Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Investing in our common stock involves a degree of risk. These risks are discussed more fully below and include, but are not limited to, the following, any of which could have a material adverse effect on our financial condition, results of operations and cash flows: Risks Relating to Our Business and Industry • The price volatility of crude oil, other feedstocks, blendstocks, refined products and fuel and utility services; • Volatility in commodity prices and refined product demand; • Crude oil differentials and related factors, which fluctuate substantially; • Significant interruptions or casualty losses at any of our refineries and related assets or logistics terminals, pipelines or other facilities **owned by us or by SBR** ; • Interruptions of supply and distribution at our refineries; • Renewable fuels mandates and the cost of RINs; • Existence of capital needs for which our internally generated cash flows and other sources of liquidity may not be adequate; • Regulation ~~of~~ **related to climate change and** emissions of greenhouse gases and other regulatory, environmental and health and safety regulations; • ~~Completion and successful~~ **Successful** ~~commencement of~~ commercial operation of **SBR** ~~the renewable diesel project~~ ; • Enhanced scrutiny on ESG matters; • ~~Ability to realize the anticipated benefits of the Merger Transaction; •~~ Rate of inflation and its impacts on supply and demand, pricing, and supply chain disruption; • Actions taken by our competitors, including adjustments to refining capacity or renewable fuels production in response to regulations and market conditions; • Volatility and uncertainty in the credit and capital markets, including as a result of higher interest rates; • Any political instability, including as a result of Russia' s military action in Ukraine **, the outbreak of armed hostilities in the middle east, disruption in international shipping resulting from recent attacks by armed groups on cargo ships in the Red Sea** , military strikes, sustained military campaigns, terrorist activity, changes in foreign policy, or other catastrophic events; • A cyber- attack on, or other failure of, our technology infrastructure; • Competition from other companies in the refining **or renewable fuels** ~~industry~~ **industries** ; • Delays or cost increases related to capital spending programs; • Product liability claims, operational liability claims and other material litigation; • Acquisition or integration of new assets into our business; • Labor disruptions that would interfere with our operations; • Discontinuation of employment of any of our senior executives or other key employees; • Our activity in commodity derivatives markets. Risks Related to Our Indebtedness • Our levels of indebtedness; • Our ability to secure necessary financing on acceptable terms; • Changes in our credit ratings; • Limitations on our operations arising out of restrictive covenants in our debt instruments; • Anti- takeover provisions in our indentures. Risks Related to Our Organizational Structure and PBF Energy Class A Common Stock • PBF Energy' s dependence upon distributions from PBF LLC and its subsidiaries to pay taxes and meet its other obligations; • The rights of other members of PBF LLC may conflict with the interests of PBF Energy Class A common stockholders; • Obligations under the Tax Receivable Agreement, as defined below; • Prospect that dividend payments may not be declared in the future; • Anti- takeover provisions in our certificate of incorporation and bylaws and under Delaware law; • Volatility of our stock price; • Potential dilution of our current stockholders. Risk Factors You should carefully read the risks and uncertainties described below. The risks and uncertainties described below are not the only ones facing our ~~company~~ **Company** . Additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition, results of operations or cash flows would likely suffer. In that case, the trading price of PBF Energy Class A common stock could fall. Demand for our refined products can significantly decline due to changes in global and regional economic conditions. Business closings and layoffs in the markets we operate may adversely affect demand for our refined products. Deterioration of general economic conditions or weak demand levels could require additional actions on our part to lower our operating costs, including temporarily or permanently ceasing to operate units at our facilities ~~, as experienced in 2020 when certain assets were temporarily idled as part of the East Coast Refining Reconfiguration~~ . There may be significant incremental costs associated with such actions. Deterioration of global and regional economic conditions may harm our liquidity and ability to repay our outstanding debt and the trading price of PBF Energy' s Class A common stock. The price volatility of crude oil, other feedstocks, blendstocks, refined products and fuel and utility services may have a material adverse effect on our revenues, profitability, cash flows and liquidity. Our profitability, cash flows and liquidity from operations depend primarily on the margin above operating expenses (including the cost of refinery feedstocks, such as crude oil, intermediate partially refined products, and natural gas liquids that are processed and blended into refined products) at which we are able to sell refined products. Refining is primarily a margin- based business and, to increase profitability, it is important to maximize the yields of high value finished products while minimizing the costs of feedstock and operating expenses. When the margin between refined product prices and crude oil and other feedstock costs contracts, our earnings, profitability and cash flows are negatively affected. Historically, refining margins have been volatile, and are likely to continue to be volatile, as a result of a variety of factors, including fluctuations in the prices of crude oil, other feedstocks, refined products and fuel and utility services. An increase or decrease in the price of crude oil will likely result in a similar increase or decrease in prices for refined products; however, there may be a time lag in the realization, or no such realization, of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our refining margins therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes. The nature of our business has required us to maintain substantial crude oil, feedstock and refined product inventories. Because crude oil, feedstock and refined products are commodities, we have no control over the changing market value of these inventories. Our crude oil, feedstock and refined product inventories are valued at the **LCM** ~~lower of cost or market~~ value under the last- in- first- out (" LIFO ") inventory valuation methodology. At December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** , the replacement value of inventories exceeded the LIFO carrying value, therefore no LCM inventory reserve was recorded. If the market value of our crude oil, feedstock and refined product inventory declines to an amount less than our LIFO cost, we would record a write- down of inventory and a non- cash impact to cost of products and other ~~. For example, during the year ended December 31, 2020, we recorded an adjustment to value our inventories to the lower of cost or market which decreased income from operations and net income by $ 268. 0 million and $ 196. 7 million, respectively~~. Prices of crude oil, other feedstocks, blendstocks, and refined products depend on numerous factors beyond our control, including the supply of and demand for crude oil, other feedstocks, gasoline, diesel, ethanol, asphalt and other refined products. Such supply and demand are affected by a variety of economic, market, environmental and political conditions. Our direct operating expense structure also impacts our profitability. Our major direct operating expenses include employee and contract labor, maintenance and energy. Our predominant variable direct operating cost is energy, which is comprised primarily of fuel and other utility services. The volatility in costs of fuel, principally natural gas, and other utility services, principally electricity, used by our refineries and other operations affect our operating costs. Fuel and utility prices have been, and will continue to be, affected by factors outside our control, such as supply and demand for fuel and utility services in both local and regional markets. Natural gas prices have historically been volatile and, typically, electricity prices fluctuate with natural gas prices. Future increases in fuel and utility prices may have a negative effect on our refining margins, profitability and cash flows **. In addition, the operations, profitability and cash flows of SBR may similarly be impacted by volatility of renewable feedstock costs and operating expenses, which may negatively impact the anticipated benefits and operating synergies from the Renewable Diesel Facility or our equity method investment in SBR. See " We may not be able to successfully integrate the operations of our 50- 50 equity method investment into our business, or realize the anticipated benefits of this investment " risk factor below**. Our working capital, cash flows and liquidity can be significantly impacted by volatility in commodity prices and refined product demand. Payment terms for our crude oil purchases are typically longer than those terms we extend to our customers for sales of refined products. Additionally, reductions in crude oil purchases tend to lag demand decreases for our refined products. As a result of this timing differential, the payables for our crude oil purchases are generally proportionally larger than the receivables for our refined product sales. As we are normally in a net payables position, a decrease in commodity prices generally results in a use of working capital. Given we process a significant volume of crude oil, the impact can materially affect our working capital, cash flows and liquidity. Our profitability is affected by crude oil differentials and related factors, which fluctuate substantially. A significant portion of our profitability is derived from the ability to purchase and process crude oil feedstocks that historically have been less expensive than benchmark crude oils, such as the heavy, sour crude oils processed at our Delaware City, Paulsboro, Chalmette, Torrance and Martinez refineries. For our Toledo refinery, aside from recent crude differential volatility, purchased crude prices have historically been above the WTI benchmark, however, such crude slate typically results in favorable refinery production yield. For all locations, these crude oil differentials can vary significantly from quarter to quarter depending on overall economic conditions and trends and conditions within the markets for crude oil and refined products. Any change in these crude oil differentials may have an impact on our earnings. Our rail investment and strategy to acquire cost advantaged Mid- Continent and Canadian crude, which are priced based on WTI, could be adversely affected when the WTI / Dated Brent or related differentials narrow. A narrowing of the WTI / Dated Brent differential may result in our Toledo refinery losing a portion of its crude oil price advantage over certain of our competitors, which negatively impacts our profitability. In addition, ~~efforts in Canada to control the imbalance~~ **imbalances** between ~~its~~ **the** production and capacity to export crude **in Canada** may continue to result in price volatility and the narrowing of the WTI / WCS differential, which is a proxy for the difference between light U. S. and heavy Canadian crude oil, and may reduce our refining margins and adversely affect our profitability and earnings. Divergent views have been expressed as to the expected magnitude of changes to these crude differentials in future periods. Any continued or further narrowing of these differentials could have a material adverse effect on our business and profitability. Additionally, governmental and regulatory actions, including continued resolutions by the Organization of the Petroleum Exporting Countries to restrict crude oil production levels and executive actions by the current U. S. presidential administration to restrict the advancement of certain energy infrastructure projects such as the Keystone XL pipeline or Enbridge' s Line 5 pipeline, may continue to impact crude oil prices and crude oil differentials. Any increase in crude oil prices or unfavorable movements in crude oil differentials due to such actions or changing regulatory environment may negatively impact our ability to acquire crude oil at economical prices and could have a material adverse effect on our business and profitability. A significant interruption or casualty loss at any of our refineries and related assets or logistics terminals, pipelines or other facilities **owned by us or by SBR,** could reduce ~~our~~ production, particularly if not fully covered by our insurance. Failure by one or more insurers to honor its coverage commitments for an insured event could materially and adversely affect our future cash flows, operating results and financial condition. Our business currently consists of owning and operating six refineries and related assets, as well as logistics terminals, pipelines and other facilities **and our investment in SBR**. As a result, our operations could be subject to significant interruption if any of our refineries or other facilities were to experience a major accident, be damaged by severe weather or other natural disaster, or otherwise be forced to shut down or curtail production due to unforeseen events, such as acts of God, nature, orders of governmental authorities, supply chain disruptions impacting our crude rail facilities or other logistics assets, power outages, acts of terrorism, fires, toxic emissions and maritime hazards. Any such shutdown or disruption would reduce the production from that refinery. There is also risk of mechanical failure and equipment shutdowns both in general and following unforeseen events. Further, in such situations, undamaged refinery processing units may be dependent on or interact with damaged sections of our refineries and, accordingly, are also subject to being shut down. In the event any of our refineries is forced to shut down for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole. **In addition, a shutdown or disruption of our Chalmette refinery could impact the operations of SBR.** As protection against these hazards, we maintain insurance coverage **for our refineries** against some, but not all, such potential losses and liabilities, including claims against us by third parties relating to our operations and products.

