

The Evolution of Midstream Energy  
Infrastructure: Poised for the Transition

EPISODE 7

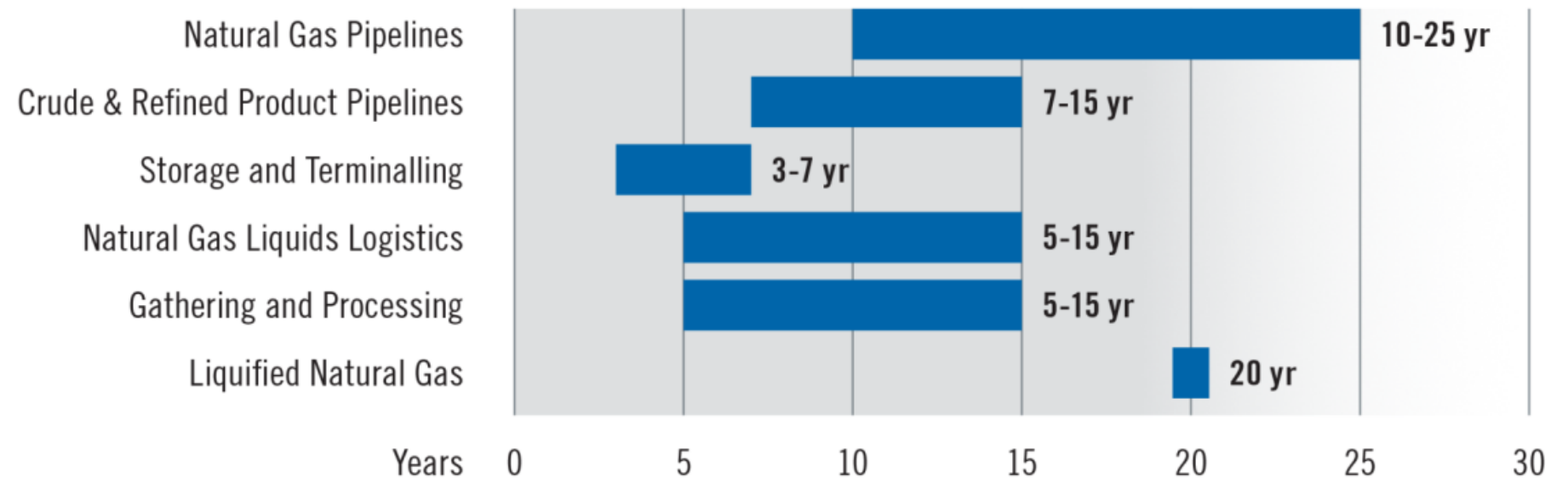
# Demand Forecast 101

JUNE 2023

CONFIDENTIAL

The majority of Midstream cash flows are fee-based, long-term contracted, and typically have inflation protection built into their contractual rates.

