

Annual Energy Outlook 2016: LFMM preliminary results



AEO2016 Liquid Fuels Market Module Results

Office of Petroleum, Natural Gas & Biofuels Analysis

February 24, 2016 | Washington, DC

**WORKING GROUP PRESENTATION FOR DISCUSSION PURPOSES
DO NOT QUOTE OR CITE AS RESULTS ARE SUBJECT TO CHANGE**

Discussion topics

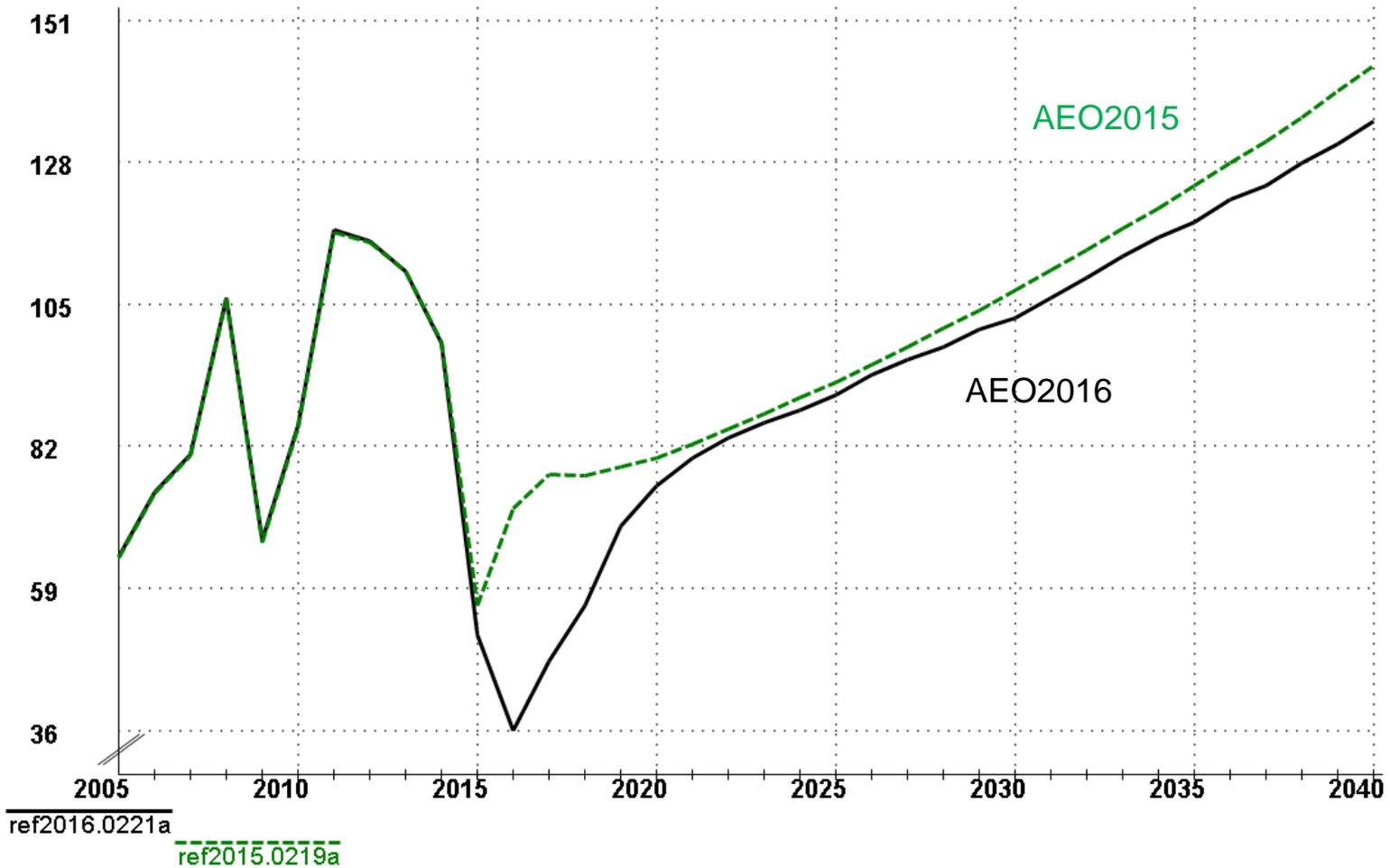
- AEO2016 vs AEO2015 changes in LFMM
- Key preliminary results
 - Crude and product prices
 - Crude production, imports, exports
 - Product exports
 - Refinery utilization
 - Biofuels production

AEO2016 vs AEO2015 changes in LFMM

- Crude
 - Crude exports are allowed, unrestricted
 - Revised methodology for determining by-grade crude price response
- Products
 - Modified elasticities representing international product import and export curves (IEM)
 - All product curves are extended to 14 steps
- Logistics
 - Updated pipeline and rail capacities and tariffs
- Policy
 - Reinstated ethanol and biodiesel tax credits through 2016
 - New RFS issued November 2015
- Updated pricing of fuel oil in Census Division 9

Brent spot price

Real Petroleum Prices : Crude Oil : Brent Spot (2014 \$/b)

