COQA Domestic Sweet Project Steering Committee Meeting

October 24, 2018
Sugar Land, TX
Agenda

• Review of Objectives
• Review of Outcomes to Date
• Review of Data (crudemonitor.us)
• Review of Budget
• Review of Carrier Mitigation planning
• Next Steps
Review of Objectives

• Project initiated in January 2017 to:
  – Determine and publicize trends in key physical properties of Domestic Sweet (DSW per CME light sweet crude contract)
  – Establish and promote enhanced specifications to CME’s contract section 200 (product quality)
  – Compare WTI and DSW if data available
Review of Outcomes to Date

- Sampling and testing program developed and initiated in Jan2017 to run to Dec2018
- Crudemonitor.us web site established to provide open access to testing results
- Data collection and amalgamation for 2013 to 2016 from carrier records completed and posted to crudemonitor.us
- December 15, 2017 CME announced that COQA’s recommendations would be included in Section 200 of the DSW contract effective Jan2019
Review of Data

• http://www.crudemonitor.us
• http://proof.crudemonitor.us
Review of Budget

• 2017
  – Nine supporters @ $20K ea = $180K revenue
  – Analytical costs = $147,628, consulting = $37,000
  – Net deficit of $4,628

• 2018 to September
  – Nine supporters @ $13.5K ea = $121.5K revenue
  – Analytical costs = $50,160, consulting = $11,750
  – Projected end of capital = March 2019
Review of Carrier Mitigation Planning

• Carriers (pipelines et al) were encouraged to develop their own mitigation plans consistent with their individual operating practices
  • Enbridge plan
  • Enterprise plan
  • Plains plan
  • Others
• Shippers need to review carrier quality programs (they will not all be the same)
Next Steps

• Crudemonitor.us updated, reviewed and ready to post
• Sampling and testing program continuing until funds have been used up
• For discussion
  – reset objectives and funding/operating model for 2019 DSW monitoring
  – Develop partnership with Cushing terminals operators to continue sharing DSW data for crudemonitor.us
  – CME Announced WTI Contract for WTI in Houston
  – Influences/determinations for other streams and locations