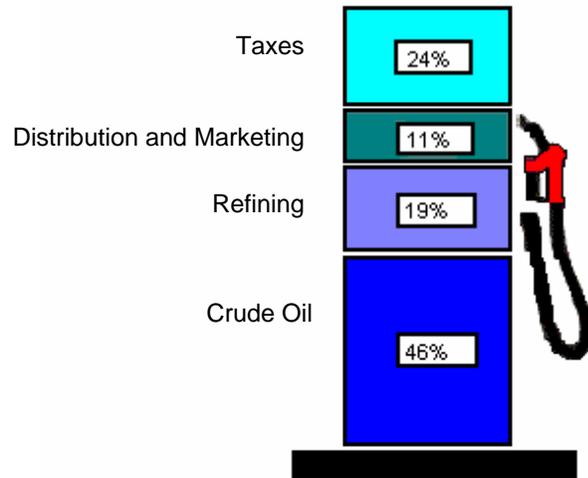
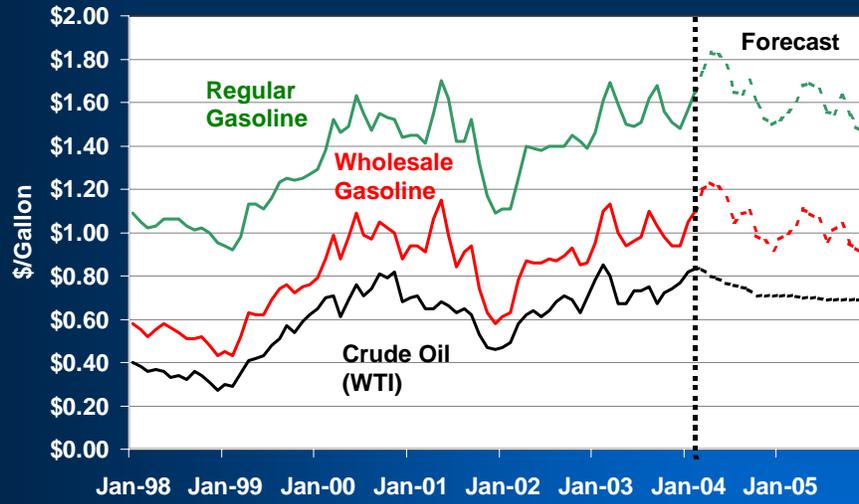


What We Pay For In A Gallon Of Regular Gasoline
(March 2004)
Retail Price \$1.74 Gallon



