AGAINST THE TIDE:
How Missing Tankers Pumped Up Gas Prices and Refiner Profits

Consumer Watchdog Presentation to Petroleum Market Advisory Committee
2/8/16

Data Analyzed

- State Lands Commission
- Bloomberg Fixtures
- IHS Fixtures
- Simpson Spence Young (SSY) Fixtures
- Poten & Partners Fixtures
- Automatic Identification System (AIS) GPS ship-tracking
- **The report analyzed shipments during the first three quarters of 2015.**

STATE LANDS COMMISSION: Confirmed Imports & Exports of Gasoline & Blendstocks

(excluding those between US West Coast)

-listed at end of report-

Imports

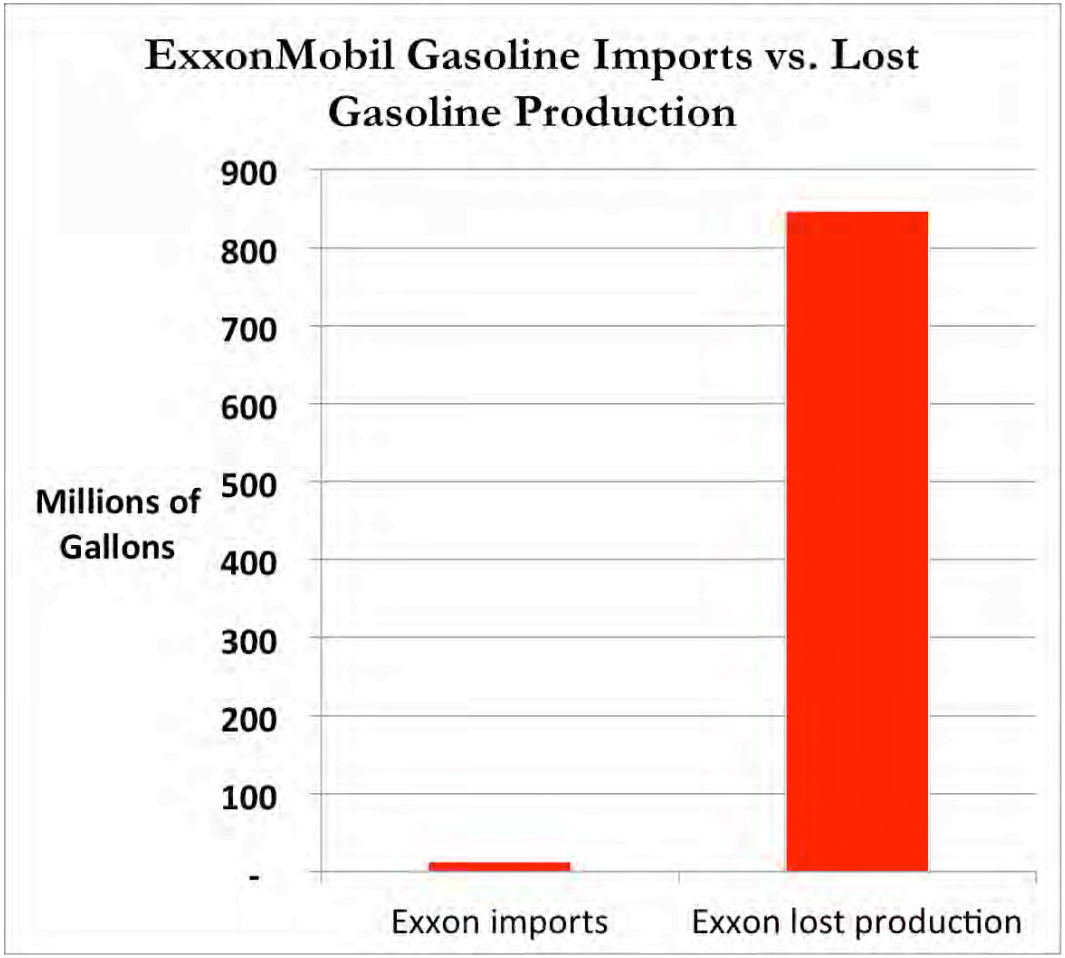
	Fixture?	Drop-off Date	Qty in Barrels	Product	Facility
ARDMORE SEAFARER	No	05/13/2015	249,583	Additives-Alkylate	EXXONMOBIL/KM LA-118
ARDMORE SEALIFTER	No	8/30/15	285,203	Additives-Alkylate	EXXONMOBIL/KM LA-118
BLS LIWA	No	5/27/15	325078	Gasoline/Additives-Alkylate	EXXONMOBIL/PETRO DIAMOND/KM
BW LEOPARD	No	3/24/15	324,333	Gasoline, Additives-Alkylate	PETRO DIAMOND, KM LA-118
BW ORINOCO	No	04/25/2015	567,964	Additives-Alkylate	CHEMOIL LB-209/EXXONMOBIL
BW PANTHER	No	08/04/2015	290,542	Gasoline	CHEMOIL LB-209/KM LA-118
BW TIGER	No	08/22/2015	220,000	Gasoline	KM LA-118
CALIFORNIA VOYAGER	No	09/06/2015	98,000	Additives-Alkylate	CHEVRON RLW
CHERRY GALAXY	No	2/13/15	40,000	Additives-Toulene	CHEVRON RLW
E PIONEER	No	06/03/2015	303,055	Gasoline	KM LA-118
EMERALD EXPRESS	No	9/8/15	350,041	Gasoline	SHELL (LA 167)/PETRO DIAMOND
ENERGY PIONEER	No	06/01/2015	328,200	Gasoline	SHELL (LA 167)
ENERGY PROGRESS	No	05/07/2015	314,000	Gasoline	SHELL (LA 167)
ESTIA	No	04/02/2015	362,689	Gasoline	SHELL (LA 167)/EXXONMOBIL/EL SE
FANTASIA	No	08/25/2015	278,500	Gasoline	SHELL (LA 167)
GINGA TIGER	No	07/22/2015	60,000	Additives-Toulene	CHEVRON RLW
GULF JUMEIRAH	No	1/25/15	200,067	Gasoline, ADDITIVES-ISO-OCTANE	
		015	160,000	ADDITIVES-ISO-OCTANE	EL SEGUNDO
ORIENT SUNSHINE	No	6/9/15	218276	Additives-Alkylate	PHILLIPS 66 CO., KM LA-118/P 66 RODE
RIDGEBURY JULIA M	No	9/7/15	239175	Additives-Alkylate	KM LA-118/EXXONMOBIL
SALACGRIVA	No	09/16/2015	55,000	Gasoline	SHELL (LA 167)
SCF PECHORA	No	07/26/2015	344,546	Gasoline	CHEMOIL LB-209/KM LA-118/PHILLIP
SEA HERMES	No	09/17/2015	327,126	Gasoline	CHEMOIL LB-209
SITEAM LEADER	No	05/22/2015	140,562	Additives-Alkylate	KM LA-118
STENA CONQUERER	No	06/17/2015	313,000	Gasoline/Additives-Alkylate	KM LA-118
STI AQUA	No	9/13/15	271,643	Additives-Alkylate	PHILLIPS 66 CO./PHILLIPS 66 CO.
STI SOHO	No	05/23/2015	266,402	Gasoline	KM LA-118
STI YORKVILLE	No	06/11/2015	290,000	Gasoline	KM LA-118
TEESTA SPIRIT	No	06/19/2015	292,000	Gasoline	SHELL (LA 167)
TURQUOISE	No	09/23/2015	331,826	Gasoline	CHEMOIL LB-209
UNIQUE DEVELOPER	No	05/20/2015	319,430	Gasoline	SHELL (LA 167)
VENUS R	No	3/22/15	390,062	Gasoline	SHELL (LA 167)/EXXONMOBIL/CHEMOIL LB
EAGLE MILAN	Yes	09/11/2015	240,408	Gasoline/Additives-Alkylate	EXXONMOBIL/SHELL (LA 167)
IPANEMA STREET	Yes	04/05/2015	290,000	Gasoline	KM LA-118
PACIFIC JEWEL	Yes	7/14/15	265,958	Additives-Alkylate	EXXONMOBIL/PHILLIPS 66 CO.
FPMC 21	Yes	08/02/2015	160,614	Additives-Alkylate/Gasoline	EXXONMOBIL

