

Burnaby Refinery Economic Impact

Chevron Canada Limited



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Community Advisory Panel Meeting
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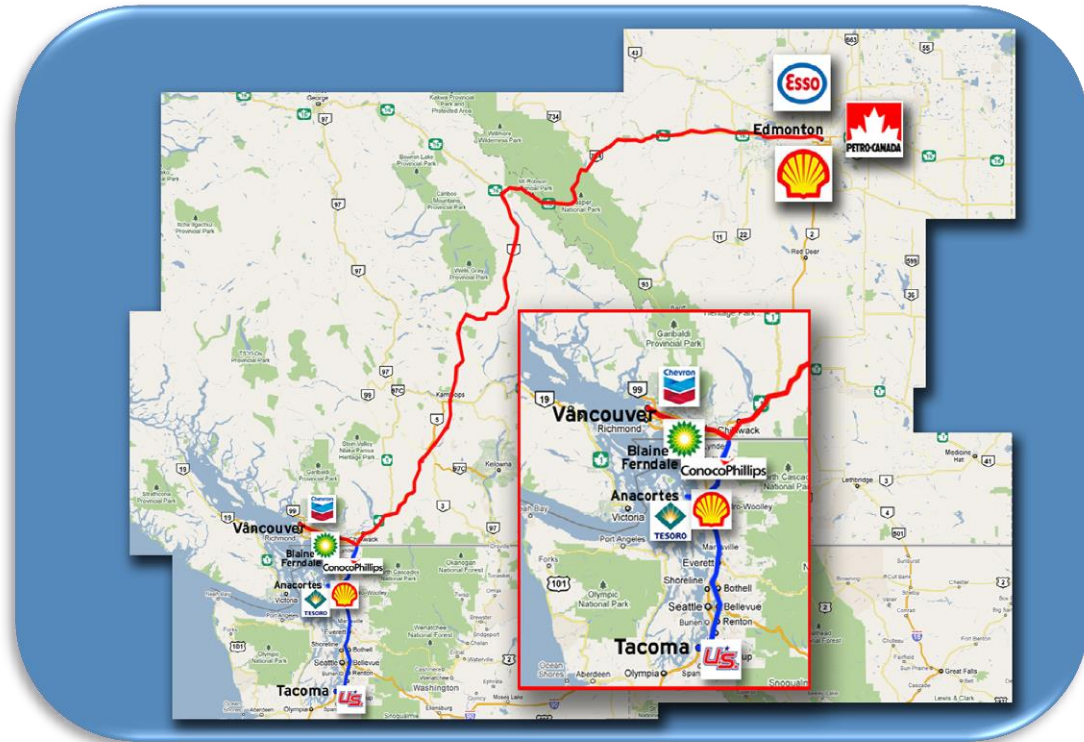


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British Columbia's Competitive Supply Environment



- B.C. is not self sufficient in the supply and production of finished petroleum products.
- 2/3rds of the finished petroleum products consumed in B.C. are imported from Alberta.
- In the 1980's there were 4 operating petroleum refineries on Burrard Inlet.
- 3 of those were decommissioned and are now terminals for Alberta-based production.



Western Canada Refinery Landscape



AGGREGATE PRODUCTION		MBD
BC	Chevron	55
BC	Husky	12
AB	Suncor	142
AB	Suncor Upgrader	25
AB	IOL	187
AB	Shell	100
SK	Coop	100
TOTAL		621

2 additional asphalt refineries in AB:

Husky Lloydminster 29 mbd
Gibsons Moose Jaw Refining 19 mbd

Chevron Canada– A Leading Refining & Marketing Company



Burnaby Refinery

55,000 barrels / day production capacity



Over 3000 British Columbians are directly employed by the company or as Chevron retailers/wholesalers and specialized service contractors

Commercial & Industrial Sales

Supply approx. 25% of B.C.'s commercial fueling needs. The major supplier to key public service sectors including BC Ferries, Coast Mountain Bus Co. and Municipal services.

Supply over 8,600 businesses – large and small

Retail

Over 160 service stations in BC operated by independent small business people. Supplying approx. 24 % of British Columbians' fuel needs

Supply Sales

Currently supply approx. 40% of YVR's jet fuel requirements



Chevron Burnaby Refinery Overview



- Chevron employs 280 people directly at the refinery, 140 in our marketing business, and hundreds of long-term contractors.
- Since 2003, Chevron has made over \$350 million in capital investments at the refinery including: environmental, infrastructure and process upgrades required to produce cleaner fuels.
- Burnaby Refinery has a capacity of approx. 55,000 barrels per day.
- Ongoing investments in new technologies over many years has increased refining capacity from 40,000 barrels per day in 1990 to its current capacity in the year 2000.



