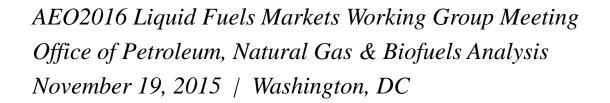
Assumptions for Annual Energy Outlook 2016: Liquid Fuels Markets Working Group



WORKING GROUP PRESENTATION FOR DISCUSSION PURPOSES DO NOT QUOTE OR CITE AS RESULTS ARE SUBJECT TO CHANGE



Discussion topics

- Assumptions/changes for AEO2016 petroleum
 - Crude exports
 - Product import and export curves (international)
 - Logistics
 - CD 9 fuel oil price to electric utility
 - Benchmarking
- Assumptions/changes for AEO2016 biofuels/non-petroleum
 - E-15 penetration
 - RFS
 - LCFS
 - Biofuel technologies expected capacities and investment costs
 - BTL/CTL/GTL investment costs



AEO2016 petroleum assumptions/changes

• Crude exports

- Any crude type is allowed to be exported to Canada
- Only 50+ API crude (Condensate) is allowed to be exported (other than to Canada)
- 27-35 API crude is allowed to be exported from Alaska
- Light crude export/trade with Mexico is modeled implicitly
- (IEM) Product import and export cost curves expanded to 14 steps for all products
- (IEM) Crude supply curves for Rest Of World respond to net U.S. imports of both crude and product
- Transport logistics
 - Keystone XL pipeline will not be represented in network
 - Pipeline, rail, and vessel capacity and tariffs are under review



AEO2016 petroleum assumptions/changes

- Improved methodology for pricing fuel oil to electric utilities in Census Division (CD) 9
 - CD-9 will be W/C HFO plus a Hawaiian related markup for Hawaiian electric generation
- Benchmarking
 - Plans to improve benchmarking of product prices
 - Representation of fuel use at ethanol plants and refinery will be improved



AEO2016 biofuel/non-petroleum assumptions

- Capital investment in liquid technologies will be reviewed and updated as needed
 - Biofuel technologies: modify nameplate capacity, overnight capital costs
 - Revisit biobutanol representation
 - xTL: update costs and key parameters
- E-15 penetration: Will review and update assumptions
- RFS
 - 2014-15-16 rule will likely be released in November 2015
 - Will continue to exclude cellulosic-compliant renewable fuel oil and biogas in AEO2016
- California LCFS: Investigating representation of new provisions



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Next Working Group Meeting

Tentatively planned for March 2016.

Will present preliminary AEO2016 results.



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