

# [***Phillips 66 Announces 2022 Capital Program; Disciplined Capital Allocation; Focus on Lower-Carbon Opportunities***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:648H-72T1-JBG1-81GM-00000-00&context=1516831)

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**Body**

Phillips 66 (NYSE: PSX) today announced its 2022 capital program of $1.9 billion. The plan includes $992 million for sustaining capital and $916 million for growth capital. Approximately 45% of growth capital supports lower-carbon opportunities.

"The 2022 capital program demonstrates our commitment to disciplined capital allocation," said Greg Garland, Chairman and CEO of Phillips 66. "Our plan for sustaining capital reflects our ongoing focus on operating excellence to ensure the safety and reliability of our operations. We are also investing in returns-focused growth opportunities, including projects that will help us advance a lower-carbon future. In addition to a disciplined capital program, we will continue to prioritize debt reduction and returns to shareholders."

The Midstream capital plan of $703 million, which includes Phillips 66 Partners, comprises $426 million for growth projects and $277 million for sustaining projects. Growth capital will be directed toward completing construction of Sweeny Frac 4 and repayment of our 25% share of the Bakken Pipeline joint venture's debt due in 2022. Midstream growth capital also includes Emerging Energy opportunities to advance the company's lower-carbon efforts.

In Refining, Phillips 66 plans to invest $896 million, with $488 million for reliability, safety and environmental projects. Refining growth capital of $408 million is primarily for the reconfiguration of the San Francisco Refinery in Rodeo, California, as part of the Rodeo Renewed project. Upon expected completion in early 2024, the facility will initially have over 50,000 barrels per day, or 800 million gallons per year, of renewable fuel production capacity, making it one of the world's largest facilities of its kind. The conversion will reduce ***emissions*** from the facility and produce lower-carbon transportation fuels. Refining growth capital will also support opportunities for high-return, low-capital projects.

The Marketing and Specialties capital plan reflects the continued development and enhancement of the company's retail network, including energy transition opportunities.

Corporate and Other capital will primarily fund digital transformation projects.

Phillips 66's proportionate share of capital spending by joint ventures Chevron Phillips Chemical Company LLC (CPChem), WRB Refining LP (WRB) and DCP Midstream, LLC (DCP Midstream) is expected to total $1.1 billion and to be self-funded.

CPChem's growth capital will fund expansion of its normal alpha olefins production, optimization and debottleneck opportunities in the olefins and polyolefins chains, as well as continuing development of world-scale petrochemicals projects in the U.S. Gulf Coast and Qatar.

WRB's capital spending will be directed to sustaining projects, crude flexibility and enhancing clean product yield.

Including Phillips 66's proportionate share of capital spending for these large ventures, the company's total 2022 capital program is projected to be $3.0 billion.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Millions of Dollars | | | | | |
|  |  | Sustaining | |  | Growth |  | Capital |
|  |  | Capital | |  | Capital |  | Program |
| Capital Program |  |  | |  |  |  |  |
| Midstream1 |  | $ | 277 |  | 426 |  | 703 |
| Chemicals |  |  | - |  | - |  | - |
| Refining2 |  |  | 488 |  | 408 |  | 896 |
| Marketing and Specialties |  |  | 62 |  | 82 |  | 144 |
| Corporate and Other2 |  |  | 165 |  | - |  | 165 |
| Phillips 66 Consolidated |  |  | 992 |  | 916 |  | 1,908 |
|  |  |  | |  |  |  |  |
| DCP Midstream |  |  | 65 |  | 63 |  | 128 |
| CPChem |  |  | 215 |  | 502 |  | 717 |
| WRB |  |  | 109 |  | 111 |  | 220 |
| Selected Equity Affiliates |  |  | 389 |  | 676 |  | 1,065 |
|  |  |  | |  |  |  |  |
| Total Capital Program |  | $ | 1,381 |  | 1,592 |  | 2,973 |
|  | | | | | | | |
| 1) Includes $2 million of capital expected to be cash funded by joint venture partners. | | | | | | | |
| 2) Excludes non-cash finance leases of $13 million in Refining and $9 million in Corporate and Other. | | | | | | | |

