

United States Energy Outlook and Policies Affecting the Outlook

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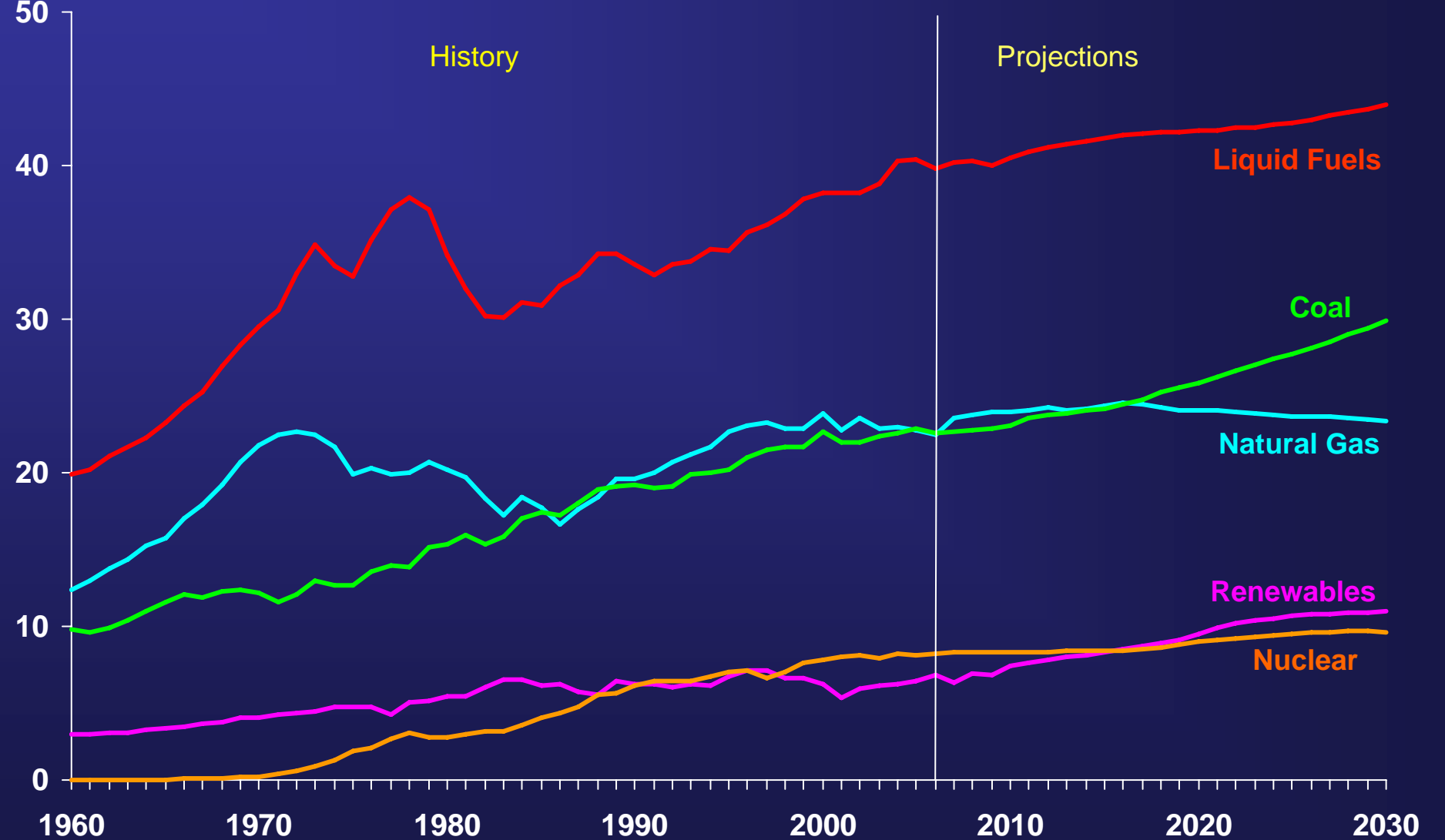
World oil prices are higher in all AEO2008 cases