Exports

SHIP NAME	Fixture?	Loading Date 1	Qty in Barrels		
		1/15	240,000	Additives-Reformate	PLAINS PRD MTZ
SPRUCE GALAXY	No	07/26/2015	84,000	Additives-Other	CHEVRON RLW
STEALTH II	No	07/03/2015	100,000	Gasoline	SHELL
STEALTH II	No	07/30/2015	147,000	Gasoline	CHEVRON RLW
STENA CONQUEROR	No	06/24/2015	120,000	Gasoline	CHEVRON RLW
STI YORKVILLE	No	06/24/2015	100,000	Gasoline	SHELL
TORM GERTRUD	No	1/9/2015	310,600	Gasoline	CHEVRON RLW
TORM GERTRUD	No	2/9/2015	318,000	Gasoline	CHEVRON RLW
TORM GERTRUD	No	3/4/2015	317,000	Gasoline	CHEVRON RLW
VALLE BIANCA	No	2/6/15	300,000	Gasoline	SHELL
VALLE BIANCA	No	2/6/2015	300,000	Gasoline	SHELL
VINJERAC	No	07/14/2015	318,000	Gasoline	CHEVRON RLW
IPANEMA STREET	Yes	04/14/2015	317,000	Gasoline	CHEVRON RLW
IVER EXACT	Yes	07/02/2015	318,000	Gasoline	CHEVRON RLW
MAERSK MESSINA	Yes	05/04/2015	100,000	Gasoline	SHELL
OVERSEAS ALCMAR	Yes	5/17/15	100,000	Gasoline	SHELL
PUDU	Yes	7/11/15	160,000	Gasoline	SHELL/PLAINS PRD MTZ
PUDU	Yes	06/26/2015	285,000	Gasoline	PLAINS PRD MTZ
SILVER HAGUE	Yes	2/15/2015	425,000	Gasoline/Additives-Reformat	

