

## Know your Oil and Gas with the OCI+: Climate Intelligence for the Petroleum Sector



NASA CMS Policy Speaker Series 8.3.22 Fran Reuland, RMI Oil & Gas Solutions Initiative

### Agenda

- 5-minute demo video—intro to the Oil Climate Index plus Gas (OCI+)
- OCI+ models and methodology
- Key findings—emissions footprints and reduction levers, by resource type
- Visit the tool
- Users, Next Steps & Areas of Collaboration

### Demo video



### https://www.youtube.com/watch?v=VOVo0KKLO4Y&t=295s

### Oil and Gas Are Heterogeneous



### And so are their climate footprints



Simple emission factors undercount life-cycle emissions intensities

# OCI+ Model Schematic

#### **Data sources**

Oil and gas asset characteristics
Activity and operational inputs
Satellite data

#### Peer-reviewed, open-source models

•OPGEE: Oil Production Greenhouse Gas
Estimator (upstream)
•PRELIM: Petroleum Refinery Life-cycle
Inventory Model (refining and petrochemicals)
•OPEM: Oil Products Emissions Model (end
uses, industry transport)



Resource characteristics, asset locations and ages, production volumes

Technical and academic sources Crude oil assays, refinery throughputs, shipping distances



# Oil and gas resource emissions differ widely by category



### Methane's role in driving oil and gas emissions

On average, one-half of emission totals results from methane leakages in production and transport



### **Climate mitigation potential**

### Light oils and various gases offer significant emissions reductions



### Climate mitigation potential (cont.)

### Heavy and watery oils offer significant emissions reductions

#### Emissions Intensity (kg CO2e/boe)

Default Emissions Emissions with Reduction Fully Implemented



400

# Let's visit the tool



https://ociplus.rmi.org/

### Who's using the OCI+ in decision making?



Stakeholders come from all sectors: public, private, and nonprofit

Climate TRACE
Norwegian government
California Air Resources Board (CARB)
International Energy Agency (IEA)
Natural Resources Defense Council
World Resources Institute
Aramco
Shell
Munich Re
Energy Intelligence
Capital Group
SystemIQ
Bloomberg Green
Economist

### What's up next—Areas of collaboration\*\*?

- Pythonify the upstream and midstream models
- Increase # of assets modeled to over 500 fields in 90+ countries (2/3rds global production), with Climate TRACE
- Incorporate methane data from remote sensing, with Carbon Mapper and others\*\*
  - Contribute to an open-source oil and gas infrastructure dataset through satellite images and machine learning
- Deepen focus on flaring
  - Correlation between oil production volume and field-level flared gas volume using data derived from VIIRS satellite
  - Flare mitigation opportunity index, incl environmental justice indicators
- Examine and integrate land carbon intensity metrics\*\*
- Integrate economic assessments (e.g. methane shadow pricing)



OCI+ report, web tool and demonstration videos <u>https://rmi.org/insight/kyog/</u>

# Methodology- PRELIM

- Mass/energy based tool
- Key Inputs
  - Crude assay (Distillation curve, API Gravity, Sulfur content)
  - Refinery Configuration
  - Energy/Emissions Allocation Method
  - Electricity Source
  - Various other process heat/steam/electricity usage assumptions
- Key Outputs
  - Gasoline, Diesel, Jet Fuel production volumes + many more petroleum products
    - Direct input into OPEM
  - Total refinery emissions intensity (kg CO2e/bbl crude)

### **PRELIM Model Schematic**



RMI – Energy. Transformed.

#### Source: Petroleum Refinery Life-Cycle Inventory Model

### Methodology- OPEM

- Estimates emissions from transportation and end use of oil and gas products
- Product slate based on output from OPGEE and PRELIM
- Estimates based on emissions factors from ANL GREET model
- Transport: mass CO2e/(mass product\*distance) for each transport mode
  - Combustion: mass CO2e/volume product
  - Non-combustion: did not account for all products and through lifetime, but approximated first stage ethane to ethylene conversion emissions (GREET EF)
- Assumptions: Same transport distance and methods, same combustion efficiency for all products
  - Gas transport included in OPGEE, where some variation is included to account for LNG
- Link to model