## Contract Length by Subgroup

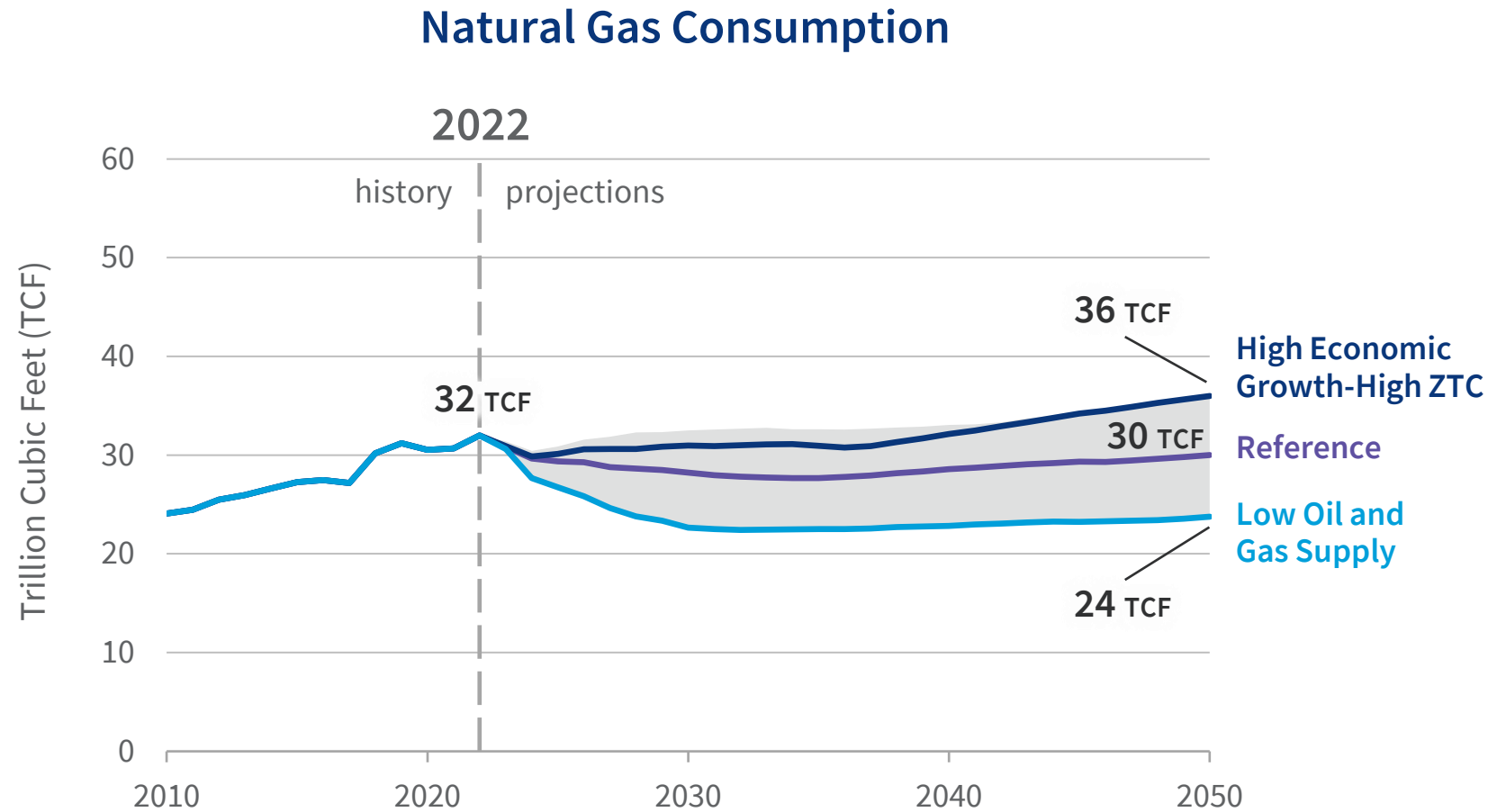


Source: EIA, Data through July 2022

The EIA forecasts steady natural gas consumption in its reference case scenario.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

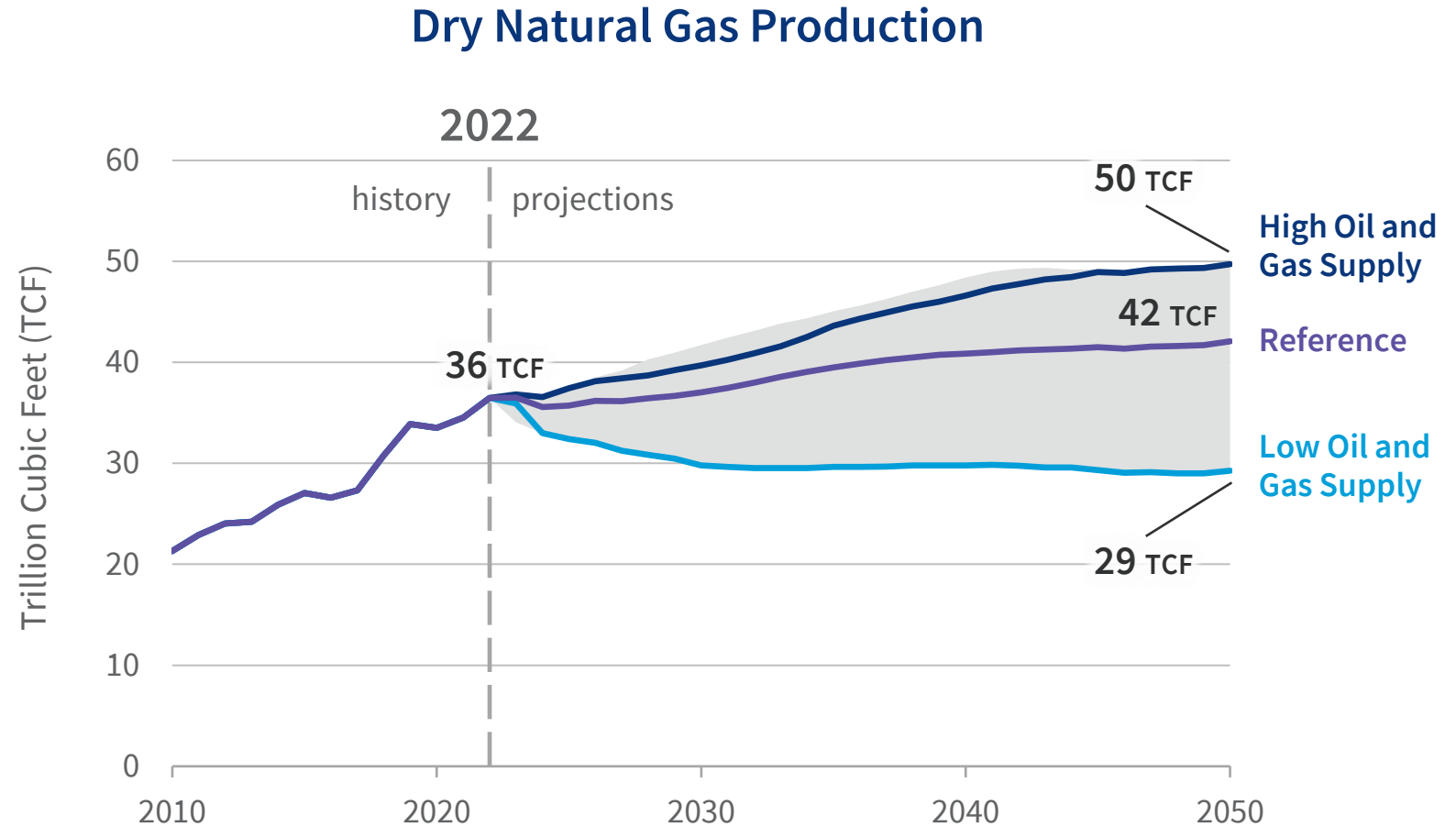
Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost



