

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