About Phillips 66

Phillips 66 is a diversified energy manufacturing and logistics company. With a portfolio of Midstream, Chemicals, Refining, and Marketing and Specialties businesses, the company processes, transports, stores and markets fuels and products globally. Headquartered in Houston, the company has 14,100 employees committed to safety and operating excellence. Phillips 66 had $56 billion of assets as of Sept. 30, 2021. For more information, visit [*www.phillips66.com*](https://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Fwww.phillips66.com%2F&esheet=52548332&newsitemid=20211210005419&lan=en-US&anchor=www.phillips66.com&index=1&md5=9bc3901ff78c664beafdad20f3e33cf1) or follow us on Twitter [*@Phillips66Co*](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FPhillips66Co&esheet=52548332&newsitemid=20211210005419&lan=en-US&anchor=%40Phillips66Co&index=2&md5=99afa2d823ec598edda11aa24ba30304) .

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This news release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Words and phrases such as "is anticipated," "is estimated," "is expected," "is planned," "is scheduled," "is targeted," "believes," "continues," "intends," "will," "would," "objectives," "goals," "projects," "efforts," "strategies" and similar expressions are used to identify such forward-looking statements. However, the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements included in this news release are based on management's expectations, estimates and projections as of the date they are made. These statements are not guarantees of future performance and you should not unduly rely on them as they involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. Factors that could cause actual results or events to differ materially from those described in the forward-looking statements include: the continuing effects of the COVID-19 pandemic and its negative impact on commercial activity and demand for refined petroleum products; the inability to timely obtain or maintain permits necessary for capital projects; changes to worldwide government policies relating to renewable fuels and greenhouse gas ***emissions*** that adversely affect programs like the renewable fuel standards program, low carbon fuel standards and tax credits for biofuels; fluctuations in NGL, crude oil, and natural gas prices, and petrochemical and refining margins; unexpected changes in costs for constructing, modifying or operating our facilities; unexpected difficulties in manufacturing, refining or transporting our products; the level and success of drilling and production volumes around our Midstream assets; risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products, renewable fuels or specialty products; lack of, or disruptions in, adequate and reliable transportation for our NGL, crude oil, natural gas, and refined products; potential liability from litigation or for remedial actions, including removal and reclamation obligations under environmental regulations; failure to complete construction of capital projects on time and within budget; the inability to comply with governmental regulations or make capital expenditures to maintain compliance; limited access to capital or significantly higher cost of capital related to illiquidity or uncertainty in the domestic or international financial markets; potential disruption of our operations due to accidents, weather events, including as a result of climate change, terrorism or cyberattacks; general domestic and international economic and political developments including armed hostilities, expropriation of assets, and other political, economic or diplomatic developments, including those caused by public health issues and international monetary conditions and exchange controls; changes in governmental policies relating to NGL, crude oil, natural gas, refined petroleum products, or renewable fuels pricing, regulation or taxation, including exports; changes in estimates or projections used to assess fair value of intangible assets, goodwill and property and equipment and/or strategic decisions with respect to our asset portfolio that cause impairment charges; investments required, or reduced demand for products, as a result of environmental rules and regulations; changes in tax, environmental and other laws and regulations (including alternative energy mandates); political and societal concerns about climate change that could result in changes to our business or increase expenditures, including litigation-related expenses; the operation, financing and distribution decisions of equity affiliates we do not control; the impact of adverse market conditions or other similar risks to those identified herein affecting Phillips 66 Partners, and other economic, business, competitive and/or regulatory factors affecting Phillips 66's businesses generally as set forth in our filings with the Securities and Exchange Commission. Phillips 66 is under no obligation (and expressly disclaims any such obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Information - The disaggregation of capital spending between sustaining and growth is not a distinction recognized under generally accepted accounting principles in the United States. The company provides such disaggregated information to demonstrate management's return expectations with respect to capital spending.

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