

North American Energy Security and the Keystone XL Pipeline



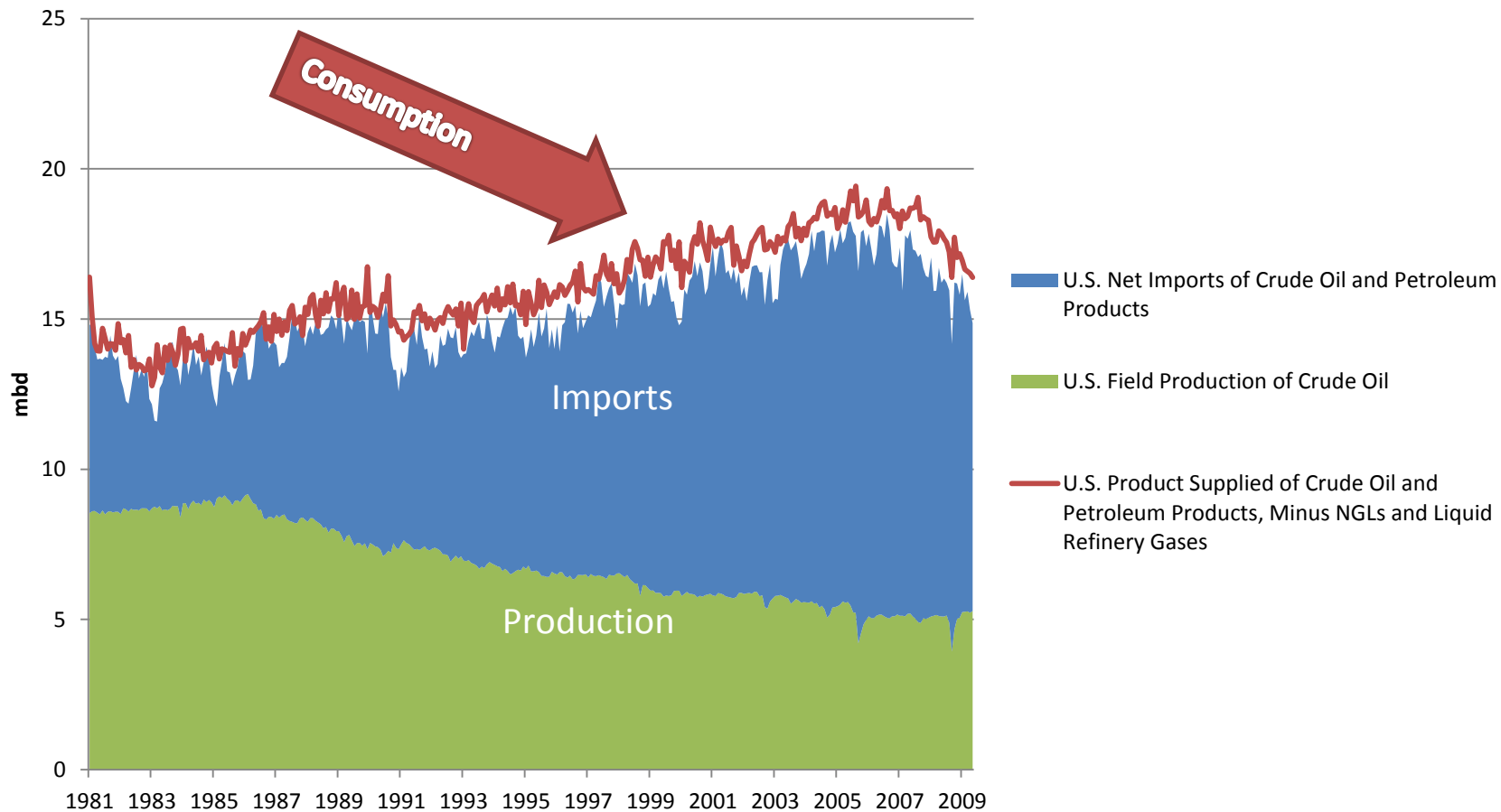
Woodrow Wilson Center
Washington, D.C.