nominal dollars per barrel



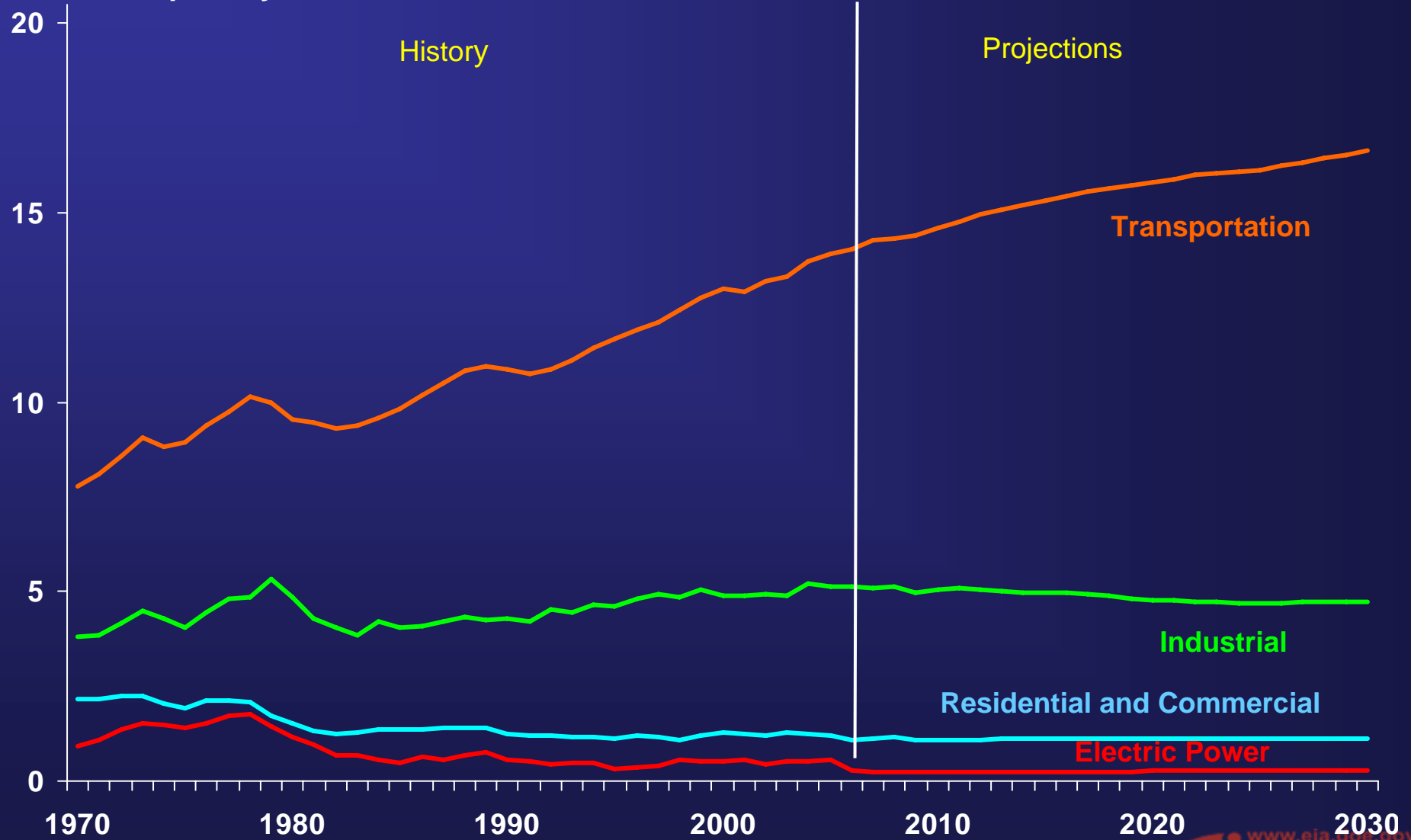
Liquid fuels continue to dominate primary energy consumption in the United States

quadrillion Btu



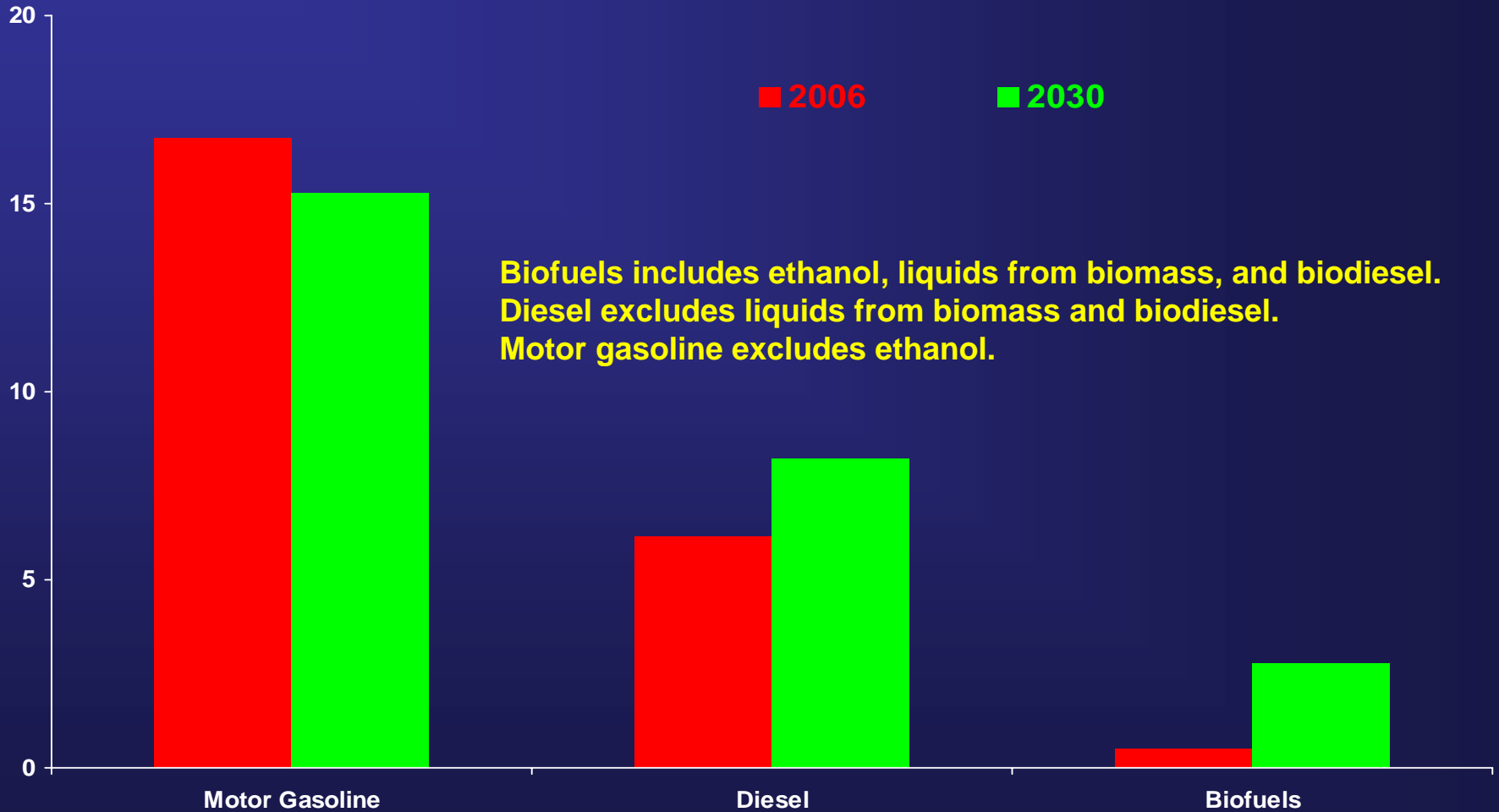
The transportation sector dominates liquid fuel consumption

