

Refining Capacity: Meeting Future Energy Needs

Joanne Shore

Lead Operations Research Analyst, Petroleum

Energy Information Administration

2008 Energy Conference

30 Years of Energy Information and Analysis

Washington, DC

April 8, 2008



Distinguished Panel Members

Joe Gorder

Executive Vice President

Marketing and Supply, Valero Energy Corporation

David Sexton

Vice President

Portfolio for Shell Oil, North & South America

Thomas O'Malley

Chairman of the Board

Petroplus Holdings A.G.



Refining Capacity Investments

- U.S. capacity grew on average almost 200 KB/D per year 1997-2007 (1 medium-sized refinery/year)
- Variety of purposes for refinery capacity investment
 - Meet demand changes
 - Improve yields of high-quality, high-valued products
 - Improve reliability and reduce costs
 - Run more heavy & disadvantaged crudes
- What about the future?

Uncertainties Affecting Refining Capacity Needs

- **Policy:** How have recent policy changes affecting demand and renewable fuel use impacted refining capacity plans?
- **Feedstock:** How might changes in crude oil or other feedstock availability affect capacity plans (Canadian, coal-to-liquids, ...)
- **Atlantic Basin Product Supply:** How will European product markets and exports impact U.S. capacity needs?
- **Margins:** Will the future financial returns be adequate to justify the investments?

Panel Discussion