September 21, 2011

Panel Discussion on Energy Security and Keystone XL Pipeline

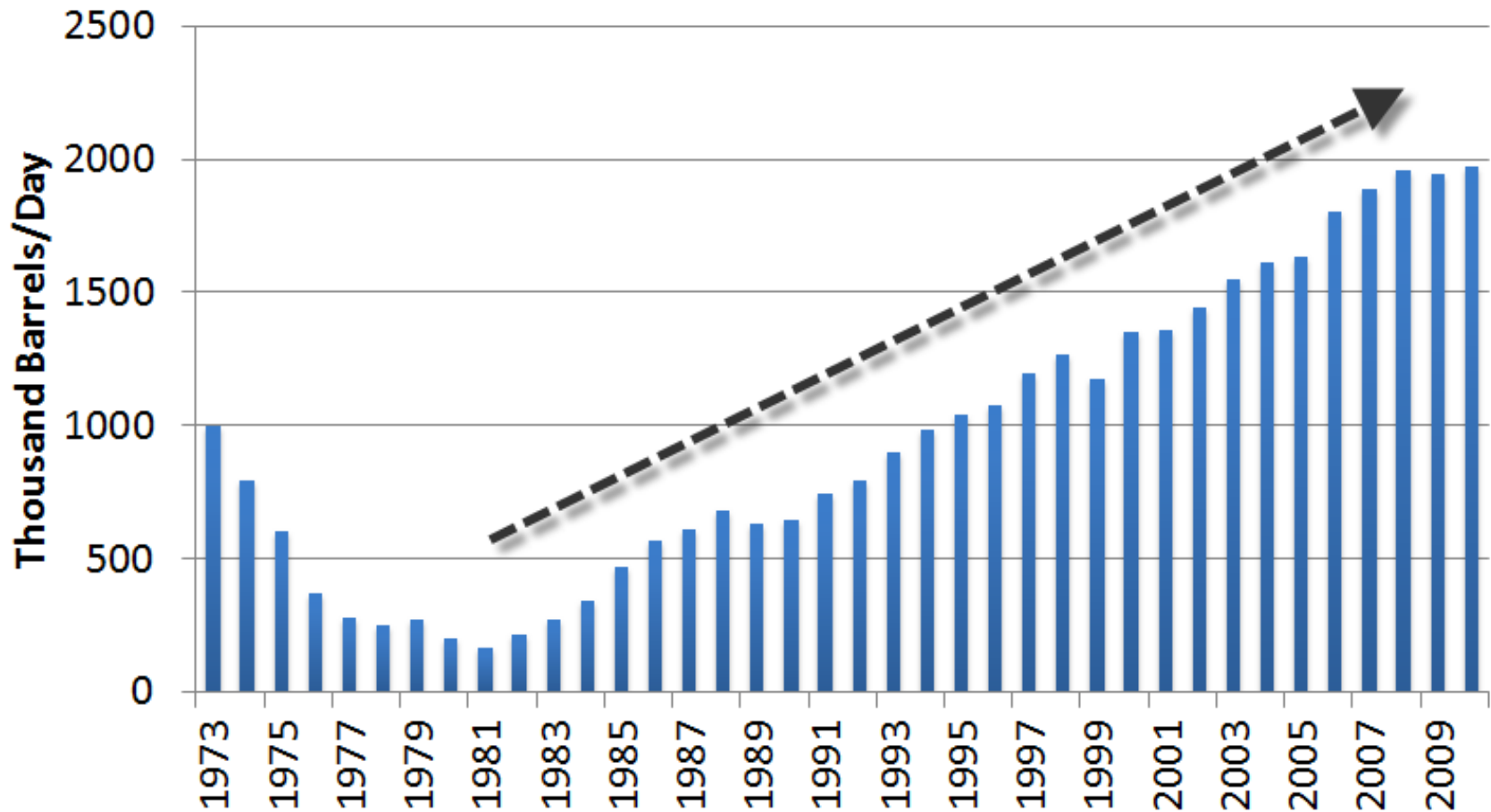
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U.S. Crude Oil Production, Consumption, and Imports



