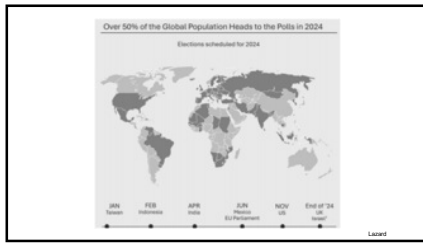


2024 Election Implications: Energy & Economy

1



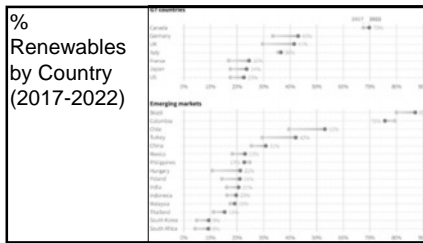
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Change on the Horizon

3

1. Reduced regulatory environment	1. Strong regulatory environment
2. Cheap energy for consumers	2. Cheaper green energy for producers
3. Strong hand in international relations	3. Distant in international relations
4. Works outside system	4. Works in system
5. Hydrocarbons	5. Renewables

4



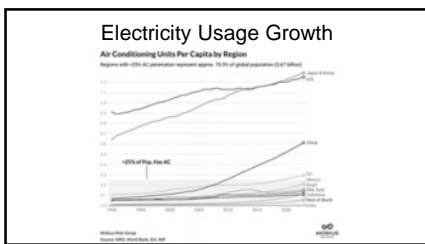
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Power By Any Means

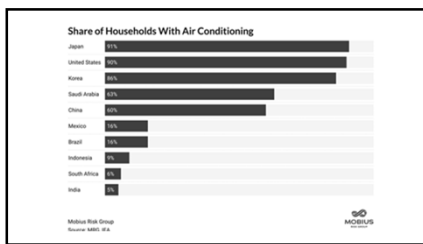
Coal Production and power Generation in selected Countries

Country	Coal Production 2022 (million tons)	Current coal-fired power capacity (GW), including under construction and permitted	Percentage of power generated from coal-fired capacity	Mining population	Planned coal-fired power capacity (GW)
China	4,560	1,451	61%	1,300,000	11.7
India	911	241	75%	837,400	53.6
Indonesia	687	40.65	43%	159,000	18.8
South Africa	224	45.53	74%	91,000	0