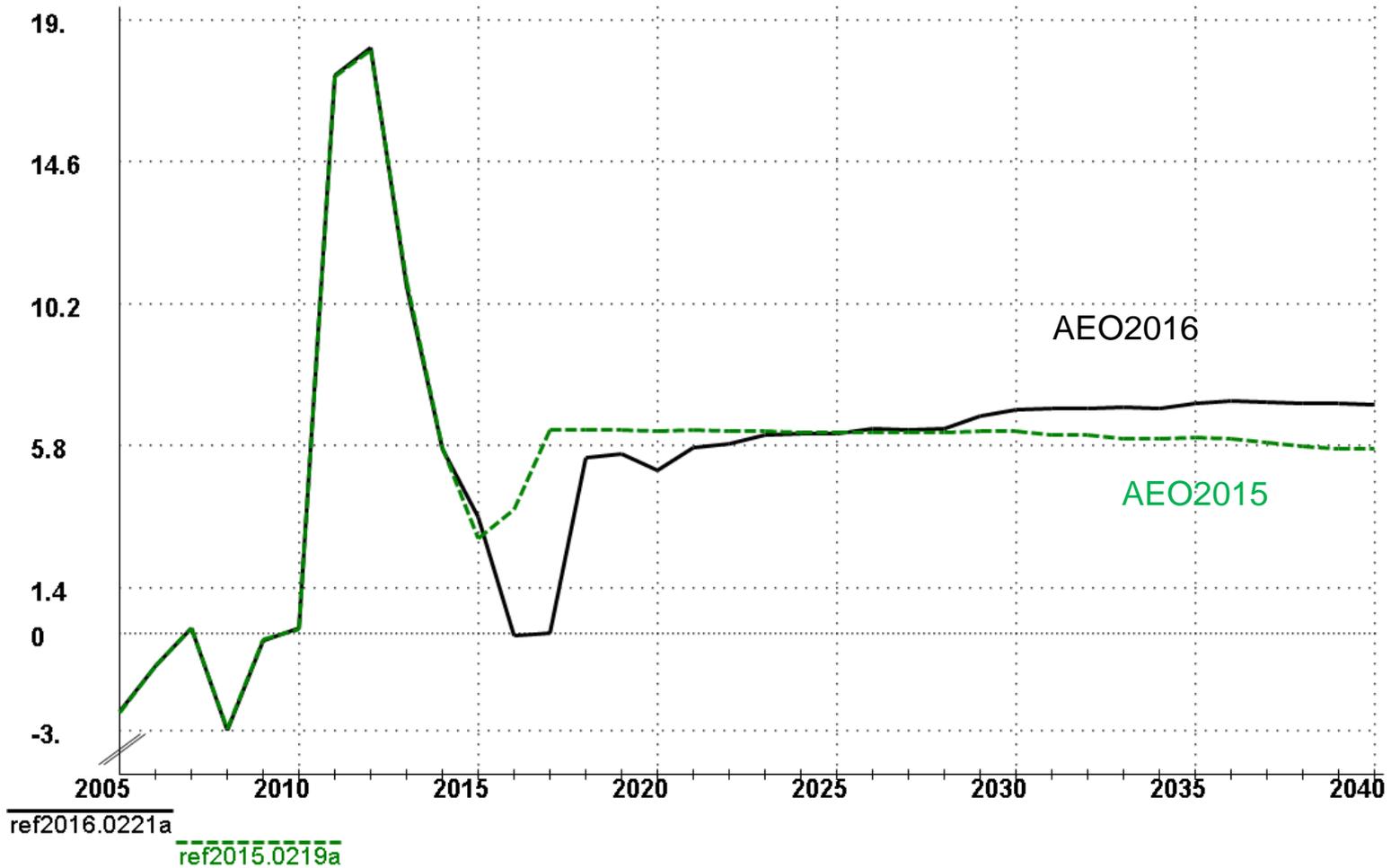


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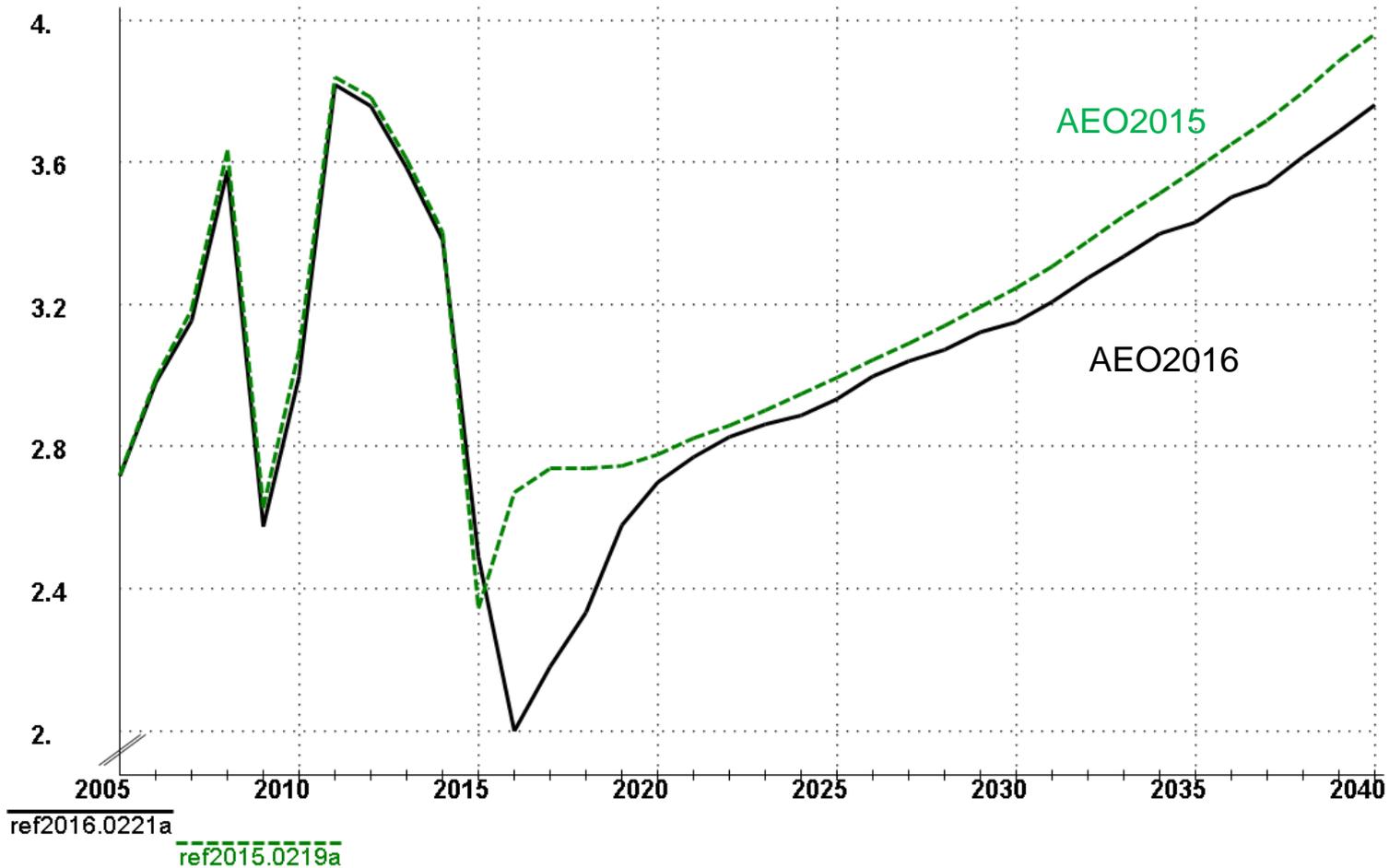
Brent-WTI spread

Real Petroleum Prices : Crude Oil : Brent vs. WTI Price Spread (2014 \$/b)