million barrels per day



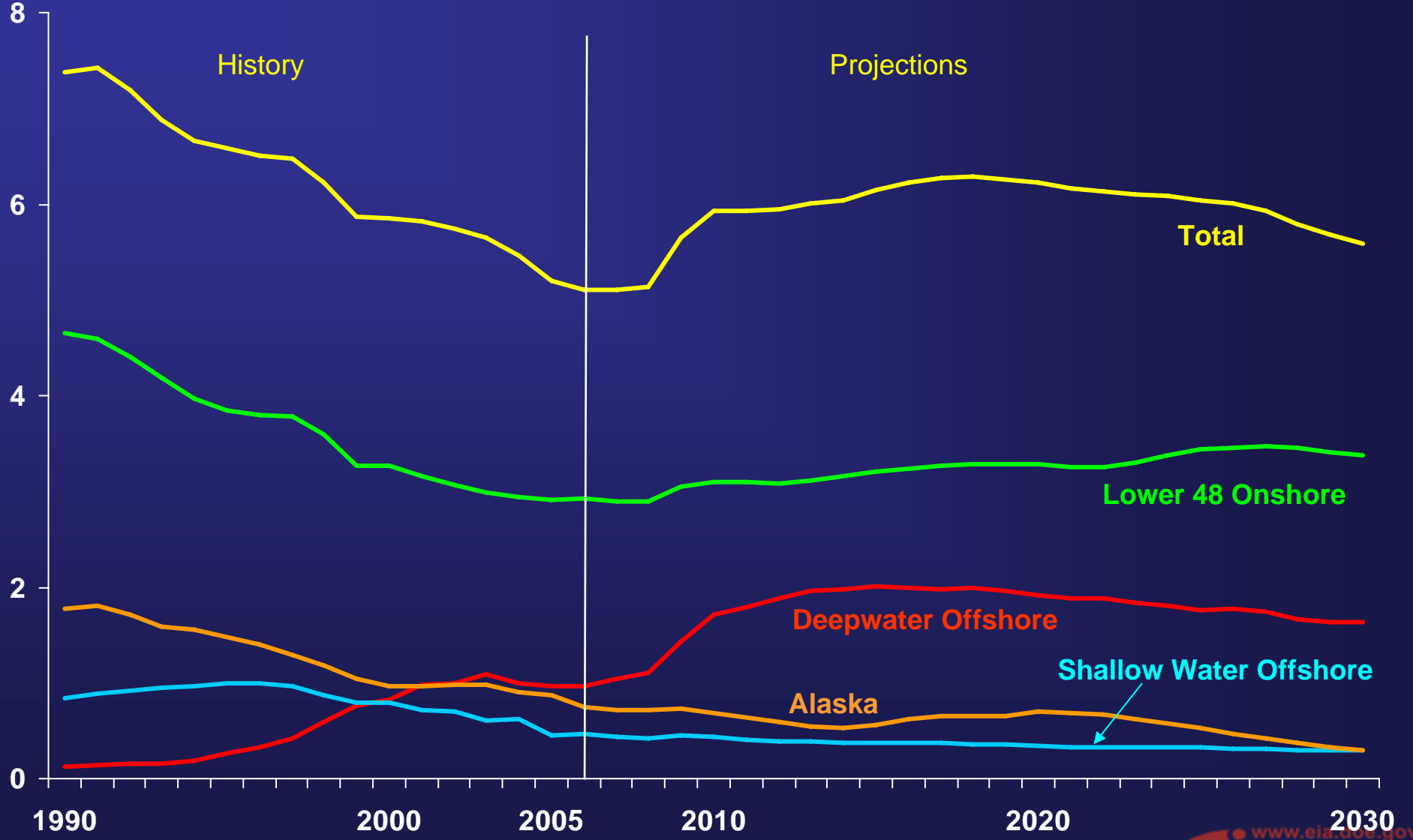
Transportation energy use shifts slightly from petroleum to biofuels