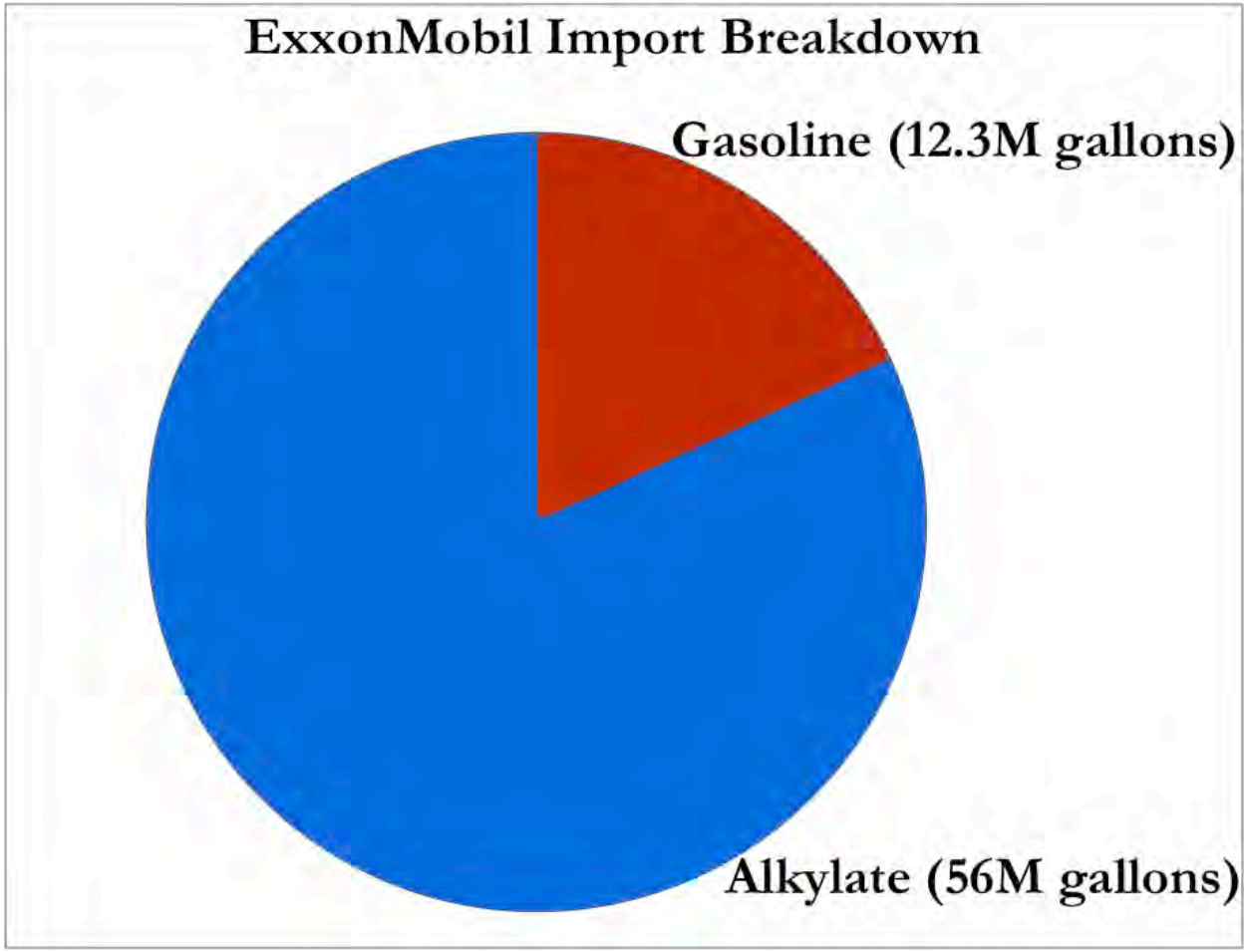
Exxon Torrance Lost gasoline production during first 9 months of 2015:
850 million gallons

Exxon's Gasoline imports:
12 million gallons (3 shipments)



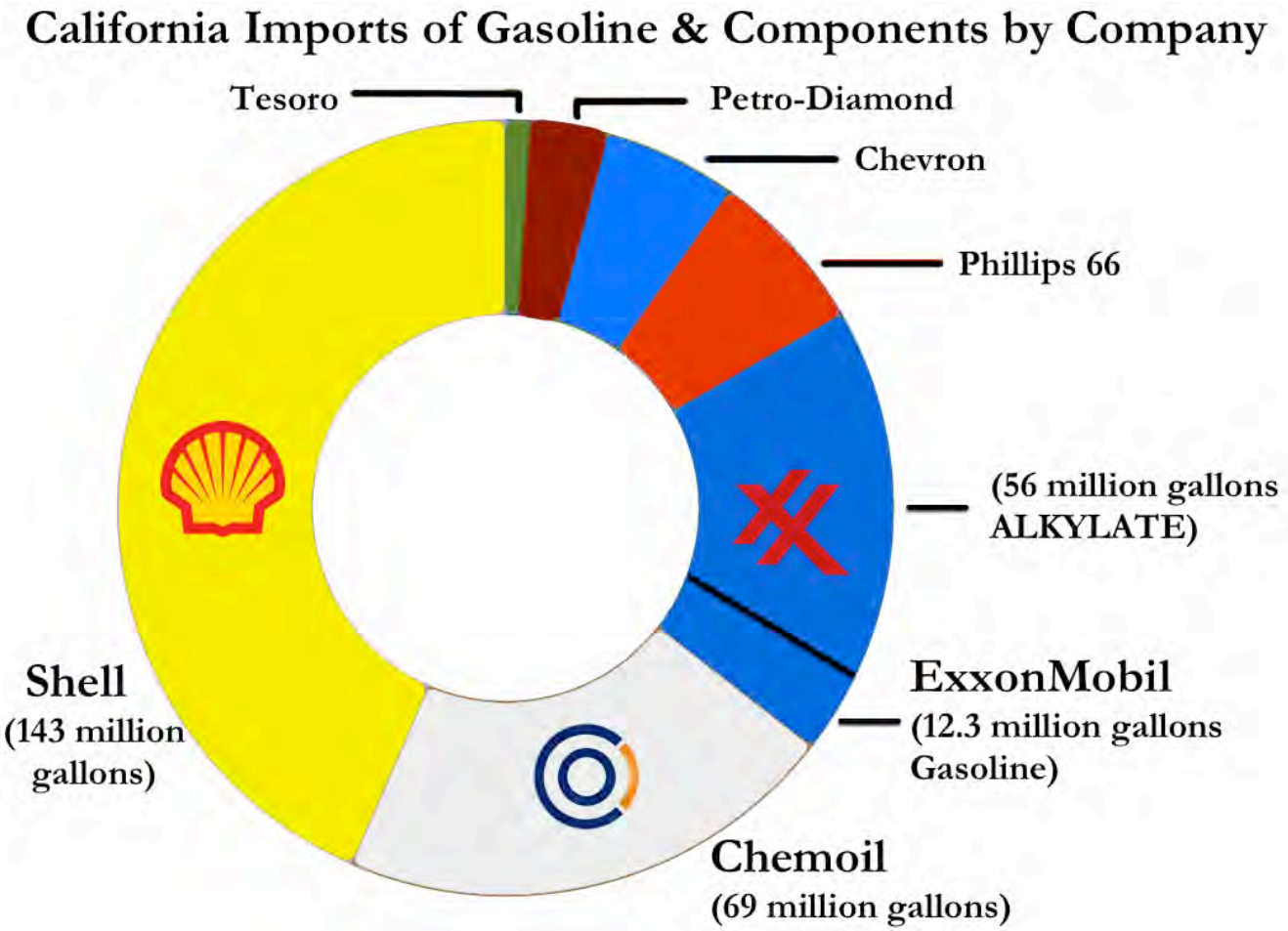
State Lands Commission Data, cross-referenced with AIS GPS data.