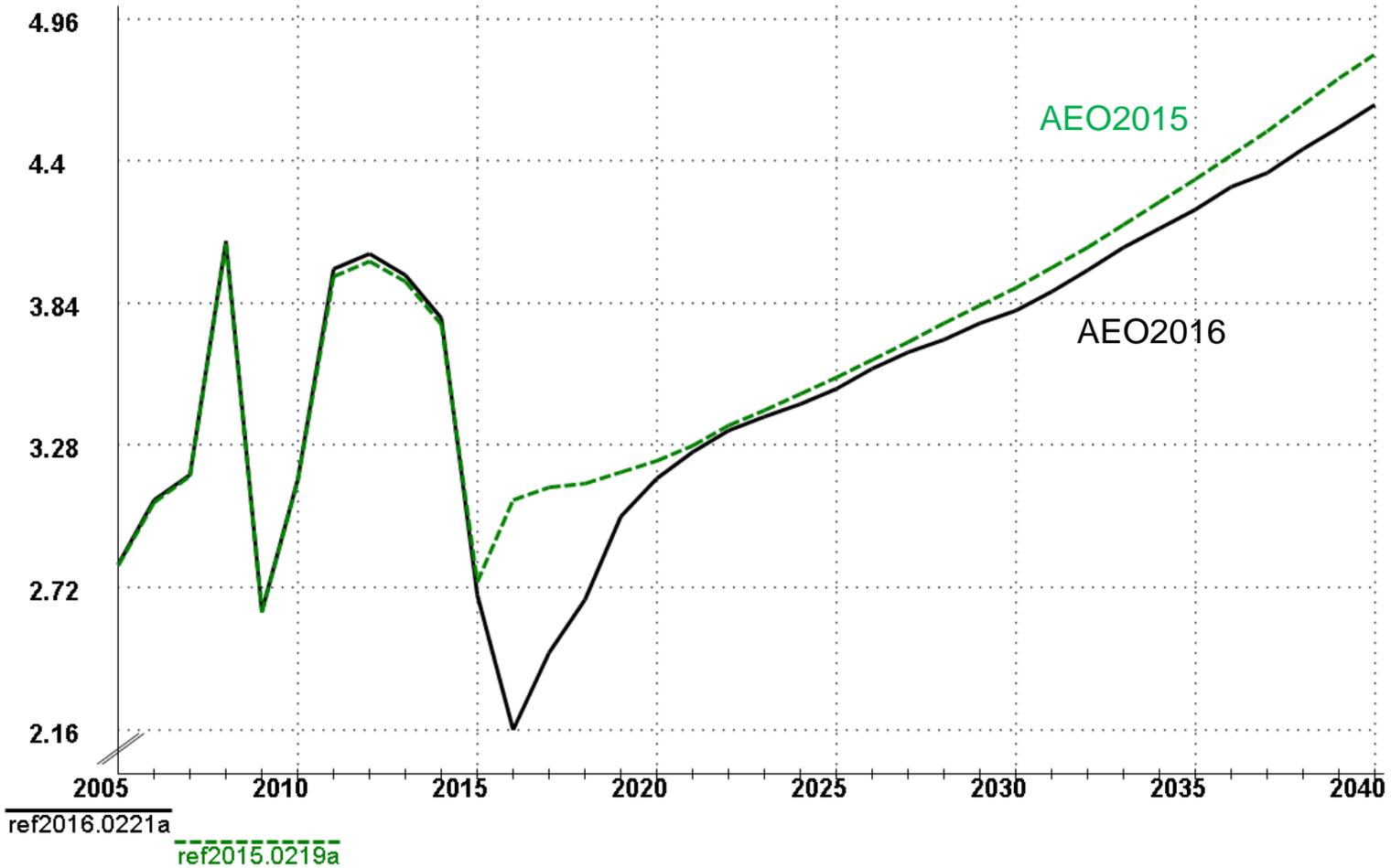
Motor gasoline price

Real Petroleum Prices : Transportation : Motor Gasoline (2014 \$/gal)



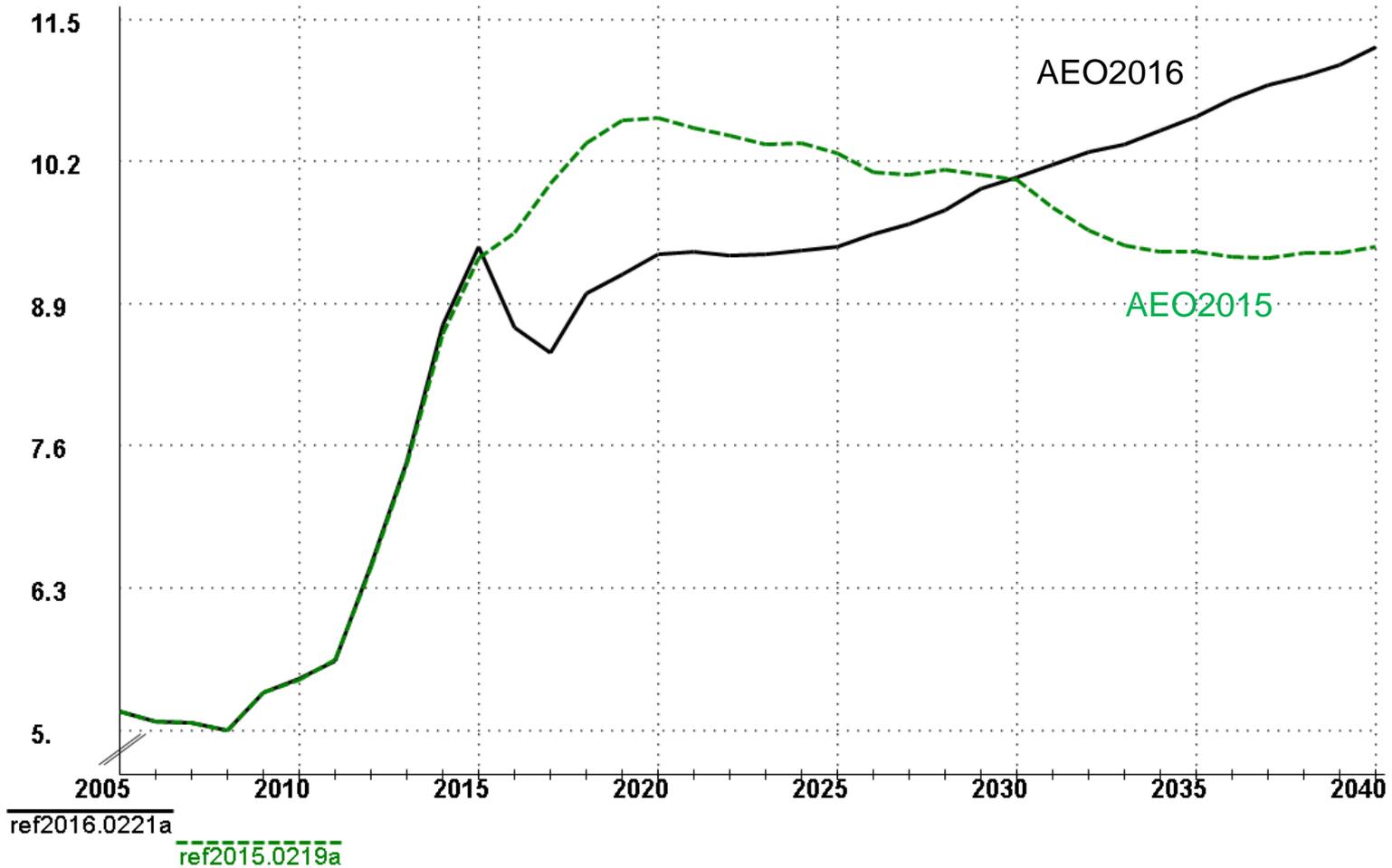
Diesel fuel price

Real Petroleum Prices : Transportation : Diesel Fuel (2014 \$/gal)