We **or SBR** may not be able to maintain or obtain insurance of the type and amount ~~we desire~~ **desired** at reasonable rates. As a result of market conditions, premiums and deductibles for certain of our insurance policies may increase substantially. In some instances, certain insurance could become unavailable or available only for reduced amounts of coverage. For example, coverage for hurricane damage can be limited, and coverage for terrorism risks can include broad exclusions. If we **or SBR** were to incur a significant liability **that was** ~~for which we were~~ not fully insured, it could have a material adverse effect on our financial position. Our insurance program includes a number of insurance carriers. Significant disruptions in financial markets could lead to a deterioration in the financial condition of many financial institutions, including insurance companies and, therefore, we may not be able to obtain the full amount of our insurance coverage for insured events. Even where we have insurance in place, there can be no assurance that the carriers will honor their obligations under the policies. Our refineries are subject to interruptions of supply and distribution, including due to severe weather events, as a result of our reliance on pipelines and railroads for transportation of crude oil and refined products. Our Toledo, Chalmette, Torrance and Martinez refineries receive a significant portion of their crude oil through our owned, as well as third- party, pipelines. These pipelines include the Enbridge system, Capline and Mid- Valley pipelines for supplying crude to our Toledo refinery, the MOEM Pipeline and CAM Pipeline for supplying crude to our Chalmette refinery and the San Joaquin Pipeline, San Pablo Bay Pipeline, San Ardo and Coastal Pipeline systems for supplying crude to our Torrance and Martinez refineries. Additionally, our Toledo, Chalmette, Torrance and Martinez refineries deliver a significant portion of the refined products through pipelines. These pipelines include pipelines such as the Sunoco Logistics Partners L. P. and Buckeye Partners L. P. pipelines at the Toledo refinery, the Collins pipeline at our Chalmette refinery, the Jet Pipeline to the Los Angeles International Airport, the Product Pipeline to Vernon and the Product Pipeline to Atwood at our Torrance refinery and the KinderMorgan SFPP North Pipeline at our Martinez refinery. We could experience an interruption of supply or delivery, or an increased cost of receiving crude oil and delivering refined products to market, if the ability of these pipelines to transport crude oil or refined products is disrupted because of accidents, weather interruptions, governmental regulation, terrorism, other third- party action or casualty or other events. The Delaware City rail unloading facilities and the assets acquired in connection with the acquisition of CPI Operations LLC (the " East Coast Storage Assets "), allow our East Coast Refining System to source WTI- based crudes from Western Canada and the Mid-Continent, which may provide significant cost advantages versus traditional Brent- based international crudes in certain market environments. Any disruptions or restrictions to our supply of crude by rail due to problems with third- party logistics infrastructure or operations or as a result of increased regulations, could increase our crude costs and negatively impact our results of operations and cash flows. Due to the common carrier regulatory obligation applicable to interstate oil pipelines, capacity allocation among shippers can become contentious in the event demand is in excess of capacity. Therefore, nominations by new shippers or increased nominations by existing shippers may reduce the capacity available to us. Any prolonged interruption in the operation or curtailment of available capacity of the pipelines that we rely upon for transportation of crude oil and refined products could have a further material adverse effect on our business, financial condition, results of operations and cash flows. In addition, substantial weather- related conditions could impact our relationships and arrangements with our major customers and suppliers by materially affecting the normal flow of crude oil and refined products, especially seaborne transactions. For example, severe weather events could damage transportation infrastructures and lead to interruptions of our operations, including our ability to deliver our products, or increases in costs to receive crude oil. Our results of operations continue to be impacted by significant costs to comply with renewable fuels mandates. The market prices for RINs have been volatile and may harm our profitability. Pursuant to the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007, EPA has issued the RFS, implementing mandates to blend renewable fuels into the petroleum fuels produced and sold in the United States. Under the RFS, the volume of renewable fuels that obligated refineries must blend into their finished petroleum fuels historically has increased on an annual basis. In addition, certain states have passed legislation that requires minimum biodiesel blending in finished distillates. On October 13, 2010, EPA raised the maximum amount of ethanol allowed under federal law from 10 % to 15 % for cars and light trucks manufactured since 2007. The maximum amount allowed under federal law currently remains at 10 % ethanol for all other vehicles. Existing laws and regulations could change, and the minimum volumes of renewable fuels that must be blended with refined petroleum fuels may increase. Because we do not ~~currently~~ **directly** produce renewable fuels, increasing the volume of renewable fuels that must be blended into our products **could** ~~displaces~~ **displace** an increasing volume of our refinery' s product pool, potentially resulting in lower earnings and profitability. In addition, in order to meet certain of these and future EPA requirements, we may be required to purchase RINs, which may have fluctuating costs based on market conditions. ~~The price of RINS was~~ **Our results continue to be impacted by** significant **costs to comply with the RFS** ~~in 2022 and could increase further in 2023~~ . ~~We~~ **While we have entered into agreements with SBR that allow us to purchase RINs at our election, we** incurred approximately $ **762** ~~1, 225~~ . ~~5~~ **3** million in RINs costs during the year ended December 31, ~~2022~~ **2023** as compared to $ **1, 225. 5 million and $** 726. 0 ~~million and $ 326. 4~~ million during the years ended December 31, **2022 and** 2021 ~~and 2020~~ , respectively. The fluctuations in our RINs costs are due primarily to volatility in prices for ethanol- linked RINs and increases in our production of on- road transportation fuels since 2012. Our RINs purchase obligation is dependent on our actual shipment of on- road transportation fuels domestically and the amount of blending achieved which can cause variability in our profitability. On June ~~3~~ **21** , ~~2022~~ **2023** , EPA finalized the volumes of renewable fuels that obligated refineries must blend into their final petroleum fuels for years ~~2020~~ **2023** , ~~2021~~ **2024** , and ~~2022~~ **2025** ~~. On December 1~~ , **and finalized** ~~2022, EPA proposed~~ volume requirements and percentage standards under the RFS program for 2023, 2024, and 2025, as well as making a series of important modifications to strengthen and expand the RFS program. As a result, we could also experience fluctuating compliance costs in the future if the volumes finalized by EPA differ from what has been proposed. We may have capital needs for which our internally generated cash flows and other sources of liquidity may not be adequate. If we cannot generate sufficient cash flows or otherwise secure sufficient liquidity to support our short- term and long- term capital requirements, we may not be able to meet our payment obligations or our future debt obligations, comply with certain deadlines related to environmental regulations and standards, or pursue our business strategies, including acquisitions, in which case our operations may not perform as we currently expect. We have substantial short- term capital needs and may have substantial long- term capital needs. Our short- term working capital needs are primarily related to financing certain of our crude oil and refined products inventory ~~not covered by our various supply agreements and the Third Inventory Intermediation Agreement~~ . If we cannot adequately handle our crude oil and feedstock requirements or if we are required to obtain our crude oil supply at our other refineries without the benefit of the existing supply arrangements or the applicable counterparty defaults in its obligations, our crude oil pricing costs may increase as the number of days between when we pay for the crude oil and when the crude oil is delivered to us increases. **Following our early** ~~Termination~~ **termination** of ~~our~~ **the** Third Inventory Intermediation Agreement **, we will fund all future inventory purchases** with **existing** ~~J. Aron, which is currently scheduled to expire in 2024, would require us to finance the J. Aron Products covered by the agreement, which financing may not be available at terms that are as favorable or at all. We are obligated to repurchase from J. Aron all volumes of the J. Aron Products upon expiration or earlier termination of this agreement, which may have a material adverse impact on our liquidity,~~ working capital ~~and financial condition~~ **or other available sources of liquidity** . Further, if we are not able to market and sell our finished products to credit worthy customers, we may be subject to delays in the collection of our accounts receivable and exposure to additional credit risk. Such increased exposure could negatively impact our liquidity due to our increased working capital needs as a result of the increase in the amount of crude oil inventory and accounts receivable we would have to carry on our balance sheet. Our long- term needs for cash include those to repay our indebtedness and other contractual obligations, support ongoing capital expenditures for equipment maintenance and upgrades, including during turnarounds at our refineries, and to complete our routine and normally scheduled maintenance, regulatory and security expenditures. In addition, from time to time, we are required to spend significant amounts for repairs when one or more processing units experiences temporary shutdowns. We continue to utilize significant capital to upgrade equipment, improve facilities, and reduce operational, safety and environmental risks. In connection with the Paulsboro, Torrance and Martinez acquisitions, we assumed certain significant environmental obligations, and we have assumed a portion of certain environmental liabilities that may arise in connection with the Martinez acquisition and may similarly do so in future acquisitions. We will likely incur substantial compliance costs in connection with new or changing environmental, health and safety regulations. See " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations. " Our liquidity and financial condition will affect our ability to satisfy any and all of these needs or obligations. We may incur significant liability under, or costs and capital expenditures to comply with, regulatory, environmental and health and safety regulations, which are complex and change frequently. Our operations are subject to federal, state and local laws regulating, among other things, the use and / or handling of petroleum and other regulated materials, the emission and discharge of materials into the environment, waste management, and remediation of discharges of petroleum and petroleum products, characteristics and composition of gasoline and distillates and other matters otherwise relating to the protection of the environment and the health and safety of the surrounding community. Our operations are also subject to extensive laws and regulations relating to occupational health and safety. We cannot predict what additional environmental, health and safety legislation or regulations may be adopted in the future, or how existing or future laws or regulations may be administered or interpreted with respect to our operations. Many of these laws and regulations have become increasingly stringent over time, and the cost of compliance with these requirements can be expected to increase over time. In addition, a failure to comply with these laws and regulations could adversely impact our ability to operate. For example, **MRC is subject** ~~on July 21, 2021, the board of Bay Area Air Quality Management District (" BAAQMD ") voted~~ to ~~adopt~~ amendments to " Regulation 6- 5: Particulate Emissions from Refinery Fluidized Catalytic Cracking Units- 2021 Amendment " (" Rule 6- 5 Amendment ") requiring compliance with more stringent standards for particulate emissions from FCC units at refineries in the Bay Area that will be effective in 2026. **Although MRC believes** ~~The regulation does not require~~ that **it will achieve compliance through** ~~any specific technology be utilized to meet~~ the ~~new standards. The costs incurred~~ **alternative emissions monitoring system (" AEMS ") approved** by ~~us to achieve~~ the **Bay Area Air Quality Management District (" BAAQMD ")** ~~new emissions standards at our Martinez refinery within the required timeframe may be significant,~~ and **subject to validation as part of the settlement agreement entered into on February 12, 2024,** there can be no assurance that the **AEMS** ~~measures we implement~~ will **be validated or** achieve the required emissions reductions **or that we** ~~. Additionally, On September 16, 2022, the state of California enacted SB 1322, The California Oil Refinery Cost Disclosure Act. Effective in 2023, this bill~~ will **not incur significant additional costs to comply** ~~require operators of refineries in the state that produce gasoline meeting California specifications, within~~ -- **with** ~~30 days of~~ the **Rule 6- 5 Amendment** ~~end of each calendar month, to submit to the State Energy Resources Conservation and Development Commission certain information regarding petroleum sales volumes and prices~~ . Certain environmental laws impose strict, and in certain circumstances, joint and several, liability for costs of investigation and cleanup of spills, discharges or releases on owners and operators of, as well as persons who arrange for treatment or disposal of regulated materials at, contaminated sites. Under these laws, we may incur liability or be required to pay penalties for past contamination, and third parties may assert claims against us for damages allegedly arising out of any past or future contamination. The potential penalties and clean- up costs for past or future spills, discharges or releases, the failure of prior owners of our facilities to complete their clean- up obligations, the liability to third parties for damage to their property, or the need to address newly- discovered information or conditions that may require a response could be significant, and the payment of these amounts could have a material adverse effect on our business, financial condition, cash flows and results of operations. **See also " Recent record refining industry profits have raised the concern of public policy experts and federal and state policymakers, who have questioned whether these profits are justified, or whether they constituted a " windfall " to the industry and have enacted or could enact legislation that could adversely affect our operations and our profitability " risk factor below for additional regulatory risks that are not environmental, health or safety- related.