Our nation’s refiners and petrochemical manufacturers work hard to ensure that their facilities are secure and prepared to withstand weather events. In fact, AFPM member companies have worked with government agencies and local first responders for years to develop thorough preparedness plans. Visit AFPM’s Hurricane and Weather Event Resource Center for more information on steps being taken to ensure the safety of our members’ facilities, their employees and the communities that surround them.

Extreme weather grabs headlines — from flooding and tornadoes in the Midwest, to destructive hurricanes that make landfall along America’s coastlines. Major storms can impact the nation’s fuel and petrochemical infrastructure, temporarily disrupting supplies of gasoline, diesel and jet fuel, and the petrochemical building blocks that are essential for many necessities for modern life.

The U.S. refining and petrochemical industries are closely watching this year’s weather activity in the Gulf Coast and Atlantic region and have developed robust preparedness measures to be ready to weather the storm. Their planning and preparedness enable the remarkable resiliency of U.S. fuel and petrochemical supply chains.

Below are answers to some common questions about how our industries prepare for, and respond to, hurricanes and weather events.

**Q: How do refineries and petrochemical manufacturers prepare for hurricane season?**

*A: AFPM member companies work throughout the year with federal, state and local first responders to develop detailed hurricane preparedness and response plans and to practice those plans using drills and exercises to ensure employees and facilities are ready for unexpected events. These companies also work closely with state and federal government agencies, including the Department of Homeland Security, Department of Energy, Pipelines and Hazardous Materials Safety Administration, Department of Transportation, the U.S. Coast Guard, the Federal Emergency Management Agency and state energy offices to share information and coordinate efforts.*

Fuel and petrochemical manufacturers invest heavily in preventative measures and regularly update process hazard analyses and other risk assessments to apply learnings from previous weather events to their facilities.

AFPM and our members also provide websites with links to a suite of government materials and information, including an emergency supply checklist, contact information for emergency management agencies across the country, and flood safety information for the public to access at any time.

**Q: How has hurricane preparation been changed by COVID-19?**
A: While COVID-19 has presented new tactical considerations, safety and preparedness remain core values for the industry and we are focused on being prepared for this year’s hurricane season. Fuel and petrochemical manufacturers have introduced a number of changes to their business operations to enforce social distancing and protect their workforce, and these procedures will continue as needed during hurricane season and beyond. Such measures include:

- Ensuring social distancing at facilities not only by employees but also by contractors and suppliers
- Decentralizing supply depots and housing options
- Staying abreast of local evacuation and sheltering health requirements
- Adjusting staffing to ensure that there is adequate crew coverage even with potential COVID-19 cases

Companies are also incorporating guidance from government agencies in adapting hurricane preparations to account for the outbreak, including FEMA’s “COVID-19 Pandemic Operational Guidance for the 2020 Hurricane Season.”

This hurricane season drones will be more important than ever to our members and government agencies to help maintain social distancing while assessing sites for potential damage or spills and to identify best access points to affected areas.

We will continue our long-standing collaboration with employees, communities and local, state, and federal government agencies to ensure that we are prepared to safely navigate hurricane season, no matter what conditions prevail.

Q: Are refineries shutdown during storms?

A: Refineries do shutdown when a storm’s forecast strength and track could put the facilities and the people who operate them at risk. Shutting down a refinery in advance of a hurricane can save lives and minimize the damage that could disrupt the supply of fuels for an extended period. These emergency shutdowns can take several days and are done carefully to ensure the safety of workers and surrounding communities. This occurred leading up to Hurricane Harvey when 24 refineries were shutdown.

Restarting a refinery also takes time. Refineries include dozens of operating units and must be restarted slowly to ensure no unit has been damaged. In the two weeks following Hurricane Harvey, 20 refineries had resumed fuel manufacturing in full or in part.

Q: Do gasoline prices go up after major storms?

A: Sometimes. The fuel supply chain that moves gasoline, diesel and other fuels from the refinery gate to the gas pump at your local retail outlet, is long and complex. Hurricanes and other natural disasters can disrupt this supply chain at many spots — refineries, pipelines, ports, rail lines, road, storage terminals, as well as the supply of electricity that is essential. When this happens, these disruptions can affect the supply of fuel, and restrictions on supply can affect prices. However, the U.S. fuel supply chain is resilient and responsive and price impacts are generally short in duration. In addition, consumer
protection laws prevent unfair pricing practices.

Q: What protections are in place to prevent price gouging?

A: To protect consumers, many states have enacted price gouging laws that limit a merchant’s ability to raise prices during an emergency. There is wide variability in state price gouging laws, but typically a 10 – 25 percent increase in the price of an essential commodity compared to the price charged during the month prior to the emergency triggers scrutiny under the law.

Most state laws prohibiting price gouging focus on the following three factors: (1) a price deemed unfairly high; (2) an emergency situation; and (3) a product that is essential or useful in responding to the emergency.

Q: How do refiners and petrochemical manufacturers support community recovery efforts?

A: Most work day and night to help the members of their communities repair their homes and restore their lives. After Hurricane Harvey, Valero setup a call center for employees that deployed “Post Hurricane Assistance Teams.” They helped over 200 colleagues by cutting up fallen trees, pulling out moldy carpeting, wallboards and furniture from flooded homes, and many other acts of kindness and generosity to help their coworkers and their families get back into their homes.

Refiners have also been known to set up barracks or rent blocks of hotel rooms to provide temporary housing for employees. They deploy fuel trucks fitted with special nozzles to bring fuel where it’s needed, going directly to vehicles so workers can get back and forth to work and emergency responders can keep moving to restore communities.

They stock warehouses with food, water, baby and pet supplies and tools needed for recovery work. After Hurricane Harvey, Marathon Petroleum Company sent a convoy of 24 trucks filled with everyday necessities from San Antonio to its refinery near Houston as soon as it was safe to travel.

In addition to donating millions of dollars to the Red Cross and other humanitarian organizations, AFPM member companies respond with aid in countless ways, including:

- Coordinating directly with FEMA and other government agencies
- Working with city officials and using company engineers’ expertise to build pipelines and install pumps to restore municipal water supply to homes
- Pumping water out of flooded neighborhoods
- Underwriting medical expenses
- Coordinating rental vehicles for employees whose vehicles were damaged/lost
- Deploying company maintenance crews to employee homes to tackle clean-up and repairs
- Bringing trucks filled with supplies to affected areas

Click here for AFPM's hurricane preparedness resources, as well as a video featuring AFPM president and CEO Chet Thompson and member companies discussing action taken around past weather events.
Topics

Security

Facility Performance & Safety

Disruptions

Storm Preparedness & Response

Markets & Supply

Tags

Hurricane

Hurricane Preparedness

price gouging