6



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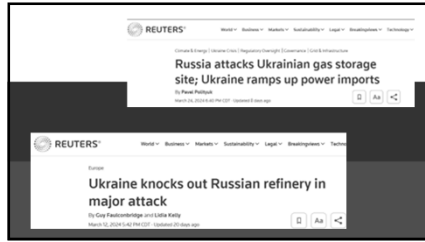
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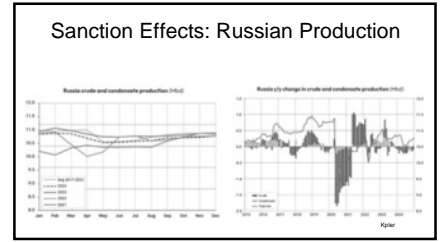
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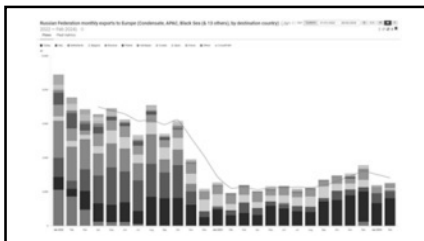
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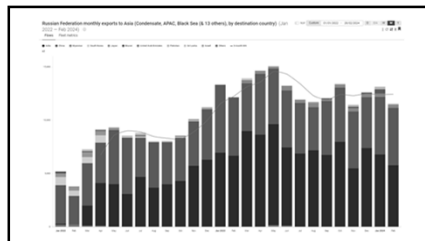
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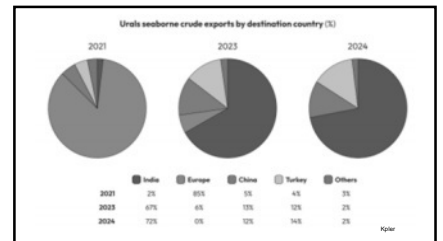
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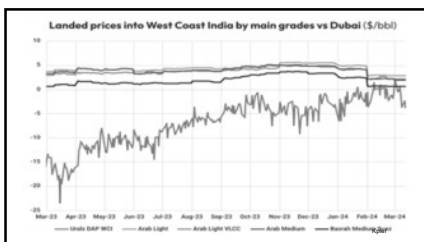
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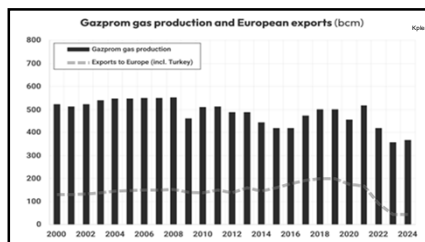
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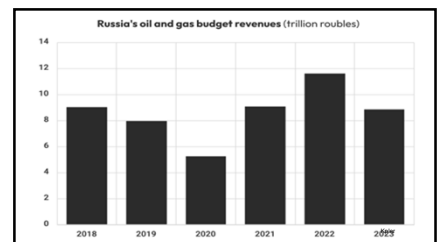
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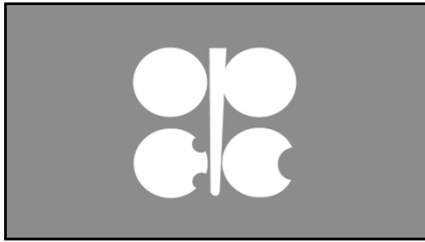
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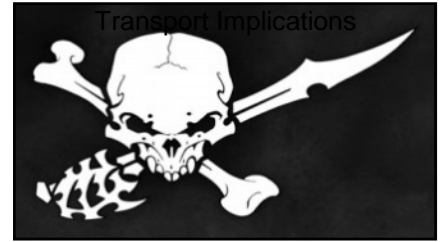
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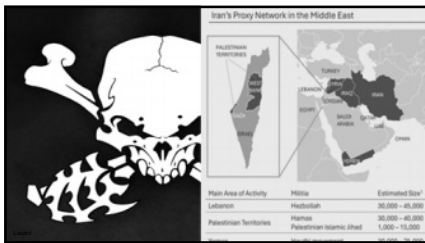
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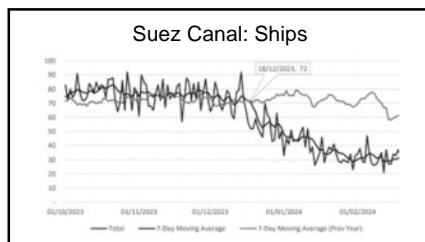
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Crude Origin	Old Destination	New Destination
Russia	Europe	India & China
Middle East	Europe via Suez	India & China Europe via COGH
United States	China	Europe and South America

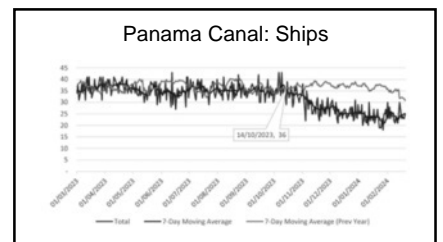
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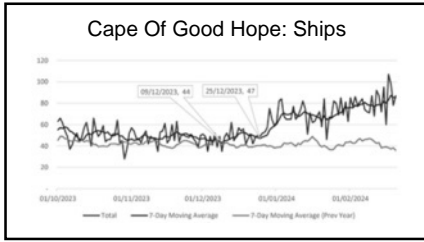
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Estimated Shipping Cost (USA / China), SuezMax

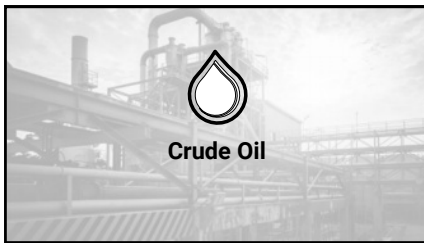
Panama Canal		Suez Canal		Cape of Good Hope	
Volume	Units	Volume	Units	Volume	Units
800,000	bbbls	800,000	bbbls	800,000	bbbls
200,000	\$	200,000	\$	30	\$
800,000	bbbls	800,000	bbbls	800,000	bbbls
27 days	Charter Equivalent (TCE)	44 days	Charter Equivalent (TCE)	34 days	Charter Equivalent (TCE)
50 Tons/Day	Bunker Fuel Use	50 Tons/Day	Bunker Fuel Use	50 Tons/Day	Bunker Fuel Use
\$818	\$/ton	\$818	\$/ton	\$818	\$/ton