** Potential further laws and regulations related to climate change could have a material adverse impact on our operations and adversely affect our facilities. Some scientists have concluded that increasing concentrations of GHGs in the Earth' s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, floods and other climatic events. We believe the issue of climate change will likely continue to receive scientific and political attention, with the potential for further laws and regulations that could materially adversely affect our ongoing operations. In addition, as many of our facilities are located near coastal areas, rising sea levels may disrupt our ability to operate those facilities or transport crude oil and refined products. Extended periods of such disruption could have an adverse effect on our results of operation. We could also incur substantial costs to protect or repair these facilities. Regulation of emissions of greenhouse gases could force us to incur increased capital expenditures and operating costs and could have a material adverse effect on our results of operations and financial condition. Both houses of Congress have actively considered legislation to reduce emissions of GHGs, such as carbon dioxide and methane, including proposals to: (i) establish a cap and trade system, (ii) create a federal renewable energy or " clean " energy standard requiring electric utilities to provide a certain percentage of power from such sources, and (iii) create enhanced incentives for use of renewable energy and increased efficiency in energy supply and use. In addition, EPA is taking steps to regulate GHGs under the existing federal Clean Air Act. EPA has ~~already~~ adopted regulations limiting emissions of GHGs from motor vehicles, **and is currently proposing new mobile source regulations further limiting GHG emissions for light- and medium- duty vehicles and heavy- duty highway vehicles. EPA has also adopted regulations** addressing the permitting of GHG emissions from stationary sources, and requiring the reporting of GHG emissions from specified large GHG emission sources, including refineries. These and similar regulations could require us to incur costs to monitor and report GHG emissions or reduce emissions of GHGs associated with our operations. In addition, various states, individually as well as in some cases on a regional basis, have taken steps to control GHG emissions, including adoption of GHG reporting requirements, cap and trade systems and renewable portfolio standards (such as AB 32). On September 23, 2020 the Governor of California issued an executive order effectively banning the sale of new gasoline- powered passenger cars and trucks by 2035 and requiring zero-emission medium to heavy duty vehicles by 2045 everywhere feasible. The executive order requires state agencies to build out sufficient electric vehicle charging infrastructure. It is not possible at this time to predict the ultimate form, timing or extent of federal or state regulation. In the event we do incur increased costs as a result of increased efforts to control GHG emissions, we may not be able to pass on any of these costs to our customers. Regulatory requirements also could adversely affect demand for the refined products that we produce. Any increased costs or reduced demand could materially and adversely affect our business and results of operations. Requirements to reduce emissions could result in increased costs to operate and maintain our facilities as well as implement and manage new emission controls and programs put in place. For example, in September 2016, the state of California enacted Senate Bill 32 **,** which further reduces greenhouse gas emissions targets to 40 percent below 1990 levels by 2030. Two regulations implemented to achieve these goals are Cap- and- Trade and the ~~Low Carbon Fuel Standard ("~~ LCFS ~~")~~. In 2012, CARB implemented Cap- and- Trade. This program currently places a cap on GHGs and we are required to acquire a sufficient number of credits to cover emissions from our refineries and our in- state sales of gasoline and diesel. In 2009, CARB adopted the LCFS, which required a 10 % reduction in the carbon intensity of gasoline and diesel by 2020. In 2018, CARB amended the LCFS to require a 20 % reduction by 2030. Compliance is achieved through blending lower carbon intensity biofuels into gasoline and diesel or by purchasing credits. Compliance with each of these programs is facilitated through a market- based credit system. If sufficient credits are unavailable for purchase or we are unable to pass through costs to our customers, we have to pay a higher price for credits or if we are otherwise unable to meet our compliance obligations, our financial condition and results of operations could be adversely affected. As noted above, on September 23, 2020, the California Governor issued Executive Order N- 79- 20 (" N- 79- 20 Order ") intended to further reduce GHGs within the state. The N- 79-20 Order sets a 2035 goal of no sale of internal combustion engines for passenger cars and pickup trucks within California, and a 2045 goal of no sale of internal combustion engine medium- and heavy- duty trucks, and off- road vehicles and equipment. However, the N- 79- 20 Order would still allow used internal combustion engine vehicles to be used and sold after these dates. In an effort to accomplish the 2035 goal, on August 25, 2022, ~~the~~ CARB voted unanimously to adopt the Advanced Clean Cars II (" ACCII ") regulations. According to CARB, the ACCII regulations will rapidly scale down light- duty passenger car, truck, and SUV emissions starting with the 2026 model year through 2035. The regulations are two- pronged. First, they amend the California Zero- emission Vehicle Regulation to require an increasing number of zero- emission vehicles, and rely on advanced vehicle technologies, including battery- electric, hydrogen fuel cell electric, and plug- in hybrid electric vehicles, to meet air quality and climate change emissions standards. Second, the regulations amend the California Low- emission Vehicle Regulations to include increasingly stringent standards for gasoline cars and heavier passenger trucks to continue to reduce smog- forming emissions while the sector transitions toward 100 % electrification by 2035 **. Similar to the ACCII, on April 28, 2023, CARB voted unanimously to adopt the Advanced Clean Fleet (" ACF ") regulations with the goal of achieving a zero- emission truck and bus fleet by 2045 everywhere feasible, and significantly earlier for certain market segments such as last mile delivery and drayage applications. The initial focus of ACF is on high- priority fleets with vehicles that are suitable for early electrification, their subhaulers, and entities that hire them** . As to the 2045 goal, it is currently uncertain how the N- 79- 20 Order may be ultimately implemented by various California regulatory agencies. In the event we do incur increased costs as a result of increased efforts to control GHG emissions through future adopted regulatory requirements, we may not be able to pass these costs to our customers. These future regulatory requirements also could adversely affect demand for the refined products that we produce. Any increased costs or reduced demand could materially and adversely affect our business and results of operations. Environmental clean- up and remediation costs of our sites and environmental litigation, including related to climate change, could decrease our net cash flow, reduce our results of operations and impair our financial condition. We may be subject to liability for the investigation and clean- up of environmental contamination at each of the properties that we own, lease, occupy or operate and at off- site locations where we arrange for the treatment or disposal of regulated materials. We may become involved in litigation or other proceedings related to the foregoing. If we were to be held responsible for damages in any such litigation or proceedings, such costs may not be covered by insurance and may be material. Historical soil and groundwater contamination has been identified at our refineries. Currently, remediation projects for such contamination are underway in accordance with regulatory requirements at our refineries. In connection with the acquisitions of certain of our refineries and logistics assets, the prior owners have retained certain liabilities or indemnified us for certain liabilities, including those relating to pre- acquisition soil and groundwater conditions, and in some instances we have assumed certain liabilities and environmental obligations, including certain existing and potential remediation obligations. If the prior owners fail to satisfy their obligations for any reason, or if significant liabilities arise in the areas in which we assumed liability, we may become responsible for remediation expenses and other environmental liabilities, which could have a material adverse effect on our business, financial condition, results of operations and cash flow. As a result, in addition to making capital expenditures or incurring other costs to comply with environmental laws, we also may be liable for significant environmental litigation or for investigation and remediation costs and other liabilities arising from the ownership or operation of these assets by prior owners, which could materially adversely affect our business, financial condition, results of operations and cash flow. See " Item 1. Business — Environmental, Health and Safety Matters " and " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Material Cash Requirements ". We may also face liability arising from current or future claims alleging personal injury or property damage due to exposure to chemicals or other regulated materials, such as various perfluorinated compounds, including perfluorooctanoate, perfluorooctane sulfonate, perfluorohexane sulfonate, or other per- and polyfluoroalkyl substances (collectively, " PFAS "), asbestos, benzene, silica dust and petroleum hydrocarbons, at or from our facilities. We may also face liability for personal injury, property damage, natural resource damage or clean- up costs for the alleged migration of contamination from our properties. A significant increase in the number or success of these claims could materially adversely affect our business, financial condition, results of operations and cash flow. Recently, we have been voluntarily cooperating with various local, state and federal agencies in their review of the environmental and health effects of PFAS and additional PFAS- related laws may be developed at the local, state and federal level that could lead to our incurring liability for damages or other costs, civil or criminal proceedings, the imposition of fines and penalties, or other remedies or otherwise affect our business. Governmental inquiries or lawsuits involving PFAS could lead to our incurring liability for damages or other costs, civil or criminal proceedings, the imposition of fines and penalties, or other remedies, as well as restrictions on or added costs for our business operations going forward, including in the form of restrictions on discharges at our manufacturing facilities or otherwise. We may be subject to asserted or unasserted claims and governmental regulatory proceedings and inquiries related to the use of PFAS in a variety of jurisdictions. Changes in law or interpretation of settled law and changes in policy, including with respect to climate change, other environmental regulations or regulations mandating efficiency standards or the use of alternative fuels or uncompetitive fuel components, could adversely affect our operations and results by increasing our cost of compliance, delaying or eliminating available business opportunities and / or preventing or limiting existing operations. Our operations also may give rise to federal, state or local government enforcement proceedings alleging non- compliance with applicable laws or regulations. We operate in jurisdictions where very large and unpredictable punitive damage awards may occur in the context of litigation. Private plaintiffs may also initiate legal action against us for alleged environmental impacts. These parties may attempt to use the legal system to promote public policy agendas (including seeking to reduce the production and sale of hydrocarbon products through litigation targeting the company or other industry participants), gain political notoriety, or obtain monetary awards from the company. For example, in recent years, private litigation has been increasingly initiated against oil and gas companies by local and state agencies and private parties alleging climate change impacts arising from their operations and seeking damages and equitable relief. We have not had any climate change litigation initiated