Source: EIA

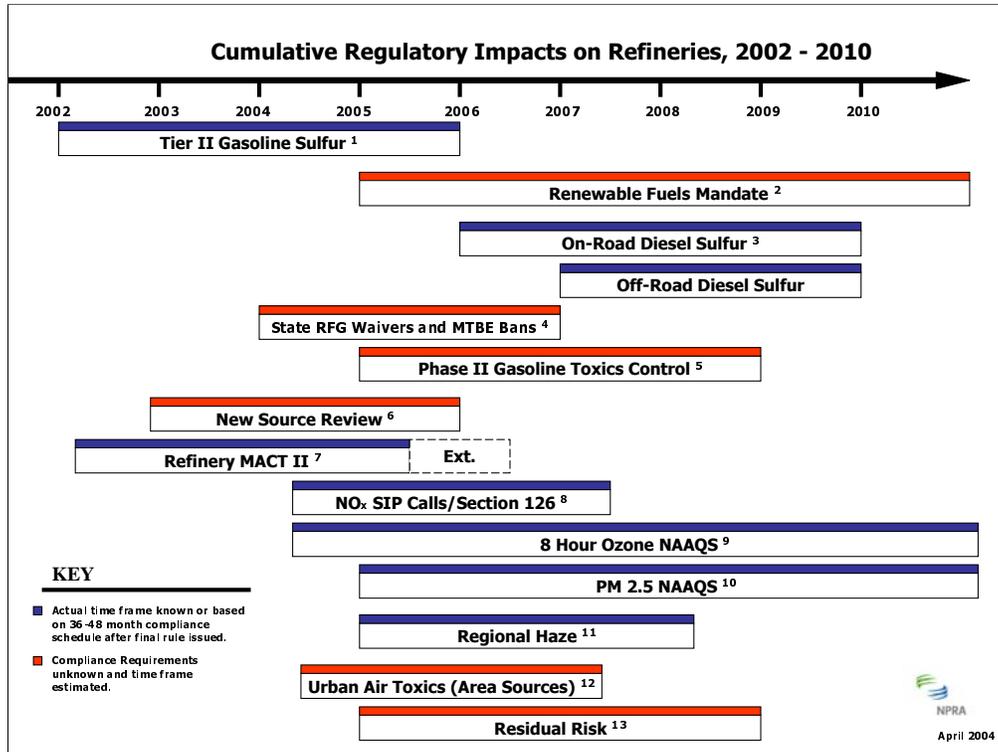
Gasoline Price Outlook



Sources: History, EIA & Reuters; Projections, Short-Term Energy Outlook, March 2004.

NPRA Annual Meeting 2004





- Regulatory Blizzard shows fuel and facility regulations that impact refineries.
- There are many overlapping requirements. These are significant new programs affecting fuels and facilities.
- \$20 billion cost for compliance with gasoline and diesel desulfurization, MTBE transition issues, and MSAT.
- New Source Review (NSR) Reforms are essential to maintain domestic refining capacity and produce cleaner fuels.
- NPRA strongly supports the NSR reform.

1. Longer compliance time for refineries in Alaska and Rocky Mountain states as well as small refineries covered by the Small Business Regulatory Enforcement and Flexibility Act (SBREFA). Additional compliance time is available for these refineries if they produce ultra low sulfur highway diesel beginning in 2006.
2. Proposed energy bill (HR 6) includes an ethanol mandate which increases to 5 billion gallons in 2012.
3. Longer compliance time for small refiners covered by SBREFA.
4. Many state legislatures are considering bans on MTBE. CA, NY and CT bans effective January 2004. EPA is considering waiver requests from NY and CA for exemptions from the 2% oxygen mandate for RFG.
5. Phase II Mobile Source Air Toxics Rule to be proposed at the end of 2004. It is uncertain whether fuels and/or vehicles will be further regulated.
6. New Source Review reform (program changes and RMRR) is subject to litigation. Refiners face uncertainty in meeting regulatory requirements. Refiners support the reforms. EPA is continuing enforcement actions under the old rules.
7. Some facilities may delay compliance until May 2009 if they install a hydrotreater.
8. SIPs due by April 2005 for 21 states and the District of Columbia to address downwind NO_x transport; compliance by May 2007.
9. Ozone non-attainment designations made April 2004. State Implementation Plans (SIPs) are due by June 2007. Compliance, depending upon classification, required between 2007 – 2021.
10. PM 2.5 non-attainment designations due at the end of 2004. SIPs due in the 2007-2008 timeframe.
11. Regional Haze SIPs due January 2008. Plans will include new plant controls for older facilities (built 1962- 1977) in 2011-2013 timeframe (BART controls) in areas with visibility problems.
12. Urban Air Toxics Strategy includes potential controls of gasoline loading facilities at refineries. Estimated compliance schedule.
13. Proposal is expected in 2004. A final rule is expected in 2005 with compliance by 2009.

- Explains dates and relevance of Regulatory Blizzard items.

