ENERGY & CONVENIENCE ASSOCIATION OF NV

May 12, 2025

Honorable Julie Pazina, Chair
Senate Committee on Commerce and Labor
Nevada State Senate
401 South Carson Street
Carson City, Nevada 89701

Dear Chair Pazina and Members of the Senate Committee on Commerce and Labor~

The Energy and Convenience Association is in strong opposition to AB 44.

The USC Marshall School of Business conducted a recent study on high gas prices in California [1]and the data demonstrates that Government regulations, fees and taxes are the cause of high fuel prices in CA, not price fixing.

We can appreciate the intent of this bill, however the “manipulation of price” provision, while it mentions fraudulent or deceptive conduct, will make normal everyday market activity legally suspect. It can be interpreted that raising prices for any reason could bring legal action and result in potential liability. That should not be the case. While under this language, cost increases to the business might be a defense, that is far from certain.

For example, if costs go up faster in a given year than they have in the previous five years, every retailer selling motor fuel could be at risk of legal action and liability. Of course, we know this will happen as energy prices are volatile. Retailers are price takers on the vast majority of the price of motor fuel. But, the bill puts those retailers at significant legal risk whenever there is a development in the middle east or some other event that increases the cost of oil.

I would also note that nothing in the language actually ties the price increase to the specific retailer’s cost over the past five years. For example, a smaller retailer that often purchases at a higher price point would be at a built-in disadvantage on the generalized measure of prices over the past five years. The same will be true at different times based on whether a retailer is branded or unbranded and the terms of their supply contracts. Some retailers will be advantaged and others disadvantaged based on an overall five year average figure, especially if you take into account the last five years as an average which includes the COVID pandemic. Furthermore, the simple allegation that a business is engaged in deceptive trade practices will cost the business thousands of dollars to fight.

[1] Mische, M. A. (2025). (rep.). *A Study of California Gasoline Prices*. Retrieved from https://drive.google.com/file/d/1bb6_GAiwkT2pEVYTZECwyxSiCqI_d0m2/view.

550 W. Plumb Ln. SteB 241, Reno, NV 89509 **info@ecanevada.com**

The bottom line is that this creates uncertainty for all businesses who would be affected by this change. States that have provisions of law relating to price gouging typically only have them apply during a declared emergency and make clear exceptions for cost increases and the like. This language would be unlimited as to time and would penalize single, independent businesses making their own business judgments.

Thank you.

Sincerely,

Miranda Hoover, MPA
State Executive
Energy and Convenience Association of Nevada
miranda@ecanevada.com