against us to date and we cannot reasonably predict whether any such litigation will be initiated against us or, if initiated, what the outcome would be. If any such litigation were to be initiated against us, at a minimum, we would incur legal and other expenses to defend such lawsuits, which amounts ~~may~~ **could** be significant. If we failed to prevail in any such litigation and were required to pay significant damages and / or materially alter the manner in which we conduct our business, there could be a material adverse impact on our operations, financial condition or results of operations. Our pipelines are subject to federal and / or state regulations, which could reduce profitability and the amount of cash we generate. Our transportation activities are subject to regulation by multiple governmental agencies. The regulatory burden on the industry increases the cost of doing business and affects profitability. Additional proposals and proceedings that affect the oil industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission, the United States Department of Transportation, and the courts. We cannot predict when or whether any such proposals may become effective or what impact such proposals may have. Projected operating costs related to our pipelines reflect the recurring costs resulting from compliance with these regulations, and these costs may increase due to future acquisitions, changes in regulation, changes in use, or discovery of existing but unknown compliance issues. **Recent** ~~Record~~ **record** refining industry profits have raised the concern of public policy experts and federal and state policymakers, who have questioned whether these profits are **justified, or whether they constituted a " windfall " to the industry and have enacted or could enact legislation that could adversely affect our operations and our profitability. Beginning in 2022, record refining industry profits raised the concern of many public policy experts and federal and state policymakers, who have questioned whether these profits were** justified, or whether they constituted a " windfall " to the industry and have proposed legislation that if enacted could adversely affect our profitability. In **September** 2022, ~~record~~ **California adopted Senate Bill No. 1322 (" SB 1322 "), which requires refineries in California to report monthly on the volume and cost of the crude oil they buy, the quantity and price of the wholesale gasoline they sell, and the gross gasoline margin per barrel, among other information. The provisions of SB 1322 were effective January 2023. In March 2023, California adopted Senate Bill No. 2 (such statute, together with any regulations contemplated or issued thereunder, " SBx 1- 2 "), which, among other things, (i) authorized the establishment of a**

maximum gross gasoline refining **margin and the imposition of a financial penalty for profits above a maximum gross gasoline refining margin, (ii) significantly expanded the reporting obligations under SB 1322 and the Petroleum Industry Information Reporting Act of 1980, which include reporting requirements to the California Energy Commission (" CEC ") for all participants in the petroleum** industry **supply chain in California (e. g.** ~~profits have raised the concern of many public policy experts and federal and state policymakers~~ , **refiners** ~~who have questioned whether these profits were justified~~ , ~~or whether~~ **marketers, importers, transporters, terminals, producers, renewables producers, pipelines, and ports), (iii) created** ~~they~~ **the** ~~constituted a " windfall "~~ **Division of Petroleum Market Oversight within the CEC to analyze the data provided under SBx 1- 2, and (iv) authorized the CEC to regulate the timing and other aspects of refinery turnaround and maintenance activities in certain instances. SBx 1- 2 imposes increased and substantial reporting requirements, which include daily, weekly, monthly, and annual reporting of detailed operational and financial data on all aspects of our operations in California. The operational data includes any plans for turnaround and maintenance activities at our** ~~to~~ **two California refineries and** the ~~industry~~ **way we expect to address the potential impacts on feedstock and product inventories in California as a result of such turnaround and maintenance activities. The provisions of SBx 1- 2 became effective June 26, 2023. In September 2023, the Governor of the State of California directed the CEC to begin the regulatory processes concerning (i) potential penalties for exceeding a maximum gross gasoline refining margin and (ii) the timing of refinery turnarounds and maintenance. Consequently, the CEC adopted** ~~and~~ **an** ~~have proposed legislation~~ **order requiring an informational proceeding on a maximum gross gasoline refining margin and penalty under SBx 1- 2. It also adopted an order initiating rulemaking activity under SBx 1- 2** that **will be focused** ~~if enacted could adversely affect our profitability. In particular,~~ on ~~December 5, 2022, the Governor of the State of California proposed a bill that would impose a penalty on oil refiners~~ **refinery maintenance and turnarounds** ~~in the State of California based on what the State determines to be excessive profits~~ . To the extent that **the CEC establishes a maximum gross gasoline refining margin and imposes a financial penalty for profits above** such **maximum gross gasoline refining margin, our financial results and profitability could be adversely affected. Our results of operations and our financial performance could also be adversely impacted to the extent that restrictions on turnaround and maintenance activities are imposed by the CEC. We cannot reasonably predict the impact that the full implementation of SBx1- 2 will have on our California operations or our Company nor can we predict the impact that similarly focused** legislation ~~is enacted in California~~ or **actions** ~~similar legislation is enacted~~ in ~~any of the~~ other jurisdictions in which we operate our refineries **may have. The recently adopted legislation in California** , **and the future enactment of similar legislation in any of the other jurisdictions could adversely impact** our business, results of operations, profitability and cash ~~flows could be adversely impacted~~ . We could incur substantial costs or disruptions in our business if we cannot obtain or maintain necessary permits and authorizations or otherwise comply with health, safety, environmental and other laws and regulations. Our operations require numerous permits and authorizations under various laws and regulations. These authorizations and permits are subject to revocation, renewal or modification and can require operational changes to limit impacts or potential impacts on the environment and / or health and safety. A violation of authorization or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, permit revocations, injunctions, and / or facility shutdowns. In addition, major modifications of our operations could require modifications to our existing permits or upgrades to our existing pollution control equipment. Any or all of these matters could have a negative effect on our business, results of operations and cash flows. We may incur significant liabilities under, or costs and capital expenditures to comply with, health, safety, environmental and other laws and regulations, which are complex and change frequently. Our operations are subject to federal, state and local laws regulating, among other things, the handling of petroleum and other regulated materials, the emission and discharge of materials into the environment, waste management, and remediation of discharges of petroleum and petroleum products, characteristics and composition of gasoline and distillates and other matters otherwise relating to the protection of the environment. Our operations are also subject to extensive laws and regulations relating to occupational health and safety, in addition to laws and regulations affecting the transportation of crude oil by rail in North America. We cannot predict what additional environmental, health and safety legislation or regulations may be adopted in the future, or how existing or future laws or regulations may be administered or interpreted with respect to our operations. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. Certain environmental laws impose strict, and in certain circumstances joint and several liability for, costs of investigation and cleanup of such spills, discharges or releases on owners and operators of, as well as persons who arrange for treatment or disposal of regulated materials at contaminated sites. Under these laws, we may incur liability or be required to pay penalties for past contamination, and third parties may assert claims against us for damages allegedly arising out of any past or future contamination. The potential penalties and clean- up costs for past or future releases or spills, the failure of prior owners of our facilities to complete their clean- up obligations, the liability to third parties for damage to their property, or the need to address newly- discovered information or conditions that may require a response could be significant, and the payment of these amounts could have a material adverse effect on our business, financial condition and results of operations. **We** ~~Our pending renewable diesel project may not commence operations when we expect, or at all, and, if completed, we~~ may not be able to successfully integrate the **operations of** ~~renewable diesel project into our business, consummate the proposed joint venture or~~ **our** ~~realize the anticipated benefits of this investment. The completion of the renewable business project is subject to the successful incorporation of certain existing idled assets at the Chalmette refinery, along with a newly- constructed pre- treatment unit to establish a 20, 000 bpd renewable diesel production facility, with the goal of being in production in the first half of 2023. Concurrent with our activities to progress the project, we entered into a definitive agreement with Eni Sustainable Mobility, a subsidiary of Eni SpA (" Eni ") to partner in a~~ 50- 50 **equity method investment into our business, or realize the anticipated benefits of this investment. On June 27, 2023, we closed on the** ~~joint~~ **jointly** ~~venture,~~ **held investment in** SBR **,** which ~~will own~~ **owns** the ~~renewable~~ **Renewable** ~~diesel~~ **Diesel** ~~facility~~ **Facility** ~~upon~~

~~consummation of the transaction~~ , ~~which~~ **together with our partner, Eni. Following** ~~is~~ **its completion** ~~subject to customary closing conditions~~ , ~~including regulatory approvals. There can be no assurance that~~ we ~~will close the transaction or complete the renewable diesel project on the timeframe that we anticipate, or at all. Failure to complete the renewable diesel project or any delays in completing it could have an adverse impact on our future business and operations. In addition, we will have incurred significant capital and investment- related expenses without realizing the expected benefits. Additionally, if the renewable diesel project is completed and / or the proposed joint venture closes, we will~~ have certain obligations and liabilities **related** to **SBR** ~~the joint venture~~ as the construction manager, operator and provider of services. Further, **SBR is** ~~if the proposed transaction closes, the joint venture will be~~ operated as a separate entity and we ~~will~~ **do** not fully control its operations. There can be no assurance that we will realize the anticipated benefits and operating synergies of the ~~renewable~~ **Renewable** ~~diesel~~ **Diesel** ~~facility~~ **Facility** or the ~~joint venture~~ **equity method investment** . Our estimates regarding the earnings, operating cash flow, capital expenditures and liabilities resulting from this investment may prove to be incorrect. This ~~project~~ **equity method investment** involves risks, including: • diversion of management time and attention from our existing business; • reliance on **Eni** ~~our joint venture partner~~ and their financial condition; • risk that **Eni** ~~our joint venture partner~~ does not always share our goals and objectives; and • certain obligations that we have to fund capital expenditures relating to this ~~project~~ **investment** . Enhanced scrutiny on ESG matters and developments related to climate change may negatively impact our business and our access to capital markets. Enhanced scrutiny on ESG matters may impact our business as it relates to the use of refined products, climate change, increasing public expectations on companies to address climate change, and potential use of substitutes or replacements to our products may result in increased costs, reduced demand for our products, reduced profits, increased regulations and litigation, and adverse impacts on our stock price and access to capital markets. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform and advise their investment and voting decisions. Also, some stakeholders may advocate for divestment of fossil fuel investments and encourage lenders to limit funding to companies engaged in the manufacturing of refined products. Unfavorable ESG ratings and investment community divestment initiatives may lead to negative investor and public sentiment toward the Company and to the diversion of capital from our industry, which could have a negative impact on our stock price and our access to, and costs of, capital. This scrutiny, coupled with changes in consumer behavior, attitudes and preferences with respect to the generation and consumption of energy and the use of fossil fuels, may continue to result in (a) the enactment of climate change related regulations, policies and initiatives, including alternative energy requirements, (b) further technological advances related to the generation, storage and consumption of energy through alternative methods such as wind and solar and (c) increased demand for and / or availability of non- fossil fuel energy sources and related consumer products such as electric **and hybrid** vehicles and renewable power supplies. These developments may also lead to reduced demand for our products, a reduction in our revenue, higher costs and an overall decrease in our profitability. Additionally, increased attention and scrutiny regarding climate change has resulted in increased investor attention and an increased risk of public and private litigation, which could increase our costs and / or otherwise negatively affect our operations and overall profitability, and cause the market price of our Class A common stock to decline ~~. We may fail to realize the anticipated benefits of the Merger Transaction. On November 30, 2022, we completed the Merger Transaction, pursuant to which PBF Energy and PBF LLC acquired all of the publicly held common units in PBFX representing limited partner interests in the MLP not already owned by certain wholly- owned subsidiaries of PBF Energy and its affiliates. As a result of the Merger Transaction, PBFX became an indirect wholly- owned subsidiary of PBF Energy and PBF LLC. The Merger Transaction involves a number of significant risks and uncertainties that may adversely affect us, including: our inability to realize anticipated synergies or other expected benefits or cost savings; failure to successfully integrate systems, business processes, policies and procedures; exposure to unforeseen costs; higher than anticipated transaction costs; potential loss of key employees, suppliers or customers; and other challenges associated with managing the larger, more complex and integrated businesses. Many of these factors will be outside of our control and any one of these factors could materially impact our business, financial condition and results of operations. These benefits may not be achieved within the anticipated time frame, or at all. Additional unanticipated costs may be incurred in the integration of the businesses. All of these factors could negatively impact the price of our Class A common stock. As a result, we cannot assure you that the Merger Transaction will result in the realization of the benefits anticipated from the transaction~~ . Some of our competitors may have a competitive advantage by providing alternative energy sources or by owning their own retail sites. We compete with other companies and industries that may provide alternative means to satisfy fuel and energy requirements to their customers or own their own retail network. The refining industry is highly competitive with respect to petroleum product capacity and feedstock supply. We compete with many companies for available supplies of crude oil and other feedstocks, and for third- party retail outlets for our refined petroleum products. Such companies that produce alternative energy sources or own their own retail sites may be better positioned to deal with changes in refining capacity, depressed refining margins or feedstock shortages. We may be negatively affected by the rate of inflation and its impact on the global economy. Current inflation within the economy has resulted in increased interest rates and capital costs, contributed to supply shortages, increased the cost of living and labor, and other related items. As a result of inflation, which may continue, we expect **to continue** to encounter higher increases in the cost of feedstocks, labor, materials, and other inputs necessary in the refining of crude oil and other feedstocks. Although we may take actions to counteract the impacts of inflation, if these actions are not effective it could have a material adverse effect on our business, results of operations and financial condition. Additionally, higher future inflation or concerns of a recession could impact the demand for our products and services. We may not be able to obtain funding on acceptable terms or at all **, including** because of volatility and uncertainty in the credit and capital markets. This may hinder or prevent us from meeting our future capital needs. In the past, global financial markets and economic conditions have been, and may again be, subject to disruption and volatile due to a variety of factors, including uncertainty in the financial services sector, low consumer confidence, falling commodity prices, geopolitical issues and generally weak economic conditions. In addition, the fixed income **and bank** markets could experience periods of extreme volatility that may negatively impact market liquidity conditions. As a result, the cost of raising money in the debt and equity capital markets could increase substantially at times while the availability of funds from those markets diminishes significantly. In particular, as a result of concerns about the stability of financial markets generally, which may be subject to unforeseen disruptions, the cost of obtaining money from the credit markets may increase as many lenders and institutional investors increase interest rates, enact tighter lending standards, refuse to refinance existing debt on similar terms or at all and reduce or, in some cases, cease to provide funding to borrowers. Due to these factors, we cannot be certain that new debt or equity financing will be available on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due. Moreover, without adequate funding, we may be unable to execute our ~~growth~~ **business** strategy, complete future acquisitions **or growth projects** , take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our revenues and results of operations. Any political instability, military strikes, sustained military campaigns, terrorist activity, changes in foreign policy, or other catastrophic events could have a material adverse effect on our business, results of operations and financial condition. U. S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and Russia' s military action in Ukraine starting in February 2022 **, the outbreak of armed hostilities in the middle east and disruptions in international shipping resulting from recent attacks by armed groups on cargo ships in the Red Sea** . Although the length and impact of ~~the~~ **these** ongoing military ~~conflict~~ **conflicts** is highly unpredictable, ~~the~~ **these** ~~war~~ **wars have** ~~in Ukraine has~~ led to market disruptions, including significant volatility in the financial markets and the global macroeconomic and geopolitical environment. Furthermore, a protracted conflict between Ukraine and Russia, or any escalation of ~~that~~ **this** conflict, may result in additional financial and economic sanctions and import and / or export controls imposed on Russia by the United States, the UK, the EU, Canada and others, such as the ~~recent~~ **United States ban on import of Russian oil effective March 8, 2022 and the** EU ban on oil products from Russia effective February 5, 2023, which may have adverse impacts on the wider global economy and market conditions and could, in turn, have a material adverse impact on our business, financial condition, cash flows and results of operations and could cause the market value of PBF Energy' s Class A common stock to decline. Any further political instability, military strikes, sustained military campaigns, terrorist activity, changes in foreign policy in areas or regions of the world where we acquire crude oil and other raw materials or sell our refined products may affect our business in unpredictable ways, including forcing us to increase security measures and causing disruptions of supplies and distribution markets. We may also be subject to United States trade and economic sanctions laws, which change frequently as a result of foreign policy developments, and which may necessitate changes to our crude oil acquisition activities. Further, like other industrial companies, our facilities may be the target of terrorist activities or subject to catastrophic events such as natural disasters and pandemic illness. Any act of war, terrorism, or other catastrophic events that resulted in damage to, or otherwise disrupts the operating activities of, any of our refineries or third- party facilities upon which we are dependent for our business operations could have a material adverse effect on our business, results of operations and financial condition. A cyber- attack on, or other failure of, our technology infrastructure could affect our business and assets, and have a material adverse effect on our financial condition, results of operations and cash flows. We are becoming increasingly dependent on our technology infrastructure and certain critical information systems which process, transmit and store electronic information, including information we use to safely and effectively operate our respective assets and businesses. These information systems include data network and telecommunications, internet access, our websites, and various computer hardware equipment and software applications, including those that are critical to the safe operation of our refineries and logistics assets. We have invested, and expect to continue to invest, significant time, manpower and capital in our technology infrastructure and information systems. These information systems are subject to damage or interruption from a number of potential sources including natural disasters, software viruses or other malware, power failures, cybersecurity threats to gain unauthorized access to sensitive information, cyber- attacks, which may render data systems unusable, and physical threats to the security of our facilities and infrastructure. Additionally, our business is highly dependent on financial, accounting and other data processing systems and other communications and information systems, including our enterprise resource planning tools. We process a large number of transactions on a daily basis and rely upon the proper functioning of computer systems. Furthermore, we rely on information systems across our respective operations, including the management of supply chain and various other processes and transactions. As a result, a disruption on any information systems at our refineries or logistics assets, may cause disruptions to our collective operations. The potential for such security threats or system failures has subjected our operations to increased risks that could have a material adverse effect on our business. To the extent that these information systems are under our control, we have implemented measures such as virus protection software, emergency recovery processes and a formal disaster recovery plan to address the outlined risks. However, security measures for information systems cannot be guaranteed to be failsafe, and our formal disaster recovery plan and other implemented measures may not prevent delays or other complications that could arise from an information systems failure. If a key system were hacked or otherwise interfered with by an unauthorized user, or were to fail or experience unscheduled downtime for any reason, even if only for a short period, or any compromise of our data security or our inability to use or access these information systems at critical points in time, it could unfavorably impact the timely and efficient operation of our business, damage our reputation and subject us to additional costs and liabilities. The increase in companies and individuals working remotely has increased the frequency and scope of cyber- attacks and the risk of potential cybersecurity incidents, both deliberate attacks and unintentional events. While, to date, we have not had a significant cybersecurity breach or attack that had a material impact on our business or results of operations, if we were to be subject to a material successful cyber intrusion, it could result in remediation or service restoration costs, increased cyber protection costs, lost revenues, litigation or regulatory actions by governmental authorities, increased insurance premiums, reputational damage and damage to our competitiveness, financial condition, results of operations and cash flows. Cyber- attacks against us or others in our industry could result in additional regulations, and U. S. government warnings have indicated that infrastructure assets, including pipelines, may be specifically targeted by certain groups. These attacks include, without limitation, malicious software, ransomware, attempts to gain unauthorized access to data, and other electronic security breaches. These attacks may be perpetrated by state- sponsored groups, “ hacktivists ”, criminal organizations or private individuals (including employee malfeasance). Current efforts by the federal government, including the Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure executive order, the issuance of new cybersecurity requirements for critical pipeline owners and operators issued by the Department of Homeland Security’ s Transportation Security Administration following a cyber- attack on a major petroleum pipeline in 2021, and any potential future regulations could lead to increased regulatory compliance costs, insurance coverage cost or capital expenditures. We cannot predict the potential impact to our business or the energy industry resulting from additional regulations. Further, our business interruption insurance may not compensate us adequately for losses that may occur. We do not carry insurance specifically for cybersecurity events; however, certain of our insurance policies may allow for coverage for a cyber- event resulting in ensuing property damage from an otherwise insured peril. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position, results of operations and cash flows. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur. Competition from companies that produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial and other resources than we do could materially and adversely affect our business and results of operations. Our refining operations compete with domestic refiners and marketers in regions of the United States in which we operate, as well as with domestic refiners in other regions and foreign refiners that import products into the United States. In addition, we compete with other refiners, producers and marketers in other industries that ~~supply~~ **provide means to satisfy** ~~their~~ -- **the** ~~own renewable fuels or alternative forms of~~ energy and ~~fuels~~ - **fuel** ~~to satisfy the~~ requirements of our industrial, commercial and individual consumers. Certain of our competitors have larger and more complex refineries, and may be able to realize lower per- barrel costs or higher margins per barrel of throughput. Several of our principal competitors are integrated national or international oil companies that are larger and have substantially greater resources than we do and access to proprietary sources of controlled crude oil production. Unlike these competitors, we obtain substantially all of our feedstocks from unaffiliated sources. We are not engaged in the petroleum exploration and production business and therefore do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. Because of their integrated operations and larger capitalization, these companies may be more flexible in responding to volatile industry or market conditions, such as shortages of crude oil supply and other feedstocks or intense price fluctuations and they may also be able to obtain more favorable trade credit terms. Newer or upgraded refineries will often be more efficient than our refineries, which may put us at a competitive disadvantage. We have taken significant measures to maintain our refineries including the installation of new equipment and redesigning older equipment to improve our operations. However, these actions involve significant uncertainties, since upgraded equipment may not perform at expected throughput levels, the yield and product quality of new equipment may differ from design specifications and modifications may be needed to correct equipment that does not perform as expected. Any of these risks associated with new equipment, redesigned older equipment or repaired equipment could lead to lower revenues or higher costs or otherwise have an adverse effect on future results of operations and financial condition. Over time, our refineries or certain refinery units may become obsolete, or be unable to compete, because of the construction of new, more efficient facilities by our competitors. We must make substantial capital expenditures on our operating facilities to maintain their reliability and efficiency. If we are unable to complete capital projects at their expected costs and / or in a timely manner, or if the market conditions assumed in our project economics deteriorate, our financial condition, results of operations or cash flows could be materially and adversely affected. Delays or cost increases related to capital spending programs involving engineering, procurement and construction of new facilities (or improvements and repairs to our existing facilities and equipment, including turnarounds) could adversely affect our ability to achieve targeted internal rates of return and operating results. Such delays or cost increases may arise as a result of unpredictable factors in the marketplace, many of which are beyond our control, including: • denial or delay in obtaining regulatory approvals and / or permits; • unplanned increases in the cost of construction materials or labor; • disruptions in transportation of modular components and / or construction materials; • severe adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills) affecting our facilities, or those of vendors and suppliers; • shortages of sufficiently skilled labor, or labor disagreements resulting in unplanned work stoppages; • market- related increases in a project’ s debt or equity financing costs; and / or • non- performance or force majeure by, or disputes with, vendors, suppliers, contractors or sub- contractors involved with a project. Our refineries contain many processing units, a number of which have been in operation for many years. Equipment, even if properly maintained, may require significant capital expenditures and expenses to keep it operating at optimum efficiency. One or more of the units may require unscheduled downtime for unanticipated maintenance or repairs that are more frequent than our scheduled turnarounds for such units. Scheduled and unscheduled maintenance could reduce our revenues during the period of time that the units are not operating. Our forecasted internal rates of return are also based upon our projections of future market fundamentals, which are not within our control, including changes in general economic conditions, inflation, slow growth, recession, impact of new regulations, available alternative supply and customer demand. Any one or more of these factors could have a significant impact on our business. If we were unable to make up the delays associated with such factors or to recover the related costs, or if market conditions change, it could materially and adversely affect our financial position, results of operations or cash flows. We are subject to strict laws and regulations regarding employee and process safety, and failure to comply with these laws and regulations could have a material adverse effect on our results of operations, financial condition and profitability. We are subject to the requirements of the OSHA, and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA requires that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees, state and local governmental authorities, and local residents. Failure to comply with OSHA requirements, including general industry standards, process safety standards and control of occupational exposure to regulated substances, could result in claims against us that could have a material adverse effect on our results of operations, financial condition and the cash flows of the business if we are subjected to significant fines or compliance costs. Product liability and operational liability claims and litigation could adversely affect our business and results of operations. Product liability and liability arising from our operations are significant risks. Substantial damage awards have been made in certain jurisdictions against manufacturers and resellers of petroleum products based upon claims for injuries and property damage caused by the use of or exposure to various products. Failure of our products to meet required specifications or claims that a product is inherently defective could result in product liability claims from third parties, including our shippers and customers, and also arise from contaminated or off- specification product in commingled pipelines and storage tanks and / or defective fuels. We may also be subject to personal injury claims arising from incidents that occur in connection with or relating to our operations. Product liability and personal injury claims against us could have a material adverse effect on our business, financial condition or results of operations. Compliance with and changes in tax laws could adversely affect our performance. We are subject to extensive tax liabilities, including federal, state, local and foreign taxes such as income, excise, sales / use, payroll, franchise, property, gross receipts, withholding and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations, such as the IRA, are continuously being enacted or proposed and could result in increased expenditures for tax liabilities in the future. These liabilities are subject to periodic audits by the respective taxing authorities, which could increase our tax liabilities. Subsequent changes to our tax liabilities as a result of these audits may also subject us to interest and penalties. There can be no certainty that our federal, state, local or foreign taxes could be passed on to our customers. Acquisitions **or other investments** that we may undertake in the future involve a number of risks, any of which could cause us not to realize the anticipated benefits. We may not be successful in acquiring additional assets **or making investments in new business** , and any acquisitions **or other investments** that we do consummate may not produce the anticipated benefits or may have adverse effects on our business and operating results. We may selectively consider strategic acquisitions **and other investments** in the future within the refining ~~and~~ **,** mid- stream **and renewable diesel or alternative energy** ~~sector~~ **sectors** based on performance through the cycle, advantageous access to crude oil supplies, attractive refined products market fundamentals and access to distribution and logistics infrastructure. **For example, we are part of Mid- Atlantic Clean Hydrogen Hub (“ MACH2 ”), a broad consortium exploring the development of a clean energy and logistics hub on 2, 500 acres adjacent to our Delaware City refinery, that was selected by the Department of Energy to receive up to $ 750. 0 million to advance the development of a clean hydrogen production and distribution hub. In connection with MACH2, we are considering investments in renewable electricity, green hydrogen production, development of 10 million square feet of distribution warehouses and office space, and hydrogen fueling facilities for a large fleet of medium duty trucks.** Our ability to ~~do so~~ **acquire additional assets or invest in new businesses** will be dependent upon a number of factors, including our ability to identify acceptable acquisition ~~candidates~~ **or investment opportunities** , consummate acquisitions **or other investments** on acceptable terms, successfully integrate acquired assets and obtain financing to fund acquisitions and to support our growth and many other factors beyond our control. Risks associated with acquisitions **and other investments** include those relating to the diversion of management time and attention from our existing business, liability for known or unknown environmental conditions or other contingent liabilities and greater than anticipated expenditures required for compliance with environmental, safety or other regulatory standards or for investments to improve operating results, and the incurrence of additional indebtedness to finance acquisitions or capital expenditures relating to acquired assets. We may also enter into transition services agreements in the future with sellers of any additional refineries we acquire **or otherwise invest in** . Such services may not be performed timely and effectively, and any significant disruption in such transition services or unanticipated costs related to such services could adversely affect our business and results of operations. In addition, it is likely that, when we acquire **or otherwise invest in** refineries, we will not have access to the type of historical financial information that we will require regarding the prior operation of the refineries. As a result, it may be difficult for investors to evaluate the probable impact of significant acquisitions **or other investments** on our financial performance until we have operated the acquired refineries for a substantial period of time. A portion of our workforce is unionized, and we may face labor disruptions that would interfere with our operations. Most hourly employees at our refineries are covered by collective bargaining agreements through the USW, the IOW and the IBEW. These agreements are scheduled to expire on various dates in 2024 through 2028 (See “ Item 1. Business ”- Employees). Future negotiations prior to the expiration of our collective agreements may result in labor unrest for which a strike or work stoppage is possible. Strikes and / or work stoppages could negatively affect our operational and financial results and may increase operating expenses at the refineries. Our business may suffer if any of our senior executives or other key employees discontinues employment with us. Furthermore, a shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity. Our future success depends to a large extent on the services of our senior executives and other key employees. Our business depends on our continuing ability to recruit, train and retain highly qualified employees in all areas of our operations, including engineering, accounting, business operations, finance and other key back- office and mid- office personnel. Furthermore, our operations require skilled and experienced employees with proficiency in multiple tasks. The competition for these employees is intense, and the loss of these executives or employees could harm our business. If any of these executives or other key personnel resigns or becomes unable to continue in his or her present role and is not adequately replaced, our business operations could be materially adversely affected. Our hedging activities may limit our potential gains, exacerbate potential losses and involve other risks. We may enter into commodity derivatives contracts to hedge our crude price risk or crack spread risk with respect to a portion of our expected gasoline and distillate production on a rolling basis or to hedge our exposure to the price of natural gas, which is a significant component of our refinery operating expenses. Consistent with that policy we may hedge some percentage of our future crude and natural gas supply. We may enter into hedging arrangements with the intent to secure a minimum fixed cash flow stream on the volume of products hedged during the hedge term and to protect against volatility in commodity prices. Our hedging arrangements may fail to fully achieve these objectives for a variety of reasons, including our failure to have adequate hedging arrangements, if any, in effect at any particular time and the failure of our hedging arrangements to produce the anticipated results. We may not be able to procure adequate hedging arrangements due to a variety of factors. Moreover, such transactions may limit our ability to benefit from favorable changes in crude oil, refined product and natural gas prices. In addition, our hedging activities may expose us to the risk of financial loss in certain circumstances, including instances in which: • the volumes of our actual use of crude oil or natural gas or production of the applicable refined products is less than the volumes subject to the hedging arrangement; • accidents, interruptions in feedstock transportation, inclement weather or other events cause unscheduled shutdowns or otherwise adversely affect our refineries, or those of our suppliers or customers; • changes in commodity prices have a material impact on collateral and margin requirements under our hedging arrangements, resulting in us being subject to margin calls; • the counterparties to our derivative contracts fail to perform under the contracts; or • a sudden, unexpected event materially impacts the commodity or crack spread subject to the hedging arrangement. As a result, the effectiveness of our hedging strategy could have a material impact on our financial results. See " Item 7A. Quantitative and Qualitative Disclosures About Market Risk. " In addition, these hedging activities involve basis risk. Basis risk in a hedging arrangement occurs when the price of the commodity we hedge is more or less variable than the index upon which the hedged commodity is based, thereby making the hedge less effective. For example, a New York Mercantile Exchange