



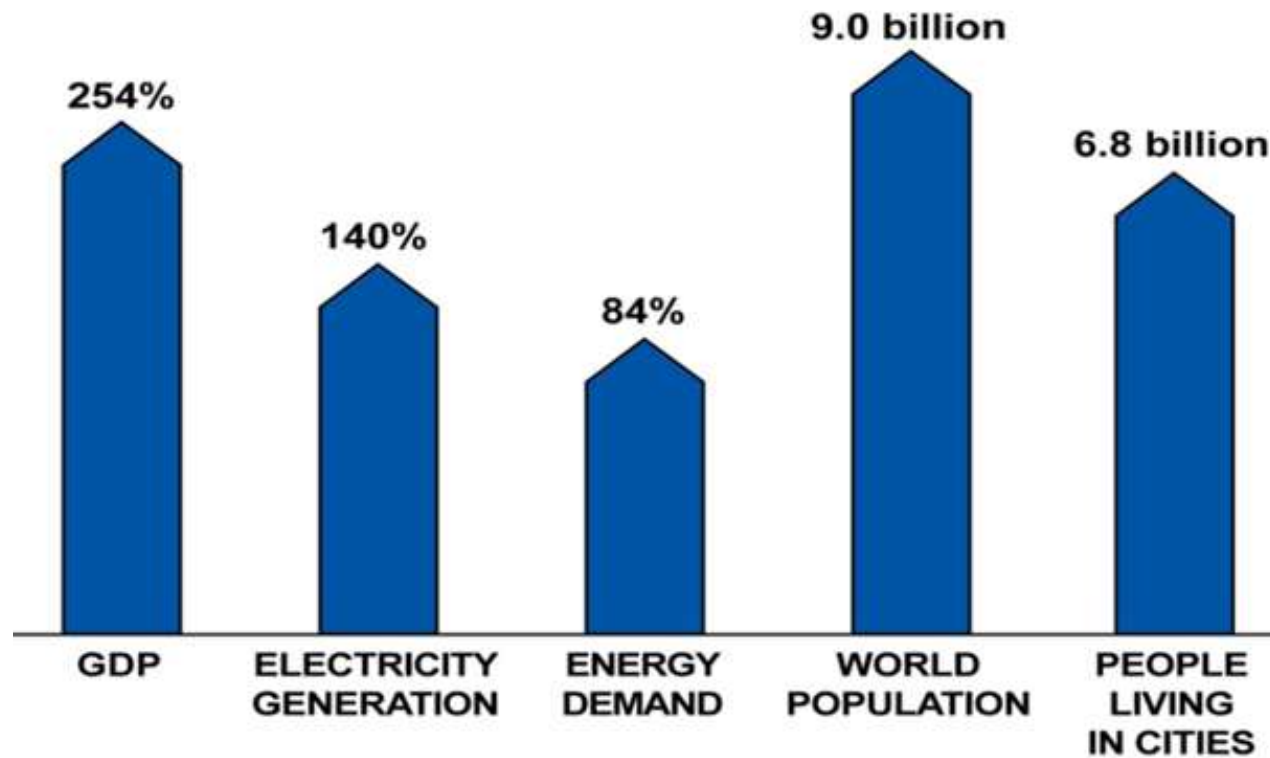
OUR ENERGY POLICY

April 25, 2018

Karen A. Harbert

“Situational Awareness”