Dry gas production is expected to increase in both the reference and upper bound scenario. It remains essentially flat in the lower bound scenario.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost

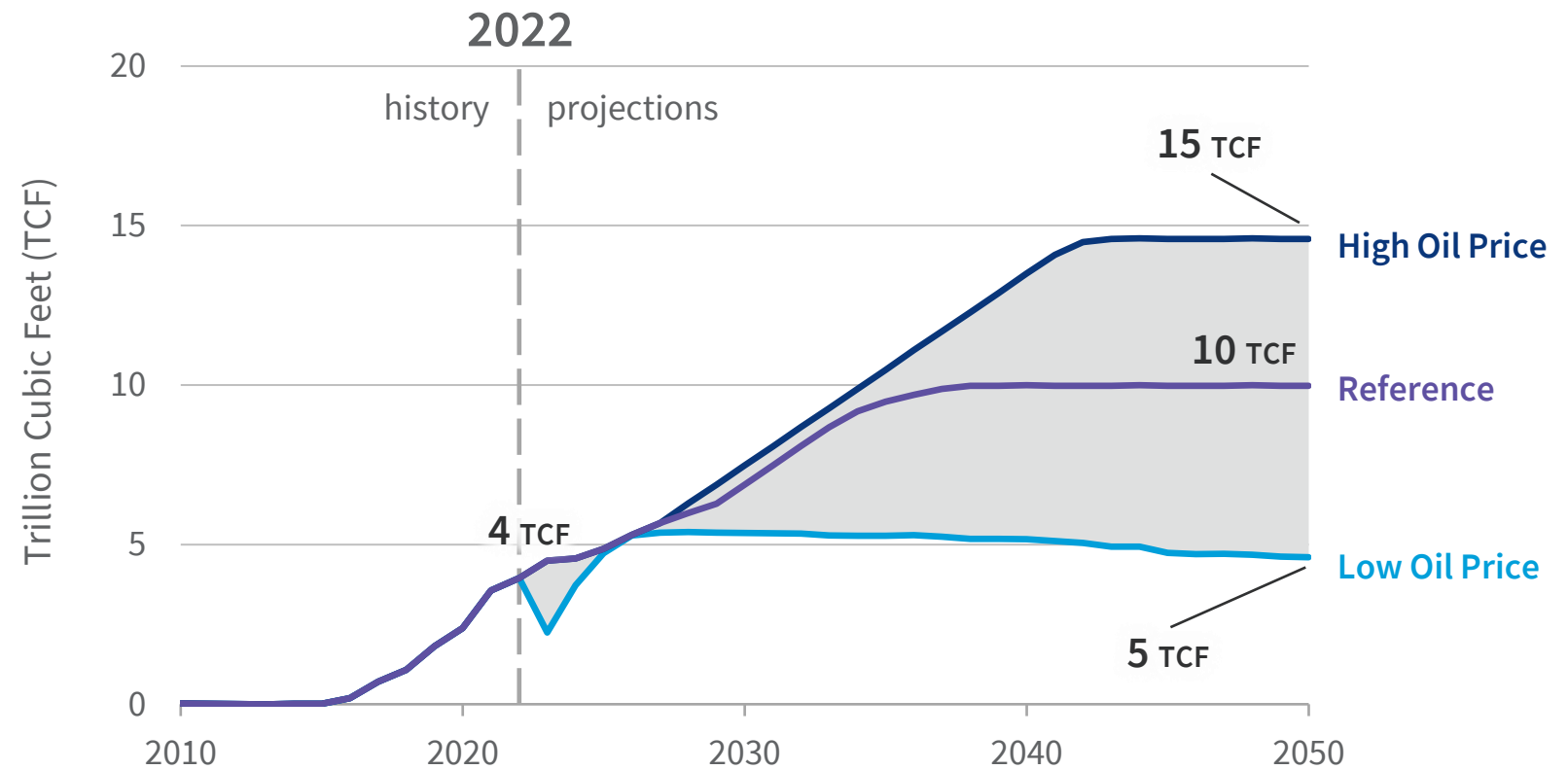


LNG exports are expected to increase in both the reference and upper bound scenario. Exports remain flat in the lower bound scenario.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost

## Liquefied Natural Gas (LNG) Exports



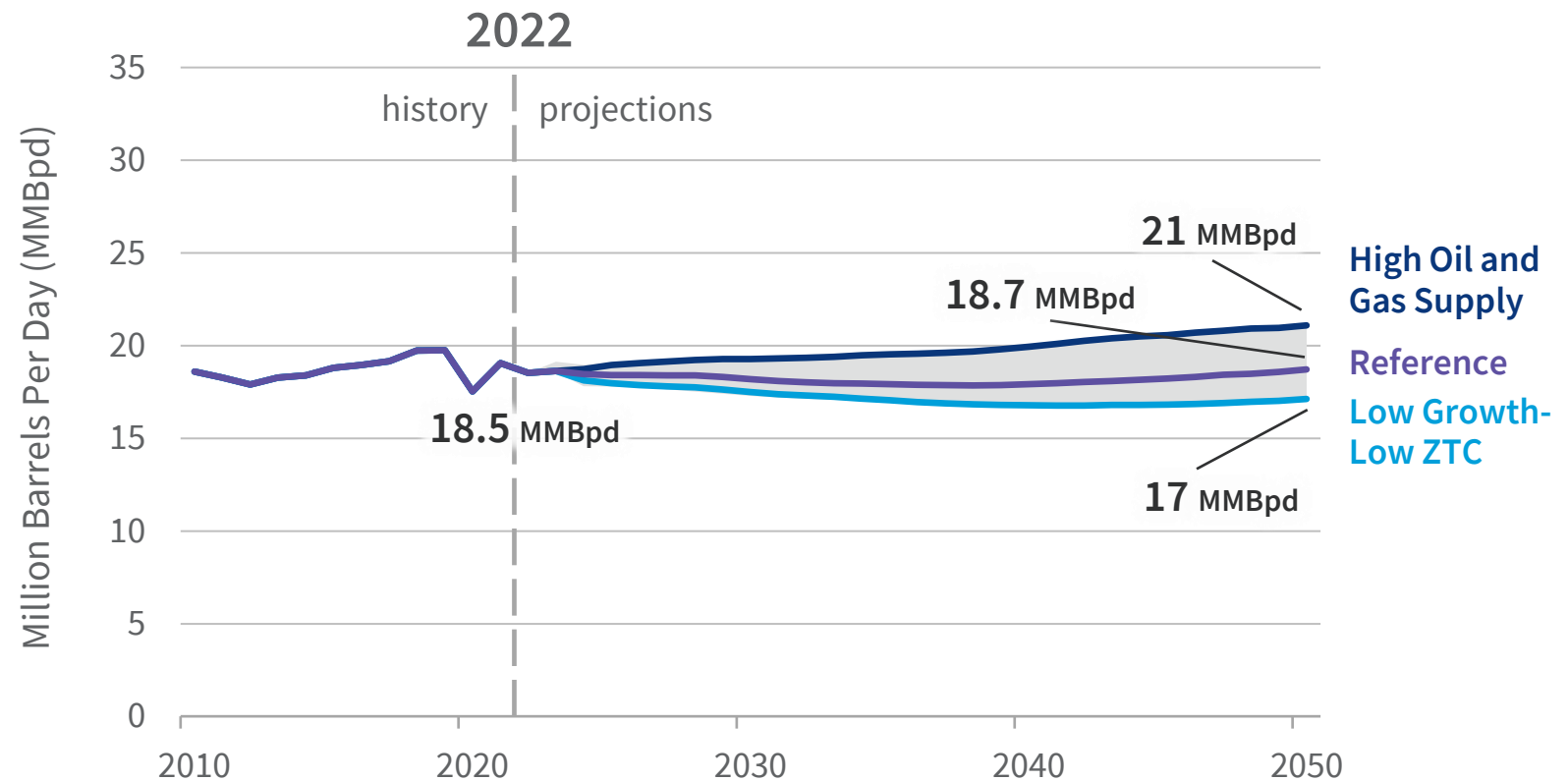
The reference case scenario indicates flat demand through 2050.

Interestingly, the lower bound only shows a ~1.5 million barrel per day (MMBpd) fall off in demand in 2050.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost

## Petroleum and Other Liquids Consumption

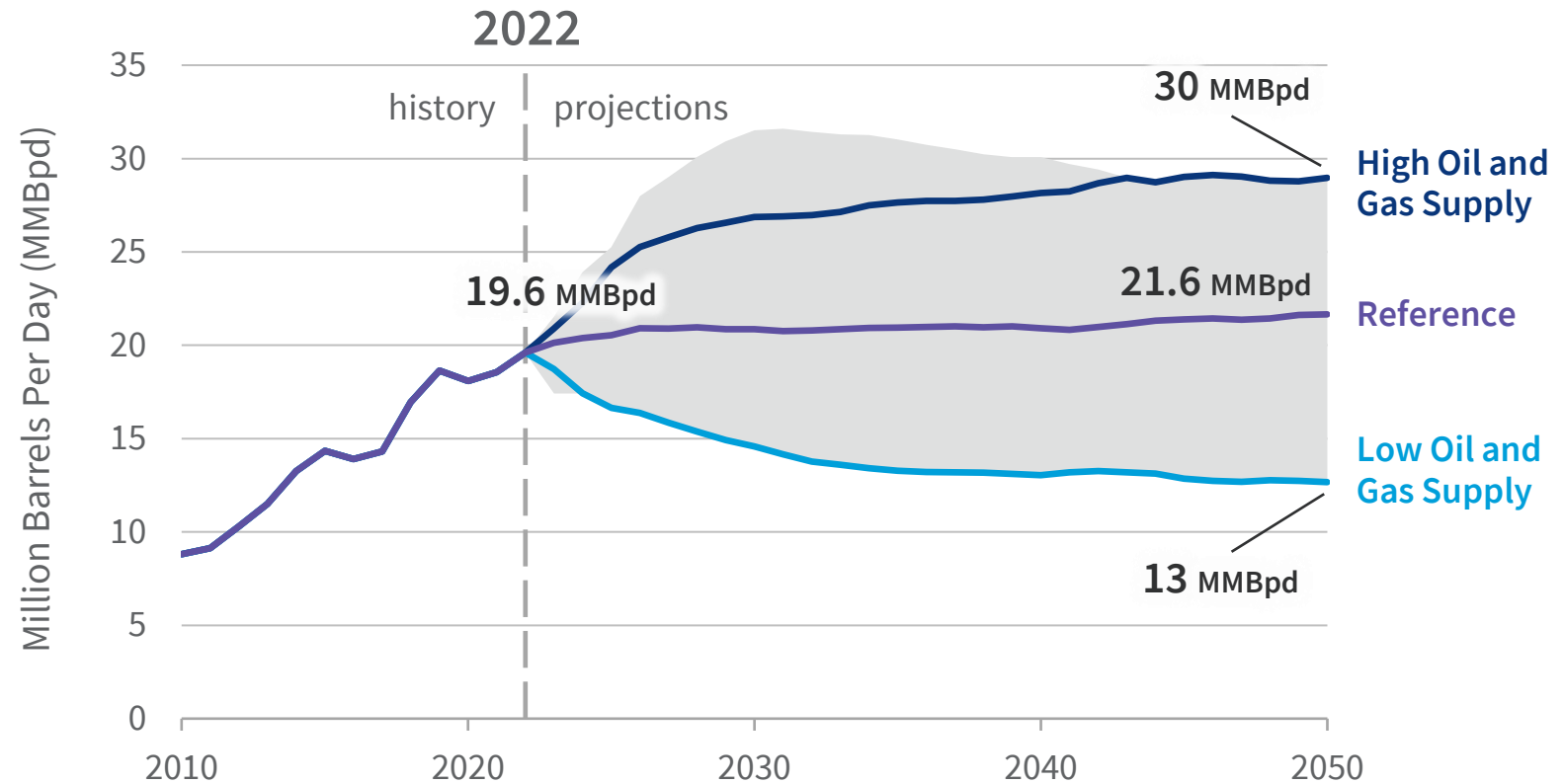


The EIA forecasts relatively 12-13% growth production in the reference case. The wide range in the upper and lower bounds is heavily influenced by commodity prices.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost

## Petroleum and Other Liquids Production

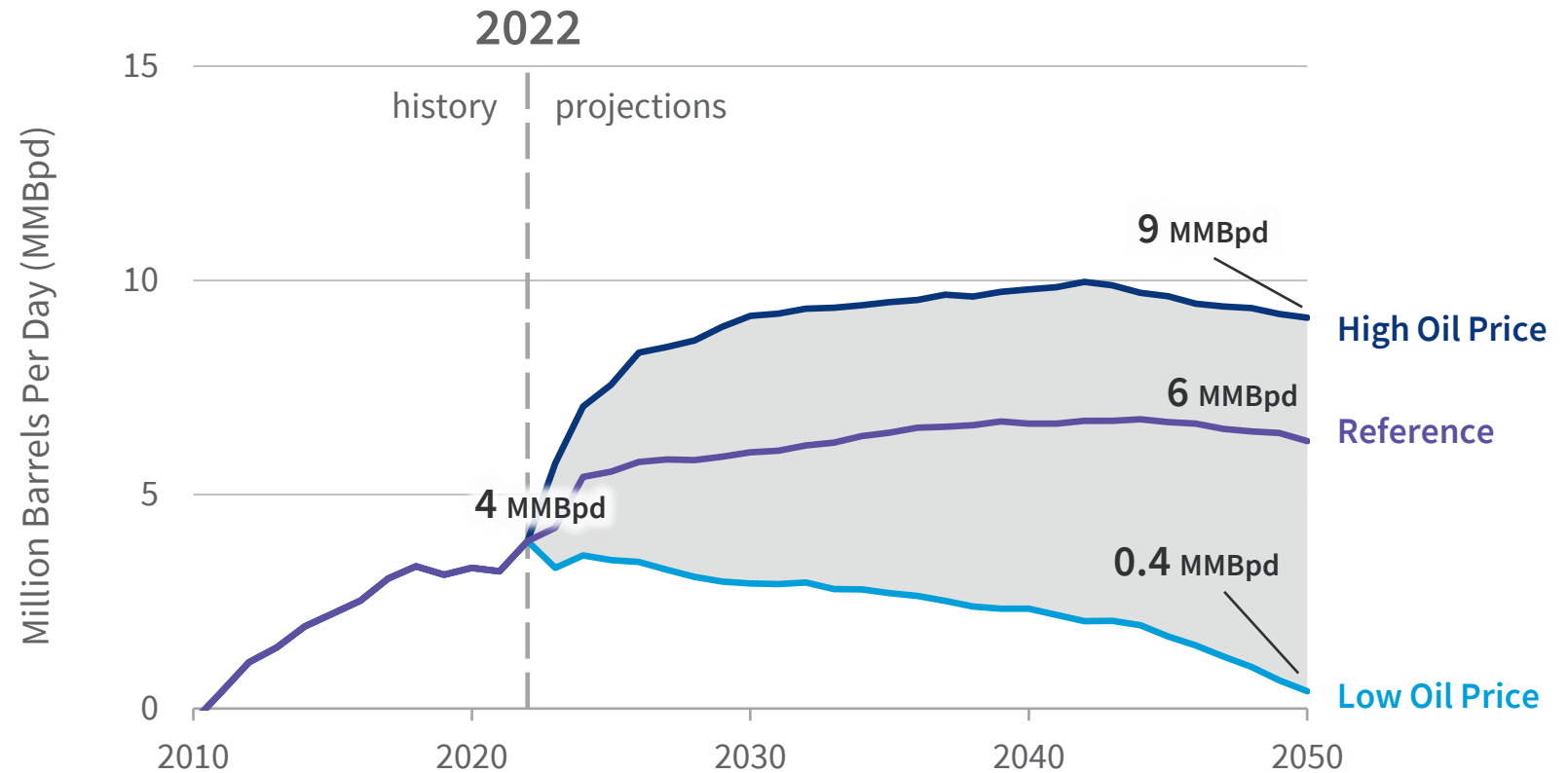


The reference case forecasts a 60% increase in net petroleum product exports through 2050.

Source: U.S. Energy Information Administration, *Annual Energy Outlook 2023* (AEO2023); March 16, 2023

Note: Biofuels are not included in petroleum and other liquids production or consumption. Shaded regions represent maximum and minimum values for each projection year across the AEO2023 Reference case and side cases. ZTC=Zero-Carbon Technology Cost

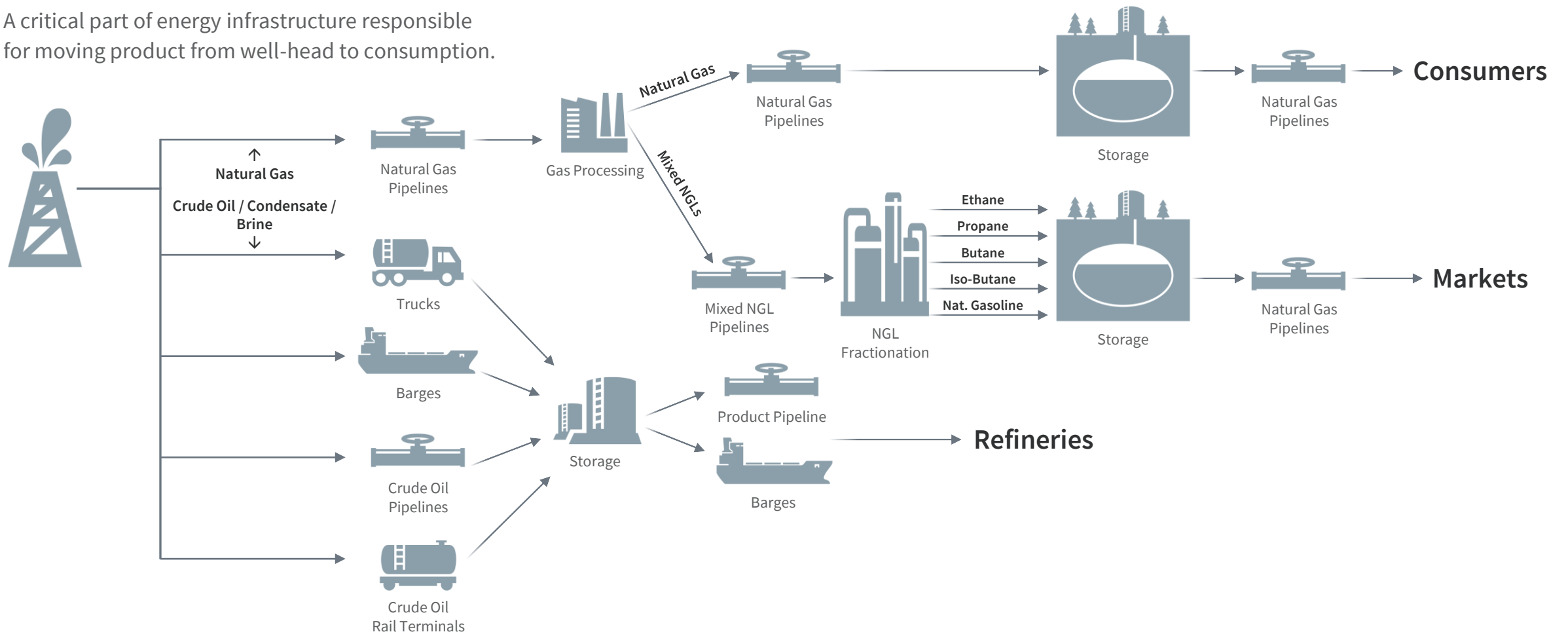
## Petroleum Products Net Exports





## The Midstream Value Chain

A critical part of energy infrastructure responsible for moving product from well-head to consumption.