index used for hedging certain volumes of our crude oil or refined products may have more or less variability than the actual cost or price we realize for such crude oil or refined products. We may not hedge all the basis risk inherent in our hedging arrangements and derivative contracts. Our commodity derivative activities could result in period- to- period earnings volatility. We do not currently apply hedge accounting to any of our commodity derivative contracts and, as a result, unrealized gains and losses will be charged to our earnings based on the increase or decrease in the market value of such unsettled positions. These gains and losses may be reflected in our income statement in periods that differ from when the ~~settlement~~ **settlements** of the underlying hedged items are reflected in our income statement. Such derivative gains or losses in earnings may produce significant period- to- period earnings volatility that is not necessarily reflective of our underlying operational performance. Our indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under our indebtedness. Our indebtedness may significantly affect our financial flexibility in the future. As of December 31, ~~2022~~ **2023** , we have total debt of $ 1, ~~995~~ **298** . ~~3~~ **4** million, excluding unamortized deferred debt issuance costs of $ ~~36~~ **52** . ~~2~~ **5** million ~~and our PBF LLC Affiliate note payable with PBF Energy that eliminates in consolidation at the PBF Energy level~~ , and we could incur additional borrowings under our **PBF Holding' s asset- based revolving** credit ~~facilities~~ **facility (the " Revolving Credit Facility ")** . We may incur additional indebtedness in the future including additional secured indebtedness, subject to the satisfaction of any debt incurrence and, if applicable, lien incurrence limitation covenants in our existing financing agreements ~~. Although we were in compliance with incurrence covenants during the year ended December 31, 2022, to the extent that any of our activities triggered these covenants, there are no assurances that conditions could not change significantly, and that such changes could adversely impact our ability to meet some of these incurrence covenants at the time that we needed to. Failure to meet the incurrence covenants could impose certain incremental restrictions on, among other matters, our ability to incur new debt (including secured debt) and also may limit the extent to which we may pay future dividends, make new investments, repurchase our stock or incur new liens~~ . The level of our indebtedness has several important consequences for our future operations, including that: • a portion of our cash flow from operations will be dedicated to the payment of principal of, and interest on, our indebtedness and will not be available for other purposes; • under certain circumstances, covenants contained in our existing debt arrangements limit our ability to borrow additional funds, dispose of assets and make certain investments; • in certain circumstances these covenants also require us to meet or maintain certain financial tests, which may affect our flexibility in planning for, and reacting to, changes in our industry, such as being able to take advantage of acquisition opportunities when they arise; • our ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate and other purposes may be limited; and • we may be at a competitive disadvantage to those of our competitors that are less leveraged; and we may be more vulnerable to adverse economic and industry conditions. Our indebtedness increases the risk that we may default on our debt obligations, certain of which contain cross- default and / or cross- acceleration provisions. Our, and our subsidiaries', ability to meet future principal obligations will be dependent upon our future performance, which in turn will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control. Our business may not continue to generate sufficient cash flow from operations to repay our indebtedness. If we are unable to generate sufficient cash flow from operations, we may be required to sell assets, to refinance all or a portion of our indebtedness or to obtain additional financing. Refinancing may not be possible and additional financing may not be available on commercially acceptable terms, or at all. We may not be able to secure necessary financing on acceptable terms, or at all. We currently have notes outstanding with ~~varying~~ maturity dates ~~beginning in 2025 and ending~~ in 2028 **and 2030** . Additionally, **our** ~~the PBF Holding' s asset- based revolving credit facility (the "~~ Revolving Credit Facility **matures** ~~") and the PBFX amended and restated revolving credit facility (the " PBFX Revolving Credit Facility ") have maturity dates~~ in ~~2025~~ **2028** ~~and 2023, respectively~~ . We can make no assurance that we will be able to refinance these agreements on acceptable terms prior to their maturity dates. Market disruptions or other credit factors, such as rising inflation and higher interest rates, **may** ~~are expected to~~ increase our cost of borrowing or adversely affect our ability to refinance our obligations as they become due. Further, ESG concerns and other pressures on the oil and gas industry could lead to increased costs of financing or limit our access to the capital markets. If we are unable to refinance our indebtedness or access additional credit, or if short- term or long- term borrowing costs significantly increase, our ability to finance current operations and meet our short-term and long- term obligations could be adversely affected. Despite our level of indebtedness, we and our subsidiaries may be able to incur substantially more debt, which could exacerbate the risks described above. We and our subsidiaries **are** ~~may be~~ able to incur additional indebtedness in the future including additional secured or unsecured debt. Although our debt instruments and financing arrangements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. To the extent new debt is added to our current debt levels, the leverage risks described above would increase. Also, these restrictions do not prevent us from incurring obligations that do not constitute indebtedness. Our future credit ratings could adversely affect our business, the cost of our borrowing, and our ability to obtain credit in the future. Changes in our credit profile could affect the way crude oil and other suppliers view our ability to make payments and induce them to shorten the payment terms for our purchases or require us to post security or letters of credit prior to payment. Due to the large dollar amounts and volume of our crude oil and other feedstock purchases, any imposition by these suppliers of more burdensome payment terms on us may have a material adverse effect on our liquidity and our ability to make payments to our suppliers. This, in turn, could **reduce our access to supply and** cause us to be unable to operate one or more of our refineries at full capacity. The 6. 0 % senior unsecured notes due 2028 (the " 2028 Senior Notes ") and the 7. ~~25~~ **875** % senior unsecured notes due ~~2025~~ **2030** (the " ~~2025~~ **2030** Senior Notes ") are rated ~~B1~~ **Ba3** by Moody' s, BB by S & P, and BB ~~–~~by Fitch. Any adverse changes in our credit ratings may negatively impact the terms of credit we receive from our suppliers and require us to prepay or post collateral. Additionally, adverse actions taken by the rating agencies on our corporate credit rating or the rating of our notes may increase our cost of borrowings or hinder our ability to raise financing in the capital markets or have an unfavorable impact on the credit terms we have with our suppliers, which could impair our ability to grow our business, ~~increase our~~ **maintain adequate levels of** liquidity and make cash distributions to our shareholders. Restrictive covenants in our debt instruments, including the indentures governing our notes, may limit our ability to undertake certain types of transactions, which could adversely affect our business, financial condition, results of operations and our ability to service our indebtedness. Various covenants in our current and future debt instruments and other financing arrangements, including the indentures governing our notes, may restrict our and our subsidiaries' financial flexibility in a number of ways. Our current indebtedness and the indentures that govern our notes subject us to significant financial and other restrictive covenants, including restrictions on our ability to incur additional indebtedness, place liens upon assets, pay dividends or make certain other restricted payments and investments, consummate certain asset sales or asset swaps, conduct businesses other than our current businesses, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our assets. Some of our debt instruments also require our subsidiaries to satisfy or maintain certain financial condition tests in certain circumstances. Our ability to meet these financial condition tests can be affected by events beyond our control and we may not meet such tests. In addition, a failure to comply with the provisions of our existing debt could result in an event of default that could enable our lenders, subject to the terms and conditions of such debt, to declare the outstanding principal, together with accrued interest, to be immediately due and payable. Events beyond our control may affect our ability to comply with our covenants. If we were unable to repay the accelerated amounts, our lenders could proceed against the collateral granted to them to secure such debt. If the payment of our debt is accelerated, defaults under our other debt instruments, if any, may be triggered, and our assets may be insufficient to repay such debt in full. Provisions in our indentures and other agreements could discourage an acquisition of us by a third- party. Certain provisions of our indentures could make it more difficult or more expensive for a third- party to acquire us. Upon the occurrence of certain transactions constituting a " change of control " as described in the indentures governing the ~~2025~~ **2028** Senior Notes and the ~~2028~~ **2030** Senior Notes, holders of our notes could require us to repurchase all outstanding notes at 101 % of the principal amount thereof, plus accrued and unpaid interest, if any, at the date of repurchase. Certain other significant agreements of ours such as our agreement governing the Revolving Credit Facility (the " Revolving Credit Agreement ") ~~,~~ **and the** Tax Receivable Agreement (as defined below) ~~and the Third Intermediation Agreement with J. Aron~~ also contain provisions related to a change in control that could make it more difficult or expensive for a third- party to acquire us. Risks Related to Our Organizational Structure and PBF Energy Class A Common Stock PBF Energy is the managing member of PBF LLC and its only material asset is its interest in PBF LLC. Accordingly, PBF Energy depends upon distributions from PBF LLC and its subsidiaries to pay its taxes, meet its other obligations and / or pay dividends in the future. PBF Energy is a holding company **,** and all of its operations are conducted through subsidiaries of PBF LLC. PBF Energy has no independent means of generating revenue and no material assets other than its ownership interest in PBF LLC. We depend on the earnings and cash flow of our subsidiaries to meet our obligations, including our indebtedness, tax liabilities and obligations to make payments under a tax receivable agreement entered into with PBF LLC Series A and PBF LLC Series B unitholders (the " Tax Receivable Agreement "). If we do not receive such cash distributions, dividends or other payments from our subsidiaries, we may be unable to meet our obligations and / or pay dividends. PBF Energy, as the sole managing partner of PBF LLC, may cause PBF LLC to make distributions to its members in an amount sufficient to enable PBF Energy to cover all applicable taxes at assumed tax rates, to make payments owed by PBF Energy under the Tax Receivable Agreement, and to pay other obligations and dividends, if any, declared by PBF Energy. To the extent we need funds and any of our subsidiaries is restricted from making such distributions under applicable law or regulation or under the terms of our financing or other contractual arrangements, or is otherwise unable to provide such funds, such restrictions could materially adversely affect our liquidity and financial condition. The Revolving Credit Facility, the 2028 Senior Notes, the ~~2025~~ **2030** Senior Notes, and certain of our other outstanding debt arrangements include a restricted payment covenant, which restricts the ability of PBF Holding to make distributions to us, and we anticipate our future debt will contain a similar restriction ~~. The PBFX Revolving Credit Facility also contains covenants that limit or restrict PBFX' s ability and the ability of its restricted subsidiaries to make distributions and other restricted payments and restrict PBFX' s ability to incur liens and enter into burdensome agreements~~ . In addition, there may be restrictions on payments by our subsidiaries under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits. For example, PBF Holding is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of the limited liability company (with certain exceptions) exceed the fair value of its assets ~~, and PBFX is subject to a similar prohibition~~ . As a result, we may be unable to obtain that cash to satisfy our obligations and make payments to PBF Energy stockholders, if any. The rights of other members of PBF LLC may conflict with the interests of PBF Energy Class A common stockholders. The interests of the other members of PBF LLC, which include current and former directors and officers, may not in all cases be aligned with PBF Energy Class A common stockholders' interests. For example, these members may have different tax positions ~~which~~ **that** could influence their positions, including regarding whether and when we dispose of assets and whether and when we incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to PBF Energy Class A common stockholders or us. See " Certain Relationships and Related Transactions — IPO Related Agreements " in our ~~2023~~ **2024** Proxy Statement incorporated herein by reference. Under the Tax Receivable Agreement, PBF Energy is required to pay the former and current holders of PBF LLC Series A Units and PBF LLC Series B Units **, or other permitted assignees,** for certain realized or assumed tax benefits PBF Energy may claim arising in connection with prior offerings and future exchanges of PBF LLC Series A Units for shares of its Class A common stock and related transactions. The indentures governing the senior notes allow PBF LLC, under certain circumstances, to make distributions sufficient for PBF Energy to pay its obligation under the Tax Receivable Agreement. PBF Energy is party to a Tax Receivable Agreement that provides for the payment from time to time by PBF Energy to the current and former holders of PBF LLC Series A Units and PBF LLC Series B Units **, or other permitted assignees,** of 85 % of the benefits, if any, that PBF Energy is deemed to realize as a result of (i) the increases in tax basis resulting from its acquisitions of PBF LLC Series A Units, including such acquisitions in connection with its prior offerings or in the future and (ii) certain other tax benefits related to its entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. See " Item 13. Certain Relationships and Related Transactions, and Director Independence. " PBF Energy has recognized, as of December 31, ~~2022~~ **2023** , a **total** liability for the Tax Receivable Agreement of $ ~~338~~ **336** . 