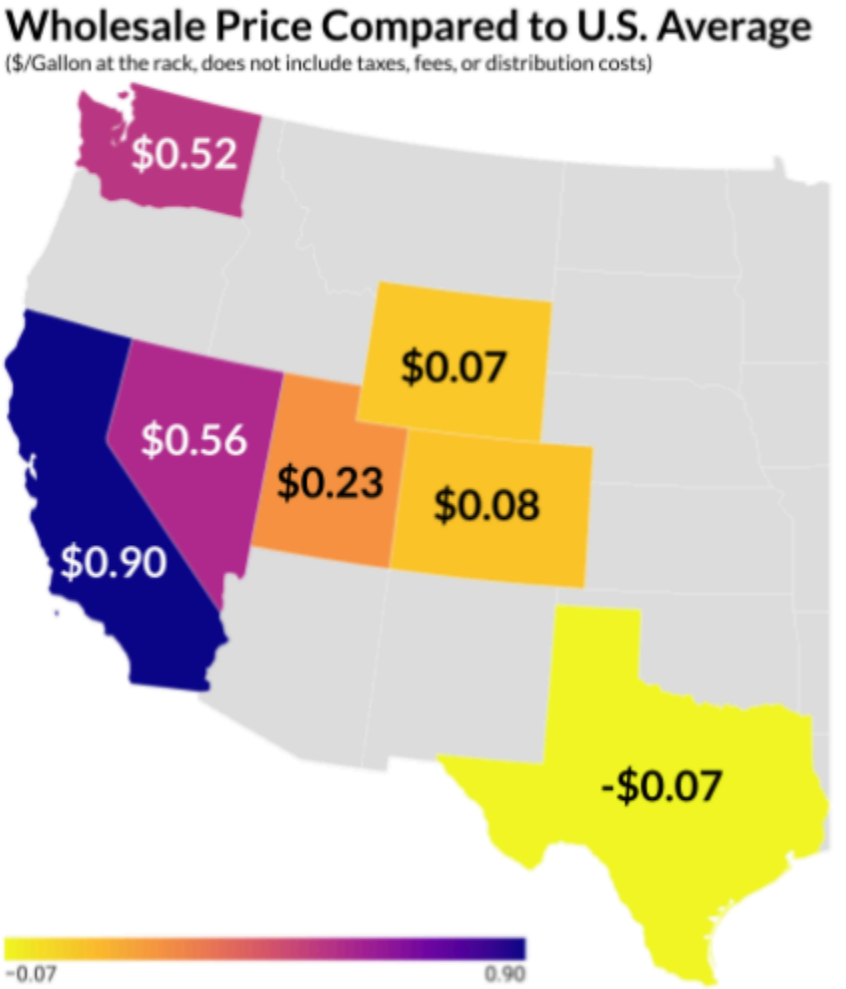

Figure 14 [10]

Once the gasoline has been fully refined, refinery operators send the fuel to bulk terminals. This usually involves transportation by pipeline or rail from the refinery to be deposited in storage tanks that can hold hundreds of thousands of gallons of fuel until it is sold to distributors. That sale to distributors occurs at a wholesale price, which can be used to compare Utah's price at bulk terminals to our neighboring states and the United States average.

The most notable difference in western wholesale prices (Figure 14) compared to the U.S. average from 2022 is that Utah and Wyoming have improved slightly, whereas the rest of the selected states have shifted further from the national average. Despite this improvement, wholesale gasoline prices in Utah still remain 23 cents per gallon higher than the national average.

Wholesale prices can also be used alongside crude oil input prices to benchmark just how much cost the refining step adds to the price of gasoline. The difference between these prices is known as the "crack spread." A number of different crack spreads are used by industry and regulators in different instances. For example, the U.S. Energy Information Administration (EIA) utilizes a 3:2:1 crack spread (3 barrels of crude oil compared to two barrels of gasoline and one barrel of diesel) when evaluating transportation fuels in the United States. For the purposes of this gasoline

report, OED selected a 1:1 crack spread of crude oil to gasoline. Figure 15 depicts the average monthly crack spread of Utah's five refineries over the last 9 years.