29

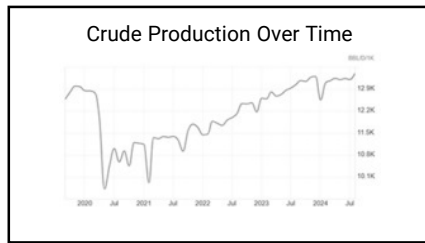
Shipping (Saudi Arabia / Rotterdam), SuezMax

Suez Canal		Cape of Good Hope	
Value	Units	Value	Units
\$525,000	\$	No Canal Fee	\$
\$41,000	\$/day	\$41,000	\$/day
19 days	Journey Time	34 days	Journey Time
50 Tons/Day	Bunker Fuel Use	50 Tons/Day	Bunker Fuel Use
\$818	\$/ton	\$818	\$/ton

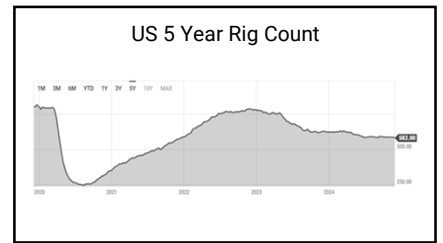
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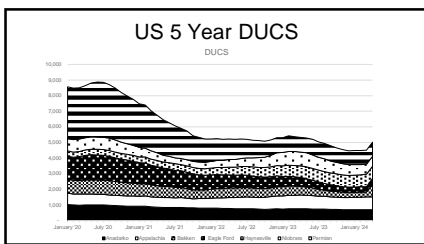
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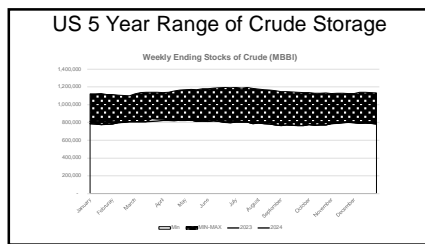
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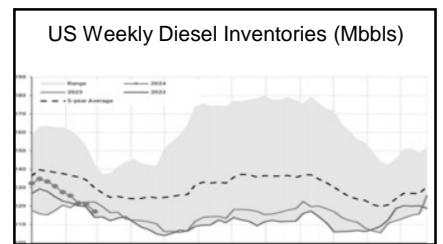
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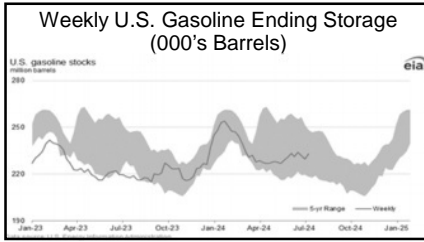
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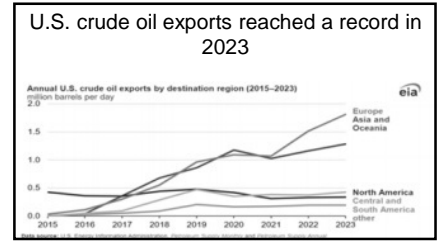
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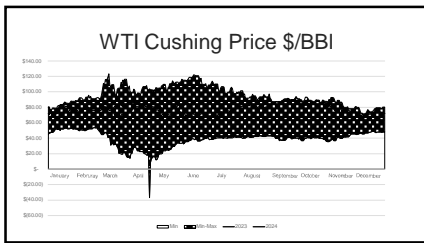
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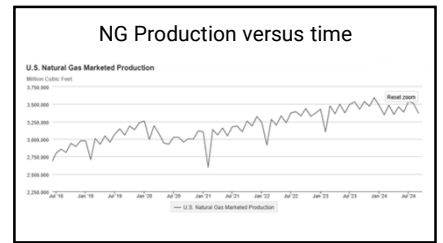
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Drilling: West Texas vs. World

