

MNI: U.S. Refinery Highlights Q3, 2025

By Andrew Couper (November 11, 2025)

See highlights from U.S. refining sector based on the latest Q3 calls. Themes focus on individual refinery developments, refining margins, crude diff outlooks and upcoming California dynamics.

- Most of the U.S refiners were commenting on thoughts around the California market as key refineries close and the market becomes structurally shorter and dependent on imports.

Marathon:

Q3 2025 – 2.8mn bpd throughput at 95% utilizations, Q4 forecast at 2.7mn bpd at 90% utilisation.

- **Galveston Bay refinery, Texas:** Resid Hydrocracker (RHU) downtime impacted Q3 capture; back online Q4.
- **John Quaid (CFO):** “The Galveston Bay resid hydrocracker is expected to be at full operating capacity before the end of the month, enabling optimization of our Gulf Coast system.”
- **Los Angeles Refinery (LAR – Carson/Wilmington, California):** LAR project is coming online in the fourth quarter and intended to meet NOx reduction emission requirements and greater efficiency. Startups scheduled to align with the conclusion of planned turnaround work before the end of this month.
- **Robinson refinery (Robinson, IL) & Detroit Refinery (Detroit, MI):** Achieved monthly throughput record in Q3.
- **Anacortes Refinery (Anacortes, WA)/ Kenai Refinery (Kenai, AK): Rick Hessling (CCO):** “When you look at Anacortes, and you look at Kenai, and you look at LA... we’re able to optimize those two refineries to fill the short that is in the San Francisco region. So, all three of those assets are complementary to one another.”
- **Garyville Refinery (Garyville, LA):** Running flexible crude slates – toggling between sweet and sour depending on price. Running a lot of heavily discounted Canadian barrels into the RHU.
- **Martinez Renewable Diesel Facility (Martinez, CA): Maryann Mannen (CEO):** “We were looking at largely a soybean-only feedstock”
- **Marathon on margins: Maryann Mannen (CEO):** “Current market fundamentals are indicative of tightness in supply and supportive demand, which we believe will persist into 2026... Current fundamentals highlight the market tightness and support our enhanced mid-cycle outlook into 2026.”

Phillips 66:

Q3 throughput: 1.8mn bpd, 99% utilisation, highest since 2018. Q4 guidance at mid-90’s.

- **Los Angeles Refinery (LA – Wilmington, CA):** Last barrel processed end of Q3 as part of shutdown. Full idling complete at the end of the year.

- **Wood River Refinery (Roxana, IL):** Closed on acquisition of the remaining 50% interest in the Wood River and Borger refineries. Company aims to optimize the use of intermediate products between the sites. Adds 250kbd of processing capacity for Phillips 66.
- **Ferndale Refinery (Ferndale, WA):** Transitioning to produce California-grade gasoline.
- **Bayway Refinery (Linden, NJ):** Rich Harbison (EVP Refining): “In the Atlantic Basin, market capture this quarter, 97%... We had a project that we initiated at Bayway that increased the native gas oil production, and it’s allowed us to fill up that cat, and really we’re seeing positive returns on that.”
- Mark Lashier (CEO): “Likewise, Bayway, when you think about the Atlantic Basin, we’ve got opportunities to integrate between Bayway and Humber. We can move streams back and forth to optimize there and to enhance the profitability and reliability of both of those assets.”
- **Sweeny Refinery (Old Ocean, TX):** Four fractionators boosted to five. Mark Lashier (CEO): “We have four fractionators at Sweeny. They found enough capacity through some de-bottleneck projects... So in essence, they’ve added an additional frac through very low capital opportunities.”

Phillips 66 on WCS widening in Q4:

- Brian Mandell (EVP M&C): “In the U.S. Gulf Coast, through Q3, the Canadian heavy crude became more attractive than high sulfur fuel oil, which caused refiners... to run more Canadian crude, and that supported differentials. But as we’ve entered Q4, we’re starting to see some impact from additional OPEC crude, and a kind of relative weakening... of the high sulfur fuel oil. And additionally, the WCS production increased by 250,000 barrels in Q3. And we’re going to expect another 100,000 barrels or more in Q4. And as more Canadian volume comes online, along with the winter diluent blending, we’re seeing the WCS diff weaken by about \$1 in Q4 versus Q3. And Canadian production is expected to increase next year... So in 2026, the WCS curve is off another dollar from Q4.

Phillips 66 On PADD 5/California outlook:

- Brian Mandell (EVP M&C): “PADD 5 is going to look very similar to PADD 1, where you have a short market, you have a pipeline that brings in domestic volumes like Colonial does to PADD 1, and then you have barrels coming from overseas, waterborne barrels as well.”