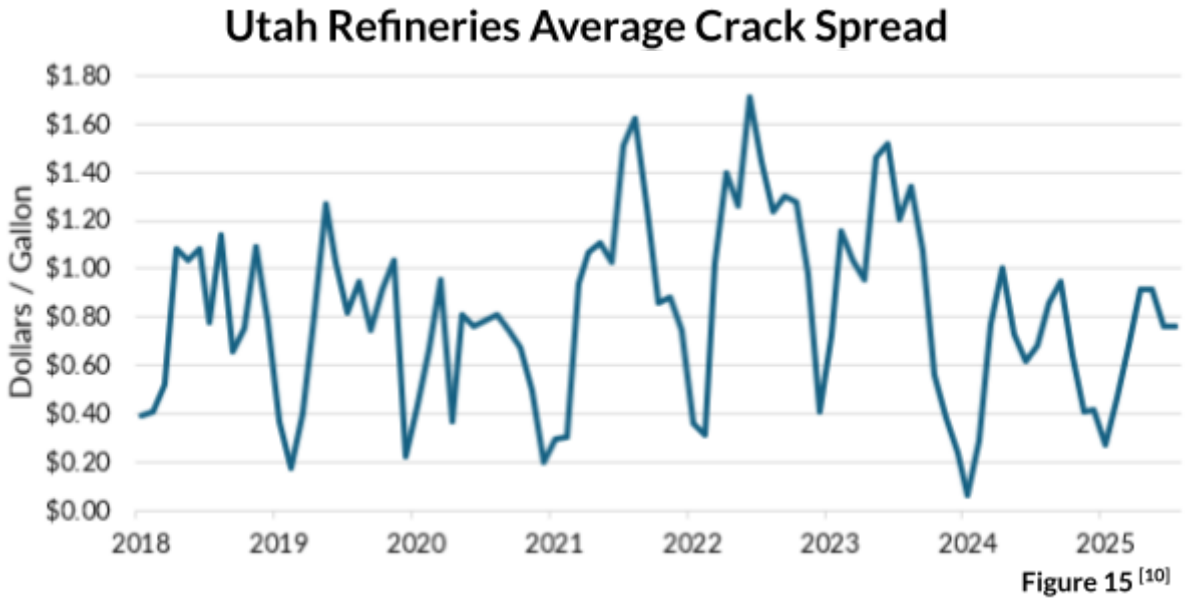

Figure 15 [10]

While crack spreads are an important indicator used by the industry to gauge the economic viability of a refinery, the difference between the cost of crude oil inputs and the price of wholesale gasoline does not represent pure profit. Within this margin, refineries must cover all of their own expenses, including transportation of the fuel, purchasing materials such as catalysts and chemicals used during refining, labor, maintenance and repair of equipment, renovations and upgrades to expand capacity and regulatory costs.

Utah's refining margin represents a larger percentage of gasoline's cost than the national average. There are three main areas that could contribute to this difference, but publicly available information does not quantify whether all three play a part and/or to what degree.

The first of these is that Utah's refineries are small compared to the national average, with single refineries in states like Texas having double or triple the capacity of all Utah's refineries combined. These larger refineries enjoy economies of scale that Utah's refineries will never experience, allowing them to refine each gallon of fuel at a slightly lower cost. The second of these categories is increased profits. Utah's refineries may be more profitable than the national average, especially during high summer peaks or regional disruptions, which strain supply in the West. And finally, Utah gasoline is subject to additional regulations that increase processing costs.

Regulatory Costs

A portion of the increased costs associated with gasoline refining in Utah can be attributed to additional regulations that require more refining steps, many of which are implemented to protect the air quality in Utah but do not apply to all gasoline in the United States.