Appendix A
PETROLEUM REFINING: APPLICABLE REGULATIONS

| Name | Code of Federal Regulation (CFR) Cite | Effective Date |
|--|---------------------------------------|----------------|
| CLEAN AIR ACT (CAA) | | |
| New Source Performance Standards (NSPSs) | 40 CFR Part 60 | |
| Subpart A: General Provisions | 40 CFR Part 60 | mid 1970s |
| Subpart Cb: Designated Facilities - Existing Sulfuric Acid Units | 40 CFR Part 60 | 1991 |
| Subpart D: Fossil-Fuel Fired Steam Generators Constructed After 8/17/71 | 40 CFR Part 60 | 1977 |
| Subpart Da: Electric Utility Steam Generating Units Constructed After 9/18/78 | 40 CFR Part 60 | 1978 |
| Subpart Db: Industrial-Commercial-Institutional Steam Generating Units | 40 CFR Part 60 | 1987 |
| Subpart Dc: Small Industrial-Commercial-Institutional Steam Generating Units | 40 CFR Part 60 | 1990 |
| Subpart H: Sulfuric Acid Units | 40 CFR Part 60 | 1977 |
| Subpart J: Petroleum Refineries | 40 CFR Part 60 | 1978 |
| Subpart K: Storage Vessels for Petroleum Liquids Constructed, Reconstructed or Modified between 6/11/73 and 5/19/78 | 40 CFR Part 60 | 1977 |
| Subpart Ka: Storage Vessels for Petroleum Liquids Constructed, Reconstructed or Modified between 5/18/78 and 7/23/84 | 40 CFR Part 60 | 1980 |
| Subpart Kb: Volatile Organic Liquid Storage | 40 CFR Part 60 | 1987 |
| Subpart GG: Stationary Gas Turbines | 40 CFR Part 60 | 1978 |
| Subpart UU: Asphalt Processing and Roofing Manufacturing | 40 CFR Part 60 | 1982 |
| Subpart VV: Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry (SOCMI) | 40 CFR Part 60 | 1983 |
| Subpart XX: Bulk Gasoline Terminals | 40 CFR Part 60 | 1983 |
| Subpart GGG: Equipment Leaks of VOC in Petroleum Refineries | 40 CFR Part 60 | 1984 |
| Subpart III: VOC Emissions for SOCMI Air Oxidation Unit Processes | 40 CFR Part 60 | 1990 |
| Subpart NNN: VOC Emissions for SOCMI Distillation Processes | 40 CFR Part 60 | 1990 |
| Subpart QQQ: VOC Emissions for Petroleum Refinery Wastewater Systems | 40 CFR Part 60 | 1988 |
| Subpart RRR: SOCMI Reactor Processes | 40 CFR Part 60 | 1993 |
| National Emission Standards for Hazardous Air Pollutants (NESHAPs) | | |
| Subpart A: General Provisions | 40 CFR Part 61 | 1973 |
| Subpart J/V: Equipment Leaks (Fugitive Emission Sources) of Benzene | 40 CFR Part 61 | mid 1980s |
| Subpart M: Asbestos | 40 CFR Part 61 | 1984 |
| Subpart Y: Benzene Emissions from Benzene Storage Vessels | 40 CFR Part 61 | mid 1980s |
| Subpart BB: Benzene Emissions from Benzene Transfer Operations | 40 CFR Part 61 | mid 1980s |
| Subpart FF: Benzene Waste Operations | 40 CFR Part 61 | 1993 |

