

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



AEO2016 Liquid Fuels Markets Working Group Meeting
Office of Petroleum, Natural Gas & Biofuels Analysis
November 19, 2015 | Washington, DC

**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DO NOT QUOTE OR CITE AS RESULTS ARE SUBJECT TO CHANGE**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.

For more information

U.S. Energy Information Administration home page | www.eia.gov

Short-Term Energy Outlook | www.eia.gov/steo

Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer

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