Tier 3 Fuel Standards were implemented by the federal Environmental Protection Agency (EPA) in 2017. This change required refineries to either purchase credits to offset the emissions from their fuels or reduce the sulfur content of their fuels to a new, lower standard. In an effort to increase air quality in the state, Utah opted to encourage and incentivize its refineries to choose the latter option and actually invest in the equipment upgrades needed to produce Tier 3 fuels. For this reason, all five of Utah's refineries are currently Tier 3-compliant and produce cleaner gasoline rather than purchasing credits and producing higher-emissions fuel. Studies estimate that this creates up to 9 cents per gallon in additional refining costs.[14]

Ozone nonattainment areas are required by the EPA to reduce the Reid Vapor Pressure (RVP) of their gasoline to 7.8 instead of the industry standard of 9 RVP. RVP measures gasoline volatility, or how it evaporates at 100 °F. Lower RVP fuel results in fewer emissions and less air quality impact. In Utah, counties along the Wasatch Front are held to this increased emissions standard between June 1 and September 15 each year, increasing the cost of gasoline by approximately 4 cents per gallon. Additionally, decreasing RVP also reduces the volume of available supply, further increasing the price of gasoline. While this is an important component of reducing emissions, especially as the Wasatch Front works to improve air quality, it is anticipated that further reductions in RVP could be required, further increasing production costs.

Severe ozone nonattainment areas are required by the EPA to switch from conventional gasoline to reformulated gasoline to further reduce emissions. Reformulated gasoline is much more expensive to refine than conventional gasoline, with current estimates showing an increase of 45 cents per gallon. While Utah does not currently have any severe ozone nonattainment areas, this federal regulation highlights the importance of proactively protecting our air quality.

California's regulatory requirements, while not directly requiring compliance from Utah's refineries in any way, still increase the cost of gasoline in Utah. This is because California's regulations require higher purities and biofuel conversion, effectively reducing the capacity of its refineries, thereby increasing demand for Utah's gasoline in markets (like Las Vegas) that rely on both refining hubs to meet demand. This higher price in adjacent markets shifts gasoline supplies out of Utah, increasing the prices we experience locally.

Taxes and Fees

After the initial cost of extracting and refining crude oil, the next major contributor to Utah's gasoline price is taxes and fees. For more than a century, both state and federal governments have collected gasoline taxes to fund the construction and maintenance of the nation's system of roads, bridges and tunnels. As an excise tax, this structure ensures that drivers who consume more gasoline and, by extension, drive more miles and impose greater wear and tear on roads, also pay more to maintain travel/transportation infrastructure.

Utah's gasoline tax rate is set by state code at 14.2% of the average wholesale price of a gallon of regular unleaded gasoline. The actual cost per gallon determined by this rate is recalculated annually by the Utah State Tax Commission, based on the average wholesale price over the previous three fiscal years. This rate structure is shared by nine other states, with the majority of states choosing to set a nominal tax per gallon in their state code (Figure 16).[15]