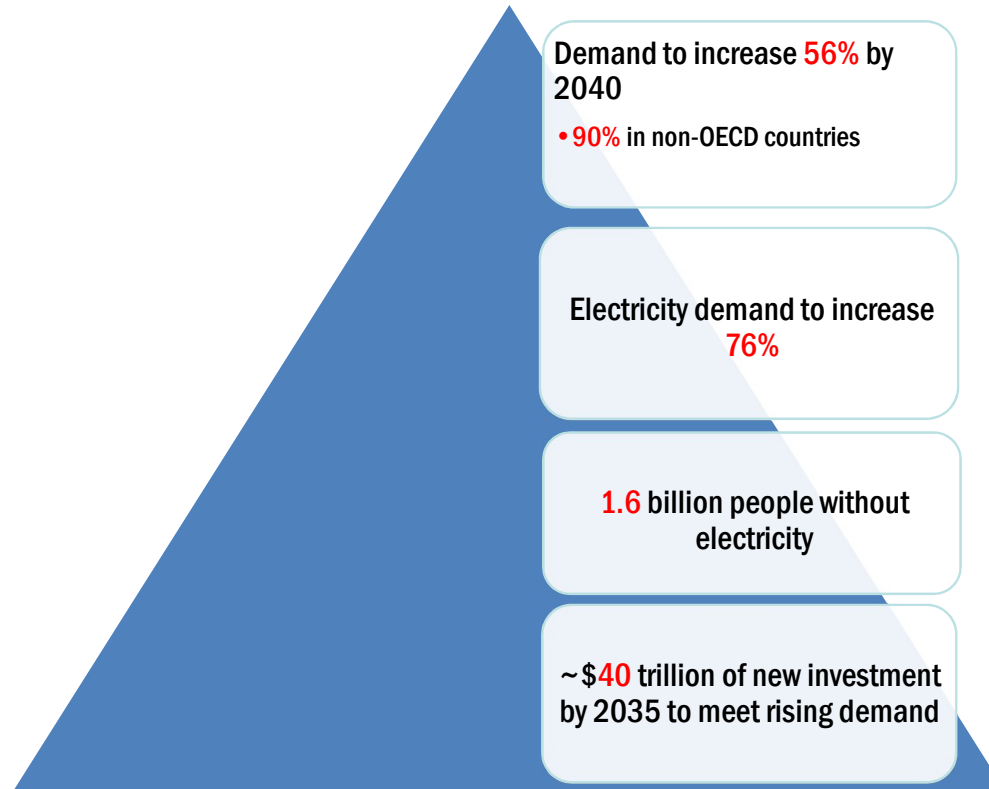
Monumental Changes by 2050



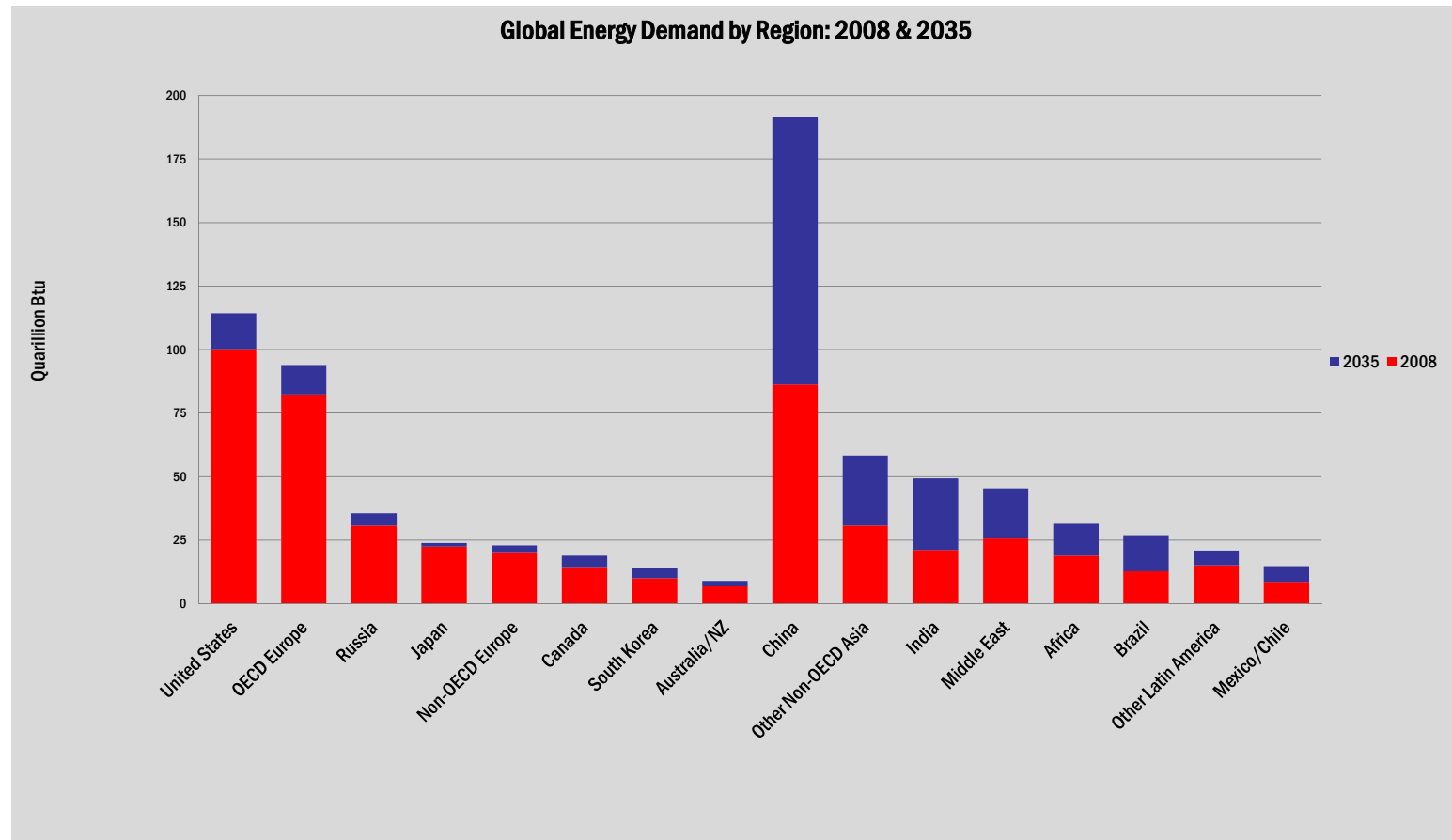


The New Energy Reality

Energy Security is central to our national and economic security

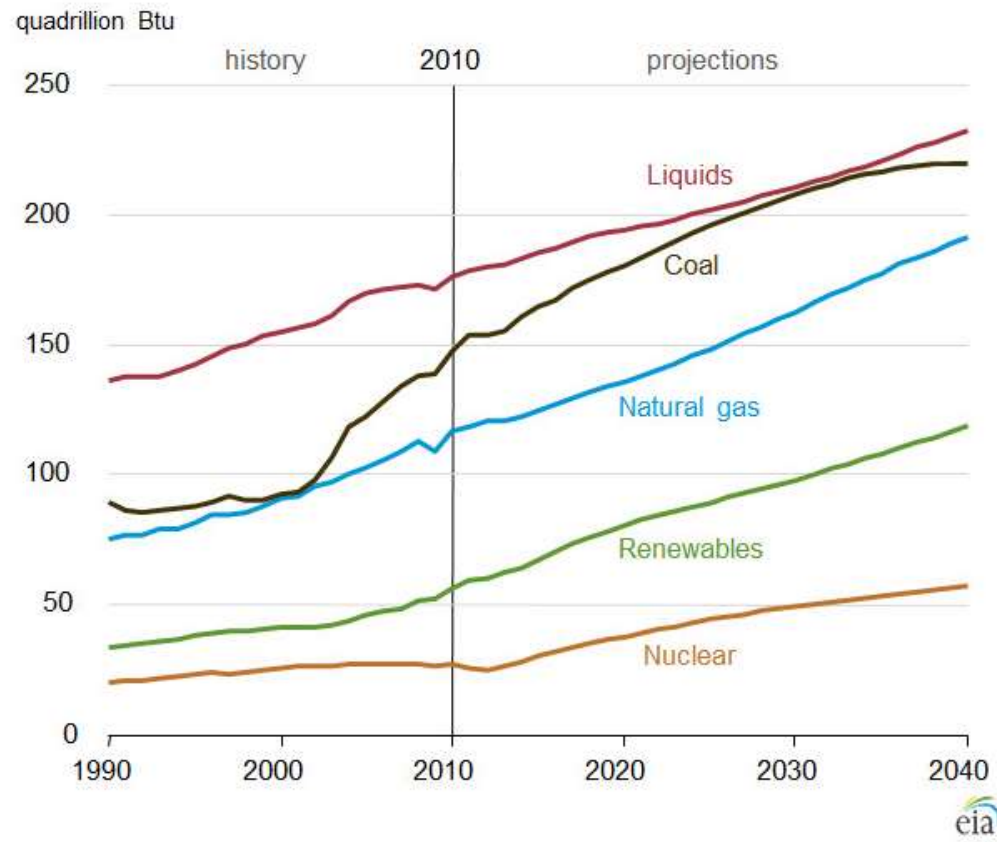


An Inconvenient Energy Truth

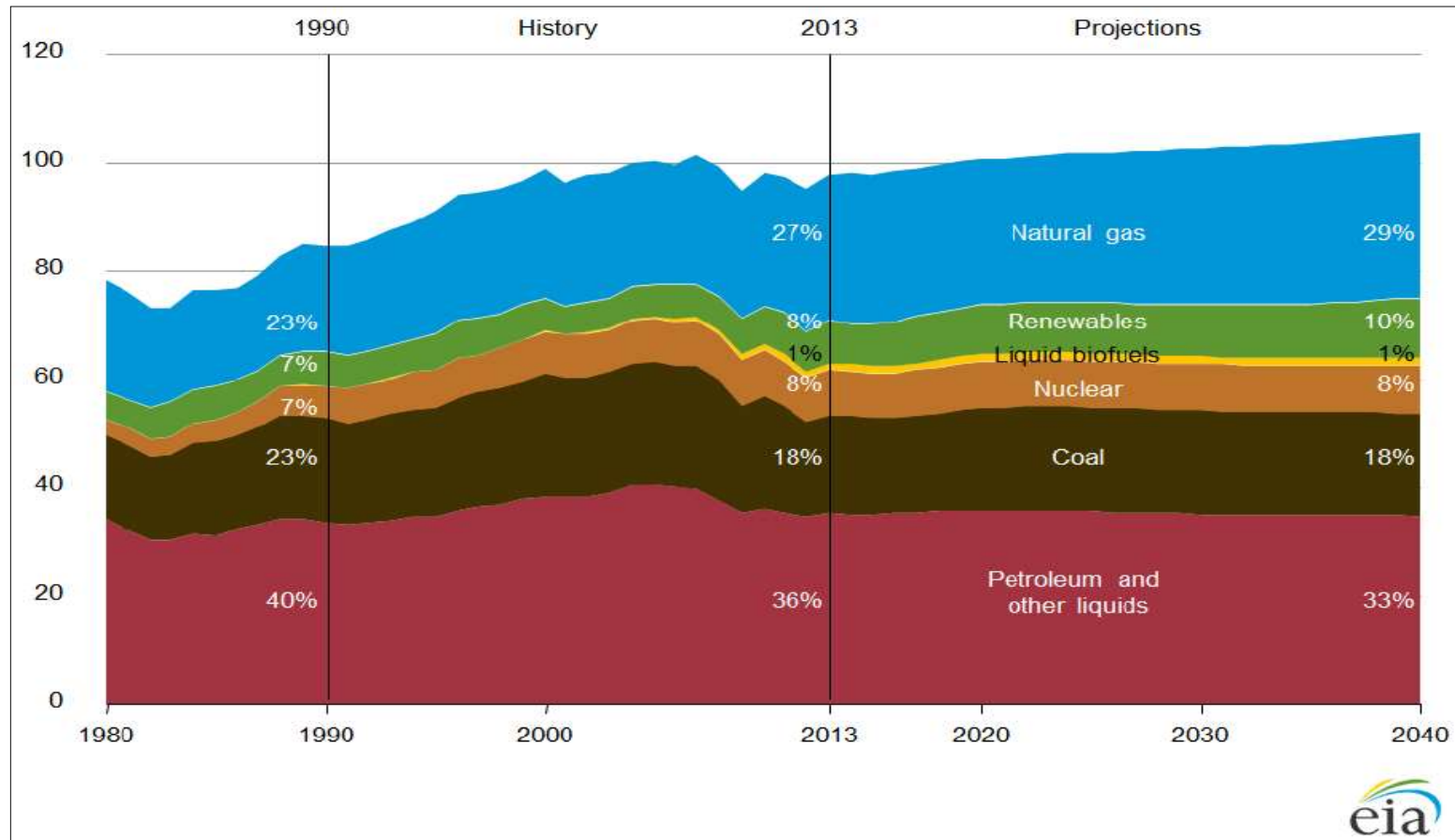


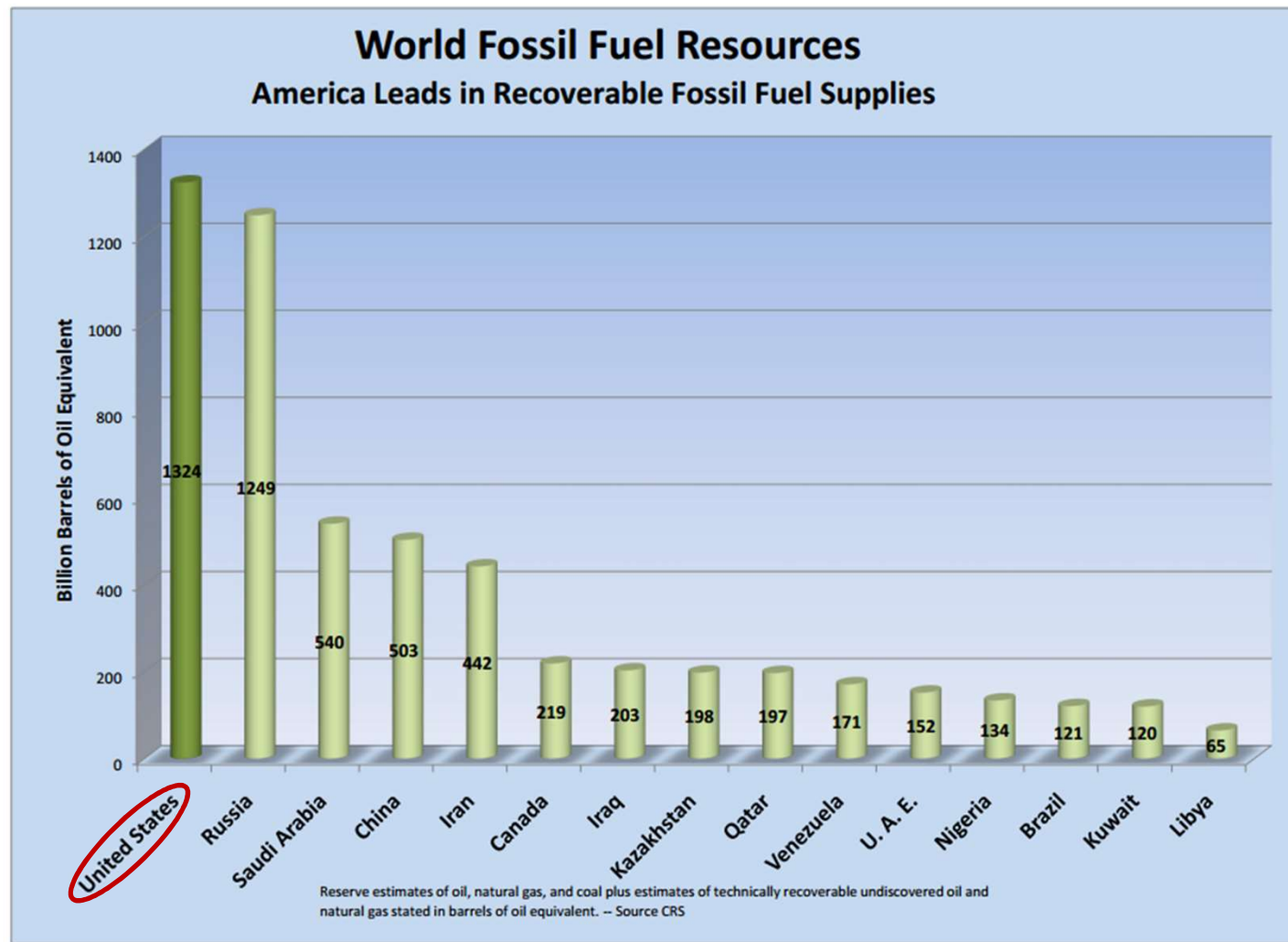