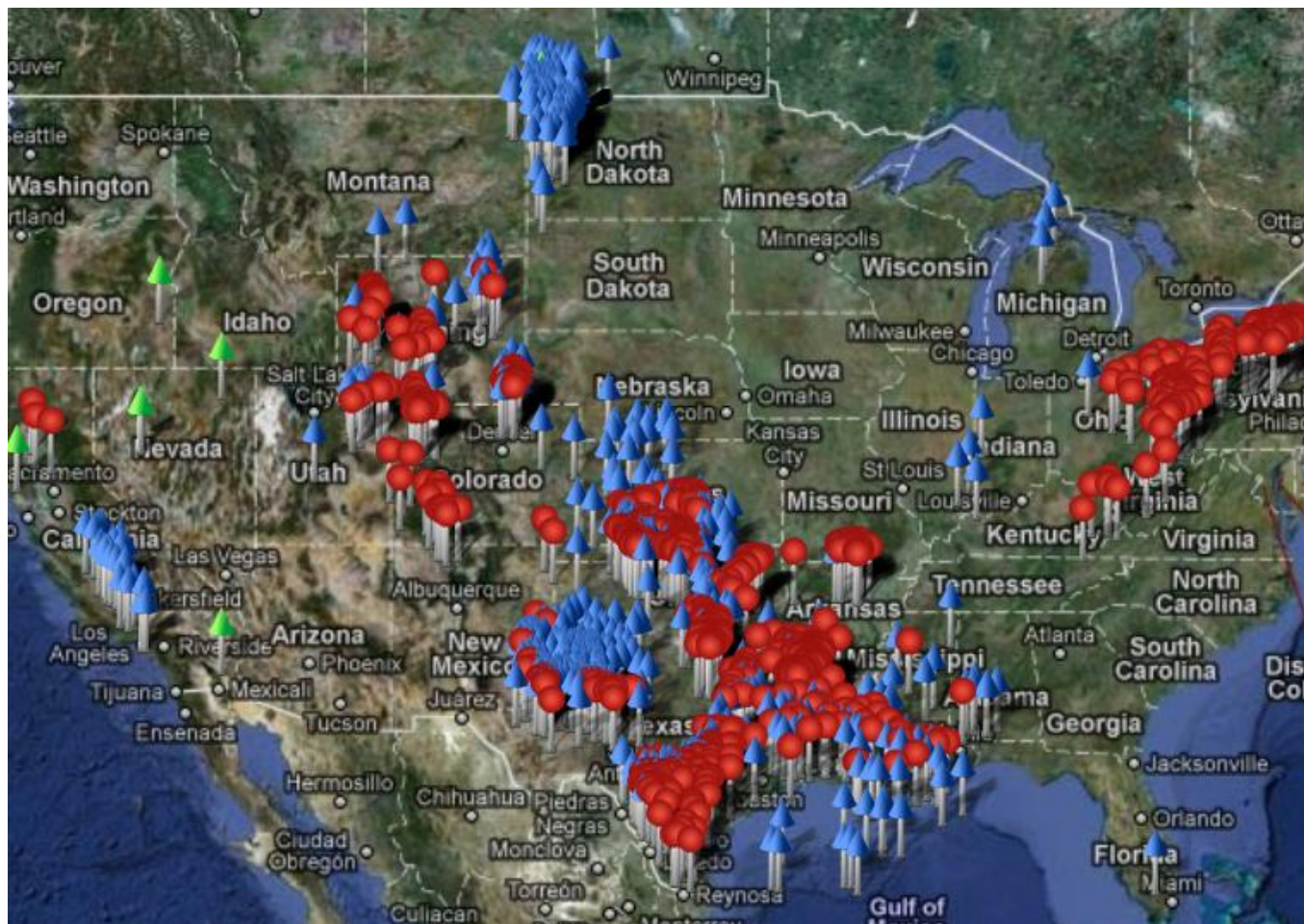
Source: : EIA Data, EPRINC Calculation. NGLs are not included in any of these data sets.