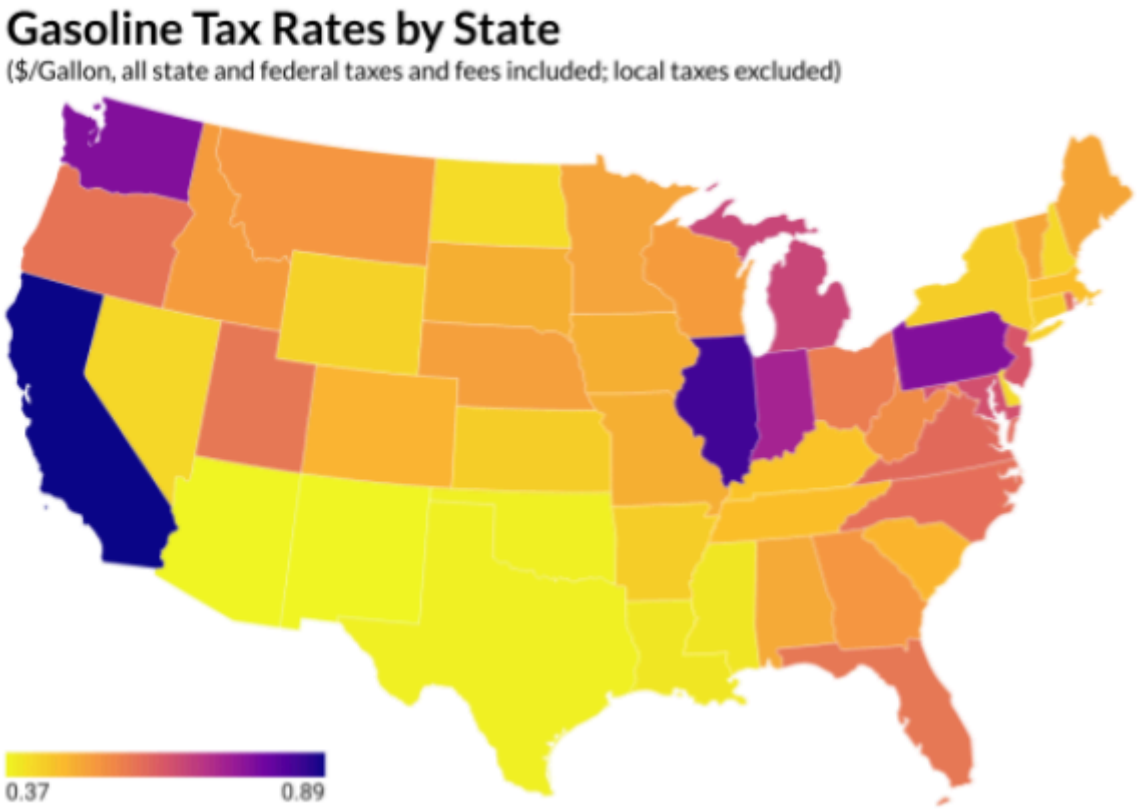

Figure 16 [16]

In 2025, every gallon of gasoline purchased at Utah gas stations includes $0.5755 in taxes and fees. This is about 6 cents per gallon higher than the national average and higher than all of Utah's neighbors except Nevada. (Nevada's unique system of local gasoline taxes is not fully captured in the figure above and in many cases, brings the total tax burden to levels on par with California.) Within that $0.5755 per gallon, there are four separate taxes: two assessed by the federal government, totaling $0.184, and two assessed by the State of Utah, totaling $0.3915.

The majority of the state's tax burden comes from our $0.385 per-gallon gasoline tax. This revenue is deposited into the state's Transportation Fund. Whether the Utah Department of Transportation (UDOT) is building a new road, filling potholes, or plowing snow, the funding to cover this maintenance comes from our gasoline taxes.

It should be noted that the Utah State Tax Commission's annual rate recalculation has Utah's gasoline tax set to decrease to $0.379 per gallon on January 1, 2026.

The remaining $0.0065 per gallon is deposited in the Petroleum Storage Tank Fund. This fund is utilized by the Department of Environmental Quality (DEQ) to fund the inspection and certification of petroleum storage tanks in the state to ensure that EPA standards are met. Additionally, in the case of a petroleum spill, these funds are utilized to fund cleanup efforts, investigations and mitigation of any environmental damage caused by the leaked fuel.

Although federal gasoline tax rates are consistent nationwide and do not explain why Utah's taxes are above average, issues within the federal system highlight the importance of addressing similar challenges at the state level. If federal gasoline taxes had been prudently adjusted for inflation since their last increase in 1993, the rate today would be approximately $0.408 per gallon. However, the absence of an adjustment mechanism and the limited political will in Congress to enact regular increases have required the federal Highway Trust Fund to rely on hundreds of billions of dollars in general fund bailouts. This effectively hides the true cost of maintaining the nation's highway system within other sources of revenue like income taxes rather than showing that cost at the pump.