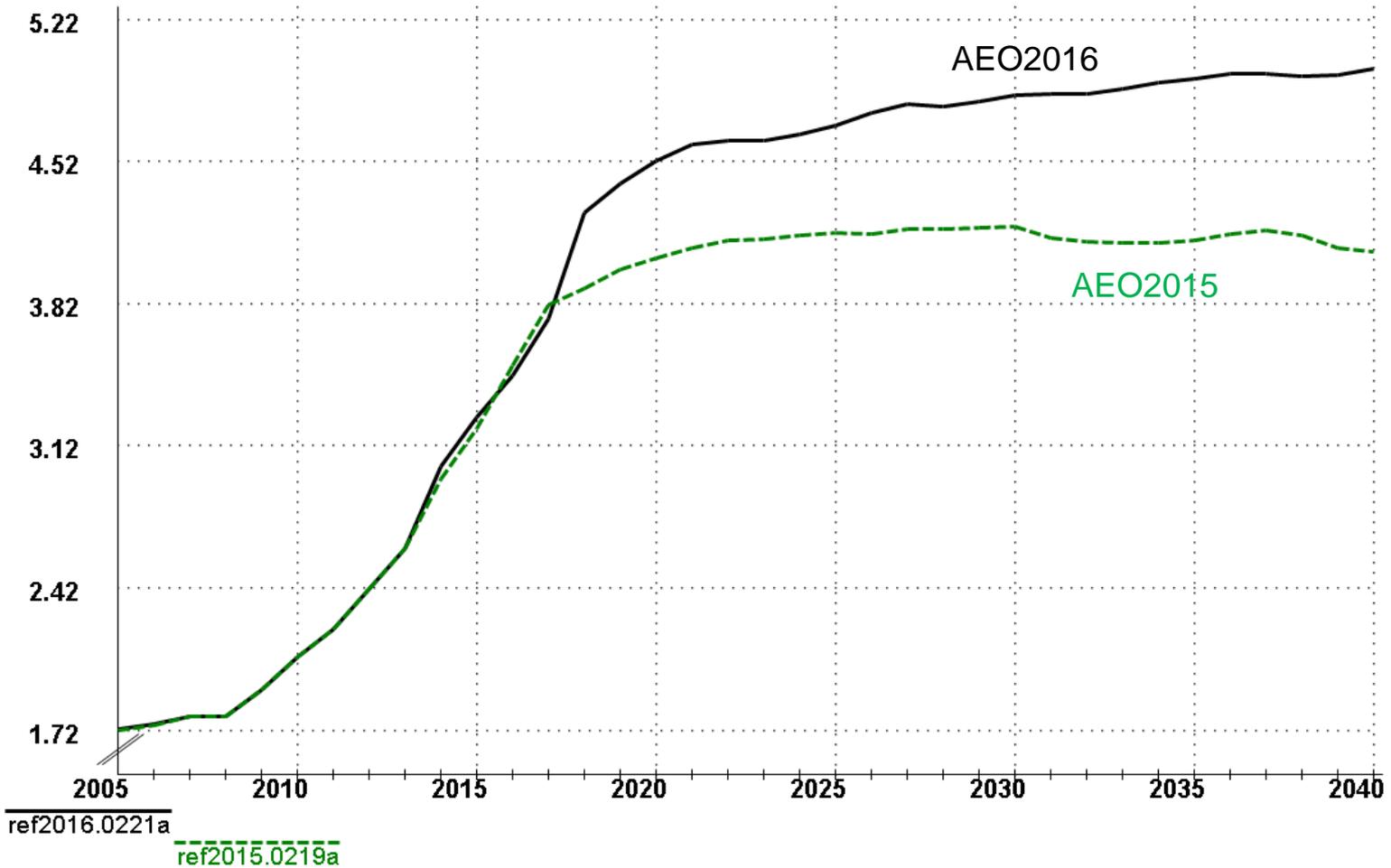
Domestic crude oil production

Liquid Fuels : Crude Oil : Domestic Production (MMb/d)



Domestic NGPL production

Liquid Fuels : Natural Gas Plant Liquids (MMb/d)