What DID Exxon import?



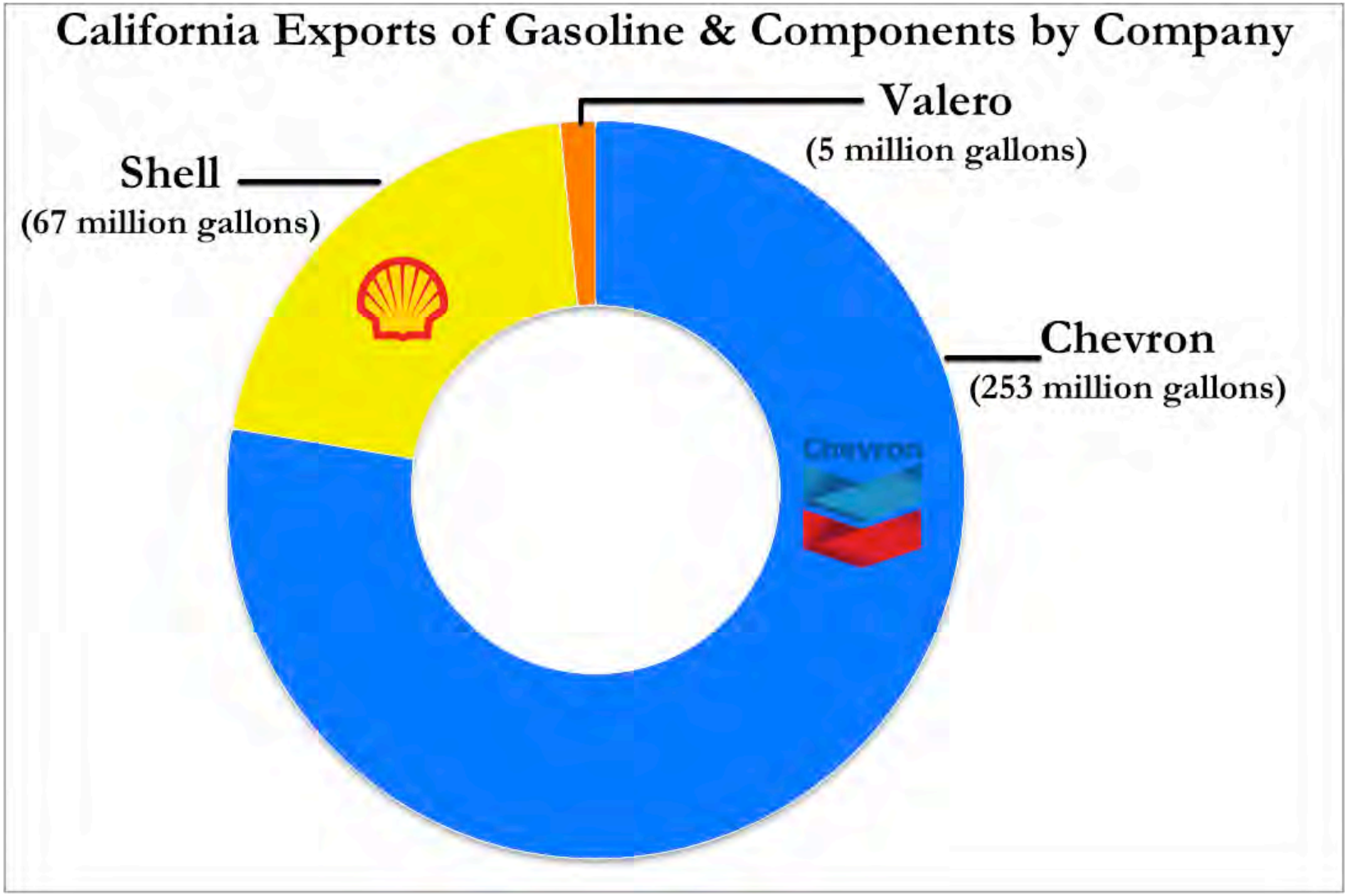
State Lands Commission Data, cross-referenced with AIS GPS data.