There are similar solvency issues for state-level transportation funds. Utah's higher-than-average state gasoline taxes are, to some extent, a result of Utah addressing this funding issue while other states continue to let inflation deteriorate the purchasing power of their transportation funds. In 2015, the Utah State Legislature passed H.B. 362, removing the fixed tax rate that had been in place since 1997 and implementing the annually adjusted system we have today. By establishing a structured adjustment process and reducing the political uncertainty surrounding gasoline tax rates, Utah ensured more stable transportation funding, even if it resulted in prices at the pump being a few cents higher.

When discussions arise about alleviating prices at the pump, the conversation often turns to reducing gasoline tax rates as a form of "low-hanging fruit." This occurred across the country during the 2022 global oil market surge, when several states temporarily suspended their gasoline taxes or delayed planned inflation adjustments in an effort to save a few cents per gallon. As a longer-term solution, eliminating Utah's gasoline tax without allowing the state's roads and bridges to deteriorate would require some combination of higher taxes in other areas or reduced funding for other programs totaling up to $488.1 million in fiscal year 2025. For a sense of scale, this would require Utah's income tax rate to rise from 4.5% to 4.83%.[17]

Distribution and Marketing

The final contribution to Utah's gasoline price comes from gas stations themselves. Stations purchase gasoline at wholesale prices from bulk terminals, pay all applicable taxes and fees and then transport the product to their retail locations for public sale. At the pump, stations pass on the cost of the fuel and taxes, then mark up the price to the final amount consumers see when filling up their vehicles (Figure 17).

The difference between the price a station pays for a gallon of gasoline and the price consumers pay at the pump does not represent pure profit. Within this margin, stations must cover all of their own operating expenses, including transporting the fuel from the terminal, safely storing it until purchase, as well as paying for rent, utilities, insurance, labor, credit card fees, advertising and other overhead costs.