- Pipeline Regulations
- Waha & Canada Gas Prices
- Flaring & Fracking Regulation
- Chevron Doctrine

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Reduced Regulation: Pipelines

Biden admin quietly admits canceling Keystone XL Pipeline cost thousands of jobs, billions of dollars

Projected natural gas infrastructure in Texas (September 2020)

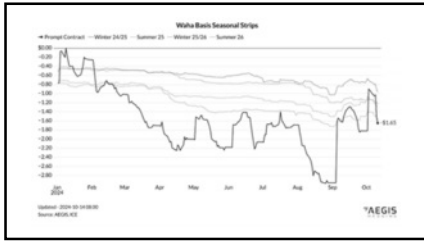
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Reduced Regulation: Drilling

Biden administration to restrict drilling, renewables in US West for struggling bird

Biden administration restricts oil and gas leasing in 13 million acres of Alaska's petroleum reserve

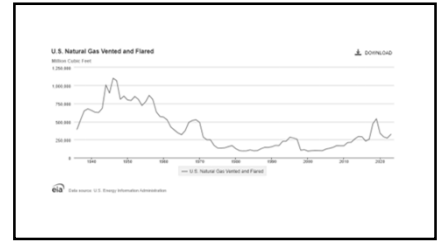
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Effects of the Pause

- Biden-Harris Administration put a temporary pause on approving pending LNG export authorizations, citing a need to further understand the LNG market and environmental impacts of methane.
- Constraining exports would partially cut off the US from the global LNG markets, reducing the value of capturing natural gas for operators.

Project	Operator	Capacity (Bbl/D)
Already-Approved Projects		
USA	Cheniere	5.17
ECJ	Cheniere	0.40
Commonwealth LNG	Commonwealth LNG	1.24
Luke Charles LNG	Energy Transfer	2.20
NorthPass 14	NorthPass	0.60
UPL LNG	NorthPass Global	2.27
TOTAL		13.88
Projects unlikely to be impacted		
ECJ Stage 2	Cheniere	1.35
Marathon LNG 11.9	NorthPass	2.95
Port Arthur LNG F1	Surgent	1.75
Plaquemine F1	NorthPass Global	1.55
Plaquemine F2	NorthPass Global	1.35
Golden Pass LNG	NorthPass Global	1.50
TOTAL		10.50

50

Texas Republican Sens. John Cornyn and Ted Cruz are sponsoring legislation that would make it harder for environmental groups to challenge liquefied natural gas exports.

Under the "Protect LNG Act," courts would not be able to scrap permits under the Natural Environmental Policy Act and the Natural Gas Act. Instead, they would have to give regulators a chance to address concerns.

The legislation would also direct lawsuits against LNG facilities to appeals courts, and it would have them expedite consideration of certain cases.

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Outcomes Of Lifted LNG Pause

EU may consider replacing Russian LNG imports with those from US, von der Leyen says

Capacity of new LNG projects by year of approval status

Year of Approval	Capacity (mmpa)
2021	~100
2022	~100
2023	~100

(90 mmpa = 4,383 BCF per annum)

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Direction Of Oil Majors

BP

- New CEO
- Reduce Renewables
- Cut 15 Hydrogen Projects & Team
- Reinvest in O&G Production