Global Energy Demand

Figure 2. World energy consumption by fuel type, 1990-2040



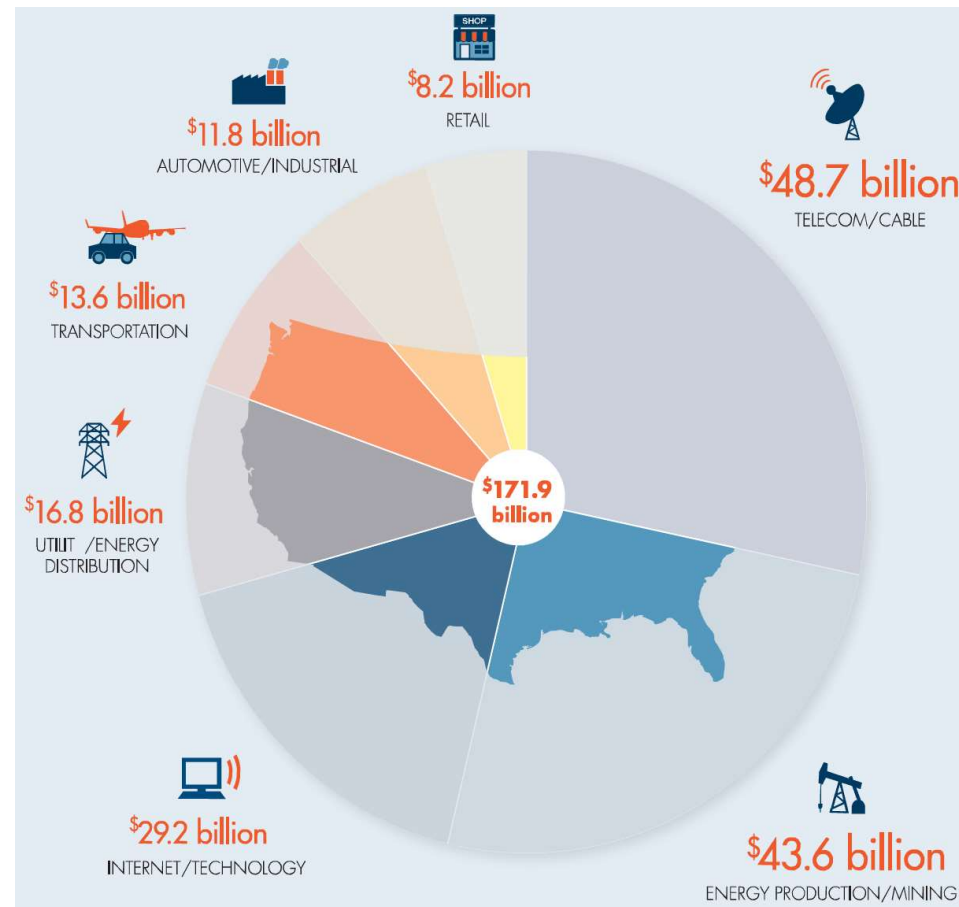
Future U.S. Energy Demand



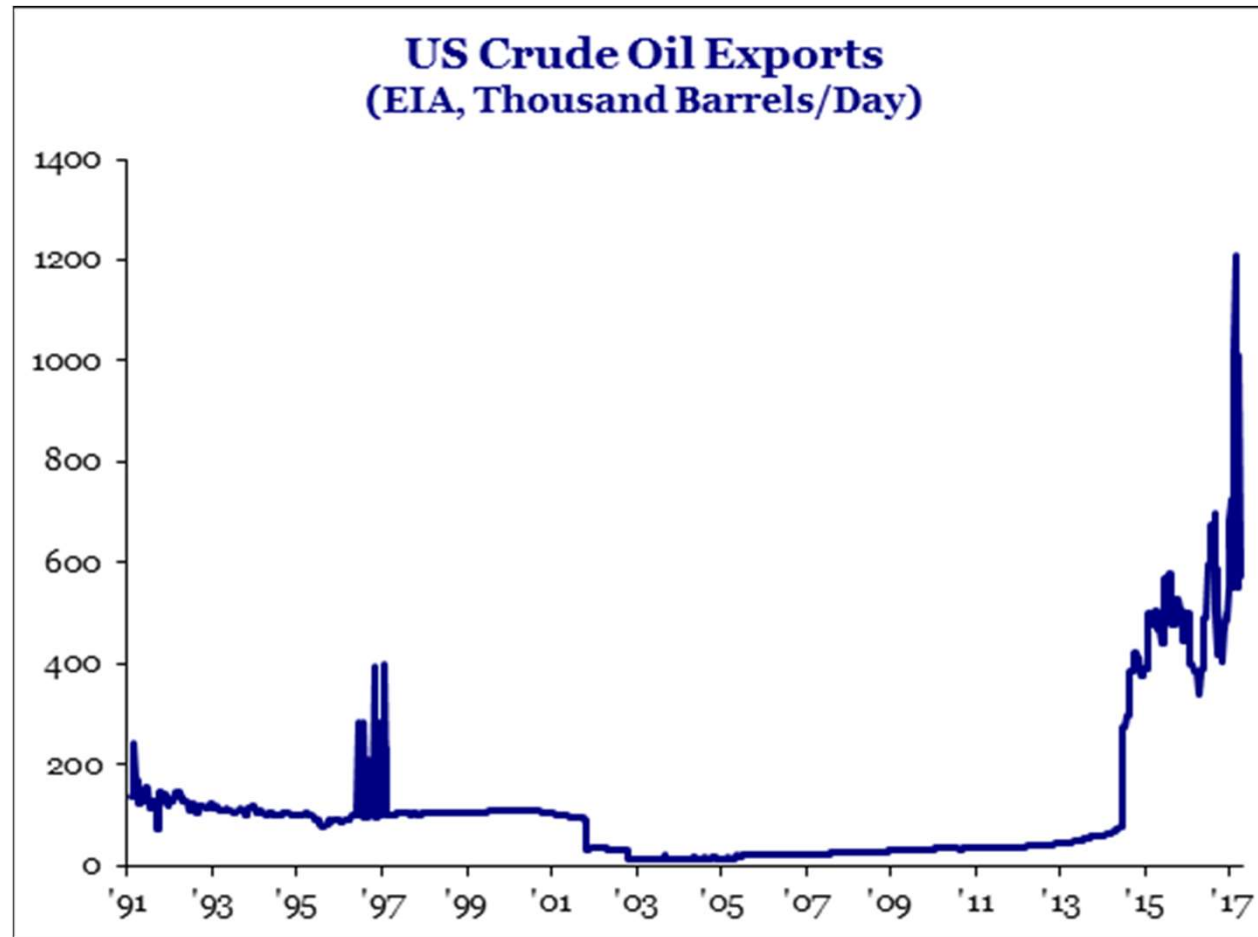


Energy Reality Check

Energy is 1/3 of all US Investment

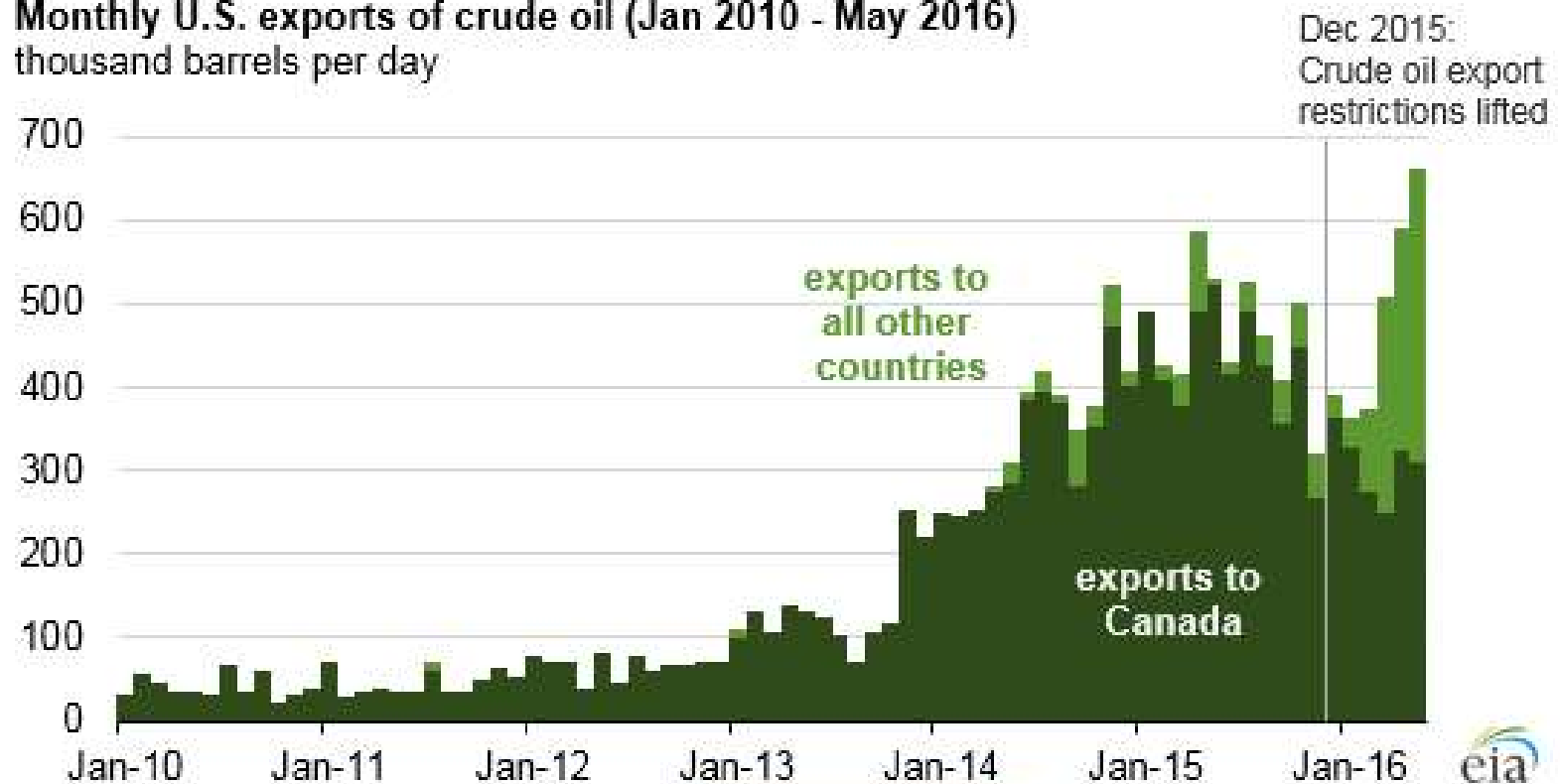


Policy Matters!