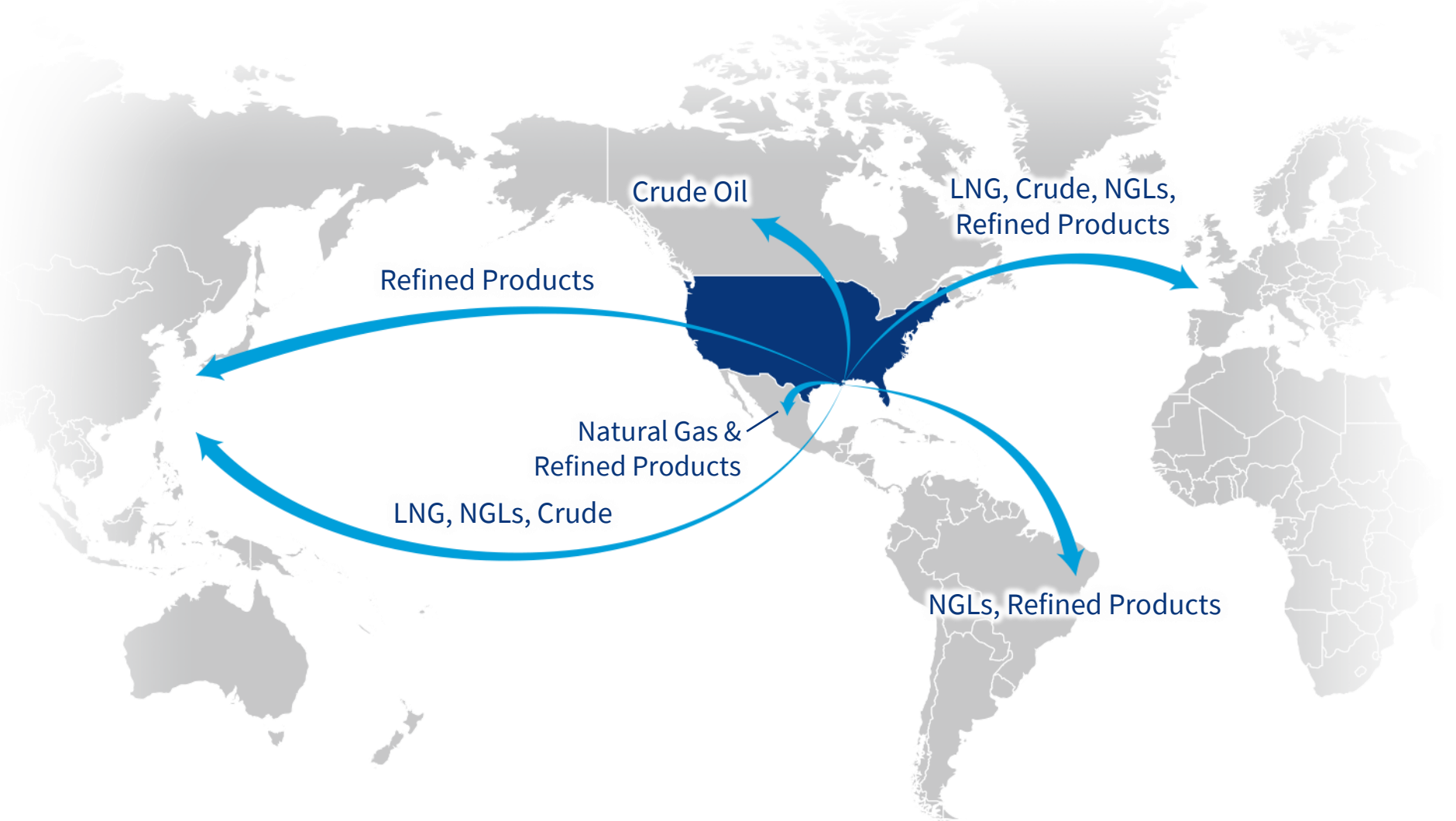


Source: EnLink Midstream, LLC

# U.S. Hydrocarbon Exports

The U.S. has the ability to export all raw and finished hydrocarbons produced domestically to serve global demand.