Shell

- Scaled back wind & hydrogen projects

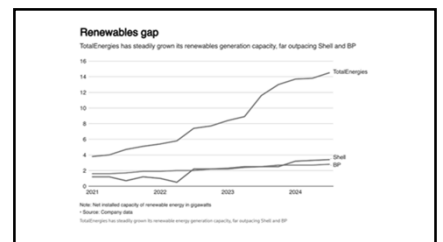
Equinor

- Bifurcal focus
- Natural Gas Focus
- Renewables lack level of returns

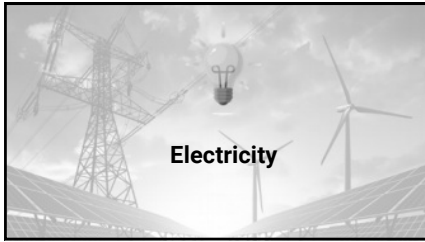
TotalEnergies - Outlier

European oil giants step back from renewables path

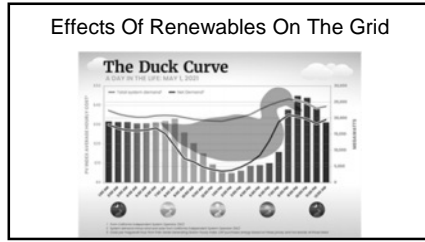
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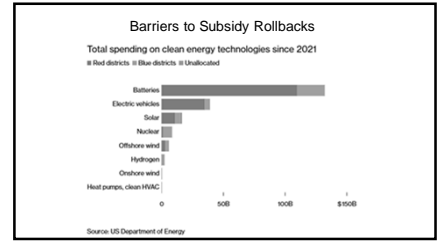
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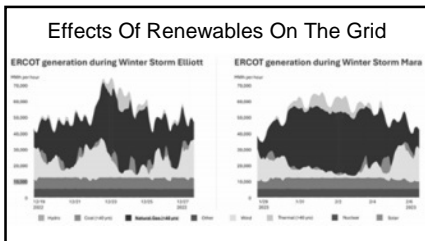
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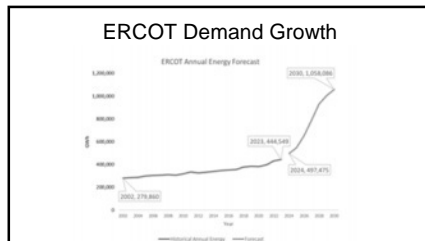
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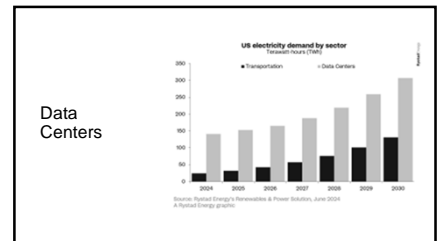
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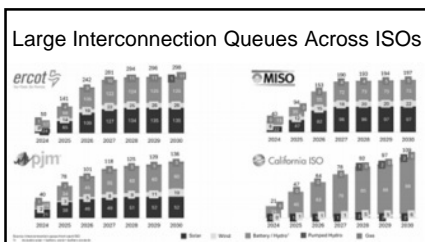
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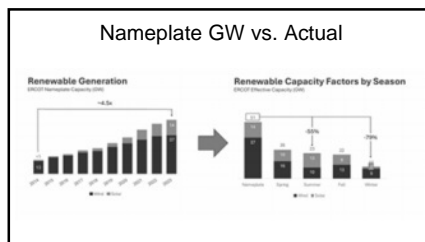
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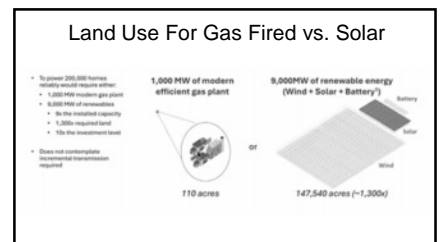
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Examples Of Land Use For Renewables

About 60% of land in Dallas
1.7x the size of Philadelphia

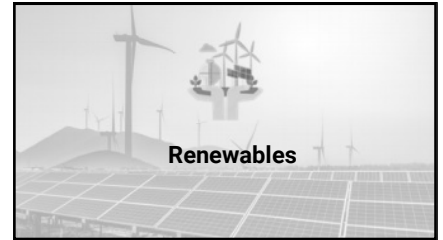
Estimated land required for 5,000MW of renewables: 147,000 acres (230 sq miles)

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IRA Tax Subsidies on Solar

Financial Tax Benefits can be sold/transferred	65% - 70% of investment recovered in ITC in Year 0.
Stays in effect until 70% of grid is renewable; effectively permanently in renewal	35% of investment recovered in accelerated depreciation in Year 0.