quadrillion Btu



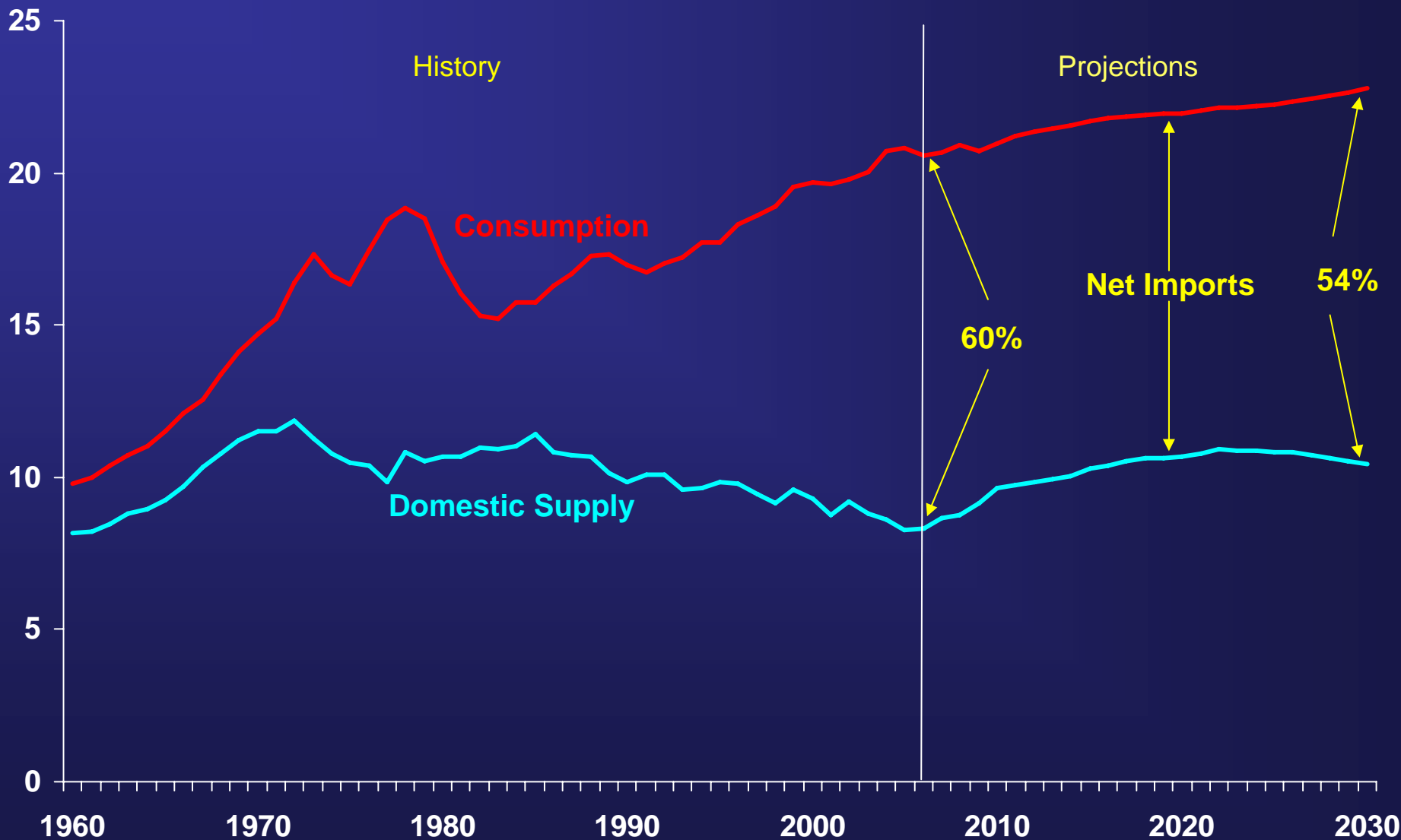
Crude oil production is primarily from the onshore and deep offshore

million barrels per day



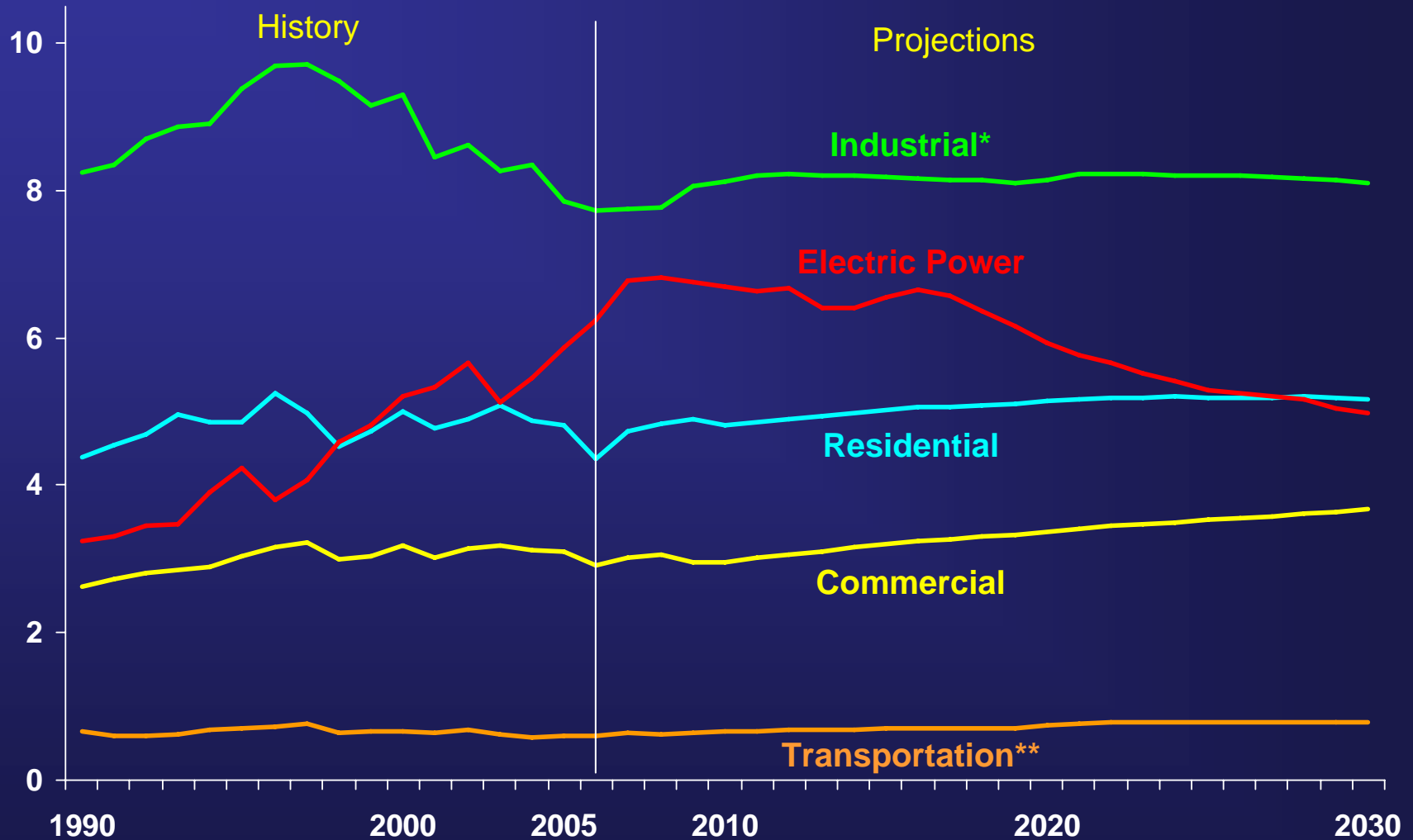
Dependence on imports of liquid fuels and other petroleum declines by 2030