Valero:

- **St. Charles FCC project:** On track for H2 2026 startup to boost high-octane alkylate.
- **Refining margins** supported by strong global demand, low inventories, supply constraints (closures, delayed ramps, geopolitics).
- **Sour crude differentials** narrowing in Q3 but expected to widen in Q4 with OPEC+ ramp, Canadian TMX fill-up, Iraqi barrels (Basrah, Kirkuk) entering U.S.
- **TMX impact:** Less than expected on West Coast ANS; most barrels to Asia.
- **Benicia closure:** On track for 2026

- **On California supply**, Gary Simmons EVP and COO said: “It looks like the tariff would be set such that it's competitive versus the Jones Act movement to the West Coast, but we believe we can be more competitive with foreign flag waterborne movements into the West Coast,”
- “We like the waterborne movements because, one, the volatility on the West Coast, if you take a position on that pipe, you could be shipping into a closed ARB a good portion of the time.
- “And then we like the waterborne option as well because it allows you to source barrels from anywhere in the world and take advantage of international ARBs that can be open.”

Q3 2025 Actual vs. Q4 2025 Guidance: Refinery Throughput Volumes

Region	Q3 2025 Actual	Q4 2025 Guidance
Gulf Coast	1.83M bpd*	1.78M – 1.83M bpd
Mid-Continent	0.44M bpd*	0.42M – 0.44M bpd
West Coast	0.26M bpd*	0.24M – 0.26M bpd
North Atlantic	0.57M bpd*	0.485M – 0.505M bpd
TOTAL	3.1M bpd (97%)	2.945M – 3.085M bpd

PBF:

- **Martinez refinery (California)** – Due for December restart with full restart by the end of the year.
- **Torrance refinery (California)**– hydrocracker turnaround completed in Q3.
- **Toledo refinery (Ohio)** -mid-summer hydrocracker outage + pipeline maintenance resulted in Q3 throughput hit.

PBF on California situation:

Referring to potential pipeline plans into PADD 5: Matt Lucey (CEO) “There will be substantial tariffs on any new pipes that are built. And so, we continue to think our in-state manufacturing facilities will be the low-cost produce.” “The state is going to require imports, whether it comes from the water or from pipe, that will be higher-priced imports,” Lucey added.

HF Sinclair:

- **Puget Sound refinery, Washington:** Recently completed the CARB (California Air Resources Board) project, enabling production of more CARB-compliant gasoline or components for shipment to California. Announced a new "jet project" to allow flexible production of jet fuel from diesel feedstock, depending on market needs. This project will be completed and operational following the planned Q4 turnaround (which started late September and impacts Q4 throughput guidance).
- **Resubmitted Small Refinery Exemptions** 2023-24 applications for: Woods Cross, Parco, Casper, Tulsa, Artesia
- **Q4:** Flattening curve expected as well as strong distillate cracks
- **2026:** WCS/WTI expected to widen, HF Sinclair plans to capture upside
- **On Russia for global distillates markets:** "We think the market is underestimating the impact of the Russia outages... significant and will take time to come back online."
- **Steve Ledbetter (EVP Commercial) on products market:** "We are very excited and pretty bullish on what the current market environment looks like... Today, I think year-over-year, we're net about 800,000 barrels a day short. When you look at the capacity closures as well as being outpaced by demand... In the U.S., supply is up mainly in jet and diesel with gas being down, but demand of distillate is really supportive, and part of that is justified by some lower RD production that is not online as a result of what's happened with the regulatory framework."

HF Sinclair West Coast Supply Expansion:

Announcement: Multi-Phased Midstream Expansion (PADD 4 → PADD 5)				
Phase	Capacity	Route	Assets	Timeline
Phase 1	+35,000 bpd	Rockies → Nevada	Expand Pioneer Pipeline (JV w/ P66) + debottleneck UNEV	2028
Full Build-Out	+150,000 bpd	Rockies + Mid-Con → NV + CA	Includes Medicine Bow reversal	2030s

Chevron:

- **El Segundo refinery, California:** Fire in Oct 2025 – Mike Wirth, (CEO): "we continue to meet our supply commitments."

- **Chevron on California situation:** Mike Wirth (CEO): “Supply has tightened. It is a function of policy... Less refining capacity... Marine imports are going to have to become a more regular feature... California doesn’t have inbound product pipelines... These are ambitious projects... complicated to permit... We’ve got a strong refining and marketing presence... and can compete and deliver acceptable returns.”