Canadian Imports



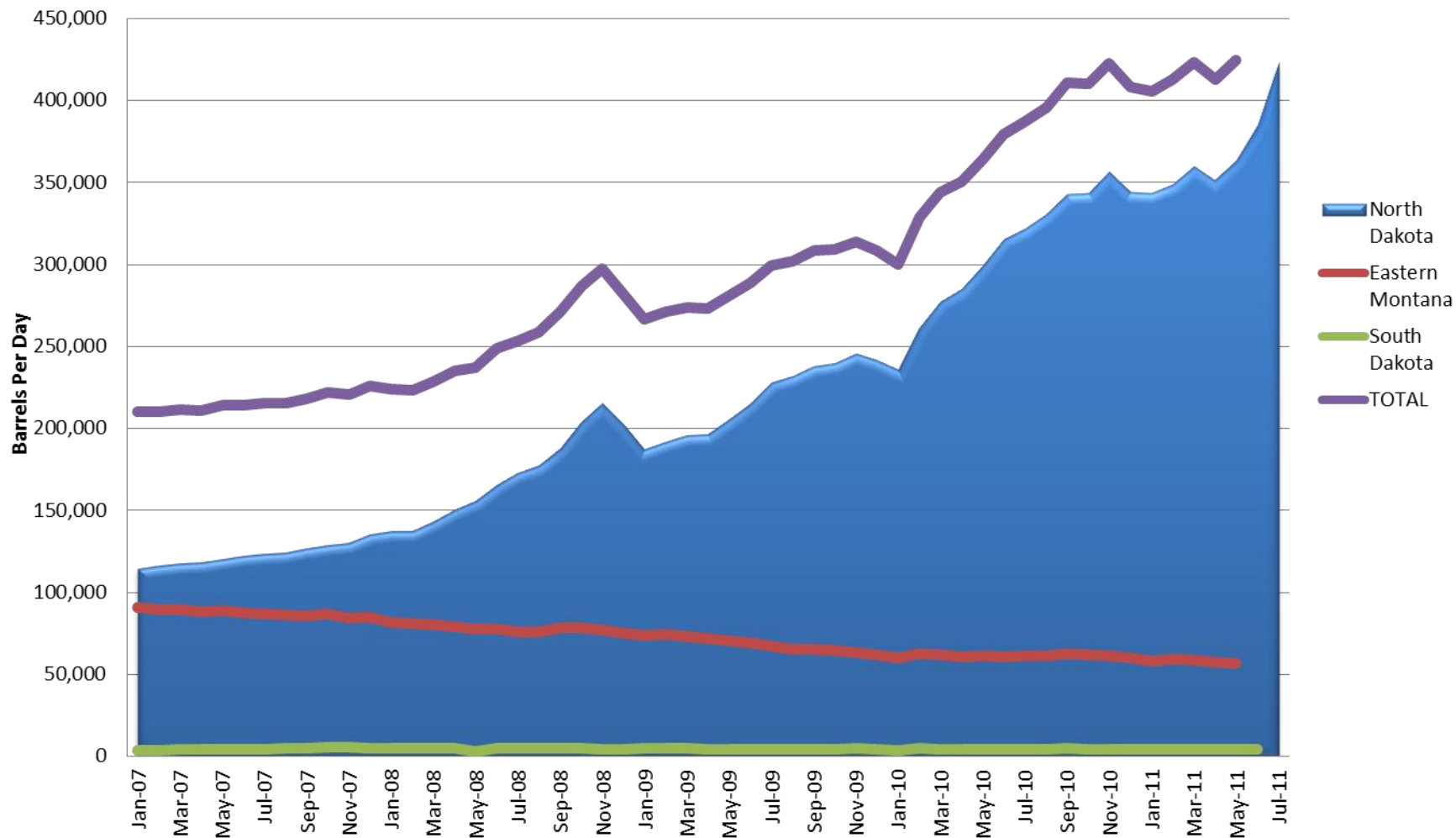
Source: EIA

Systemic Impacts and Infrastructure Needs: Growth