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## National Capital Area Chapter

United States Association for

# Energy Economics

[www.ncac-usaee.org](http://www.ncac-usaee.org)

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# news

## "Challenges of Integrating Biofuels into Existing Infrastructure and End Uses"

Speaker:

**Shirley J. Neff**  
**President and CEO**  
**Association of Oil Pipe Lines (AOPL)**

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**WHEN:** 12:00 PM, November 14, 2008  
**WHERE:** Chinatown Garden  
618 H St NW  
Washington DC 20001  
Gallery Place-Chinatown Metro Stop

AOPL President and Past USAEE President Shirley Neff will speak about prospects for and policy issues surrounding increasing use of biodiesel and ethanol fuels in the U.S. petroleum products chain, including both immediate and longer-range questions about transportation, delivery and equipment. Ms. Neff assumed AOPL presidency two years ago, and is a member of the National Petroleum Council (NPC) and the federal Biomass R&D Technical Advisory Committee. She also serves on the advisory board of the Center for Energy Economics at the Bureau of Economic Geology, University of Texas at Austin and is a Senior Associate with the Energy and National Security Program at the Center for Strategic and International Studies.

***This talk is especially timely as the nation focuses on meeting biofuel integration deadlines mandated by the Energy Independence and Security Act of 2007. Please join us on Friday, November 14, at 12 noon at the Chinatown Garden restaurant. We'll begin networking at noon, with the lunch served promptly at 12:30 and the presentation beginning at 1 pm. The meeting will end at 2 pm.***

**Cost is \$20.00 for members and their guests (\$5.00 for student members) and \$25.00 for non-members and their guests. Make checks payable to NCAC-USAAEE.**

**PLEASE RSVP:** By COB Wednesday November 12 to Mark Lively, Chapter Treasurer, by phone at (301) 428-3618 or e-mail at [mbelively@aol.com](mailto:mbelively@aol.com).

## **LOOKING AHEAD...**

- **2009 MEMBERSHIP RENEWAL/REGISTRATION:** The attached sheet provides a registration form for new members for 2009 or a renewal form for existing members. Please fill out and send (with a check for \$20) to Mark Lively, Chapter Treasurer, or bring it with you to the November 14 luncheon. This information is included in our annual membership directory. The directory is distributed electronically at the end of each calendar year, with an occasional interim directory. You can still get in the 2008 directory by paying dues for calendar 2008.
- **REGISTER NOW FOR THE 28th USAEE/IAEE North American Conference – Unveiling the Future of Energy Frontiers, December 3-5, 2008, New Orleans.** The National USAEE is staging a lively and informative two days' plus of sessions on major energy-economic issues – make your plans now to be in New Orleans this December! You'll hear and participate in discussions on the Gulf region's robust energy scene, energy savings and renewable supply strategies, and more, culminating in a special Friday afternoon session aimed at advising the new Administration on how to deal with the nation's most pressing energy-economic issues – international supply, prices, demand reduction, carbon, and more. Visit <http://www.usaee.org/USAEE2008/index.html> to sign up! NCAC members participating in the the organization of the Conference include Ben Schlesinger as Plenary Session Coordinator and Joe Dukert, Mary Barcella, Fred Joutz, Shirley Neff, and Mike Canes on the Program Committee.

## **STUDENTS!**

- **NOW NCAC'S STUDENT DISCOUNT EXTENDS TO HOSTING MEMBERS TOO!** Any Chapter member bringing a student attending for the first time pays only the student rate – \$5 instead of the regular \$20.
- **ALSO FOR DC AREA STUDENTS - \$750 GRANTS AVAILABLE!** Once again this year, the NCAC is pleased to offer \$750 stipends to up to three DC area students to attend the USAEE/IAEE North American Conference in New Orleans, December 3-5, 2008 (see above). For more information on the NCAC scholarships to the USAEE/IAEE North American Conference, please contact NCAC Council Member Glen Sweetnam at [glen.sweetnam@eia.doe.gov](mailto:glen.sweetnam@eia.doe.gov).
- **PIZZA AFTERNOON AT JOHNS HOPKINS SAIS:** On Friday October 10, four members of the NCAC/USAEE council participated in an Energy Career Panel

organized by NCAC/USAEE and the Energy Career Club at Johns Hopkins University School of Advanced International Studies (SAIS). Members of the NCAC council (Ben Schlesinger of Benjamin Schlesinger and Associates, Inc.; Mark B. Lively of Utility Economics Engineers; Andrew Knox of Booz Allen & Hamilton; and, Neelesh Nerurkar of BP America, Inc.) shared their experiences working in the energy sector in D.C. and their advice for students embarking on their job and internship search. Approximately fifteen SAIS students interested in pursuing careers in the energy sector attended. The students had diverse and varying degrees of experiences with energy prior to attending SAIS. This informal pizza event both raised awareness of NCAC/USAEE among students of energy policy and economics and provided area students with the opportunity to learn practical strategies for securing jobs in energy. For more information about holding a pizza event at your school or university, please contact Sheila Moynihan at [sheila.moynihan@gmail.com](mailto:sheila.moynihan@gmail.com).