million barrels per day



Natural gas consumption in the electric power sector declines after the next 10 years

trillion cubic feet



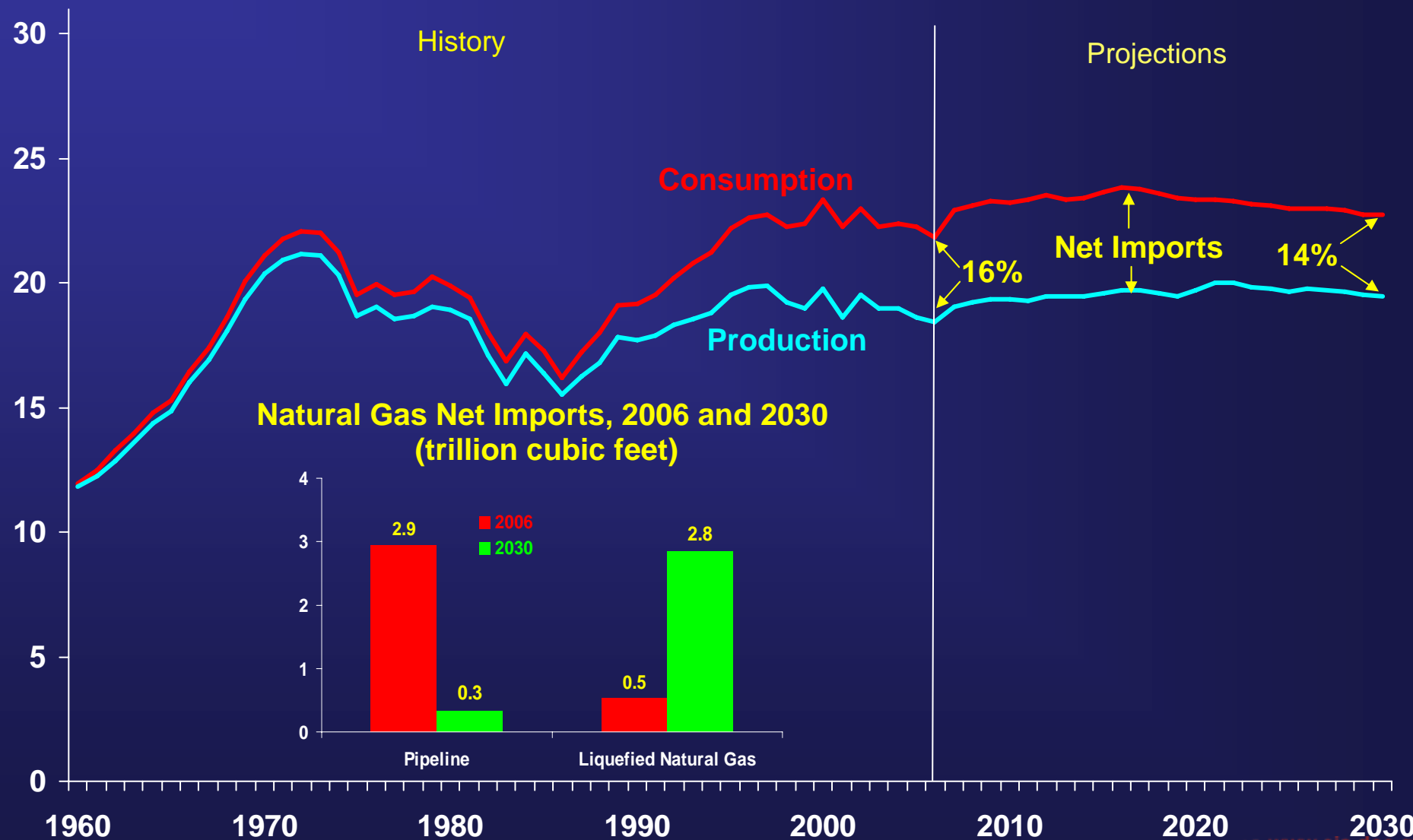
* Includes lease and plant fuel

** Includes pipeline fuel

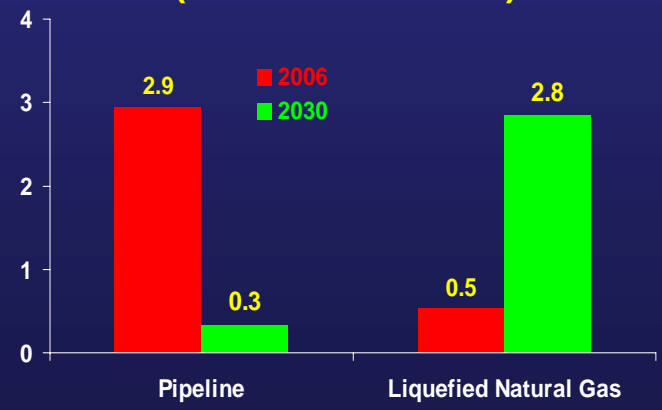
Annual Energy Outlook 2008