Oil Exports on the Rise

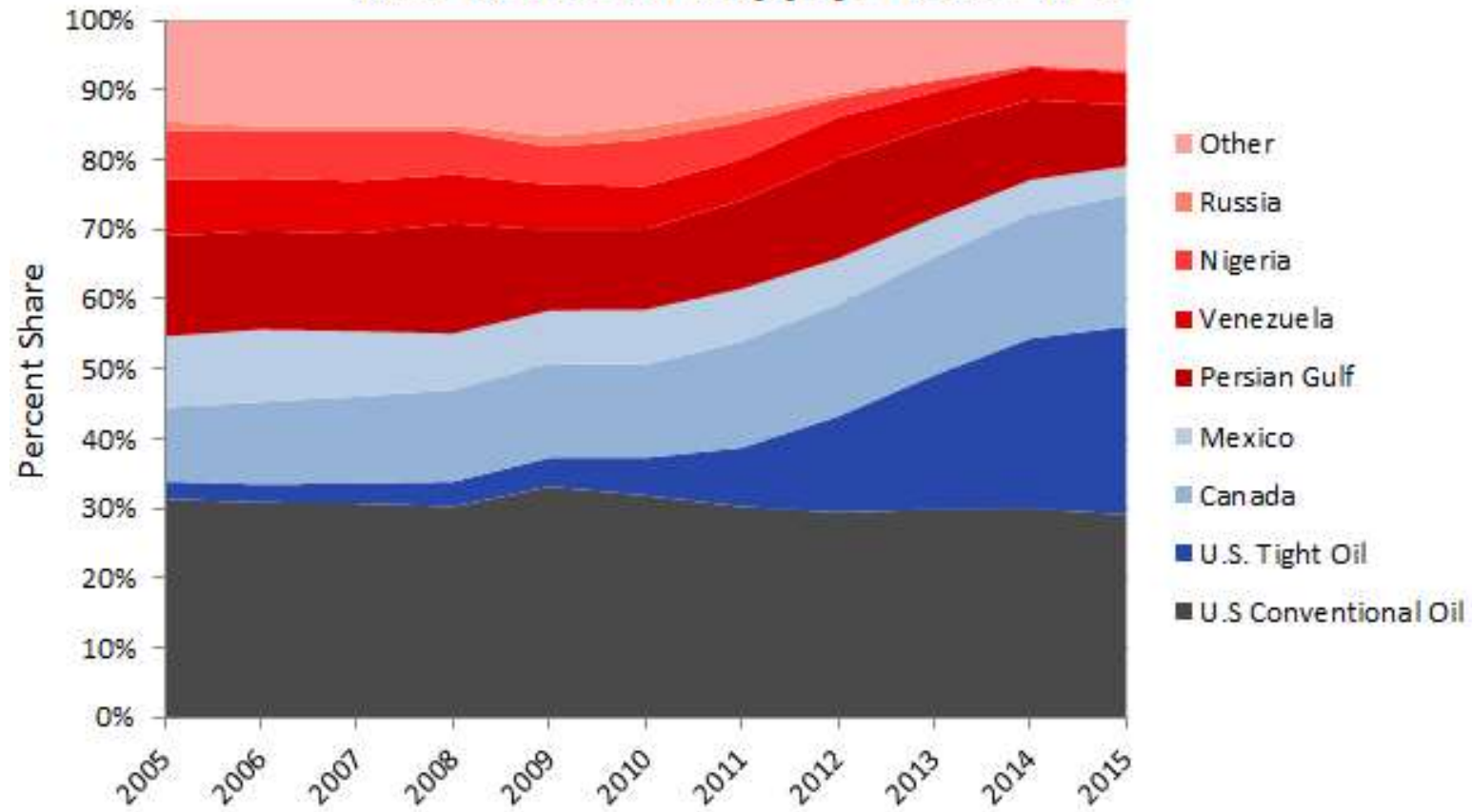
Monthly U.S. exports of crude oil (Jan 2010 - May 2016)
thousand barrels per day



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*

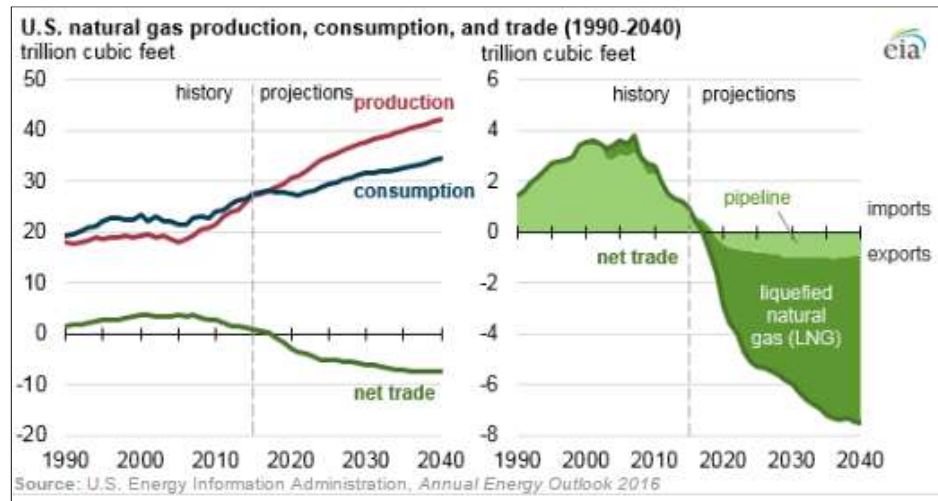
Energy Security Rapidly Increasing

U.S. Crude Oil Supply: 2005-2015



LNG Exports Boosting Gas Demand

- November 2016: U.S. becomes net exporter of natural gas for first time in 60 years
- By 2040, LNG exports will exceed 6.7 trillion tcf



Shale Gas and Manufacturing Growth

- 294 new chemical industry projects due to shale gas planned, totaling \$179 billion in new capital investment
- 104 of these projects are in Texas - totaling \$51 billion