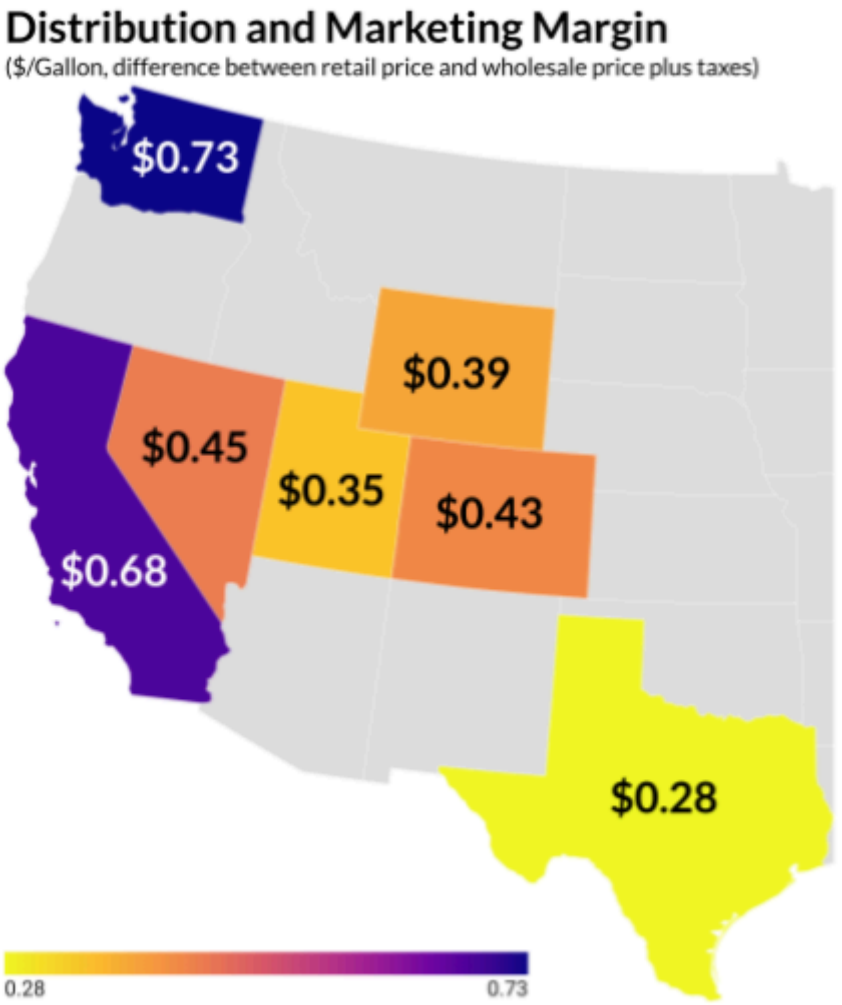

Figure 17 [10]

Because consumers are highly price-sensitive and often display little to no brand loyalty, gas stations are incentivized to keep pump prices as low as possible to increase sales volume and drive higher-margin purchases inside their convenience stores. With all of this being considered, studies indicate that gas stations typically earn between $0.03 and $0.07 per gallon in profit. Additionally, during periods of elevated fuel prices, many stations will sell gasoline at break-even or even at a loss in order to remain price competitive.[18]

Current data show that, among the selected states, Utah has lower gas station margins per gallon than all other states except Texas, though these numbers can vary greatly from month to month as market conditions change. Figure 18 illustrates those fluctuations by showing the range and distribution of monthly average gas station margins from 2017 to 2025.

This more holistic view shows that Utah consistently operates in a range of gas station margins similar to that of its neighboring states, lower than West Coast PADD 5 states such as California and Washington, and higher than Gulf Coast PADD 3 states such as Texas.

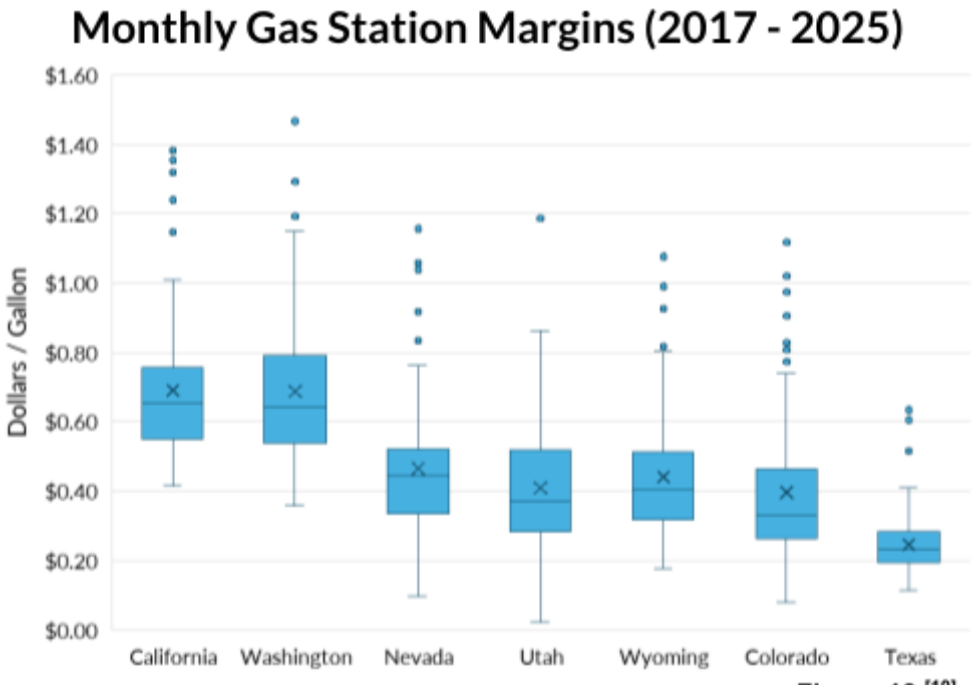

Figure 18 [10]

Possible Solutions and Next Steps

Free market solutions present the best opportunity to lower Utah's gasoline prices. This can come in a variety of forms, including upgrades and renovations to increase the capacity of the existing refineries, the construction of new refineries, or the interconnection of Utah to other refining hubs via pipeline or rail. Tax incentives, either newly created credits or pre-existing credits such as the High Cost Infrastructure Tax Credit (HCITC), may be utilized as a tool to make these supply expansions economically viable.