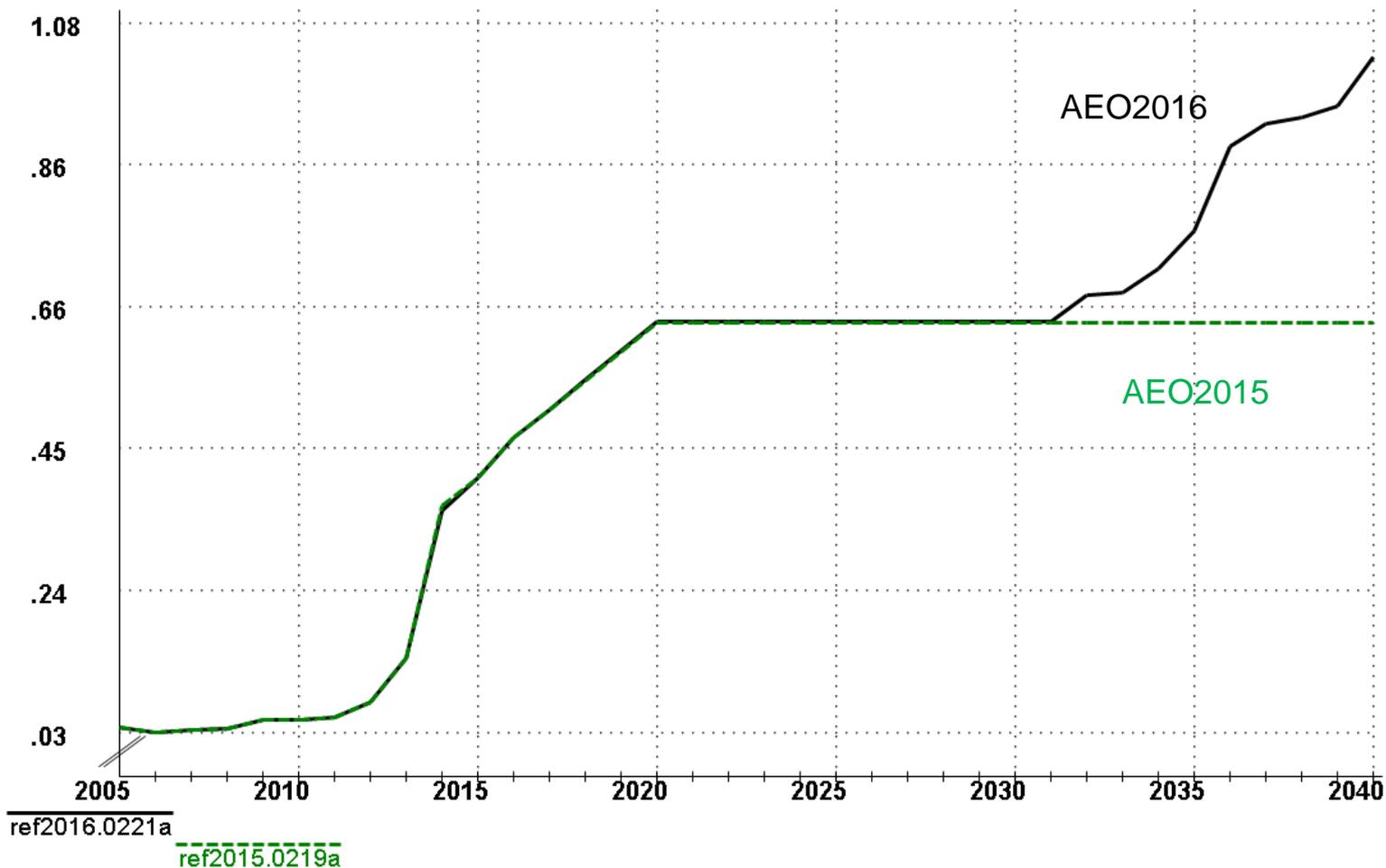
Net imports of crude oil

Liquid Fuels : Crude Oil : Net Imports (MMb/d)



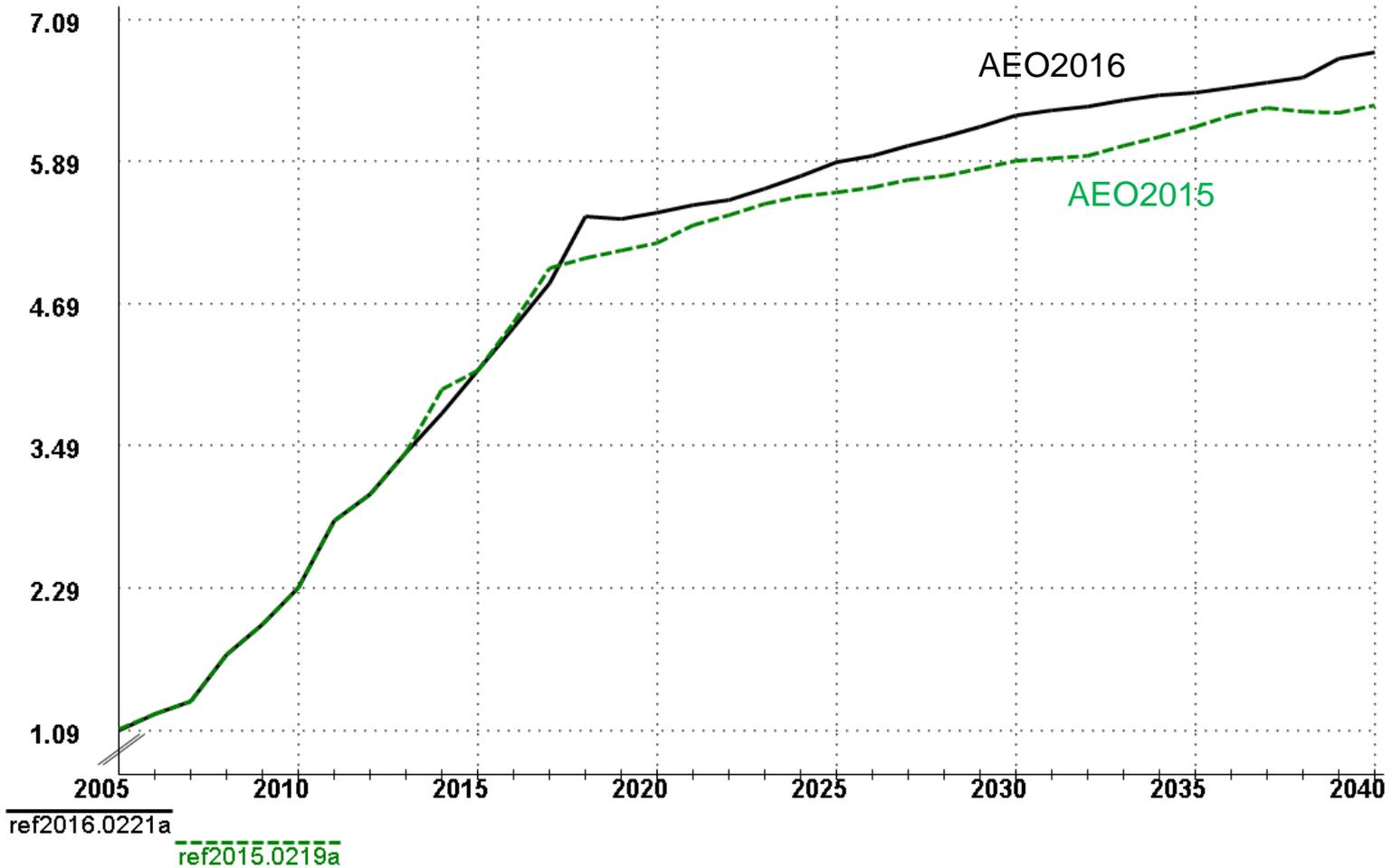
Crude oil exports (mainly to Canada)

Liquid Fuels : Crude Oil : Exports (MMb/d)