Provincial Economic Impact of Burnaby Refinery



- If the refinery were a separate private entity, it would be among the 10 largest companies with a head office located in B.C.
- The refinery spends approx. \$70 million annually on locally sourced supplies and services.
- There is an annual requirement for sustaining capital dollars and continuous investment to ensure compliance with our regulators.
- Tax contributions of Burnaby Refinery = approximately \$50 million annually.
- Largest tax collectors in the province.

British Columbia Product Supply / Exchange



Terminals & Suppliers

Burnaby - CCL



Hatch Point - CCL



Port Hardy - CCL



Prince George - Husky



Kamloops – Suncor/IOL



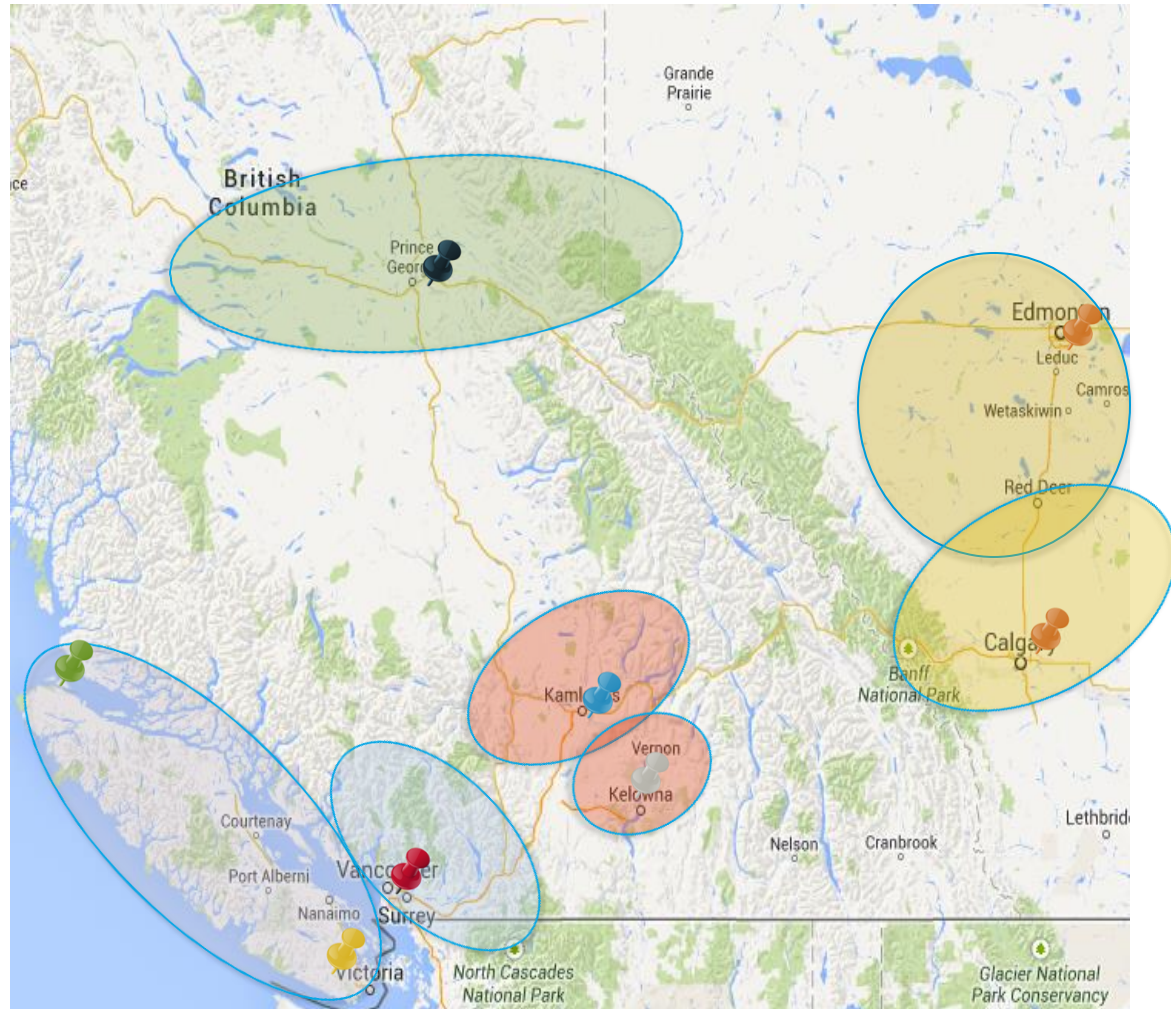
Kelowna - Suncor



Alberta – Shell/IOL/Suncor



Metro Van – IOL/Suncor/CCL



Maintaining Investment in Refining



- The North American refining sector is highly competitive.
- The Burnaby Refinery benefits from a “crude to customer” business model that incorporates marketing and distribution into an integrated supply chain.
- Refinery performance indicators, including operating costs, are benchmarked regularly within a peer group of similarly sized refineries (Washington State, Alberta).
- These performance indicators are a key input to the decision to continue sustained investments in a facility.
- Overall business climate needs to be able to attract capital. The refinery competes for capital on a global stage.