Demand-side management enables Utah consumers to decrease the price of gasoline by reducing their consumption. Responsible fuel-saving practices not only reduce the amount of gasoline an individual purchases, but collective reductions in demand can lower the price per gallon everyone sees at the pump. These practices include carpooling or taking public transportation when possible, reducing vehicle idling time, minimizing hard braking and aggressive accelerating, ensuring proper engine and tire maintenance, observing speed limits or reducing speed, and more. As additional benefits, these practices also preserve our air quality, safeguard existing infrastructure and extend the life of vehicles.

An "any-of-the-above" approach to energy enables the free market to find the most efficient methods of providing fuel at the lowest possible cost. Policy actions that will ultimately increase fuel costs to consumers, as we have observed in other states such as California, Oregon, and Washington, should be avoided.

Producers, refiners, and retailers are all part of the solution. Their partnership with the state has served Utah citizens well, and their input is needed to maintain market stability. They are most acutely aware of the cross-market interactions that drive the supply-and-demand imbalance, and their expertise will help the state craft effective policies and solutions to bring down prices while ensuring the integrity of the free market.

Conclusions

Over the past three years, the material conditions that influence gasoline prices in Utah have improved significantly. The main driver of this improvement has been the normalization of crude oil prices, which saw a global oil market surge in 2022. Today, prices are 39.6% lower than they were at their height in July 2022; however, Utah's gasoline prices still trend at or above the national average, with regional volatility and a lack of connections to other refining hubs causing prices to spike well above the national average during regional disruptions.

As of August 2025, the average cost of a gallon of gasoline in Utah is composed of 49% crude oil costs, 23% refining costs, 17% taxes and fees and 10% distribution and marketing costs. This is a notable shift from our previous report, primarily due to a 5% reduction in refining costs.

After a thorough review of all available data, a primary theme is clear: Utah continues to maintain, expand and fully utilize its refining capacity even as neighboring states reduce their own capabilities. At the same time, markets to the west of Utah are experiencing steady or rising demand for gasoline despite their declining in-state refining capacity. This imbalance has increased their reliance on imported fuels and elevated Utah's role in supplying the region. Consequently, upward price pressures have persisted, keeping Utah's gasoline prices elevated as its refineries operate near maximum capacity and limited infrastructure exists to import refined fuels from farther east.

While Utah continues to refine more fuel than it consumes with no plans to reduce capacity, the state remains vulnerable to regional market volatility and higher gasoline prices driven by external policy and supply decisions. These challenges are likely to intensify in the coming years. Increasing regulatory costs in neighboring states, particularly California, continue to raise the cost of refining gasoline. As a result, two major refineries have ceased gasoline production in the past five years, and two more are expected to close within the next two years.

Finding solutions to these current and emerging risks will require coordinated action among industry members, policymakers and other key stakeholders. By working collaboratively to develop resilient, long-term solutions, Utah can strengthen its petroleum supply chain, safeguard refining adequacy and preserve affordable fuel prices for Utahns in the years ahead.

Glossary of Terms

Barrel (bbl) - A standard unit of volume in the petroleum industry, equivalent to 42 gallons.

Benchmark - A reference price used for comparison, such as West Texas Intermediate (WTI) for crude oil.

Bulk Terminal - A location where gasoline is purchased from refineries in bulk by distributors and individual gas stations.