Dependence on natural gas net imports declines slightly

trillion cubic feet

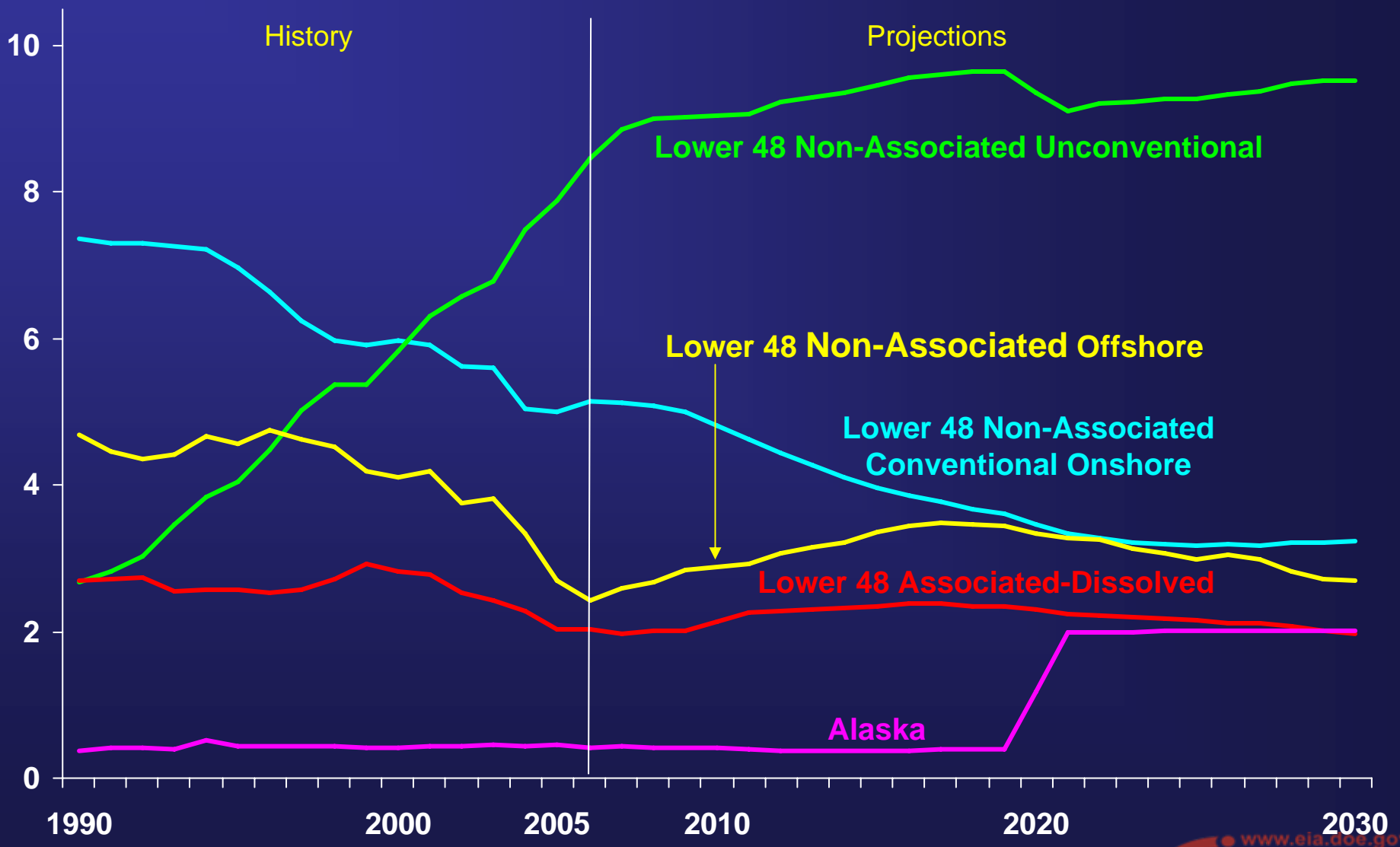


Natural Gas Net Imports, 2006 and 2030 (trillion cubic feet)



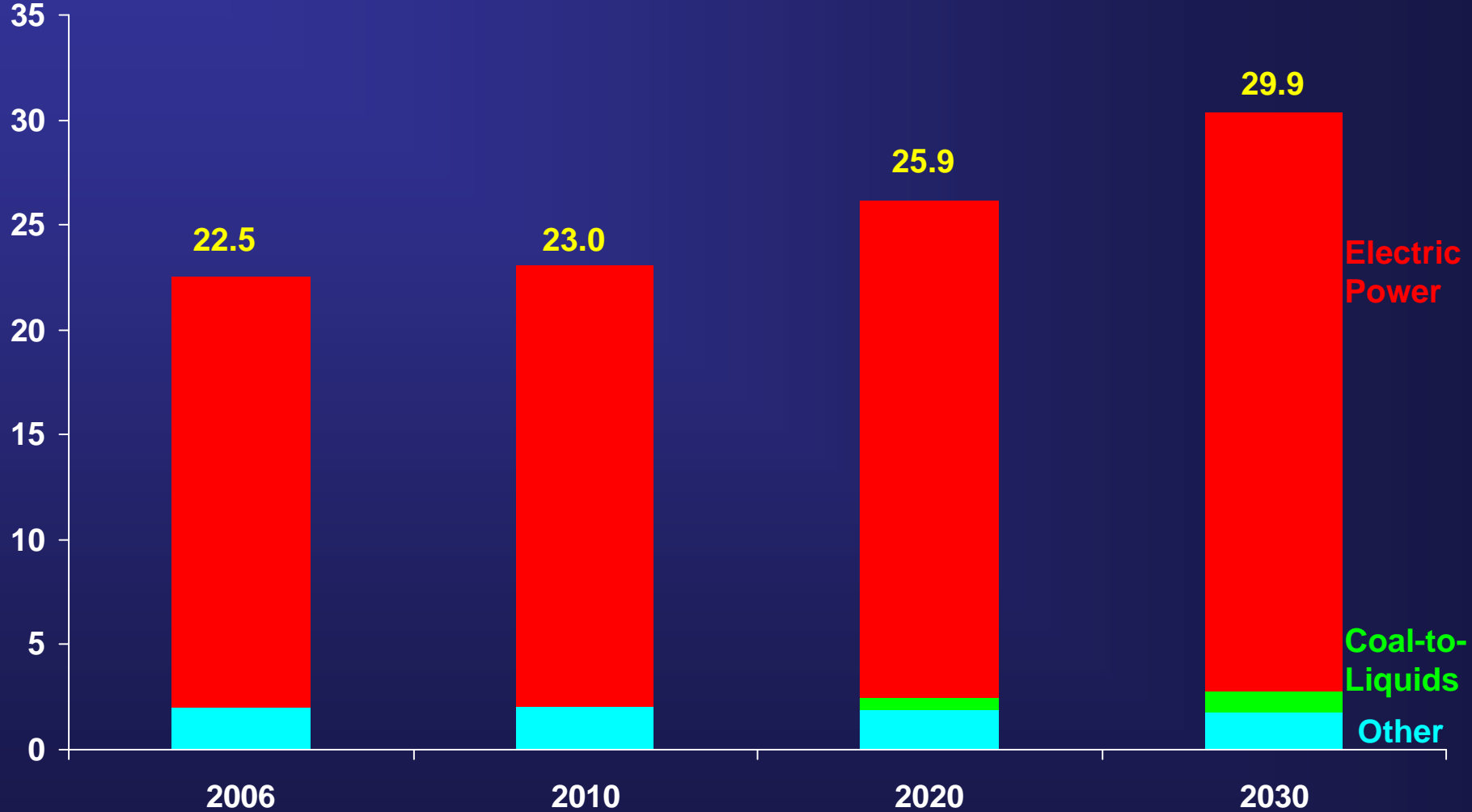
Unconventional natural gas production will account for nearly half of domestic supply