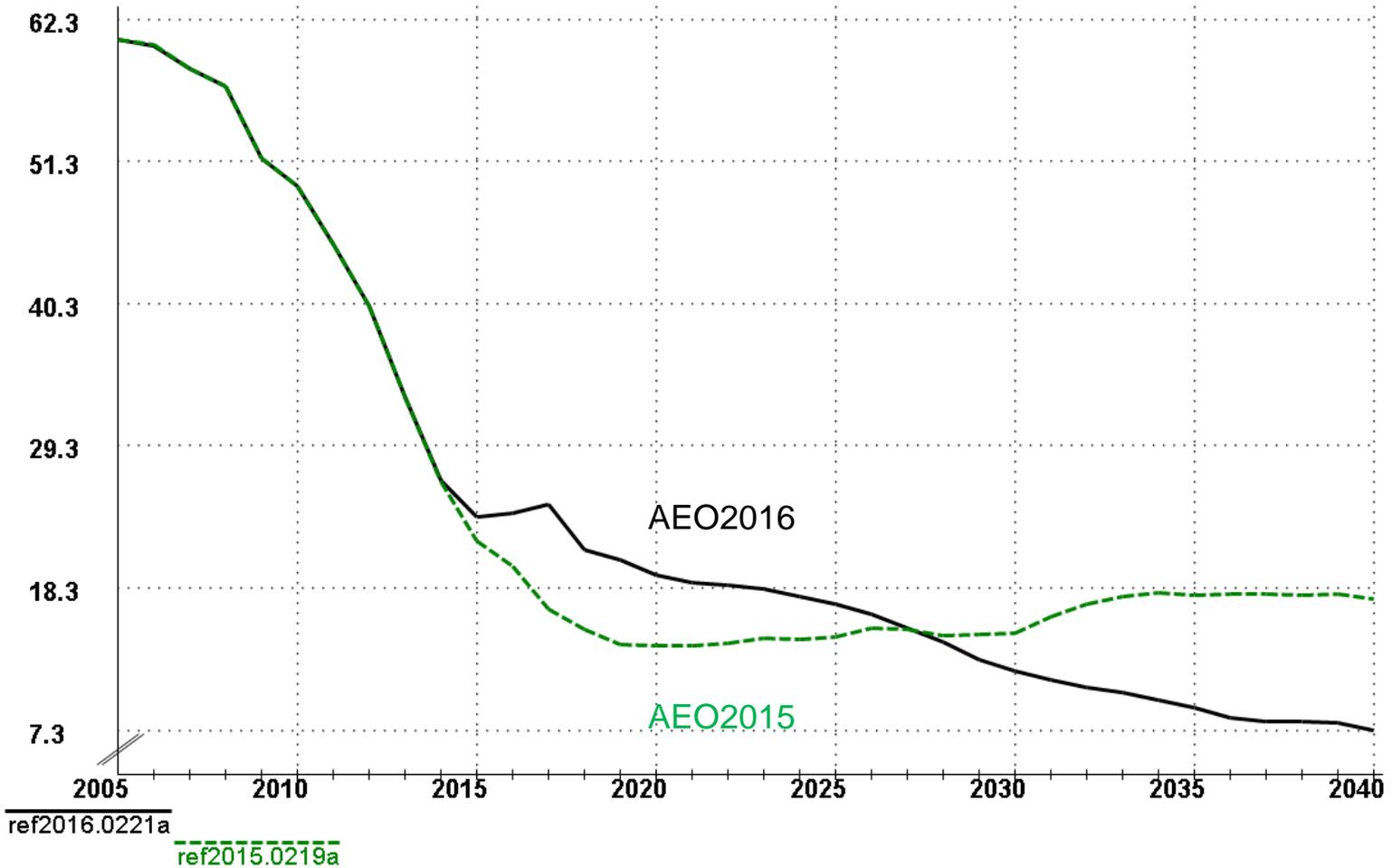
Product exports

Liquid Fuels : Net Product Imports : Exports (MMb/d)



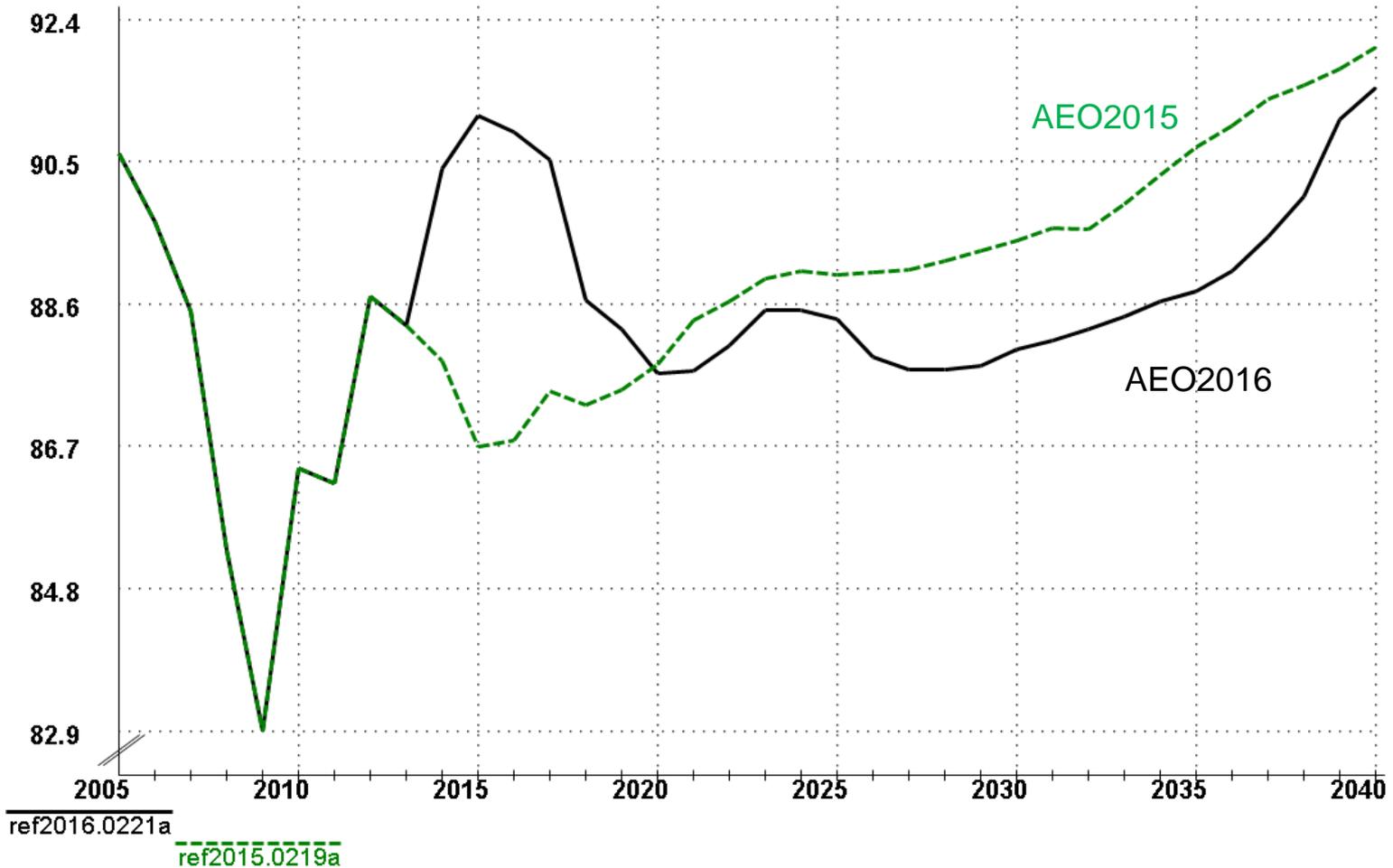
Net import share of product supplied

Liquid Fuels : Net Import Share of Product Supplied (percent)