Imports to Refiners



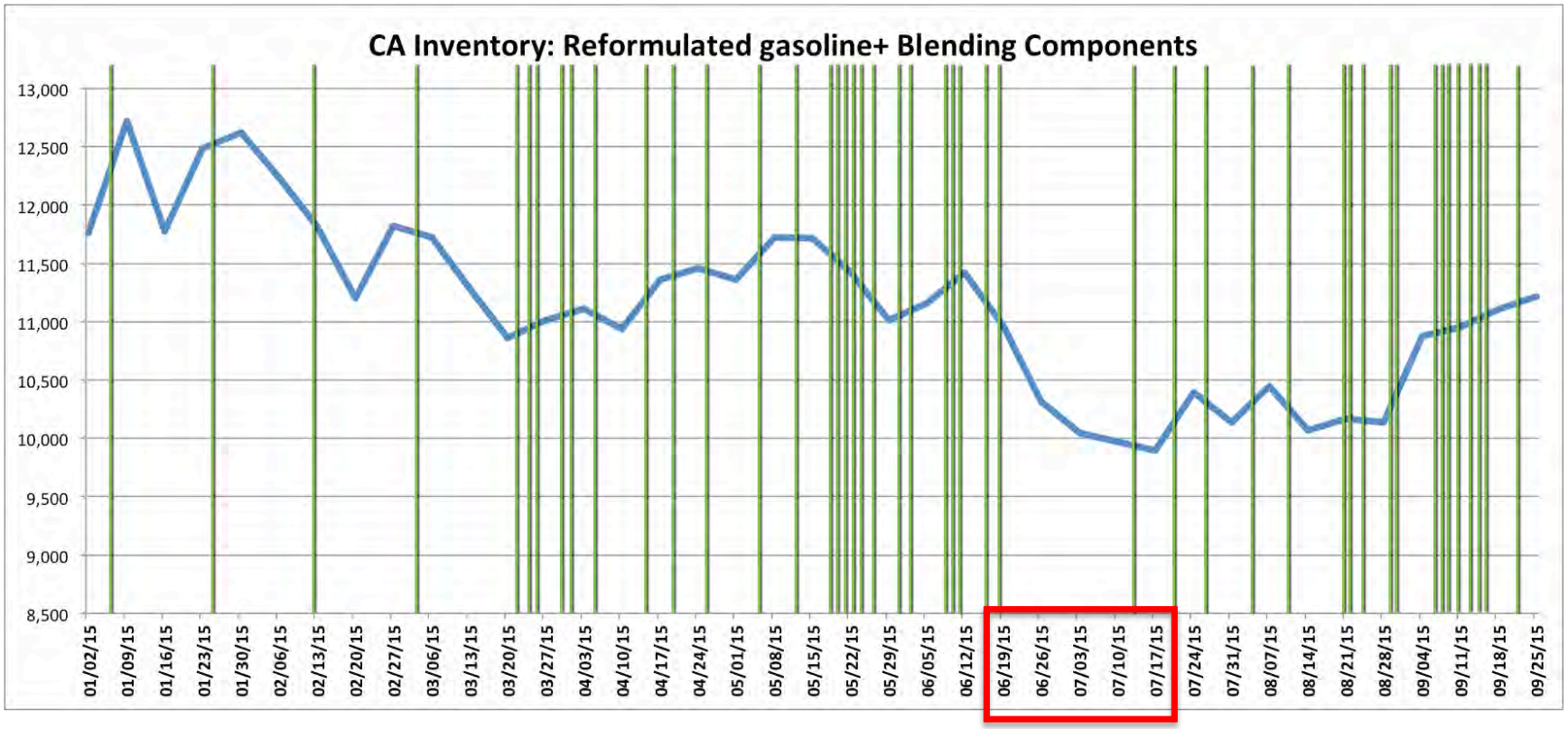
State Lands Commission Data, cross-referenced with AIS GPS data. Imports to Pipeline owned locations removed.

Exports from Refiners



State Lands Commission Data, cross-referenced with AIS GPS data.

Imports vs. Inventory



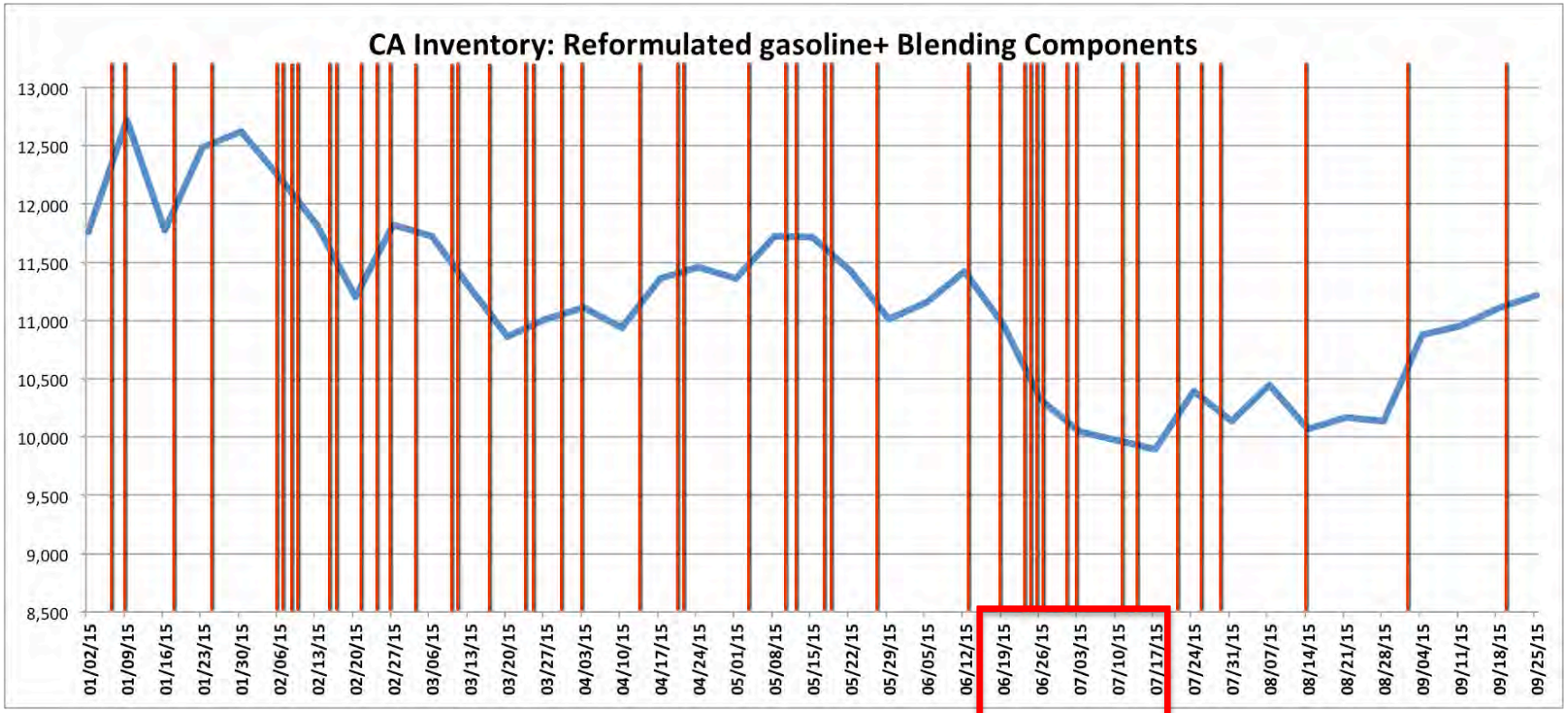
Green = Imports

Blue = Inventory

June/July Imports cease

State Lands Commission Data, cross-referenced with AIS GPS data. California Energy Commission Inventory Data

