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BP and the Whiting Refinery: Beyond Petroleum (A)

Right now much of the world's energy comes from oil, and much of the oil comes from unstable regions and rogue states. This dependence leaves the global economy vulnerable to supply shocks and shortages and manipulation, and to extremists and terrorists who could cause great disruptions of oil shipments.

President George W. Bush, September 2007

In August 2007, BP America President Bob Malone prepared to face a room full of critics in Indiana. Malone and his team could not understand where they had gone wrong. They were attempting to expand the processing capacity of one of their main oil refineries, located in Whiting, Indiana. They felt that the expansion would bring much-needed jobs to the local economy. In addition, it would allow for increased processing of Canadian tar sands, a locally-extracted and politically secure resource. Although the facility would also produce a greater amount of suspended solids and ammonia, the increased discharge permit was accepted by the Indiana Department of Environmental Management (IDEM) and the Environmental Protection Agency (EPA). This did not appease critics, who claimed that the increased discharge would adversely affect the Great Lakes Region.

Malone knew that BP Global had a history of environmental leadership and was committed to “contributing to human progress by applying the group’s resources in such a way that the perceived trade-off between global access to heat, light and mobility and the protection and improvement of the natural environment may be overcome.”¹ What should the leader tell the public about BP’s decision to expand the plant, which would result in a greater capacity for energy but a legal increase in discharge? Would the public see this as an acceptable tradeoff?

The Alberta tar sands stretch across fifty-seven thousands miles of Canadian tundra—an area roughly the size of Florida. The tar sands have a heavy, dirt-like consistency and are a mixture of quartzite, clay, water, and bitumen. Bitumen, the mineral that is extracted to make synthetic crude, makes up only a small part of the overall mix. This means that the extraction and conversion process to produce fuel from tar sands is a resource-intensive (and some argue an inefficient) process. Alex Farrell, professor of energy and resources at the University of California at Berkeley is among the critics of the process and has said that “all unconventional forms of oil are worse for greenhouse-gas emissions than petroleum.”³



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