trillion cubic feet

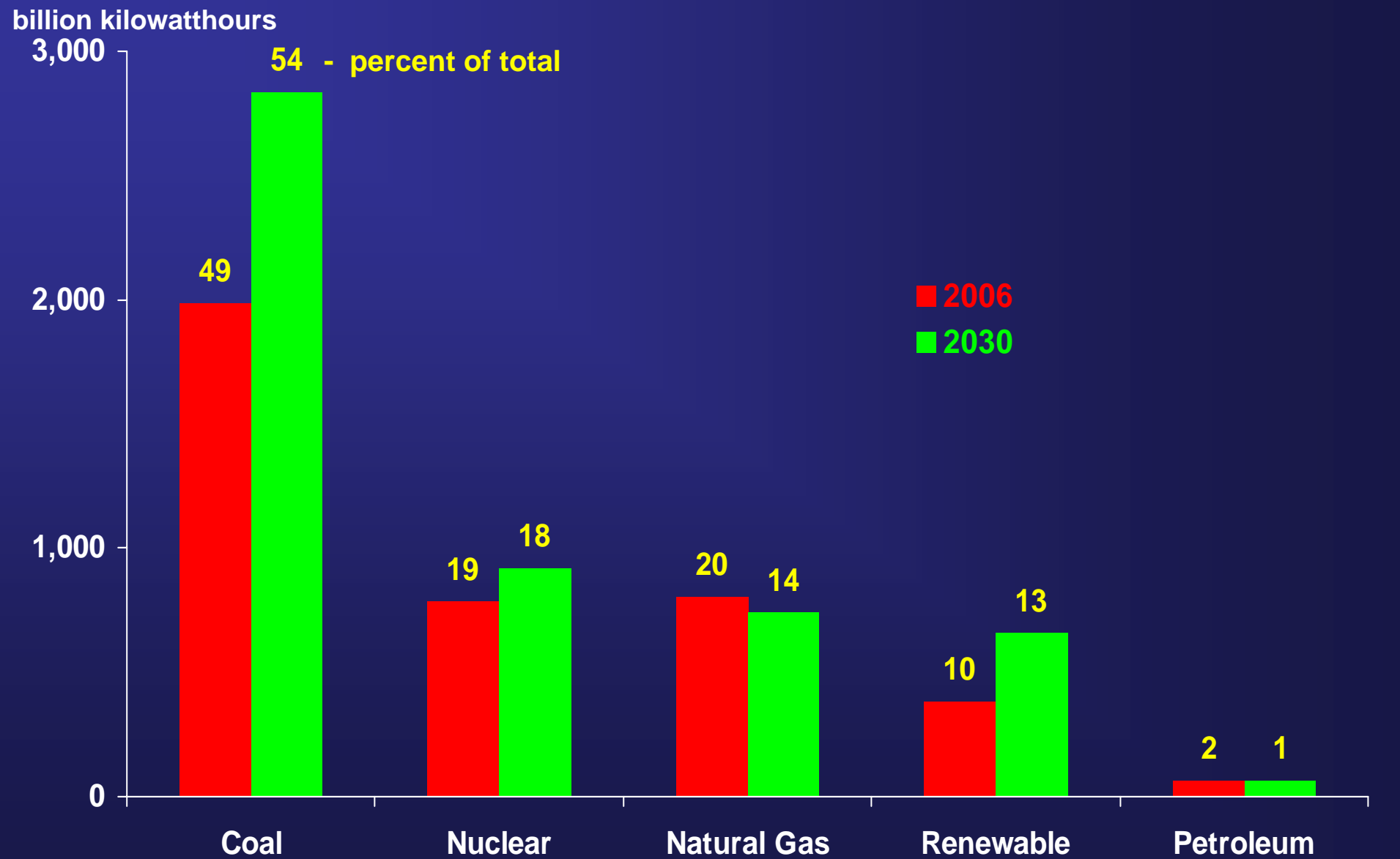


Coal is predominantly consumed for electricity generation with growing use for CTL.