Refinery Efficiency and Flexibility

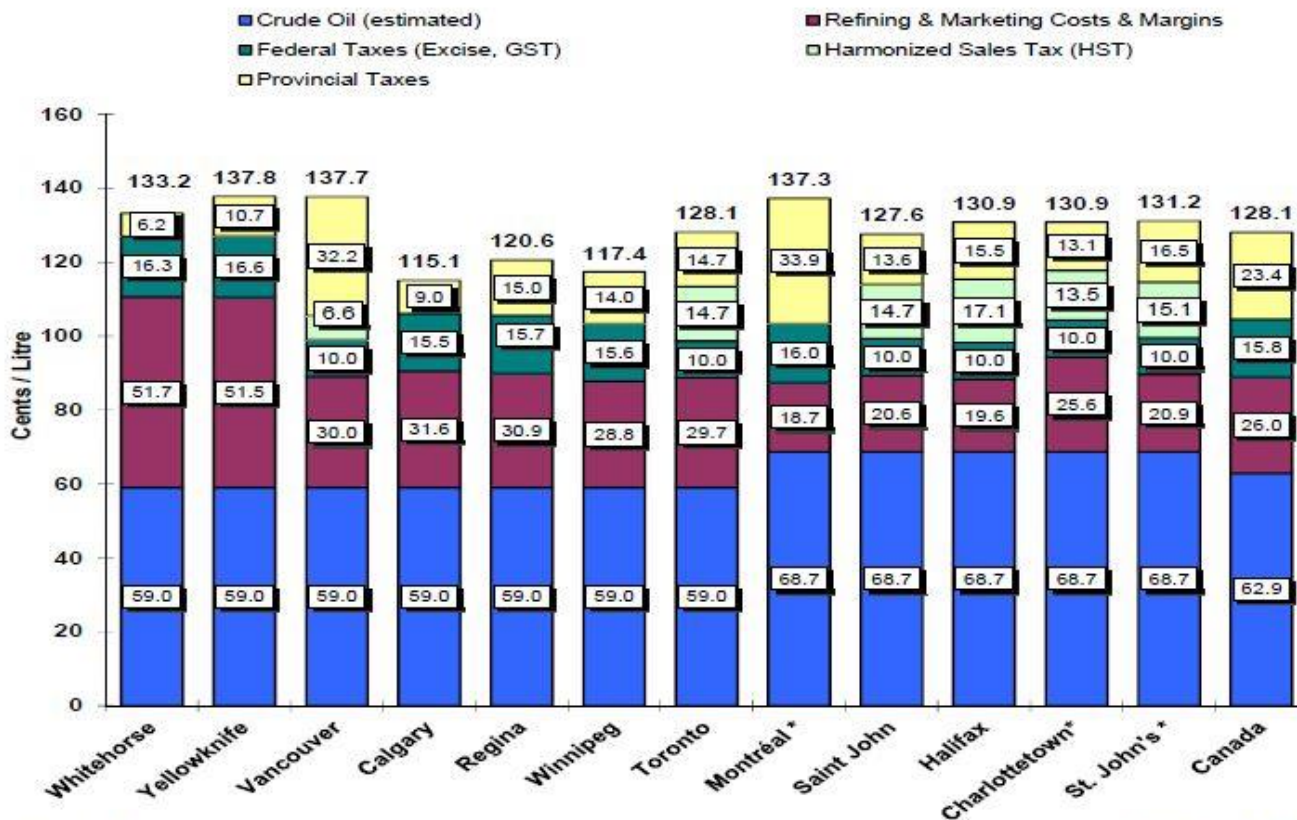


- Since 2000, there has been no significant change to volumes of traffic and product coming in and out of the refinery.
- The Chevron Refinery Value Chain Optimization (VCO) department is constantly evaluating the efficiency and flexibility of our operating environment in order to ensure optimal utilization.
- This allows the refinery to determine which mode of transportation (pipeline, truck, rail, or marine) will confirm optimal utilization.
- The refinery is not currently transporting crude by rail.

Gasoline Price Breakdown



**Figure 3: Regular Gasoline Pump Prices in Selected Cities
Annual Average for 2014**



Source: NRCan

* Regulated Markets

Questions?