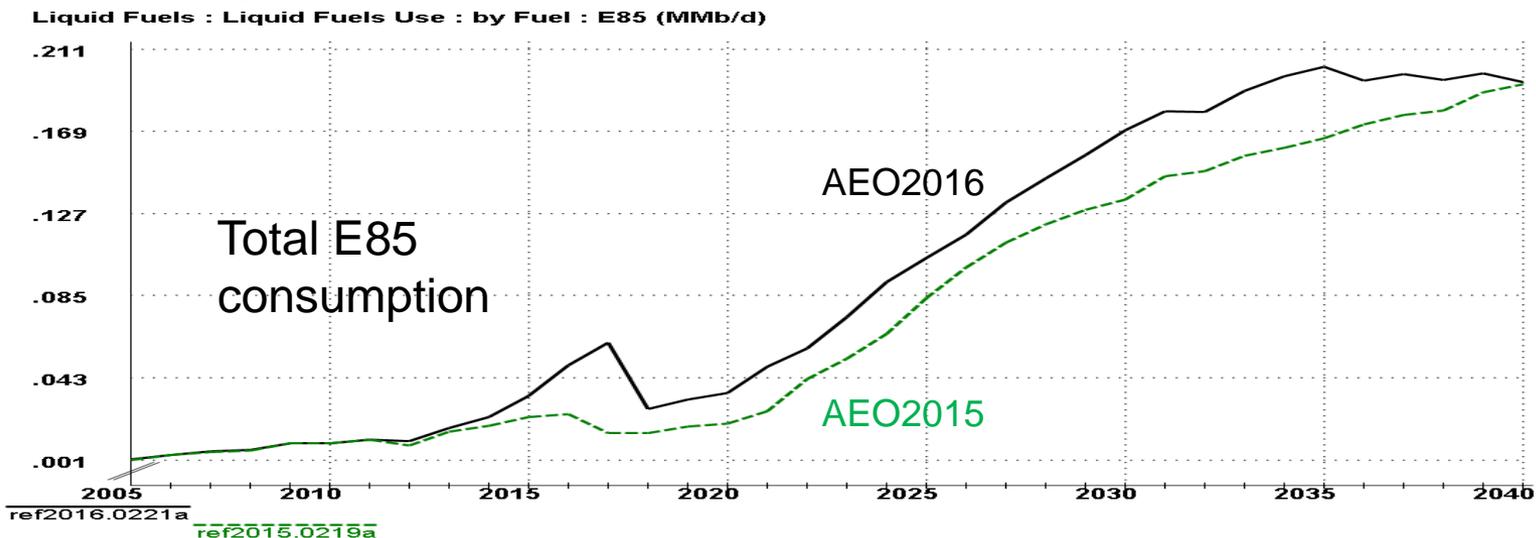
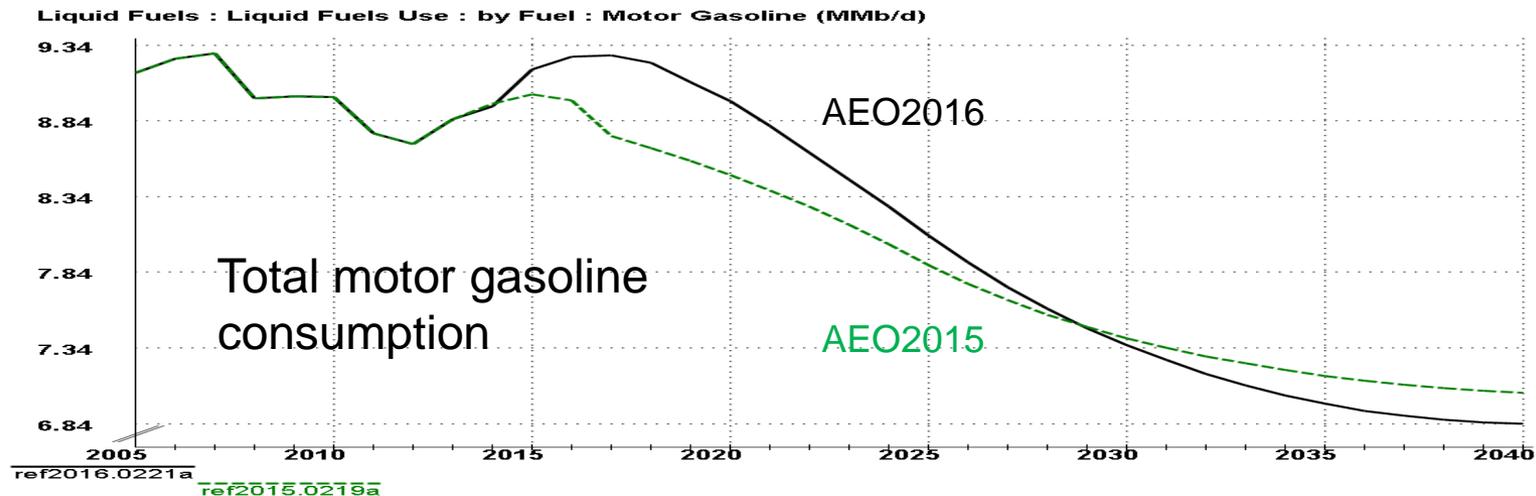