Exports vs. Inventory



Green = Exports

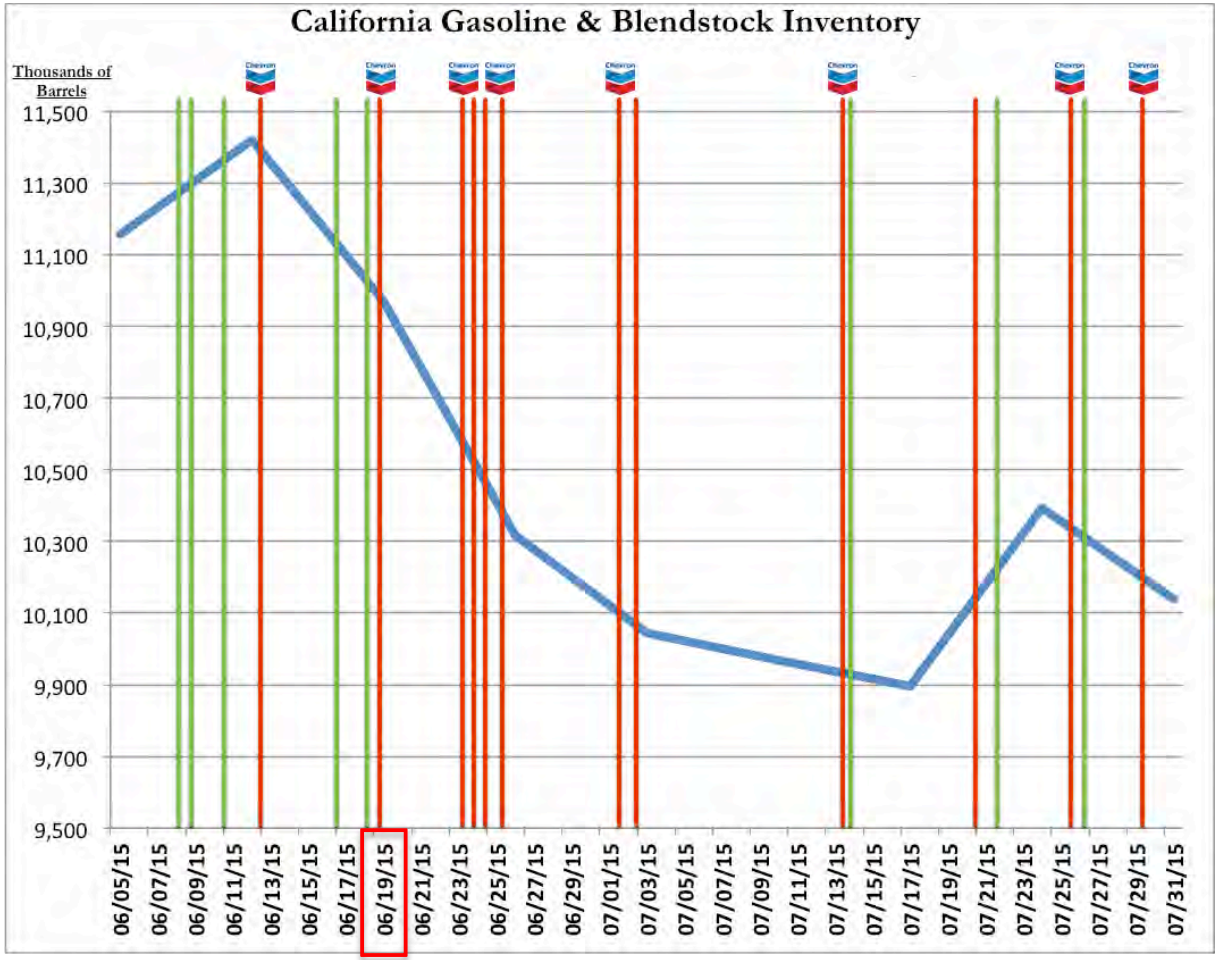
Blue = Inventory

June/July Exports Increase

State Lands Commission Data, cross-referenced with AIS GPS data. California Energy Commission Inventory Data

