Risk Management Bumping into Infrastructure

GEMI SYMPOSIUM: RELIABILITY AND SECURITY ACROSS THE ENERGY VALUE CHAIN

University of Houston
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Rick Smead, Managing Director
RBN Energy LLC
US Gas Abundance Is Profound and Sudden

US Net LNG Exports (Imports) per EIA

Source: EIA Annual Energy Outlooks (AEOs), 2008 and 2014

That’s almost two Qatars!

A Swing of 17 Bcf/d

9.2 Bcf/d Net Exports

7.8 Bcf/d Net Imports

Source: EIA Annual Energy Outlooks (AEOs), 2008 and 2014
The Big Northeast Buildout

28 Bcf/d of new pipeline take-away capacity from over 40 new build and reversal projects will reverse Northeast gas flows

- Gulf via Ohio (8.2)
- Midwest via Ohio (5.3)
- South via Atlantic (7.7)
- Canada (1.2)
- East (5.8)
Incremental Capacity Versus Production
Risks to Manage Once It’s Built

» Project Sponsors:
  - Uncommitted Space
  - Post-contract market
  - Cost/regulatory changes

» Firm Shippers:
  - Oversubscription
  - Basis destruction
  - Production declines
  - Lack of consuming market
Lots of Gas Trying to Go South

- TECO Gulf Mk I (1250)
- TECO Gulf Mk II (450)
- ANR SEMI Reversal (1250)
- ANR SEMI Reversal II (750)
- TCO West Side Exp (540)
- TECO Access South (320)
- KMP Broad Run (200)
- DMM Lebanon West II (150)
- TGP Backhaul (350)
- TGP N. Supply Access (625)
- GNL Leach/Reyne Exp (1500)
- Gulf (Ohio)

Bcf/d

- TECO Open (550)
- ANR SEMI Reversal I (1250)
- TEAM South (300)
- TCO West Side Expansion (540)
- CIGT Leach-Rayne Exp. (1500)
- TGT N. Access (625)
- TECO Gulf Market I (250)
- ANR SEMI Reversal (1250)
- Broad Run (590)
- TGP SWLA (450)
- KMP Broad Run (200)

Jan-14, Jul-14, Jan-15, Jul-15, Jan-16, Jul-16, Jan-17, Jul-17, Jan-18, Jul-18
The Market Better Be There

Anyone Remember Walley World?
http://www.rbnenergy.com/daily-energy-post