Refinery utilization

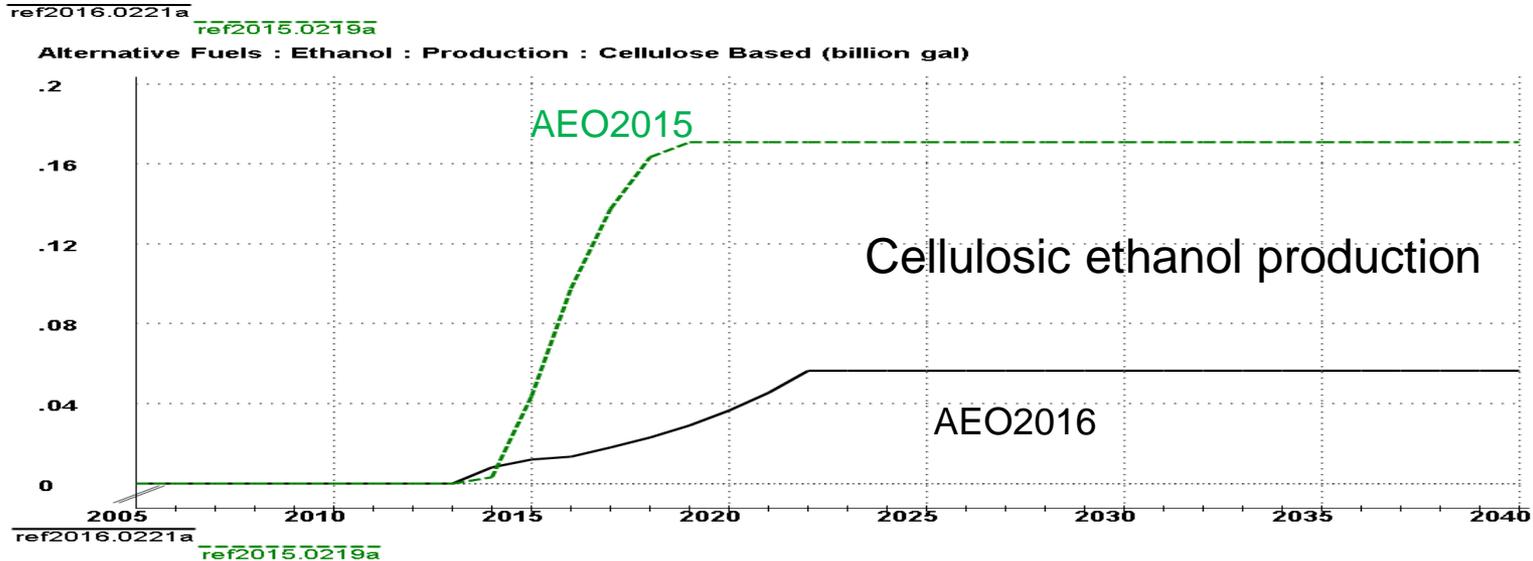
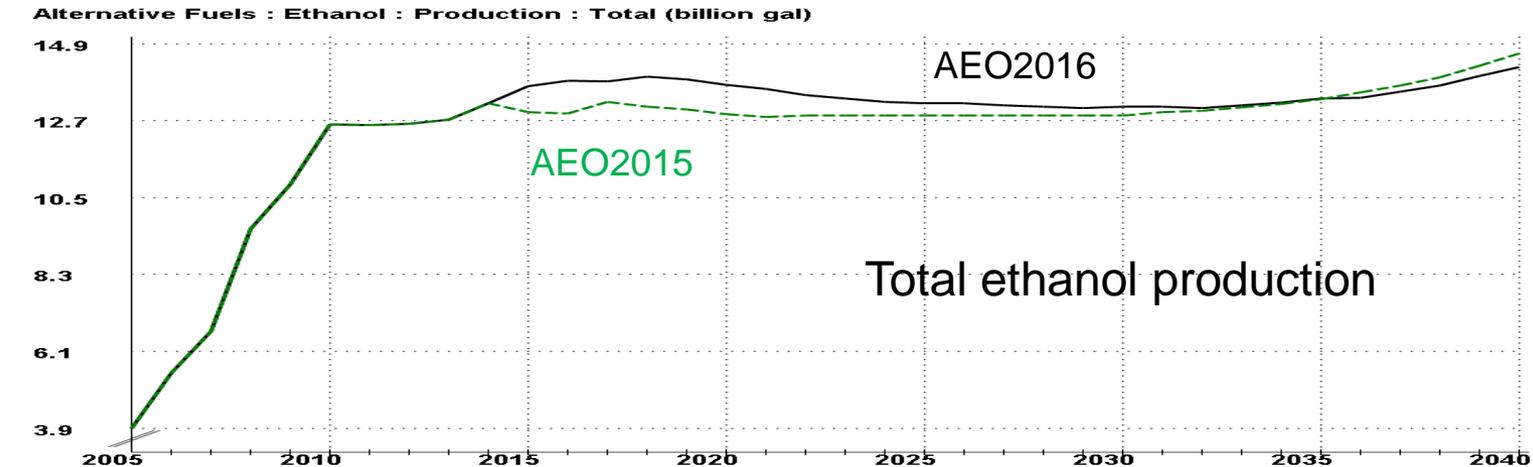
Liquid Fuels : Capacity Utilization Rate (percent)



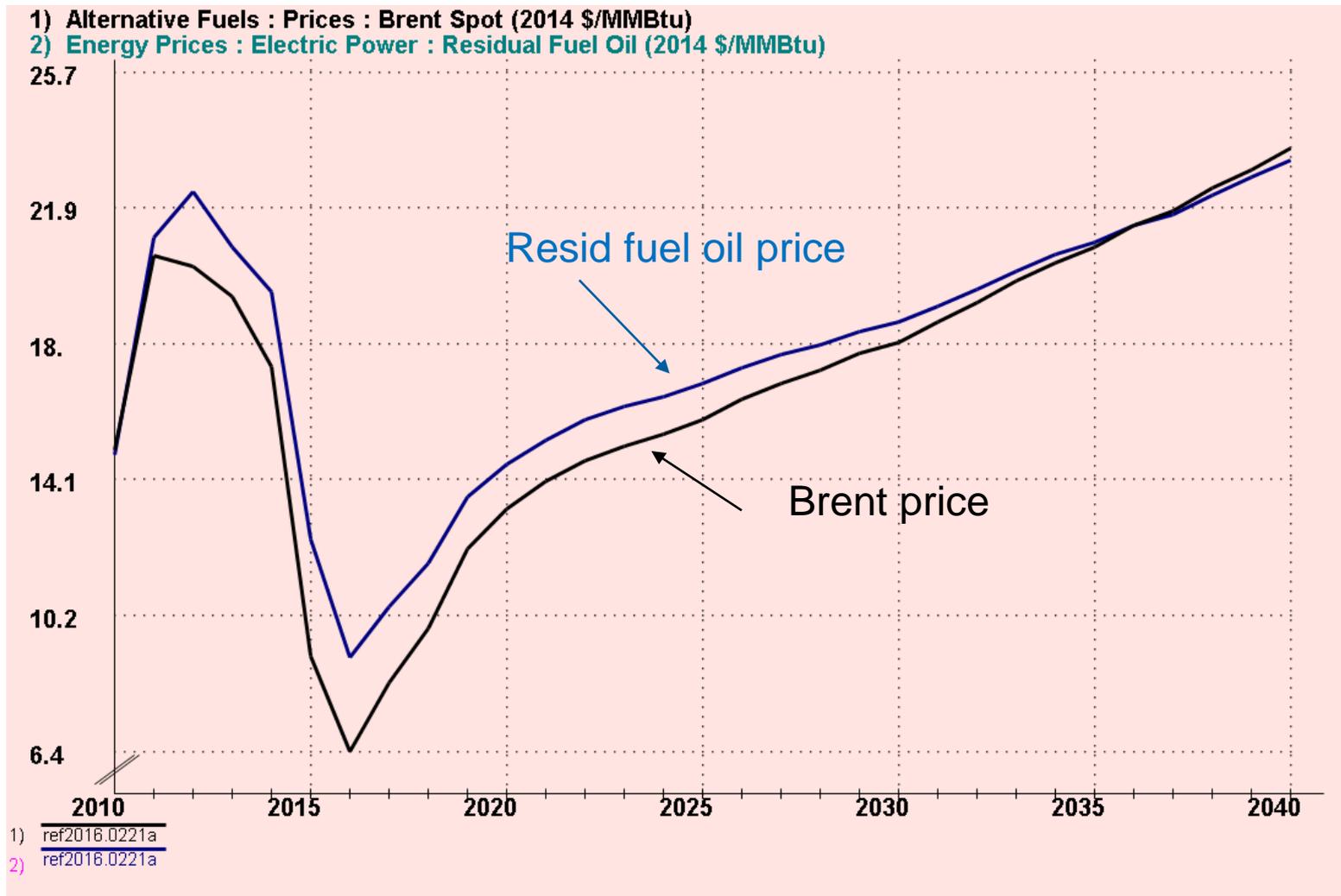
Motor gasoline consumption declines, with small increase in E85 consumption



Total ethanol production remains steady, with lower levels from cellulosic sources



Residual fuel oil price in Census Division 9 - AEO2016



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Next Working Group Meeting

Tentatively planned for summer 2016.

Will present assumptions for *AEO2017*.

For more information

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