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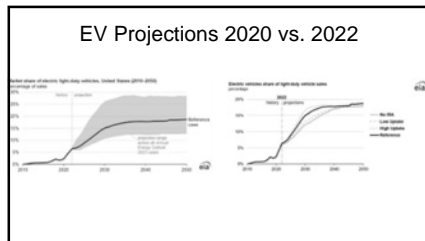
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Possible Subsidy Rollbacks

U.S. EV sales are growing fast, but they're still less than 10% of new car sales. Source: IHS Markit, Oct. 2023

Exclusive: Trump's transition team aims to kill Biden EV tax credit

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\$7.5 Billion in Government Cash Only Built 8 E.V. Chargers in 2.5 Years

While the program never made headlines or public charges, the government spends billions of dollars for just a handful of charging stations.

BY JACQUES L. BLANCHARD FOR ENR

69

General Motors adjusts EV production targets amid slower demand growth

Ford Pulls Back Its Electric Vehicle Push

The automaker said it would never lean its factory-generated cars and swap a planned electric focus over sport utility vehicle.

70

CLIMATEWIRE

A Chinese solar giant came to America for a Biden windfall. Then Trump won.

By Benjamin Swire, Kelly Zimmerman | 11/17/2024 06:18 AM EST

Trina Solar built a Texas factory to receive almost \$2 billion from the Inflation Reduction Act. It changed course the day after Donald Trump's election victory.

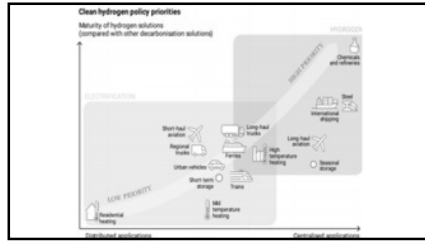
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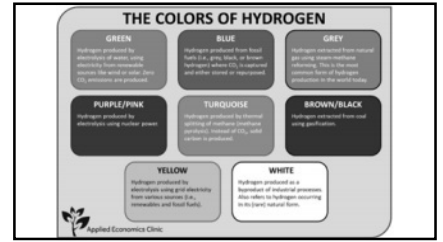
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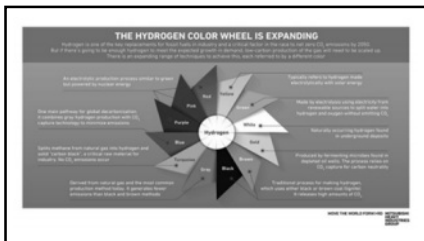
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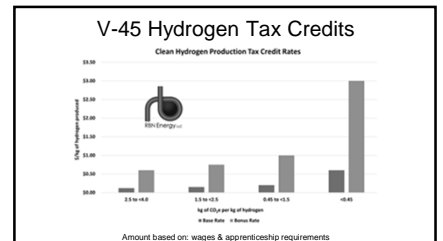
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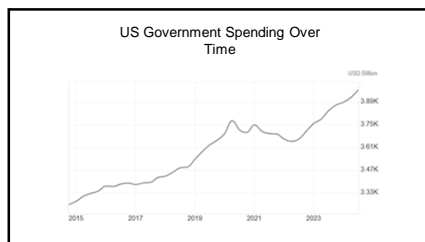
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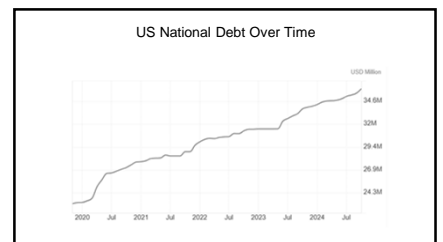
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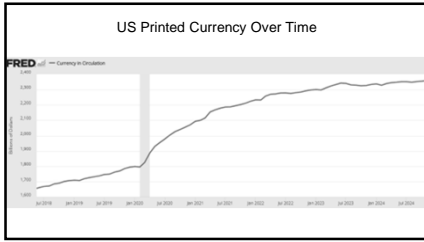
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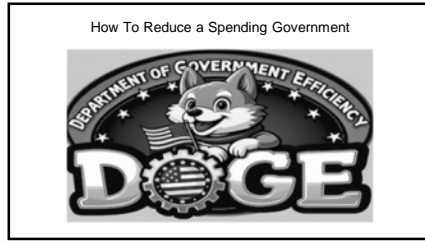
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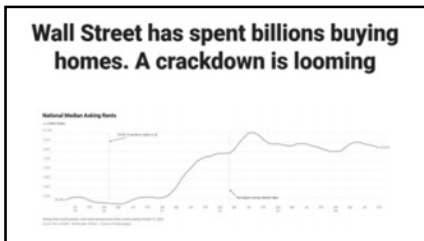
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Tariffs	
Positives	Negatives
<ul style="list-style-type: none"> Short term GDP growth due to inventory purchases Bring heavy industry back to the USA Less dependence on other nations 	<ul style="list-style-type: none"> Short term increased cost for consumer Possible long term cost increase for consumer Increased energy demand from heavy industry

