

# EU-US REGULATORS ROUNDTABLE

10<sup>th</sup> EU-US Energy Regulators Roundtable Meetings  
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Colette D. Honorable  
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# The Shale Gas Revolution in the U.S.: Changes in the Industry

- ▣ I. Transition from Dry to Wet Shale Gas Plays
- ▣ II. Challenges in the Transmission and Distribution Pipeline Sectors
- ▣ III. “Fugitive Methane” and the New EPA Counsel

# I. Change from Dry to Wet Shale Gas Plays in U.S.

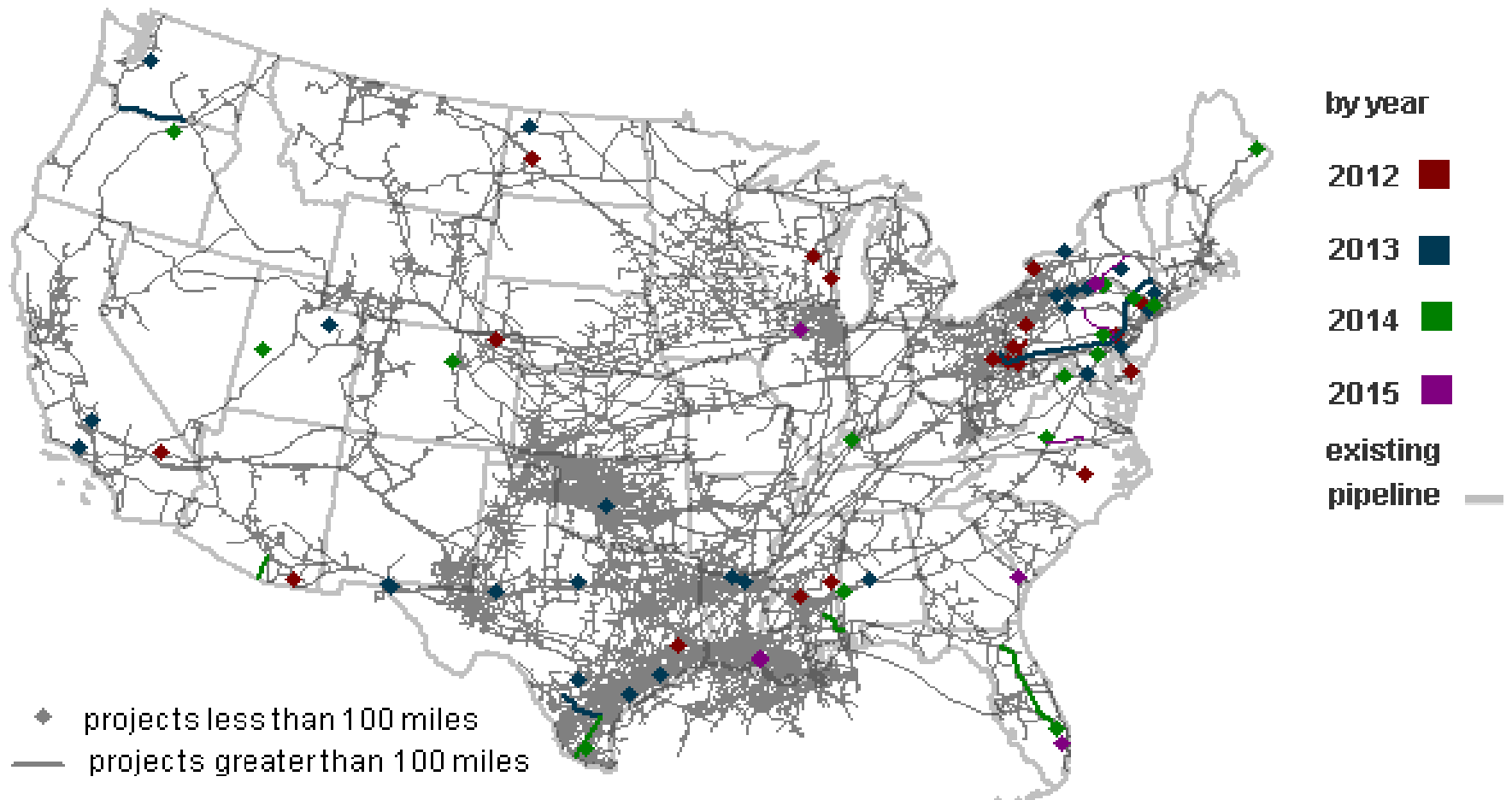
- ▣ Reduced production in less-profitable “dry” (methane only) natural gas shale plays such as Haynesville Shale, Fayetteville, and Woodford
- ▣ Increased production in “wet” natural gas liquids (NGLs – ethane, butane, propane, etc.) shale plays such as Eagle Ford and Marcellus.
- ▣ NGL revenues offset lower gas prices of natural gas
- ▣ U.S. shale production comprised over 35% of total U.S. dry production in 2012 (EIA)

## II. U.S. Challenges in Pipeline Sector

- ▣ U.S. natural gas pipeline capacity investment slowed in 2012 after growth in prior years (EIA)
- ▣ Natural gas pipeline mileage additions in 2012 were the lowest since 1987.
- ▣ Most 2012 pipeline projects were in the Northeast U.S.
- ▣ NE pipeline projects focused on fast-growing Marcellus Shale gas production
- ▣ Federal legislation enacted in 2012 created new priorities for PHMSA and the industry

# Actual and Planned U.S. NG Pipeline Projects (EIA)

## Natural gas pipeline projects



# III. Fugitive Methane Issue and New EPA Advisory Council

- ▣ “Fugitive” methane emissions – gas leaked or vented during and after hydraulic fracturing
- ▣ Fugitive methane emissions (GHG) can undermine the carbon advantage held by natural gas over other fossil fuels
- ▣ EPA Hydraulic Fracturing Research Advisory Panel to review impact on drinking water resources
- ▣ Panel of 31 experts to review EPA’s 2014 draft report of results for its national study

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Questions?

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