



To the refinery managers of the future

Amber Russell

SVP refining, terminals and pipelines

Energy Sustainability Forum, North America, New Orleans

31 May 2024



Introduction

Hello everyone.

My name is Amber Russell.

I head up bp's global refining, terminals and pipelines business.

I'm from Arkansas and I love this part of the world.

It's a pleasure to be here today - and a pleasure to be back close to home.

I grew up on a farm, so I know all about good, honest, hard work.

And today, my team and bp is working hard for America.

In the US we run two refineries...

Whiting in Indiana...

Which John D. Rockefeller's Standard Oil Company opened way back in 1889.

And Cherry Point in Washington State.

Which opened its gates in 1971.

Together, they process nearly 700,000 barrels of oil a day.

Support over 100,000 jobs.

And they provide products people rely on in their daily lives.

bp invests more here than anywhere else in the world...

And employs more people here than anywhere else.

And we have a connection and commitment to the communities we serve.

That's always been the case in our refining towns.

Time capsule letter

This letter I'm holding today is a great example.

I was fortunate to come across it a few weeks ago.

It's written by a man named J.H. Johnsen.

He used to be the Manager at the Sugar Creek refinery in Missouri...

That was operated by Amoco, which later merged with bp.

As the city's refinery manager, Mr Johnsen was a pillar of the community.

A good neighbour.

And in 1970 – when Mr Johnsen was manager – he was asked to write a letter to be placed in a time capsule.

A time capsule from Sugar Creek residents to be opened 50 years later.

Mr Johnsen decided to write about his work.

His letter was titled: To the Sugar Creek Refinery Manager in the year 2020.

In it, Mr Johnsen wrote that the Sugar Creek refinery was “up-to-date according to 1970s standards”.

With “modern crude distillation” and “modern gas blending facilities.”

And looking to the future, he wrote that:

“He could only hope that some of the innovations and procedures they were employing in 1970 are laying the foundations for the wonders which we now probably take for granted.”

Mr Johnsen and his team certainly did set the strong foundations for our business today.

And he was clearly thinking beyond his job of the day in 1970.

To a time in the future.

Redefining refining

What Mr Johnsen describes is also the job of the refiners of today.

To operate as good neighbours to the communities they serve now.

While working on the innovations that will serve the refiners and communities in the future.

That's what we are striving to achieve at bp.

And if I was replying to Mr Johnsen's letter...

I'd write how grateful I was for his foresight...

For his work to help lay the foundations for our business today.

And how excited I am to see us adapt again.

To work on the innovations to serve the next 50 to 100 years.

Redefining refineries at a time of great change for the industry.

That's what we need to do now...

As the world seeks to transition to a secure, affordable and lower carbon energy system.

bp priorities

I'm really proud to know that my team - bp refining - has a central role in that.

We see real opportunities to make our refineries a platform for building new and competitive, lower carbon businesses.

And that all starts from making sure our refineries today are operating safely...

....and they are as competitive as they can be.

Let me tell you a bit more about this.

1. Safe

First – and always first – is safety.

Safe, reliable and compliant operations.

We want no fatalities...

No life changing injuries...

And no serious process safety events.

Put simply, we want our people to be able to go home safe and well to their loved ones every day.

It's the very least they should expect from us.

But as we all know, refining is a high-hazard industry.

So, we must always be vigilant.

When the Whiting Refinery suffered challenges earlier this year...

We lived and breathed the vigilance I talk about.

We were quick to establish the problem.

And patient in making sure we corrected it.

As frustrating as the outage was, keeping Whiting offline was the right thing to do for the community.

We had to make sure it was safe before coming online again.

Safety comes first, always. As you'd expect.

2. Competitive

After safety comes a rigorous focus on being competitive.

Competitive by focusing on the activities that create the most value.

Competitive by creating efficiencies through better use of technology.

And competitive by increasing margins and decreasing spend.

Easier said than done, I know.

But we know that if you don't have competitive costs, you don't stand the test of time.

You don't last for decades – or even a century.

So, we are focussed on understanding where we spend our money and what good looks like.

That's how we take care of business.

And taking care of business is also about growth... sustainable growth.

3. Growth

Refineries have a vital job to do today...

Producing the fuels and products that keep America and the world moving, as they've done for the last 150 years.

But at that same time, there is the chance of a lifetime to redefine what refineries do...

That comes with a tremendous opportunity for long-term sustainable growth.

Let me tell you something about what we're doing at bp.

Let's start at Cherry Point.

Already, it processes around 250,000 barrels of crude oil each day.

Products that US folk rely on.

But as well as that, Cherry Point is producing renewable diesel.

Fuels with lower lifecycle emissions than traditional fuels.

We're doing that through the production of biofuels, partly through something called 'co-processing.'

As many of you will know...

In co-processing, the refinery uses conventional crude oil alongside ingredients like food waste and beef tallow to produce a blended fuel.

It's one of the most efficient ways to reduce a fuel's lifecycle emissions.

In fact, co-processed renewable diesel can reduce the fuel's carbon intensity by up to 30% compared with regular, fossil fuel-created diesel.

Cherry Point is a shining example of bp's strategy to transition from an international oil company to an integrated energy company.

Able to offer a range of solutions to customers.

And just like in America, this transformation is taking shape across our global sites.

Over in the Netherlands, our Rotterdam refinery has a long legacy of providing much-needed hydrocarbons across Europe.

bp has been in the country for 70 years.

And our refinery is one of the largest in Western Europe, processing 400,000 barrels of oil every single day.

Alongside the hydrocarbon production, Rotterdam has been co-processing bio feedstocks since 2017.

The result of which has seen a reduction in the carbon intensity of the site.

The Rotterdam refinery is also well located...

Located to connect to future infrastructure in the Netherlands for hydrogen and CO2 capture.

Creating even more low-carbon options.

The examples in Rotterdam and at Cherry Point, are refineries that are on their way to becoming – what we call - integrated energy hubs.

These will be, in essence, refineries that offer a range of solutions to meet customer demand.

Conclusion

Let me finish up by going back to Mr Johnson's letter.

50 years ago, he wrote about refineries being good at adapting.

He called it our heritage.

He said, the encouraging thing is that the human mind and spirit always refuse to be defeated by problems.

That is so true - even more so today when we need to adapt even more.

Not just adapt... but change.

We talk about redefining refining at bp.

The world wants and needs more and more lower carbon fuels - and refineries can deliver on that.

At the same time, they are vital to keeping the world moving with the fuels and products it needs today.

It's exactly what we are doing at bp.

Redefining refineries to create new businesses in biofuels, hydrogen and other low carbon solutions.

And in so doing, we are...

Growing the role refineries play in the energy transition...

... and a more sustainable energy system of the future.

Growing the opportunities to keep refineries at the heart of the community...

... powering the economy and providing great jobs for good, hard-working people.

And we are also growing the value of bp...

... as we invest in the energy system of today, while helping build the system of tomorrow.

I hope that would be a legacy that Mr Johnsen – and the refiners before him - would be proud of.

Thank you for listening.