| Name | Code of Federal Regulation (CFR) Cite | Effective Date |
|--|---------------------------------------|----------------|
| NESHAPs for Source Categories | | |
| Subpart A: General Provisions | 40 CFR Part 63 | 1994 |
| Subpart B: Control Technology Determination | 40 CFR Part 63 | 1994 |
| Subpart F: SOCFMI | 40 CFR Part 63 | 1994 |
| Subpart G: SOCFMI Process Vents, Storage Vessels, Transfer Operations, and Wastewater | 40 CFR Part 63 | 1994 |
| Subpart H: Equipment Leaks | 40 CFR Part 63 | 1994 |
| Subpart I: NESHAP for Organic Hazardous Air Pollutants (HON); Certain Processes Subject to the Negotiated Regulation for Equipment Leaks | 40 CFR Part 63 | 1994 |
| NESHAP for HON (partially under stay pending reconsideration for compressors, surge control vessels, and bottom receivers) | 40 CFR Part 63 | 4/22/94 |
| Subpart Q: Industrial Cooling Towers | 40 CFR Part 63 | 1994 |
| Subpart R: Stage I Gasoline Distribution Facilities | 40 CFR Part 63 | 12/14/94 |
| Subpart T: Halogenated Solvent Cleansing (MACT) | 40 CFR Part 63 | 12/2/94 |
| Subpart Y: NESHAP for Marine Tank Vessel Loading and Unloading Operations (MACT) | 40 CFR Parts 9, 63 | mid 1995 |
| Subpart CC: NESHAP for Petroleum Refining — Phase I (MACT) | 40 CFR Parts 9, 60, 63 | mid 1995 |
| Stack Height Provisions | 40 CFR Part 51, Subpart G | 1986 |
| Control Technology Guidelines (CTGs) | | |
| Petroleum Liquid Storage In External Floating Roof Tanks | 40 CFR Part 52 | 1978 |
| Petroleum Liquid Storage in Fixed Roof Tanks | 40 CFR Part 52 | 1977 |
| Petroleum Refinery Equipment Leaks | 40 CFR Part 52 | 1978 |
| Refinery Vacuum Producing Systems, Wastewater Separators and Process Unit Turnarounds | 40 CFR Part 52 | 1977 |
| SOCFMI Air Oxidation Processes | 40 CFR Part 52 | 1984 |
| SOCFMI Distillation Operations and Reactor Processes | 40 CFR Part 52 | 1993 |
| Tank Truck Gasoline Loading Terminals | 40 CFR Part 52 | 1977 |
| Fuels | | |
| Fuel and Fuel Additives: | | |
| Registration Requirements | 40 CFR Part 79 | 5/27/94 |
| Interim Requirements for Deposit Control Gasoline Additives | 40 CFR Part 80 | 1/1/95 |
| Reid Vapor Pressure Limitation | 40 CFR Part 80 | late 1980s |
| Oxygenated Fuel Requirement | 40 CFR Part 80 | 1992 |
| Lead Phaseout | 40 CFR Part 80 | 12/31/95 |
| Reformulated Gasoline | 40 CFR Part 80 | 1/1/95 |
| Low Sulfur Diesel | 40 CFR Part 85 | 1993 |
| Permits | | |
| State Operating Permit Program - Title V (Revised 8/29/94) | 40 CFR Part 70 | 1992 |
| Prevention of Significant Deterioration (new sources in attainment areas) and New Source Review (new sources in non-attainment areas); LAER requirements (existing source) | 40 CFR Part 52 | 1978 |
| Stratospheric Ozone | 40 CFR Part 82 | 1990-2015 |