quadrillion Btu

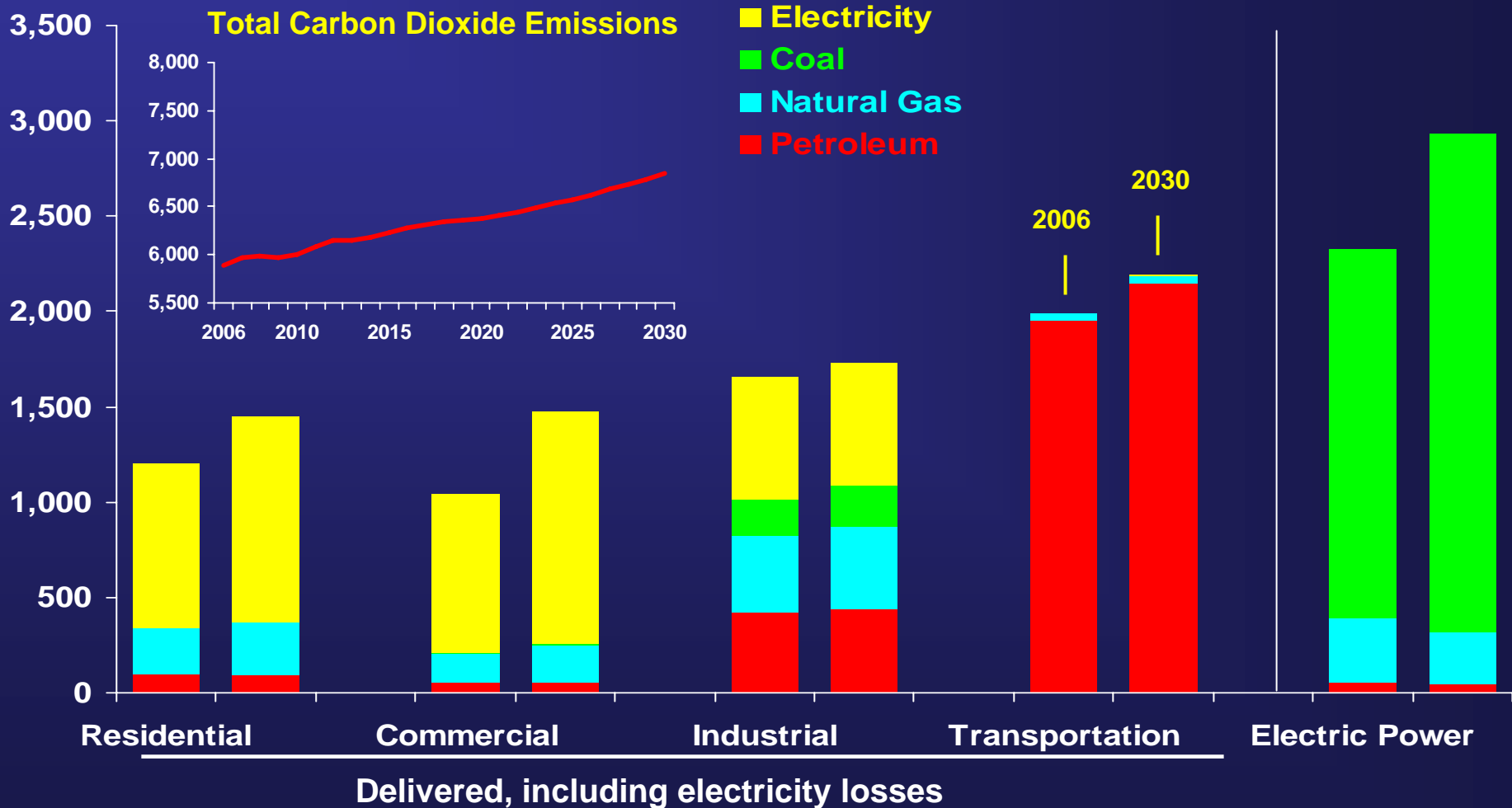


Coal and renewables gain larger shares of electricity generation, but nuclear generation also increases



Carbon dioxide emissions grow at a slower rate than energy consumption

million metric tons



Key Uncertainties in the Projections

- Macroeconomic growth
- Energy prices
- Technological changes
- Government policy initiatives

The Energy Independence and Security Act of 2007

- Improves Fuel Economy
 - Sets national fuel standard at 35 miles per gallon by 2020, which will increase fuel economy standards by 40 percent and save billions of gallons of fuel
- Expands production of renewable fuels
 - Sets a mandatory Renewable Fuel Standard (RFS) requiring fuel producers to use at least 36 billion gallons of biofuel by 2022 representing a nearly five-fold increase over current levels
- Responds to the President's "Twenty in Ten" Initiative
- Demands Energy Efficiency
 - Federal buildings convert to Energy Star products by 2013 and new standards set for home appliances

Energy Agenda for 2008

The Energy Independence and Security Act of 2007 goes a long way, but the President has remaining energy proposals:

- **Electric Power:** Generate electric power using increased cleaner coal technology, solar and wind energy, and nuclear energy
- **Domestic Supply of Oil:** In a prudent and environmentally-sensitive way, pass legislation opening access to domestic energy sources such as the Outer Continental Shelf and the Arctic National Wildlife Refuge
- **Strategic Petroleum Reserve:** Double the capacity to 1.5 billion barrels to protect against severe supply disruptions

U.S. Climate Change Policy Approach: Department of Energy Overview

- Harnesses the power of markets and technological innovation, maintains economic growth, and encourages global participation
- Reaffirms U.S. commitment to goal of United Nations Framework Convention on Climate Change
- Places climate change in a broader context that includes enhancing energy security, encouraging economic growth, and reducing air pollution

Periodic Reports

Petroleum Status and Natural Gas Storage Reports, weekly

Short-Term Energy Outlook, monthly

Annual Energy Outlook 2008, March 2008, full report, May 2008

International Energy Outlook 2007, May 2007, next update July 2008

Examples of Special Analyses

“Economic Effects of High Oil Prices,” Annual Energy Outlook 2006

*Analysis of Crude Oil Production in the Arctic National Wildlife Refuge,
May 2008*

The Global Liquefied Natural Gas Market: Status and Outlook, December 2003

*“Impacts of Increased Access to Oil and Natural Gas Resources in the Lower 48
Federal Outer Continental Shelf,” Annual Energy Outlook 2007*

*Energy Market and Economic Impacts of S.2191, the Lieberman-Warner Climate
Security Act of 2007, April 2008*

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