

Louisiana Crude Oil Refineries Increase Capacity in 1995

by Alan A. Troy, P.E.

With major capital expenditures to comply with environmental and safety regulations behind them, Louisiana refineries continued to focus primarily on projects to improve profitability in 1995. These included major process reconfigurations to improve efficiency or alter the product mix to include more higher value products. Since December 1994, these projects have resulted in a total crude operating capacity increase of almost 70,000 bcd. Eight of Louisiana's eighteen refineries that were operating as of November 30, 1995, increased capacity.

For the twelve month period ending June 30, 1995, total Louisiana refinery operating rates decreased slightly from 92.2% to 91.6%. Total operating capacity increased from 2,345,664 barrels per calendar day (bcd) to 2,410,341 bcd, or about 3%. While there were some changes in the product mix of individual refineries, the overall mix remained about the same. The trend to less mid-grade gasoline production continued into its fifth year. Crude capacity, operating rates, and product slate for each operating refinery are shown in the table on the back of this sheet.

Of the nineteen refineries that operated during the year ending June 30, 1995, nine produced reformulated gasoline (RFG) for sale in those markets where the EPA had mandated its use effective January 1, 1995. None of these areas are in Louisiana. RFG accounted for nearly 11% of all gasoline production by Louisiana refineries. However, RFG production came at the expense of the other grades as total gasoline production remained virtually the same as the previous twelve month period. Some refineries have reduced or eliminated RFG production altogether because they felt the market for it was too uncertain in that the EPA had granted waivers to certain areas allowing them to "opt out" of the program.

Since the beginning of the year through July, the monthly Gulf Coast Refinery Margin has been very volatile. After a steady decline to a low of $-\$1.33/\text{bbl}$ in March, it rebounded to its peak of $\$2.13/\text{bbl}$ in May, and then declined sharply again to $-\$0.01/\text{bbl}$ in July.

Two operating refineries changed ownership in 1995. One of them, the St. Rose refinery, was purchased from Enjet by Shell Chemical and is being used to provide feedstock to its Olefins Feed Process Unit (OFPU) at its Norco facility. No non-operating refineries changed hands. Spokesmen for the 200,000 bcd TransAmerican refinery at Norco and Gold Line's 14,800 bcd refinery at Jennings indicated that both facilities would reopen.

The above information was obtained from DNR's November 30, 1995, **Louisiana Crude Oil Refinery Survey Report**, which is now available. Other information in the report includes new projects, key personnel, mailing addresses, and geographical location descriptions. Tabulated statistical data, charts, and graphs relating to oil production, refinery crude oil sources, refinery margins, capacities, operating rates, and product slate are also contained in the report. New developments on the status of the non-operating refineries that are still intact are also presented. If you would like a copy of the complete report, please write to:

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