| Name | Code of Federal Regulation (CFR) Cite | Effective Date |
|---|---|-------------------------|
| Acid Rain Provisions | 40 CFR Parts 72, 73, 75, 77, 78 | ongoing |
| Nitrogen Oxides Emission Reduction Program | 40 CFR Part 76 | 1994 |
| CLEAN WATER ACT (CWA) | | |
| Discharge of Oil: Notification Requirements | 40 CFR Part 110 | 1987 |
| Designation of Hazardous Substances | 40 CFR Part 116 | 1978 |
| Notice of Discharge of a Reportable Quantity | 40 CFR Part 117 | late 1970s |
| Spill Prevention, Control, and Countermeasures (SPCC) Requirements for Oil Storage | 40 CFR Part 112 | mid 1970s |
| General Provisions for Effluent Guidelines and Standards | 40 CFR Part 401 | 1974 |
| Toxic Pollutant Effluent Standards | 40 CFR Part 129 | 1977 |
| Effluent Guidelines and Categorical Pretreatment Standards | 40 CFR Part 419 | late 1970s - mid 1980s |
| Water Quality Standards for Toxic Pollutants | 40 CFR Part 131 | 2/5/93 |
| General National Pretreatment Standards | 40 CFR Part 403 | early 1980s |
| Great Lakes Water Quality Guidance | 40 CFR Parts 9, 122, 123, 131, 132 | early 1995 |
| NPDES | | |
| Stormwater Application, Permit, and Reporting Requirements Associated with Industrial Activities | 40 CFR Part 122 | 5/4/92 |
| Permit | 40 CFR Parts 121-125 | early 1980s |
| OIL POLLUTION ACT (OPA) | | |
| Natural Resource Damage Assessments (NRDA) under National Oceanic and Atmospheric Administration | 15 CFR Part 990 | early 1996 |
| Response Plans for Marine Transportation-Related Facilities (interim final rule) | 33 CFR Parts 150, 154 | 1/19/93 |
| Oil Pollution Prevention; Non-Transportation-Related Onshore Facilities | 40 CFR Parts 9, 112 | 8/30/94 |
| RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) | | |
| Non-Hazardous Waste Requirements (Subtitle D) | 40 CFR Parts 256, 257 (Federal guidelines for state/local requirements) | late 1970s, early 1980s |
| Subtitle C Requirements | | |
| General Requirements for Hazardous Waste Management | 40 CFR Part 260 | late 1970s |
| Identification and Listing of Hazardous Wastes and Toxicity Characteristics | 40 CFR Part 261 | late 1970s |
| Standards Applicable to Generators of Hazardous Wastes | | |
| Subpart A: General Provisions | 40 CFR Part 262 | early 1980s |
| Subpart B: Shipping Manifest | 40 CFR Part 262 | early 1980s |
| Subpart C: Packaging, Labeling, Marking, and Placarding | 40 CFR Part 262 | early 1980s |
| Subpart D: Recordkeeping and Reporting | 40 CFR Part 262 | early 1980s |
| Subparts E & F: Exports and Imports | 40 CFR Part 262 | early 1980s |
| Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities (and generally for Interim Status) | | |
| Subparts A & B: General Provisions & Facility Standards | 40 CFR Part 264 (265) | early 1980s |
| Subparts C & D: Preparedness, Prevention, & Emergency Plans | 40 CFR Part 264 (265) | early 1980s |
| Subpart E: Recordkeeping/Reporting Requirements | 40 CFR Part 264 (265) | early 1980s |

| Name | Code of Federal Regulation (CFR) Cite | Effective Date |
|---|---------------------------------------|----------------------------------|
| Subpart F: Releases from Units | 40 CFR Part 264 | early 1980s |
| Subpart F: Groundwater Monitoring Requirements (Interim Status only) | 40 CFR Part 265 | early 1980s |
| Subpart G: Closure and Post-closure Requirements | 40 CFR Part 264 (265) | 1986 |
| Subpart H: Financial Responsibility Requirements | 40 CFR Part 264 (265) | early 1980s |
| Subparts I, J, K, & L: Use and Management of Containers, Tank Systems, Surface Impoundments, & Waste Piles | 40 CFR Part 264 (265) | early 1980s (except tanks: 1986) |
| Liners and Leak Detection for Hazardous Waste Land Disposal Units | 40 CFR Part 264 (265) | 1992 |
| Double Liners and Leachate Collection Systems for Hazardous Waste Disposal Units | 40 CFR Parts 144, 264 (265) | 1992 |
| Subparts M, N, & O: Land Treatment, Landfills, & Incinerators | 40 CFR Part 264 (265) | early 1980s |
| Subpart S: Corrective Action | 40 CFR Part 264 (265) | 1985 (1993) |
| Subparts AA, BB, & CC: Air Emission Standards for Process Vents; Equipment Leaks; & Tanks, Surface Impoundments, and Containers | 40 CFR Part 264 (265) | |
| Phase I | 40 CFR Part 264 (265) | 1990 |
| Phase II | 40 CFR Part 264 (265) | 1994 |
| Standards for the Management of Specific Hazardous Wastes | 40 CFR Part 266 | 1985 |
| Land Disposal Restrictions | 40 CFR Part 268 | 1986 |
| Phase I: Contaminated Debris and Newly Identified Wastes, F037 and F038 Petroleum | 40 CFR Parts 148, 268 | 1992, 1993 |
| Phase II: Set Treatment Standards (BDAT) for TC Wastes and Establish Universal Treatment Standards | 40 CFR Parts 148, 268 | 1994 |
| Permits | 40 CFR Parts 270, 271, 272 | 1980s |
| Standards for the Management of Used Oil: Used Oil Destined for Recycling | 40 CFR Part 279 | 1993 |
| Underground Storage Tanks: Technical Standards and Corrective Action | 40 CFR Part 280 | 1988 |
| SAFE DRINKING WATER ACT (SDWA) | | |
| Underground Injection Control Regulations | 40 CFR Parts 144, 146 | 12/16/93 |
| SUPERFUND (CERCLA) | | |
| Natural Resource Damage Assessments (also under CWA) | 43 CFR Part 11 | 3/17/94 |
| Reportable Quantities Releases (Notification to National Response Center) | 40 CFR Part 302 | mid 1980s |
| Extremely Hazardous Substances (EHSs) Emergency Planning | 40 CFR Part 355 | 1987 |
| EHS Release Notification (Notification to State Emergency Response Commission, Local Emergency Response Commission) and Follow-up | 60 CFR Part 355 | mid 1980s |
| Community Right-To-Know | | |
| Hazardous Chemicals (Material Safety Data Sheet Chemicals) Inventory Reporting | 40 CFR Part 370 | late 1980s |
| Toxic Chemical Release Reporting | 40 CFR Part 372 | 1988 |
| Expansion of TRI List | 40 CFR Part 372 | 11/30/94 |