### **ACTING EIA ADMINISTRATOR HOWARD GRUENSPECT SPEAKS ON THE WINTER FUELS OUTLOOK AT NCAC'S OCTOBER 17 LUNCHEON**

Howard Gruenspecht addressed the NCAC October luncheon on the EIA's winter fuels outlook, and remained to take a broad number of questions. Dr. Gruenspecht took over the reins at EIA this past summer from Guy Caruso. He's worked extensively on electricity policy issues, including restructuring and reliability, regulations affecting motor fuels and vehicles, energy-related environmental issues, and economy-wide energy modeling. Before joining EIA, Dr. Gruenspecht was a Resident Scholar at Resources for the Future, and held a number of key positions in the Department of Energy.

Consumer prices of all fuels will be greater this winter, with heating bills averaging 15.3% over last winter, assuming normal temperatures, with heating bills higher as follows, for individual fuel:

- Heating oil +23.1%
- Natural gas +18.1 %
- Propane +11.3%
- Electricity +10.4%

Colder winter weather will force even greater heating costs.

Gasoline, propane and distillate fuel oil inventories are lower than normal. In particular, retail heating oil prices are projected to average about 50 cents per gallon higher than last winter. Winter electricity expenditure increases are expected to be smaller than other fuels primarily because electricity prices increased severely in the past few years.

Dr. Gruenspecht concluded as follows:

- On average, U.S. households will pay about \$150 (15%) more for heating this winter.
- Higher expenditures are driven by higher fuel prices and weather-related increases in consumption.
- Under the baseline forecast, natural gas expenditures could be about \$155 (18%) higher for the average U.S. household this winter.
- Household heating oil and propane expenditures are projected to be about \$450 (23%) and \$190 (11%) higher this winter, respectively.
- Electricity expenditures are forecasted to be \$90 (10%) higher for the average U.S. household this winter.
- A weaker economy, with a significant downturn in U.S. and/or global economic activity, or warmer weather would reduce estimated expenditures. A colder winter could raise estimated expenditures somewhat from those of the base case weather scenario.

In the question session that followed, Dr. Gruenspecht covered a number of topics, including oil prices, renewable energy and nuclear. In particular, he commented on the EIA's release that same day of year-end oil and natural gas proved reserves and production. Especially compelling was the EIA's finding that U.S. gas reserves increased in 2007 to 237.7 trillion cubic feet (Tcf) from 211 Tcf in 2006, i.e., by nearly 13%. U.S. gas production rose in 2007 as well, and has continues to increase in 2008, which is to some extent undermining gas importation. Currently low gas wellhead prices, however, are resulting in reduced drilling, thus the large gas supply increases may not be sustainable.

2009 MEMBERSHIP RENEWAL/REGISTRATION FORM  
**National Capital Area Chapter**  
**U.S. Association for Energy Economics**

**Please check here for membership renewal.**

**Please check here for new membership registration.**

Membership registration/renewal for the NCAC-USAE is expected by the end of the preceding calendar year.

Please return your registration form and check to **Mark Lively** — NCAC-USAE Treasurer at: **Utility Economic Engineers, 19012 High Point Dr., Gaithersburg, MD 20879**. Phone: 301-428-3618. Email: MbeLively@comcast.net

Full membership dues for 2009 are \$20.00 (students \$10.00). Please make checks payable to NCAC-USAE.

*Please print clearly.*

**NAME** \_\_\_\_\_  
**TITLE** \_\_\_\_\_  
**ORGANIZATION** \_\_\_\_\_  
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**E-MAIL ADDRESS \*\*** \_\_\_\_\_

**Would you be interested in becoming more involved in NCAC-USAE by serving on the Council or as an officer of the Chapter? Yes \_\_\_ No \_\_\_**

**Please list topics or speakers you would be interested in:**

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\* For DOE, please provide complete routing address.

\*\* Provide the **best e-mail address** to receive the newsletter.