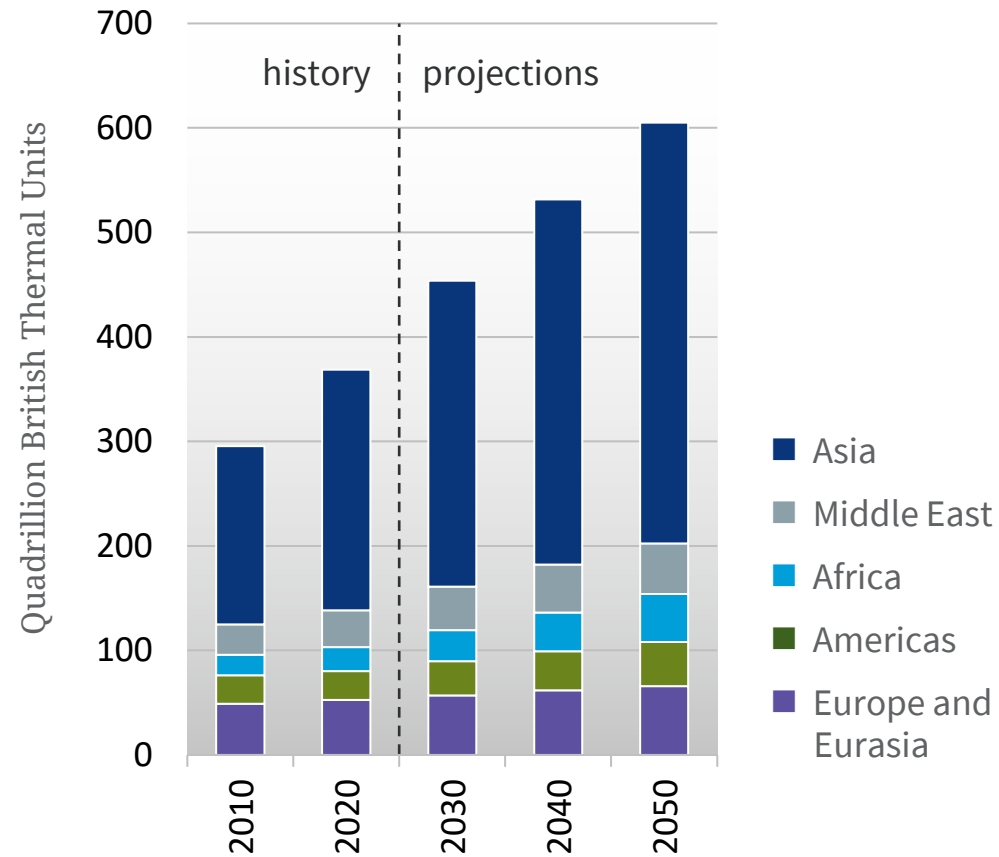
This could continue to provide growth opportunities for Midstream companies which own the critical infrastructure needed to move molecules.



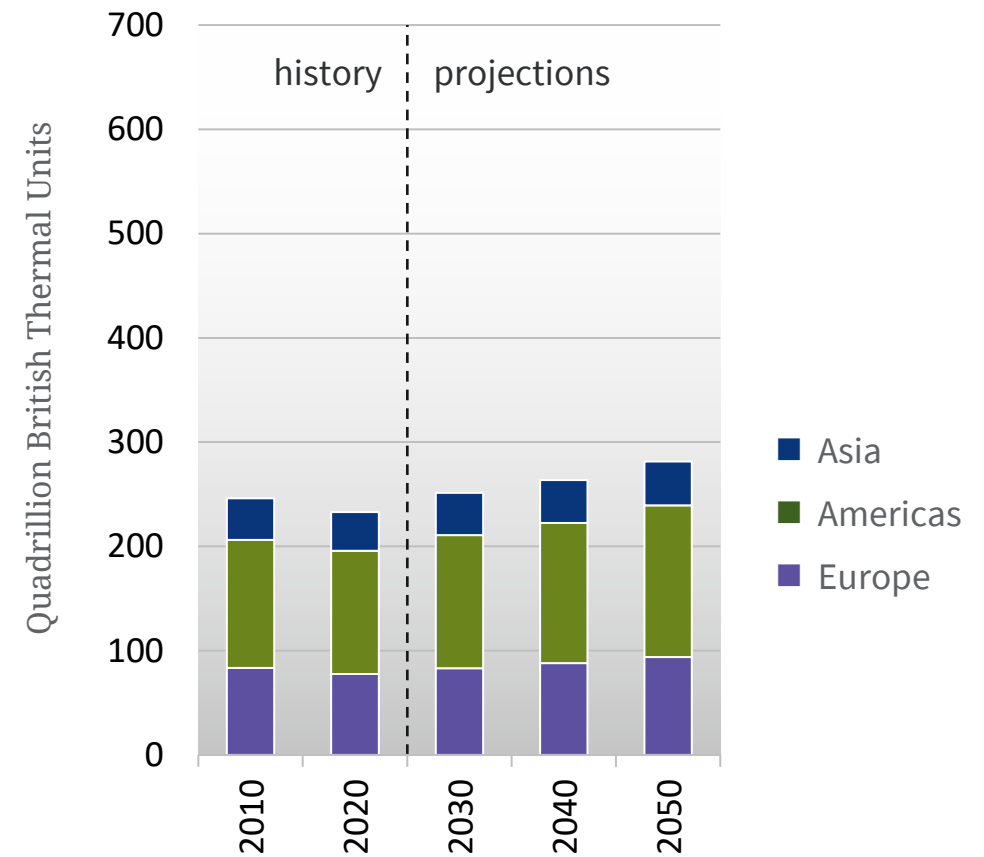
Source: EIA, CCM

# OECD vs Non-OECD Fuel Consumption Projections

## Non-OECD Energy Consumption by Region



## OECD Energy Consumption by Region



Source: IEO2021 Release, CSIS, October 6, 2021

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*EIA* is the U.S. Energy Information Administration.

*LNG* is liquefied natural gas.

*NGLs* are natural gas liquids, consisting of ethane, propane, butane, isobutane, and pentane.

*OECD* is the Organisation for Economic Co-operation and Development, an intergovernmental organization with 38 member countries, founded in 1961 to stimulate economic progress and world trade. The majority of OECD members are high-income economies with a very high Human Development Index (HDI) and are regarded as developed countries.

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