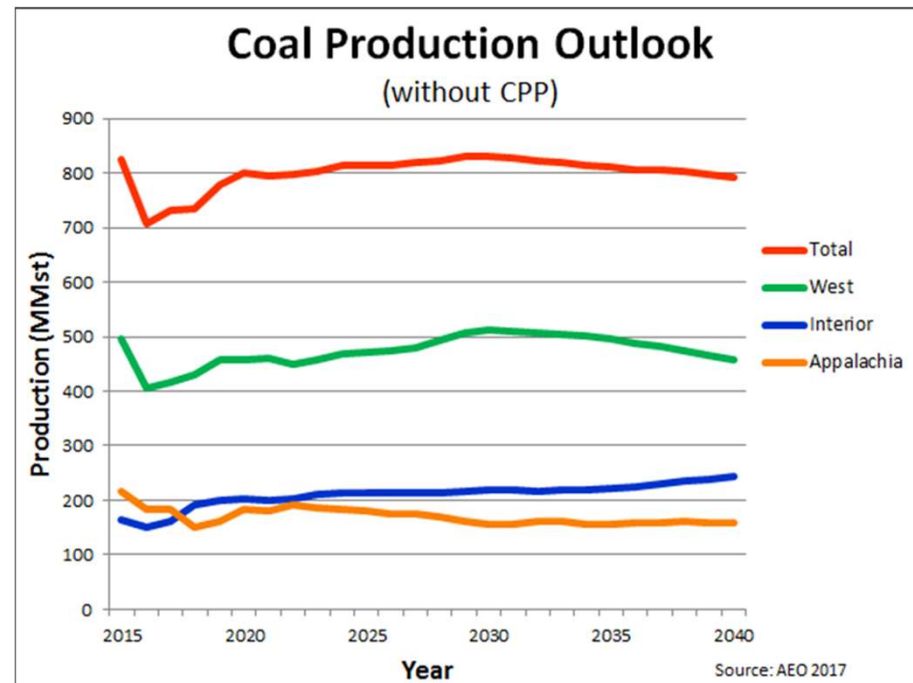
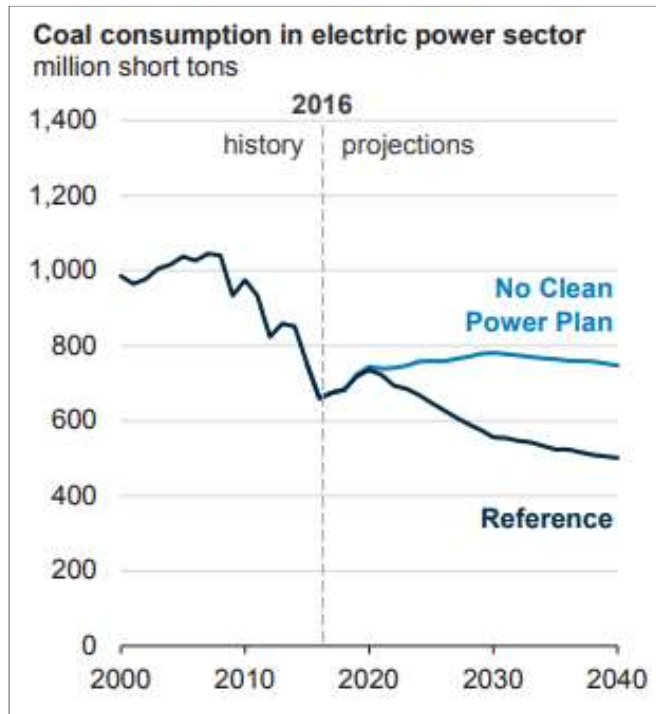


US ethane cracker projects

Under Construction			
Company	Capacity (Tons)	Location	Announced Start Up
Sasol	1,500,000	Louisiana	2018/2019
ExxonMobil	1,500,000	Texas	2017
Chevron Phillips	1,500,000	Texas	H2 2017
Dow Chemical	1,500,000	Texas	2017
Formosa	1,590,000	Texas	2017
OxyChem/MexiChem	544,000	Texas	Q1 2017
Axial/Lotte	1,000,000	Louisiana	2019
Indorama	420,000	Louisiana	2017
Planned			
Formosa	1,200,000	Louisiana	N/A
Total	1,000,000	Texas	2020
Shin-Etsu	500,000	Louisiana	N/A
Williams	1,500,000	Louisiana	N/A
PTT/Marubeni	1,000,000	Ohio	2024
Badlands/Vinmar	1,500,000		N/A
Shell	1,500,000	Pennsylvania	2022
Exxonmobil/SABIC	1,800,000	Texas/Louisiana	N/A

Source: Petrochemical Update's US Ethylene Plant Construction Costs report, Q4 2016

Coal: Flat is the New “Up”



Energy and Environmental Policy Outlook



Executive Actions to Watch

- **ACCESS**
- **EXPORTS**
- **INFRASTRUCTURE: Permitting**
- **OPTIMIZE**
- **UNNECESSARY REGULATIONS**
 - Regulatory reform task forces
 - EPA Cost-Benefit Accounting

Outlook for Regulatory Relief

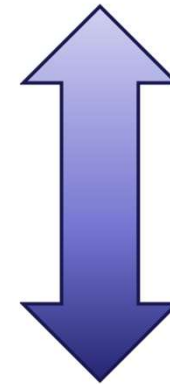
Executive

- Agency Guidance/Decision-making
- Executive Order
- Formal Regulatory Process (*Litigation Alert*)

Legislative

- Congressional Review Act
- Reconciliation/tax reform
- Appropriations/must-pass bills
- “Regular order” legislation (filibuster-able)

Easier
but
Narrow and Temporary



Difficult
but
Broad and Enduring



Regulation Nation

Recently Finalized Regulations Impacting Energy:

- | | |
|---|--|
| • Stream Protection Rule (Interior) | • Renewable Fuels Standard (EPA) |
| • NEPA Guidance (White House) | • Regional Haze (EPA) |
| • CO2 Regulations for New Power Plants (NSPS) (EPA) | • Cross State Air Pollution Rule (CSAPR) Updates (EPA) |
| • CO2 Regulations for Existing Power Plants (ESPS) (EPA) | • Methane Venting/Flaring (BLM) |
| • Ozone NAAQS (EPA) | • Mineral Valuation (DOI-ONNR) |
| • Methane NSPS/ICR (EPA) | • Coal Lease Moratorium (Interior) |
| • "Waters of the U.S." (EPA) | • Well Control Rule (Interior) |
| • Offshore Leasing Plan (Interior) | • ESA Designations (Interior) |
| • Nationwide Permits (Army Corps) | • Monument Designations (POTUS) |