6 million, ~~reflecting the estimated undiscounted amounts that PBF Energy expects~~ **of which $ 43. 0 million is recorded as a current liability and was paid in January 2024 related** to ~~pay under~~ the ~~agreement~~ **2022 tax year** . As future taxable income is recorded, increases in our Tax Receivable Agreement liability may be necessary in conjunction with the revaluation of deferred tax assets. If PBF Energy does not have taxable income, PBF Energy generally is not required (absent a change of control or circumstances requiring an early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no benefit will have been actually realized. However, any tax benefits that do not result in realized benefits in a given tax year will likely generate tax attributes that may be utilized to generate benefits in previous or future tax years. The utilization of such tax attributes will result in payments under the Tax Receivable Agreement. The foregoing are merely estimates based on assumptions that are subject to change due to various factors, including, among other factors, the timing of exchanges of PBF LLC Series A Units for shares of PBF Energy Class A common stock as contemplated by the Tax Receivable Agreement, the price of PBF Energy Class A common stock at the time of such exchanges, the extent to which such exchanges are taxable, and the amount and timing of PBF Energy' s income. The actual payments under the Tax Receivable Agreement could differ materially. It is possible that future transactions or events could increase the actual tax benefits realized and the corresponding Tax Receivable Agreement payments. There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the Tax Receivable Agreement exceed the actual benefits PBF Energy realizes in respect of the tax attributes subject to the Tax Receivable Agreement, and / or (ii) distributions to PBF Energy by PBF LLC are not sufficient to permit PBF Energy, after it has paid its taxes and other obligations, to make payments under the Tax Receivable Agreement. The payments under the Tax Receivable Agreement are not conditioned upon any recipient' s continued ownership of us. In certain cases, payments by PBF Energy under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits it realizes in respect of the tax attributes subject to the Tax Receivable Agreement. These provisions may deter a change in control of the Company. The Tax Receivable Agreement provides that upon certain changes of control, or if, at any time, PBF Energy elects an early termination of the Tax Receivable Agreement, PBF Energy' s (or its successor' s) obligations with respect to exchanged or acquired PBF LLC Series A Units (whether exchanged or acquired before or after such transaction) would be based on certain assumptions, including (i) that PBF Energy would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the Tax Receivable Agreement and (ii) that the subsidiaries of PBF LLC will sell certain nonamortizable assets (and realize certain related tax benefits) no later than a specified date. Moreover, in each of these instances, PBF Energy would be required to make an immediate payment equal to the present value (at a discount rate equal to ~~the London Interbank Offering Rate ("~~ LIBOR ~~")~~ plus 100 basis points) of the anticipated future tax benefits (based on the foregoing assumptions). Accordingly, payments under the Tax Receivable Agreement may be made years in advance of the actual realization, if any, of the anticipated future tax benefits and may be significantly greater than the actual benefits PBF Energy realizes in respect of the tax attributes subject to the Tax Receivable Agreement. In these situations, PBF Energy' s obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity. PBF Energy may not be able to finance its obligations under the Tax Receivable Agreement and its existing indebtedness may limit its subsidiaries' ability to make distributions to PBF Energy to pay these obligations. These provisions may deter a potential sale of our Company to a third- party and may otherwise make it less likely that a third- party would enter into a change of control transaction with us. Moreover, payments under the Tax Receivable Agreement will be based on the tax reporting positions that PBF Energy determines in accordance with the Tax Receivable Agreement. PBF Energy will not be reimbursed for any payments previously made under the Tax Receivable Agreement if the IRS subsequently disallows part or all of the tax benefits that gave rise to such prior payments. As a result, in certain circumstances, payments could be made under the Tax Receivable Agreement that are significantly in excess of the benefits that PBF Energy actually realized in respect of (i) the increases in tax basis resulting from our purchases or exchanges of PBF LLC Series A Units and (ii) certain other tax benefits related to PBF Energy entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. PBF Energy cannot assure you that it will continue to declare dividends or have the available cash to make dividend payments. Although PBF Energy currently intends to continue to pay quarterly cash dividends on its Class A common stock, the declaration, amount and payment of any dividends will be at the sole discretion of our Board of Directors. PBF Energy is not obligated under any applicable laws, its governing documents or any contractual agreements with its existing and prior owners or otherwise to declare or pay any dividends or other distributions (other than the obligations of PBF LLC to make tax distributions to its members). Our Board of Directors may take into account, among other things, general economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, plans for expansion, including acquisitions, tax, legal, regulatory and contractual restrictions and implications, including under our subsidiaries' outstanding debt documents, and such other factors as our Board of Directors may deem relevant in determining whether to declare or pay any dividend. Because PBF Energy is a holding company with no material assets (other than the equity interests of its direct subsidiary), its cash flow and ability to pay dividends is dependent upon the financial results and cash flows of its indirect subsidiaries PBF Holding and PBFX and their respective operating subsidiaries and the distribution or other payment of cash to it in the form of dividends or otherwise. The direct and indirect subsidiaries of PBF Energy are separate and distinct legal entities and have no obligation to make any funds available to it other than in the case of certain intercompany transactions. As a result, if PBF Energy does not declare or pay dividends you may not receive any return on an investment in PBF Energy Class A common stock unless you sell PBF Energy Class A common stock for a price greater than that which you paid for it. Anti- takeover and certain other provisions in our certificate of incorporation and bylaws and Delaware law may discourage or delay a change in control. Our certificate of incorporation and bylaws contain provisions ~~which~~ **that** could make it more difficult for stockholders to effect certain corporate actions. Among other things, these provisions: • authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval; • prohibit stockholder action by written consent; • restrict certain business combinations with stockholders who obtain beneficial ownership of a certain percentage of our outstanding common stock; • provide that special meetings of stockholders may be called only by the chairman of the Board of Directors, the chief executive officer or the Board of Directors, and establish advance notice procedures for the nomination of candidates for election as directors or for proposing matters that can be acted upon at stockholder meetings; and • provide that our stockholders may only amend our bylaws with the approval of 75 % or more of all of the outstanding shares of our capital stock entitled to vote. These anti-takeover provisions and other provisions of Delaware law may have the effect of delaying or deterring a change of control of our ~~company~~ **Company** . Certain provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. These provisions could limit the price that certain investors might be willing to pay in the future for shares of PBF Energy Class A common stock. The market price of PBF Energy Class A common stock may be volatile, and you could lose all or part of your investment. ~~.~~ The market price of PBF Energy Class A common stock has in the past been and may continue to be highly volatile and subject to wide fluctuations due to a number of factors including: • market conditions in the oil refining industry and volatility in commodity prices; • changes in, or failure to meet, earnings estimates of securities analysts; • variations in actual or anticipated operating results or dividends, if any, to stockholders; • the impact of disruptions to crude or feedstock supply to any of our refineries **or our Renewable Diesel Facility** , including disruptions due to problems with third- party logistics infrastructure; • litigation and government investigations; • the timing and announcement of any potential acquisitions or divestitures and subsequent impact of any future acquisitions or divestitures on our capital structure, financial condition or results of operations; • changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof; • general economic and stock market conditions; and • the availability for sale, or sales by PBF Energy or its senior management, of a significant number of shares of its Class A common stock in the public market. In recent years, the stock market in general, and the market for energy companies in particular, has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. In addition, the stock markets generally may experience significant volatility, often unrelated to the operating performance of the individual companies whose securities are publicly- traded. These and other factors may cause the market price of PBF Energy Class A common stock to decrease significantly, which in turn would adversely affect the value of your investment. In the past, following periods of volatility in the market price of a company' s securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and a diversion of management' s attention and resources, which could significantly harm our profitability and reputation. Our current stockholders could experience dilution, which could further depress the price of our Class A common stock. We continue to require substantial working capital to fund our business. We may sell equity securities or convertible securities or other derivative securities in the public or private markets ~~if we continue~~ to ~~need~~ **assist in funding our** capital **needs** ~~, and~~ even when conditions or terms are not otherwise favorable, including at prices at or below the then current market price of our shares of Class A common stock. As a result, stockholders may experience substantial dilution, and the market price of our Class A common stock could decline as a result of the introduction of a large number of shares of our Class A common stock, or securities convertible into or exchangeable or exercisable for our Class A common stock, into the market or the perception that these sales could occur. Sales of a large number of shares of our Class A common stock, or securities convertible into or exchangeable or exercisable for our Class A common stock, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. In addition, any equity securities we issue may have rights, preferences or privileges senior to those of our Class A common stock, and our current debt agreements contain, and any agreements for future debt or preferred equity financings, if available, are likely to contain, covenants limiting or restricting our ability to take specific actions, such as incurring additional debt. Holders of Class A common stock are not entitled to preemptive rights or other protections against dilution. Because our decision to issue securities in any future offering will depend on our capital needs as well as market conditions and other factors beyond ~~om~~ **our** control, we cannot predict or estimate the amount, timing, nature or impact of future issuances, if any. Our Class A common stockholders bear the risk of our future offerings reducing the per share market price of our Class A common stock. PBF Energy will be required to pay taxes on its share of taxable income from PBF LLC and its other subsidiary flow- through entities, regardless of the amount of cash distributions PBF Energy receives from PBF LLC. The holders of limited liability company interests in PBF LLC, including PBF Energy, generally have to include for purposes of calculating their U. S. federal, state and local income taxes their share of any taxable income of PBF LLC, regardless of whether such holders receive cash distributions from PBF LLC. PBF Energy ultimately may not receive cash distributions from PBF LLC equal to its share of the taxable income of PBF LLC or even equal to the actual tax due with respect to that income.