in Other Shale Plays



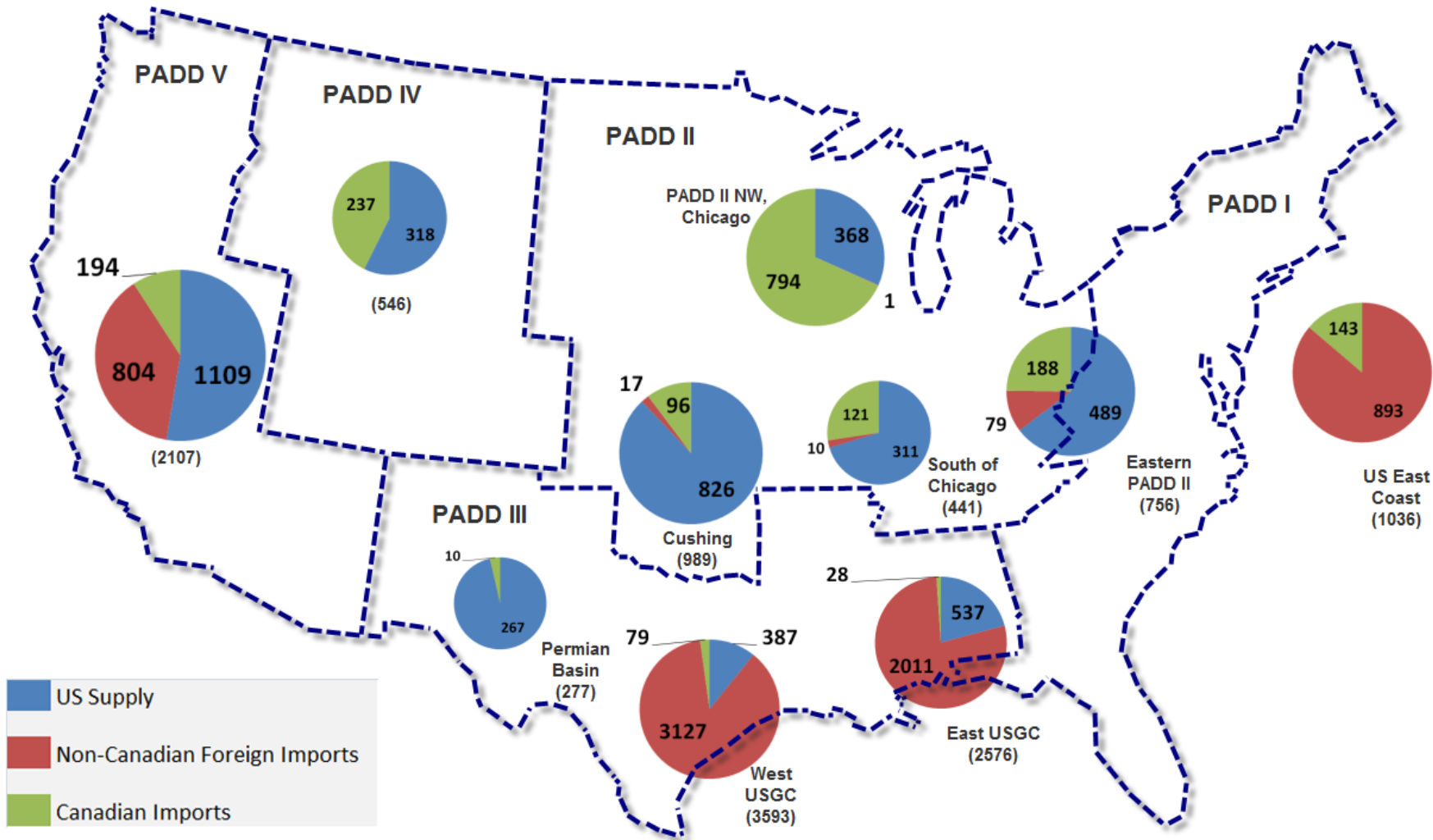
Source: Baker Hughes Interactive Rig Count July 7th 2011