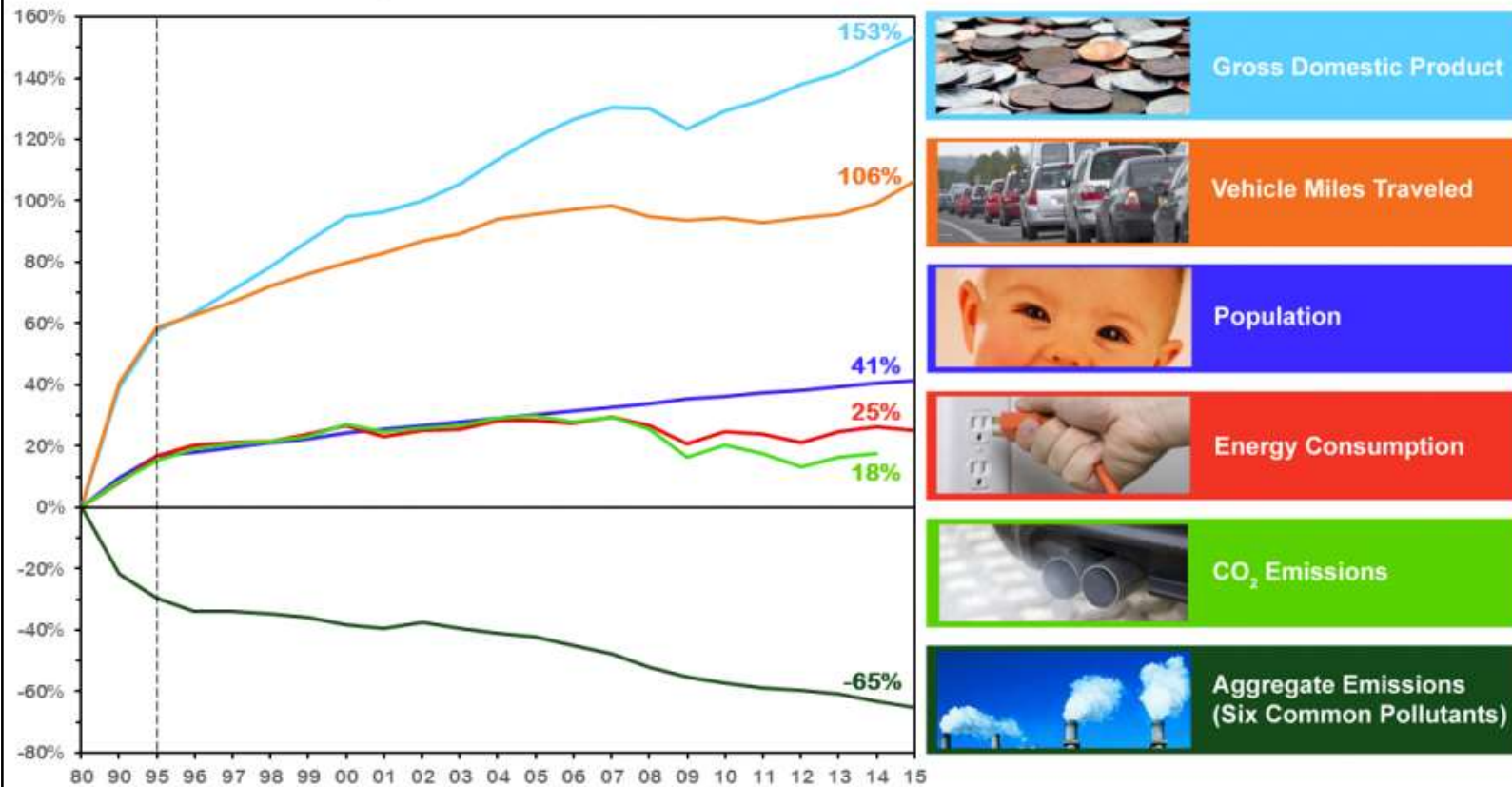
Legislation to Watch

- Tax Reform, Infrastructure Package
- Regulatory Accountability Act (passed House Jan 11th)
- REINS Act (passed House Jan. 5th)
- Endangered Species Act
- Clean Water Act (define “navigable waters”)
- Clean Air Act
 - “Rifle Shot” reform

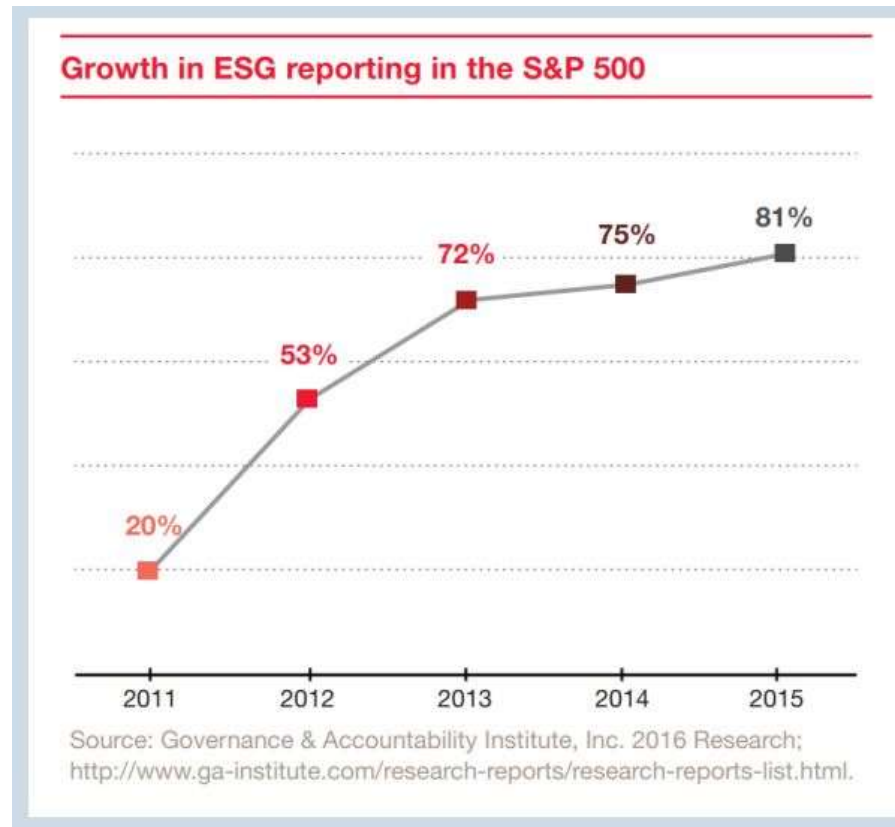
Environmental activism or anti-energy activism?

Economic Growth & Environmental Progress

Comparison of Growth Areas and Emissions, 1980-2015



Companies stepping up reporting



Keep It In The Ground Intensifies



No Mining

No Fracking



No Power
Plants

No Pipelines



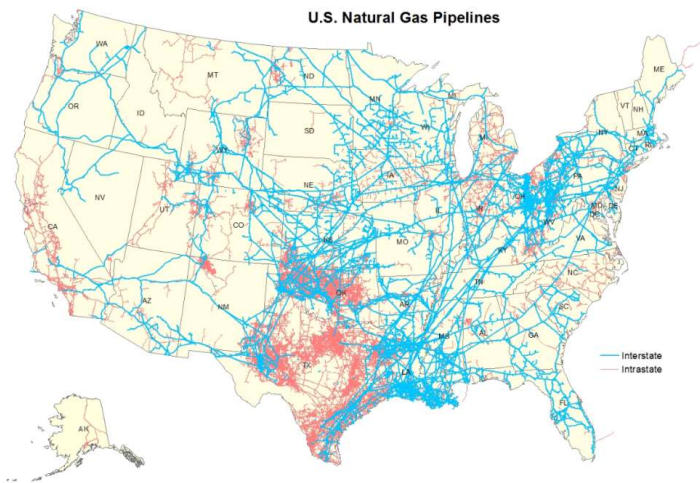
No Exports



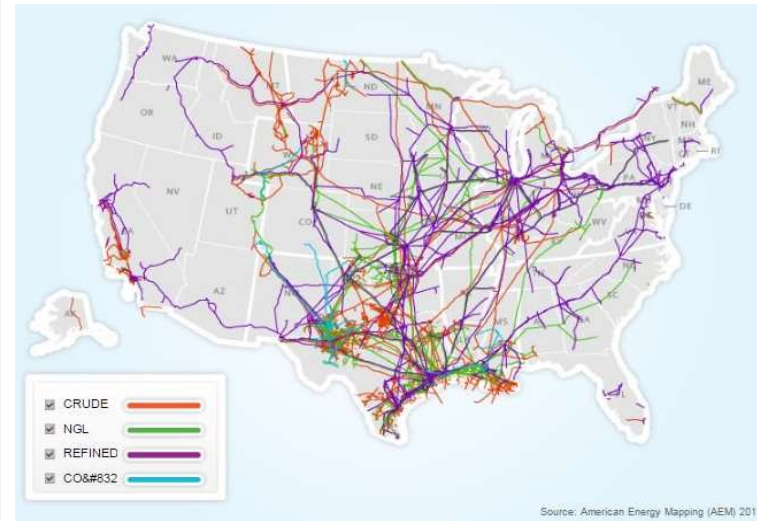


New Battleground: Pipelines

2.5 million miles of natural gas pipelines



190,000 miles of oil pipelines



Energy Infrastructure Under Assault

Tracking Fossil Fuel Project Cancellations Across the U.S.