8 of 12 Exports Were Chevron

Green = Imports
Red = Exports

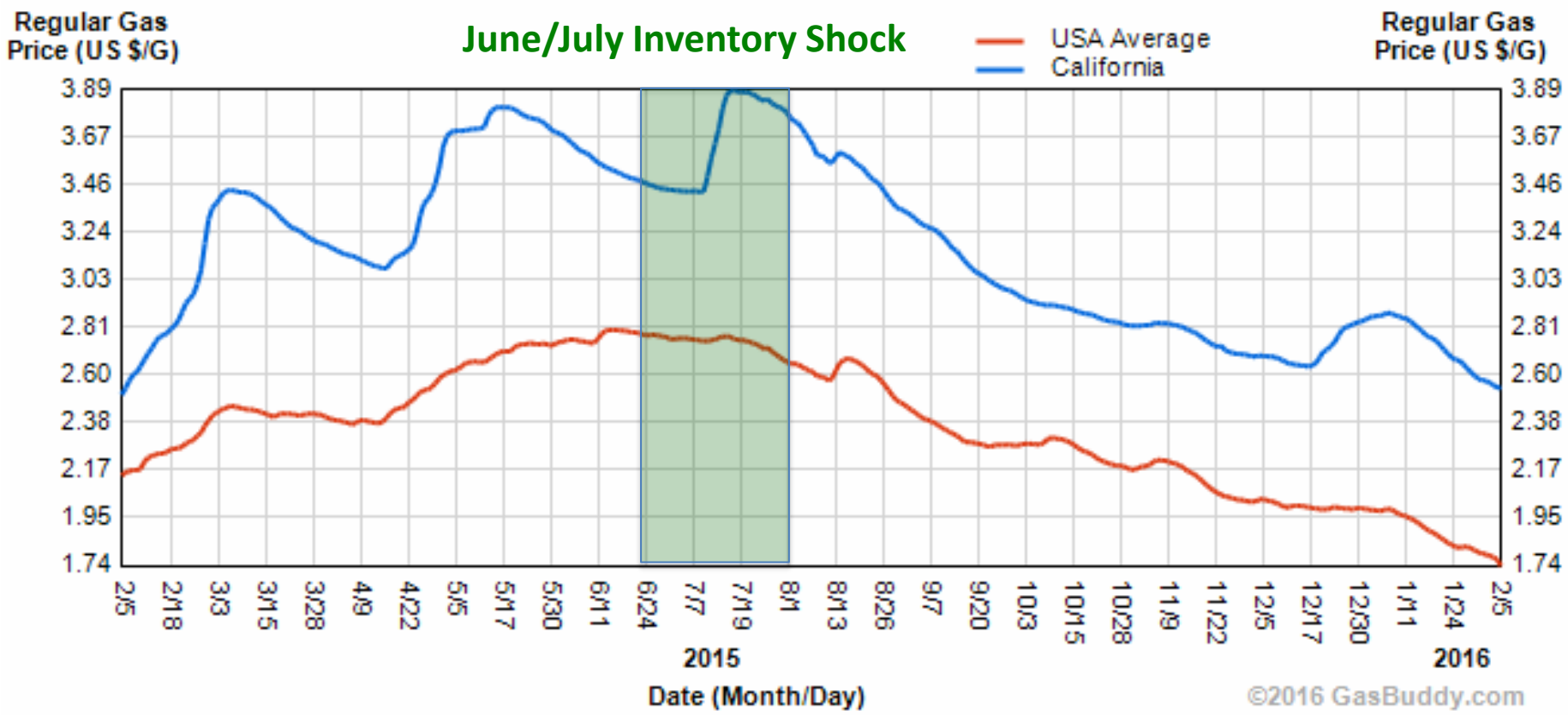


June 19 - Imports Cease

June & July – Imports & Exports

State Lands Commission Data, cross-referenced with AIS GPS data. California Energy Commission Inventory Data

California Gas Prices



Jones Act Vessels

"The list of available Jones Act oil products tankers...has grown to the longest in recent memory...a reversal of a very tight market seen a year ago." -August 28th, 2015 OPIS report.

