

Chevron's latest announcement—Q & A

Chevron's recent announcement that it is considering scaling back some of its global operations this year spawned some nasty rumors that CBE members are asking about.

Is CBE trying to shut down Chevron's Richmond refinery?

No. We are trying to protect our environmental health and stop environmental injustice in Richmond by making the refinery less-polluting now. Then, over ten or twenty years, we support a transition to sustainable energy with more and better jobs. Chevron is the biggest polluter in Richmond, and reports the biggest industrial emissions of greenhouse gases in California. The pollution prevention and reduction measures we seek are reasonable. They are affordable to Chevron. They are already being done at other refineries. In fact, one key measure would cut pollution from burning process fuel by making the refinery more efficient—something Chevron should want to do.

Should I be worried that Chevron might now decide to close the refinery anyway?

No. Larger refineries are more profitable than smaller refineries.¹ That's why oil companies expand big refineries while closing small ones. The Richmond plant is the largest refinery in northern California.² There is no economically competitive way to bring such large amounts of gasoline produced in other regions into the huge West Coast market.³ So even in the hypothetical situation where a California refinery itself does not show a profit, that refinery is critical to the profits the oil company makes on drilling and shipping the oil, and then selling the products refined here.

Might Chevron decide to scale back its Richmond refinery operations?

Maybe, but not due to our lawsuit. When people buy less gas, refineries make less gas. Oil companies nationwide are making less gasoline now than they did in 2007.⁴ Chevron started cutting planned construction jobs in early 2009 (before we won our case for full disclosure about its project at the trial court in May) by postponing the replacement of old equipment at the Richmond plant. Chevron said it delayed that upgrade "due to a combination of factors, including weakened demand for product."⁵ If this trend continues, it will have something to do with oil industry profits and nothing to do with the health protection and environmental justice we are working for in Richmond today.

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¹ Johnston, 1996. *Oil & Gas Journal* 94(12)-Processing.

² Worldwide Refining Survey—2009. *Oil & Gas Journal*.

³ USEIA. "U.S. Regional Trade" www.eia.doe.gov/pub/oil_gas/petroleum/analysis

⁴ USEIA. "Product Supplied" <http://tonto.eia.doe.gov>

⁵ www.chevron.com/products/sitelets/richmond/renewal.