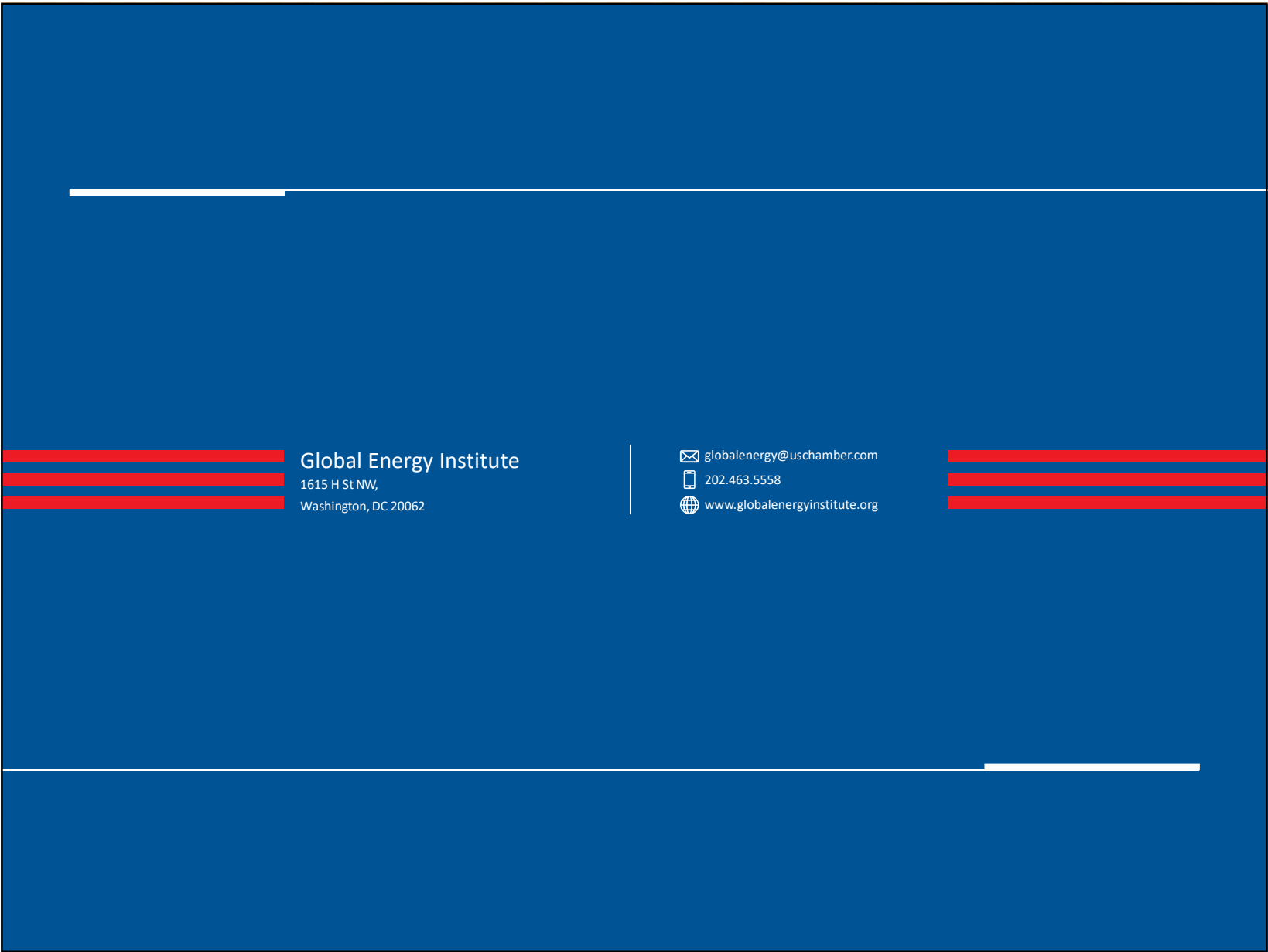
Since the Keystone XL pipeline was rejected by Pres. Obama on climate grounds in Nov. 2015, at least 28 other proposed fossil fuel infrastructure projects in the U.S. have been halted. The reasons are complex, but are mainly a combination of unfavorable economic conditions, environmental concerns and local resistance. In some cases, officials rejected the projects or permits or extended the review process; in others, the companies canceled or delayed their plans.



PROJECT NAME	TYPE	DATE
1 Keystone XL Pipeline	Oil sands pipeline	Nov. 2015
2 Port Ambrose LNG project	LNG terminal	Nov. 2015
3 Renewable Energy Group's Grays Harbor project	Oil terminal	Nov. 2015
4 U.S. Development Group's Grays Harbor Rail Terminal	Oil terminal	Nov. 2015
5 WesPac Energy's Oil Terminal	Oil terminal	Dec. 2015
6 Mariner East 2 pipeline	LNG pipeline	Feb. 2016
7 U.S. Oil Sands Inc. mine	Oil sands mine	Feb. 2016
8 Waterside Energy oil terminal	Oil terminal	Feb. 2016
Waterside Energy propane export terminal	Propane terminal	
9 Atlantic Sunrise Project	Natural gas pipeline	March 2016
10 Jordan Cove LNG	LNG terminal	March 2016
11 Otter Creek mine	Coal mine	March 2016
12 Pacific Connector Gas Pipeline	Natural gas pipeline	March 2016
13 PennEast Pipeline	Natural gas pipeline	March 2016
14 Atlantic Coast Pipeline	Natural gas pipeline	April 2016
15 Constitution Pipeline	Natural gas pipeline	April 2016
16 Northwest Innovation Works' methanol plant	Methanol plant	April 2016
17 Oregon LNG project	LNG terminal	April 2016
Oregon LNG pipeline	Natural gas pipeline	
18 Palmetto Pipeline	Gas and diesel pipeline	April 2016
19 Tongue River Railroad	Coal railroad	April 2016
20 Gateway Pacific Terminal	Coal terminal	May 2016
21 Northeast Energy Direct project	Natural gas pipeline	May 2016
22 Targa's oil terminal	Oil terminal	June 2016
23 Oakland Bulk and Oversized Terminal	Coal terminal	July 2016
24 Dakota Access Pipeline	Crude oil pipeline	Sept. 2016
25 Valero's Oil-by-Rail project	Oil-by-rail	Sept. 2016
26 Contanda Gray Harbor terminal	Oil terminal	Sept. 2016
27 Phillips 66 Oil-by-Rail project	Oil-by-rail	Oct. 2016
28 Shell Puget Sound Refinery's expansion	Oil terminal	Oct. 2016

Updated December 2, 2016

PAUL HORN / InsideClimate News



Global Energy Institute
1615 H St NW,
Washington, DC 20062

✉ globalenergy@uschamber.com
📞 202.463.5558
🌐 www.globalenergyinstitute.org