Crack Spread - The difference between what a refinery pays for crude oil and what the refinery can sell the refined products of that crude oil for.

Crude Oil - A complex mix of hydrocarbons that is extracted from the ground so it can be refined into usable fuels and other products. As a category in gasoline cost calculations, crude oil includes all costs associated with extracting crude oil and delivering it to a refiner or market.

Distribution and Marketing - As a category in gasoline cost calculations, distribution and marketing includes all costs that contribute to the price of a gallon of gasoline after it leaves a bulk terminal. This includes all transportation, operating, advertising and other costs incurred by the gas station.

Excise Tax - A per-unit tax on specific goods, such as gasoline, which is often used to fund specific infrastructure like roads and bridges.

High Cost Infrastructure Tax Credit (HCITC) - A Utah tax credit designed to incentivize investment in energy and infrastructure projects in the state, as found in Utah Code 79-6-603.

Hydrocarbons - Chemical compounds made of hydrogen and carbon. Fuels such as oil, natural gas and coal are all various types of hydrocarbons.

Ozone Nonattainment Area - An area that does not meet federal air quality standards for ozone. This nonattainment designation triggers additional federal air quality regulations.

Petroleum Administration for Defense Districts (PADD) - A system dividing the United States into five regions used for petroleum distribution, analysis and emergency planning. Utah is a member of PADD 4.

Refining - The process of separating the complex mix of hydrocarbons in crude oil into its component parts, such as gasoline, diesel, jet fuel, asphalt and more. As a category in gasoline cost calculations, refining includes all costs associated with operating a refinery and delivering the refined fuel to a bulk terminal.

Reid Vapor Pressure (RVP) - A measure of gasoline's volatility, or how it evaporates at 100 °F. Lower RVP fuel results in fewer emissions and less air quality impact.

Tier 3 Fuel Standards - A U.S. Environmental Protection Agency rule that limits the sulfur content of gasoline and reduces air quality impacts.

Turnaround - A scheduled refinery shutdown for maintenance, inspection and equipment upgrades. In Utah, this is usually performed during the winter months when demand is lower.

West Texas Intermediate (WTI) - A key benchmark for crude oil in the United States, based on the price of crude oil traded in Cushing, Oklahoma.

Data Sources

1: Utah Office of Energy Development. “Utah's Energy Resources.” Link

2: U.S. Energy Information Administration. “Number and Capacity of Petroleum Refineries.” Link

3: U.S. Energy Information Administration. “PADD Regions Enable Regional Analysis of Petroleum Product Supply and Movements.” Link

4: Utah Geological Survey. “Utah Energy and Mineral Statistics.” Link

5: U.S. Energy Information Administration. “U.S. Refinery Utilization and Capacity.” Link

6: GasBuddy. “USA National Gas Station Price Heat Map.” Link

7: Kem C. Gardner Policy Institute. “State and County Projections.” Link

8: U.S. Energy Information Administration. “State Energy Data System: 2024 Updates.” Link

9: U.S. Energy Information Administration. “Petroleum & Other Liquids Product Supplied.” Link

10: Oil Price Information Service. “Retail Margin History.” Link

11: U.S. Bureau of Labor Statistics. “Consumer Price Index for All Urban Consumers.” Link

12: U.S. Energy Information Administration. “Gasoline and Diesel Fuel Update.” Link

13: U.S. Energy Information Administration. ”Cushing, OK WTI Spot Price FOB.” Link

14: Congressional Research Services. “Tier 3 Motor Vehicle Emission and Fuel Standards.” Link

15: National Conference of State Legislatures. “Variable Rate Gas Taxes.” Link

16: U.S. Energy Information Administration. “Frequently Asked Questions.” Link

17: Utah State Tax Commission. “Revenue Summary Final Fiscal Year 2024-2025.” Link

18: Kinnier, Alex. “I’ve Analyzed the Profit Margins of 30,000 Gas Stations.” Fortune. Link