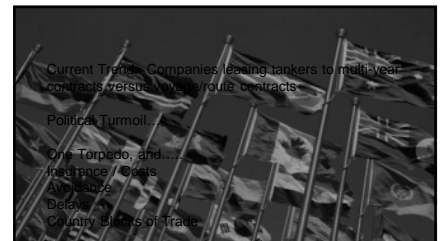
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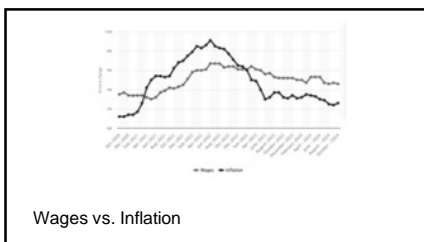
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Backup

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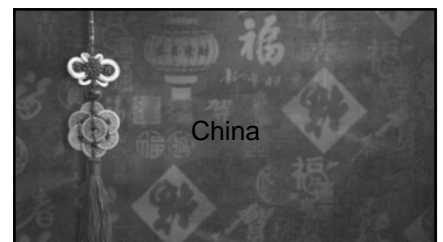
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1.Election Summary / International Affairs
2.Crude & Liquids
3.Natural Gas / LNG
4.Hydrocarbon Based Electricity
5.Renewables Based Electricity

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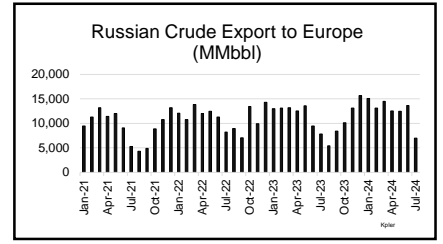
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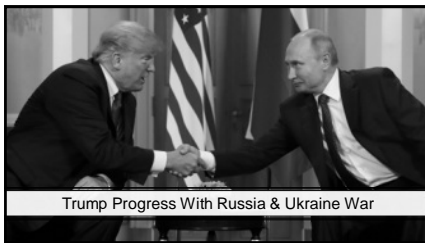
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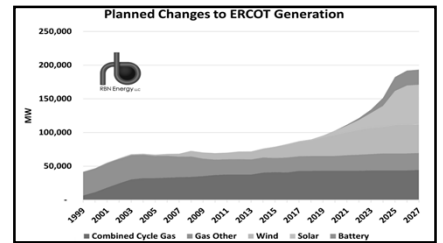
Optimism Around Russia-Ukraine Conflict

Zelensky says war will 'end sooner' with Trump as president

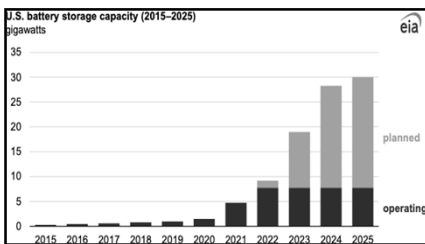
Why Trump can win the war:

- Proven track record with Putin
- Peace through strength approach

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Possible Subsidy Rollbacks

Trump vows to pull back climate law's unspent dollars

A Chinese solar giant came to America for a Biden windfall. Then Trump won.

China Solar built a Texas factory to receive almost \$2 billion from the Inflation Reduction Act. It showed concern for the other Donald Trump's election victory.

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