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One Version of a Fully Built Out CO2 Pipeline Grid

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Wyoming Pipeline Authority

• Mission – support infrastructure development to enhance value of oil & gas resources of state
• Five member board appointed by Governor
• Not a regulatory or rate setting body
Disclaimer!

• This is an example pipeline grid
• There are many alternatives – routes, compression, sources and destinations
• At this point, this example does not reflect collaboration with any existing or proposed pipeline or pipeline company
• Pipeline companies make their own decisions
Process

• Supply driven
• EOR and sequestration destinations
• System must balance
• Clairvoyance assumed
Rates

• Ten year return on capital
• 10% blended cost of capital
• No compression
• Volumes foot to EORI projection
• Levelized rates
Rate based on assumptions X 5

• Roughly $0.90 per Mcf
• Roughly $15 per Ton
Rate Based on assumptions X 6

• Roughly $0.45 - $0.55 per Mcf
• Roughly $8.00 - $9.50 per Ton
Practical Issues

• $1 Billion capital expenditure
• Substantial risk in rate design
• Clairvoyance is unlikely
• Some early segments could be key to long run efficiency
Next steps

• EORI and WPA need industry input
• Next level of hydraulic design
• Discussion of early “supersizing” of key lines
• Discussion of who pays for “supersizing” and how to achieve