Williston Basin Production



Source: North Dakota Pipeline Authority

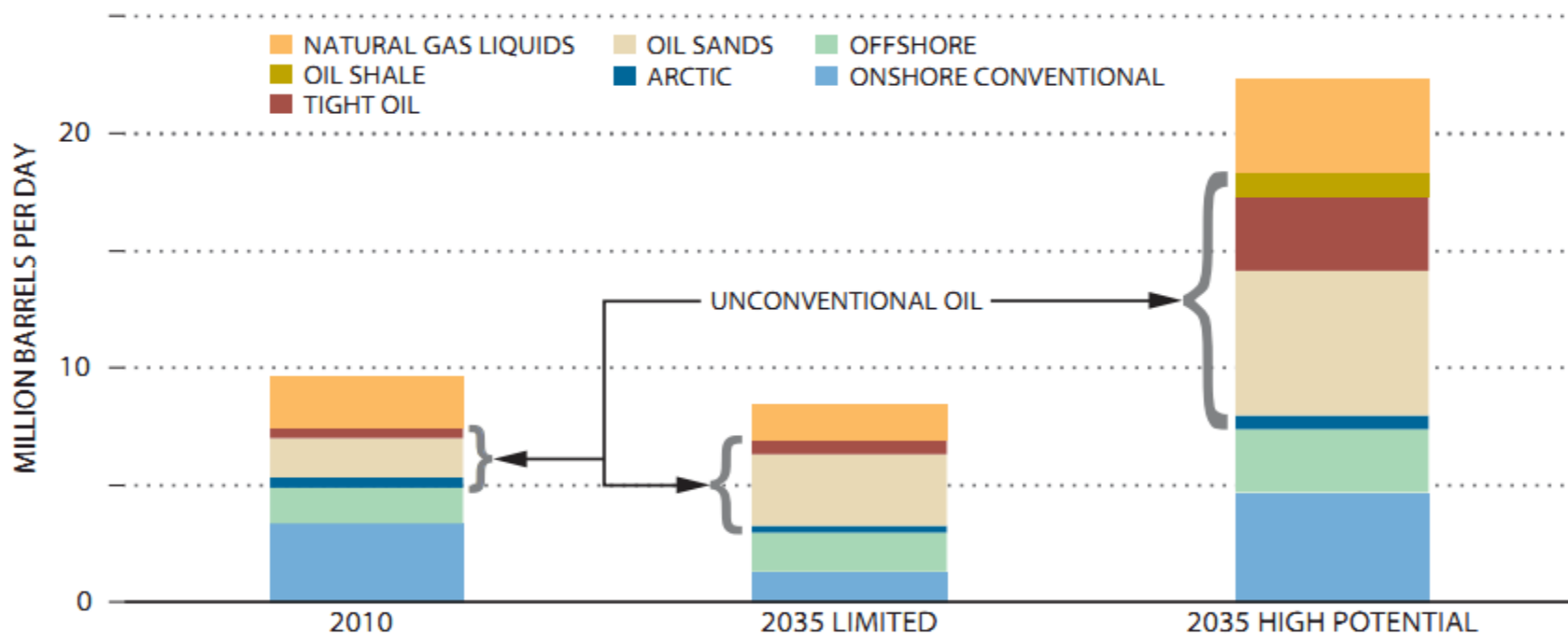
Canadian Imports and Potential Markets



Source: EPRINC rendition from Enbridge. Enbridge; Enbridge used EIA and NEB Data and Enbridge Estimates (with some averages)

Crude Disposition by Region 2010 (MB/D)

NPC Findings Future Oil Production



Note: The oil supply bars for 2035 represent the range of potential supply from each of the individual supply sources and types considered in this study. The specific factors that may constrain or enable development and production can be different for each supply type, but include such factors as whether access is enabled, infrastructure is developed, appropriate technology research and development is sustained, an appropriate regulatory framework is in place, and environmental performance is maintained.

Source: Historical data from Energy Information Administration and National Energy Board of Canada.

Take Aways

Canadian Oil Sands Can Shift Long Run Price of Oil \$20/bbl +\$1 Trillion in Savings to U.S. Economy

Keystone Generates Ongoing Economic Benefits in Efficiency in the Movement and Processing of Domestic and Canadian Crude supplies. Very Important to Support Domestic Petroleum Output Growth

Supports Sustainable Economic Growth – High Value Added Enterprise.

Reliance on Alternative Fuels/Renewables as Substitute is a false choice – U.S. Will Remain Large Crude Importer

Renewables/Alternative Fuels are Costly and Contain High Risk of Failure.

Postive Expectations that U.S./Canada Energy Trade will be Sustainable and Long-term