| Name | Code of Federal Regulation (CFR) Cite | Effective Date |
|---|---------------------------------------|------------------|
| TOXIC SUBSTANCES CONTROL ACT (TSCA) | | |
| General Provisions | 40 CFR Part 702 | 1982 |
| Reporting and Recordkeeping Requirements | 40 CFR Parts 704, 710 | 1988, late 1970s |
| Chemical Information Rule | 40 CFR Part 712 | 1982 |
| Health & Safety Data Reporting | 40 CFR Parts 716 | 1986 |
| Premanufacture Notification (and Exemptions) | 40 CFR Parts 720 (723) | 1983 (1995) |
| Significant New Uses | 40 CFR Part 721 | 1988 |
| Chromium Comford D Cooling Towers | 40 CFR Part 749 | 1990 |
| Rules for Controlling Polychlorinated Biphenyls | 40 CFR Part 761 | 1979 |
| Asbestos-Containing Products Labelling Requirements | 40 CFR Part 763 | 1979 |

Update of Appendix A¹

| Name | Code of Federal Regulation (CFR) Cite |
|--|---------------------------------------|
| CLEAN AIR ACT (CAA) | |
| New Source Performance Standards | 40 CFR Part 60 |
| Subpart CCCC: Commercial and Industrial Solid Waste Incineration Units | 40 CFR Part 60 |
| NESHAPS for Source Categories | 40 CFR Part 63 |
| Subpart EEE: Hazardous Waste Combustors | 40 CFR Part 63 |
| Subpart UUU: Petroleum Refineries: Catalytic Cracking Units, Catalytic Reforming Units, and Sulfur Recovery Units (Refinery MACT II) | 40 CFR Part 63 |
| Subpart EEEE: Organiz Liquids Distribution (Non- Gasoline) | 40 CFR Part 63 |
| Subpart FFFF: Miscellaneous Organic Chemical Manufacturing | 40 CFR Part 63 |
| Subpart YYYY: Stationary Combustion Turbines | 40 CFR Part 63 |
| Subpart GGGGG: Site Remediation | 40 CFR Part 63 |
| Subpart LLLLL: Asphalt Roofing and Asphalt Processing | 40 CFR Part 63 |
| Subpart DDDDD: Industrial/Commerical/Institutional Boilers and Process Heaters | 40 CFR Part 63 |
| Subpart ZZZZZ: Reciprocating Internal Combustion Engines | 40 CFR Part 63 |
| Fuels | 40 CFR Part 80 |
| Subpart H: Tier II Gasoline Sulfur | 40 CFR Part 80 |
| Subpart I: Ultra Low Sulfur Highway Diesel | 40 CFR Part 80 |
| Subpart J: Mobile Source Air Toxics | 40 CFR Part 80 |

¹ As of April 2004 Source: NPRA