

The Washington Energy Forum—EPRINC Embassy Series*

Refinery Closures in the Northeast (PADD I): Strategies for Addressing Supply Challenges

Co-hosted with the Embassy of Canada

July 9, 2012

Agenda

10:15 am **Welcome and Opening Remarks**

Kevin O’Shea

Minister (political), Canadian Embassy

Lucian Pugliaresi

President, Energy Policy Research Foundation, Inc. (EPRINC)

10:30 am-
Noon **Presentations and Discussion (Chatham House rules)**

Overview of the Supply & Demand Outlook in PADD I

Kevin Lindenmer, Kevin Lindenmer, LLC

How a Major Terminal Operator is Addressing the Supply Challenges (and Opportunities) in PADD I

Eric Slifka, President, Global Partners, LLC

Bringing Bakken Crude to PADD I

Vern Yu, Vice President, Business Development, Liquids Pipelines, Enbridge

Moderator, Lucian Pugliaresi, EPRINC

Noon-
1:15 pm **Lunch**

Brief Remarks by Adam Sieminski

Administrator, U.S. Energy Information Administration

About Today's Event

The Northeast of the U.S. (PADD I) has lost 350,000 barrels/day of refining capacity since 2008. Additionally, the closing of a 350,000 b/d refinery in the U.S. Virgin Islands, which provided large volumes of transportation fuels to the Northeast was announced in early 2012. The recent purchase of the ConocoPhillips Trainer facility in Philadelphia by Delta Airlines and the announcement that Carlyle and Sunoco had formed a joint venture to keep the Sunoco Philadelphia refinery in operation are all positive developments for PADD I refining.

Nevertheless, in an era of falling demand for transportation fuels, new requirements for ultra-low sulfur heating oil, ever larger volume requirements for blending renewable fuels into the gasoline and diesel pools, and rising cost pressures on refining operations, the future of PADD I refining remains uncertain. Do the recent closures represent a potentially serious supply concern for the Northeast, or do the recent Delta and Carlyle announcements suggest a renaissance for PADD I refining? What strategies are open for existing refineries to stay profitable? Will domestic crude play a role? How is the Northeast supply chain adjusting to the capacity losses in PADD I?

Today's inaugural event of *the Washington Energy Forum – EPRINC Energy Series* will address the future of PADD I refining through three well-informed expert presentations. Kevin Lindemer, an independent consultant, who has done extensive analysis on the supply and demand outlook for PADD I will provide an overview of the market fundamentals in the region. Eric Slifka, President of the largest independent terminal operator in PADD I, Global Partners, LLC, will show how Global is adjusting to changing market conditions in the Northeast and keeping fuel supplies moving to the market. Finally, Vernon Yu, Vice President for Enbridge Pipelines Inc. will give us some insights on potential strategies for moving the rapidly increasing crude oil production from North Dakota into PADD I.

This is the first of an ongoing series on current energy issues by the Energy Policy Research Foundation Inc. (EPRINC), all of which will be held at resident embassies in Washington, D.C. EPRINC gratefully acknowledges support from the Embassy of Canada in providing both the venue and lunch for this inaugural event. Assistance in helping to support the **Washington Energy Forum has been provided by Statoil and the **Energy Intelligence Group** ©.*