2015 Cost per day: $80,000 per day

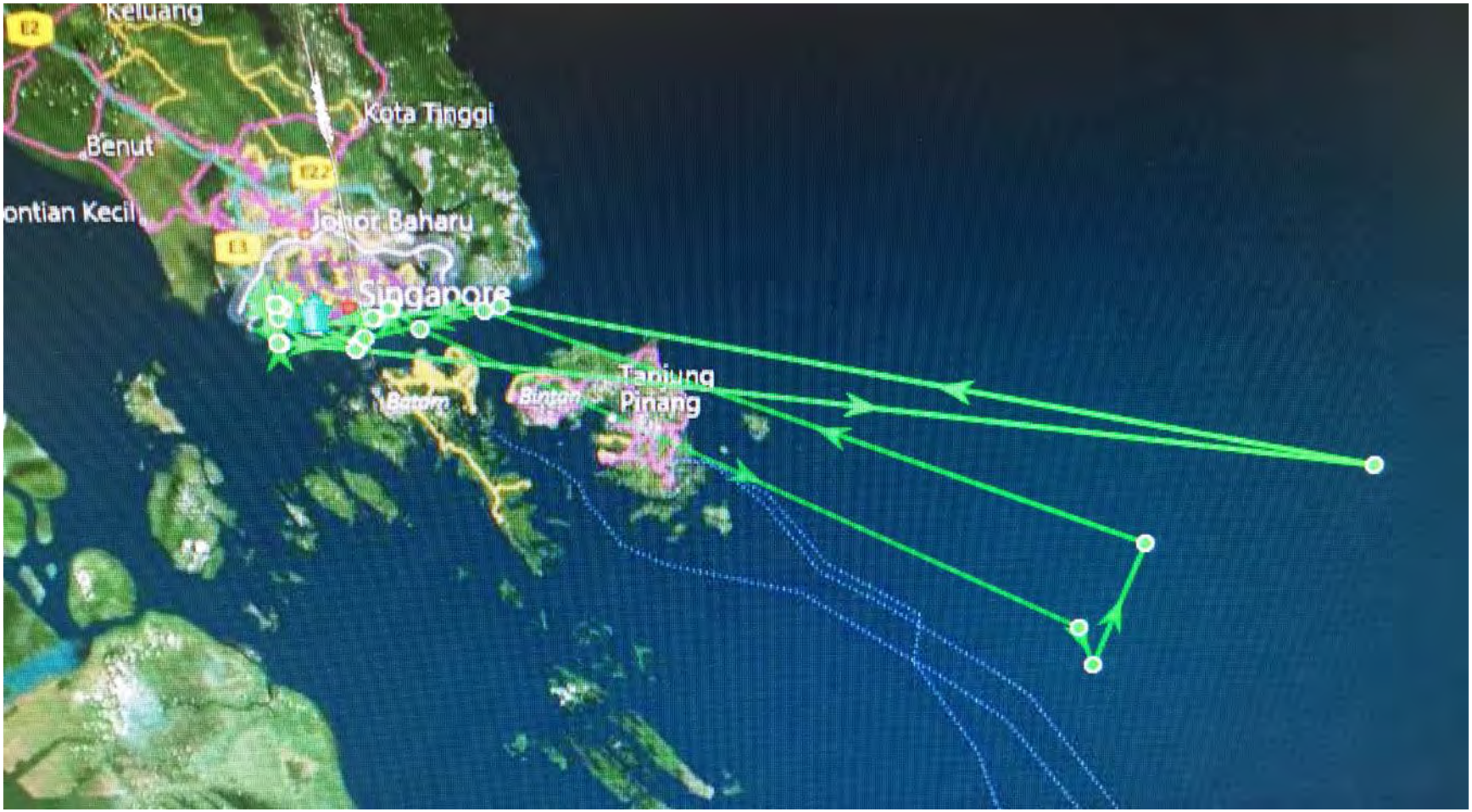
2014 Cost per day: $100,000 per day

The Missing Tanker

- Exxon's Jones Act Vessel: **The S/R American Progress**
- The ship spent the first four months in the US Gulf Coast.
- Arrived empty in Los Angeles May 15th, sat in the port before leaving.
- Arrived in Singapore June 20th – where it sat for **over two months** until August 30th.
- Ship returns to Los Angeles with full tank of product (on September 21st), but doesn't unload, and brings blendstocks to Florida on October 9th.

S/R American Progress

June 20th – Aug. 30th (70 days in Singapore)



Exxon's Singapore Refinery

- Two connected refineries: Jurong, on the mainland & Pulau Ayer Chawan on Jurong Island.
- 592,000 bpd combined capacity – double the largest California refinery

FMPC 21

- In contrast with the US-Flagged S/R American progress, this ship revealed that Exxon could import product from Singapore if it was forced to.
- In July, when the market truly dried up, Exxon was forced to purchase gasoline from abroad since the California spot market no longer could provide for them.
- On August 2nd the FMPC 21 dropped gasoline in California.
- According to Platts, the shipment was scheduled to meet a contractual obligation.
- Exxon could have utilized their Singapore refinery to provide gasoline to California earlier.

Summer price crisis

Exxon Doesn't Pull In.
Chevron Pushes Out.

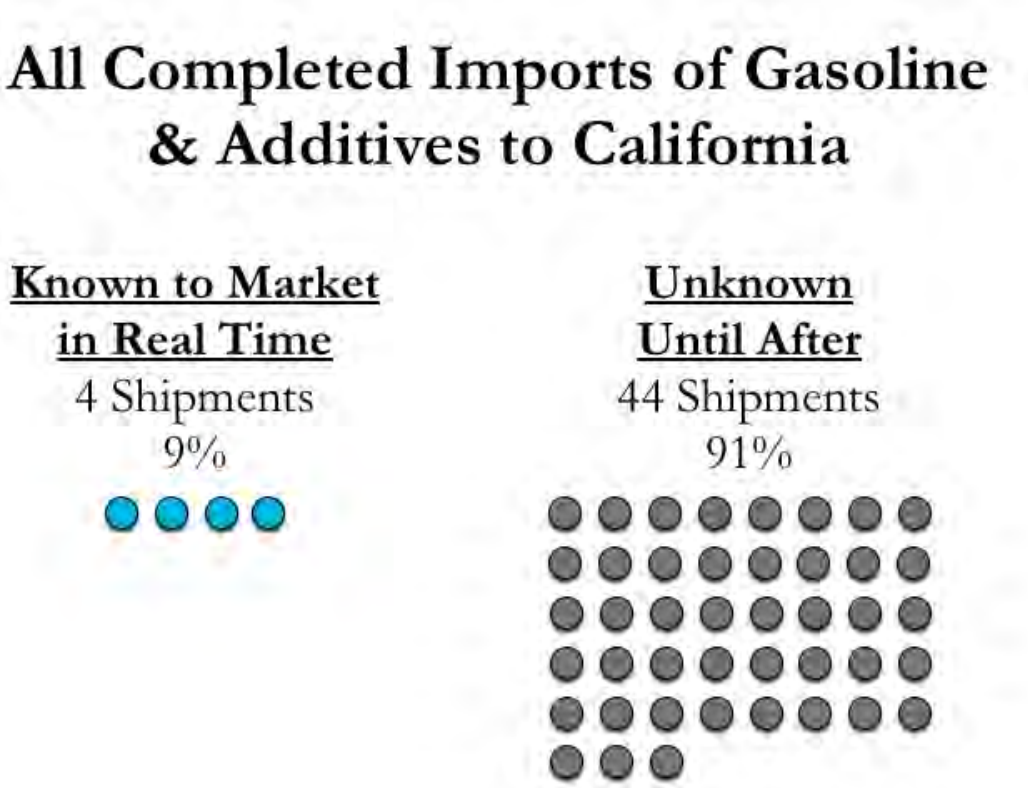
- Exxon: Torrance refinery down since February 18th – present, imports just three shipments of gasoline of the thirty-two gasoline shipments that arrived during the period.
- Chevron: During summer peak price spike, responsible for eight of twelve export shipments.
- Result in July: $4.30 per gallon gasoline in LA while crude oil plummeted to $47 per barrel

Misinformation in Exports

- Of the 47 confirmed exports – services knew of just 7

Misinformation in Imports

- Of the 48 confirmed imports – services knew of just 4



Misinformation in the Market

- Of the 95 confirmed imports and exports of gasoline and additives to and from California, the ship-tracking industry was aware of just 11 of them – just over 10% of shipments.
- This “dark” market created huge volatility in gasoline prices and unprecedented profits for oil refiners.

Solutions

- Require refiners to make up for lost production with imports rather than sucking supplies from other California refiners.
- Require a publicly disclosed refinery inventory plan showing how refiners will make up for lost production.
- All imports, exports and trades should be publicly disclosed in real-time to allow for adequate supplies and stable prices in the California market.