Brandenburg, Michael D.

From: Mathiak, Adam
Sent: Wednesday, January 13, 2021 8:35 AM
To: Brandenburg, Michael D.
Cc: Knudson, Allen H.
Subject: Bill Comparison

Representative Brandenburg:

As requested, below is a comparison of House Bill Nos. 1149 and 1159.

Description	House Bill No. 1149	House Bill No. 1159
Appropriation amount	$100 million	$100 million
Funding source	General fund – Derived from **2021-23** legacy fund earnings	General fund – Derived from **2019-21** legacy fund earnings
Agency	Industrial Commission – Recommendations from the Oil and Gas Research Council	Industrial Commission
Grant purpose	Liquified natural gas pilot projects, including projects in progress or in the planning stage	Natural gas infrastructure development

Please let us know if you have any questions. Thank you.

Adam Mathiak
ND Legislative Council
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CONVERSION FORMULA

Converting the 1.5 Bcf/day of Bakken natural gas flowing on Northern Border Pipeline to megawatts (MW) is done by taking the energy value of the gas (Btu), the efficiency of the natural gas combined cycle (NGCC) and the capacity factor of the NGCC.

The base assumptions are:

- Energy value of natural gas is 1,050 Btu/cubic foot
- NGCC efficiency of 6,800-7,200 Btu/kWh (average of 7,000 Btu/kWh)
- NGCC capacity factor of 60%

$$\text{NGCC} = \frac{(1{,}500{,}000{,}000 \text{ cubic feet/day} \times 1{,}050 \text{ Btu/cubic foot})}{(24 \text{ hours/day} \times 0.60 \times 7{,}000 \text{ Btu/kWh} \times 1{,}000 \text{ kW/MW})}$$

$$= 15{,}625 \text{ MW}$$

To simplify, you can take the billions of cubic feet (Bcf) of natural gas flow on a daily basis and multiply by 10,400.

MW = Bcf x 10,400

For example;

- 1.5 Bcf = 15,600 MW or a range of (15,000-16,000 MW)
- 2.0 Bcf = 20,800 MW or a range of (20,000-21,000 MW)
- 2.5 Bcf = 26,000 MW or a range of (25,000-26,000 MW to be conservative).

The range of 15,000-16,000 MW that was initially provided takes into account the variability in the (1) **heat content of natural gas**, and (2) **efficiency of the natural gas combined cycle** (NGCC)

1. The heat content of natural gas, or the amount of energy released when a volume of gas is burned, varies according to the extent that gases with higher heat content than methane are included in delivered gas. The primary constituent of natural gas is methane, which has a heat content of 1,010 British thermal units per cubic foot (Btu/cf) at standard temperature and pressure (https://www.eia.gov/todayinenergy/detail.php?id=18371#:~:text=The%20primary%20constituent%20of%20natural,at%20standard%20temperature%20and%20pressure.). The higher ethane content of ND Bakken gas leads to a higher heat content.

2. The efficiency of a NGCC works somewhat like the efficiency of cars – newer car models have the latest technology and get higher gas mileage (more fuel efficient) just like new NGCC's have the latest technology and are more fuel efficient (requires fewer Btu of natural gas to make 1 kWh of electricity). Older cars work fine, and can cost less to buy than a new car, but the gas mileage for an older model is typically worse than for a new one.

North Dakota Legislative Council

Prepared for Representative Brandenburg
LC# 21.9408.02000
September 2020

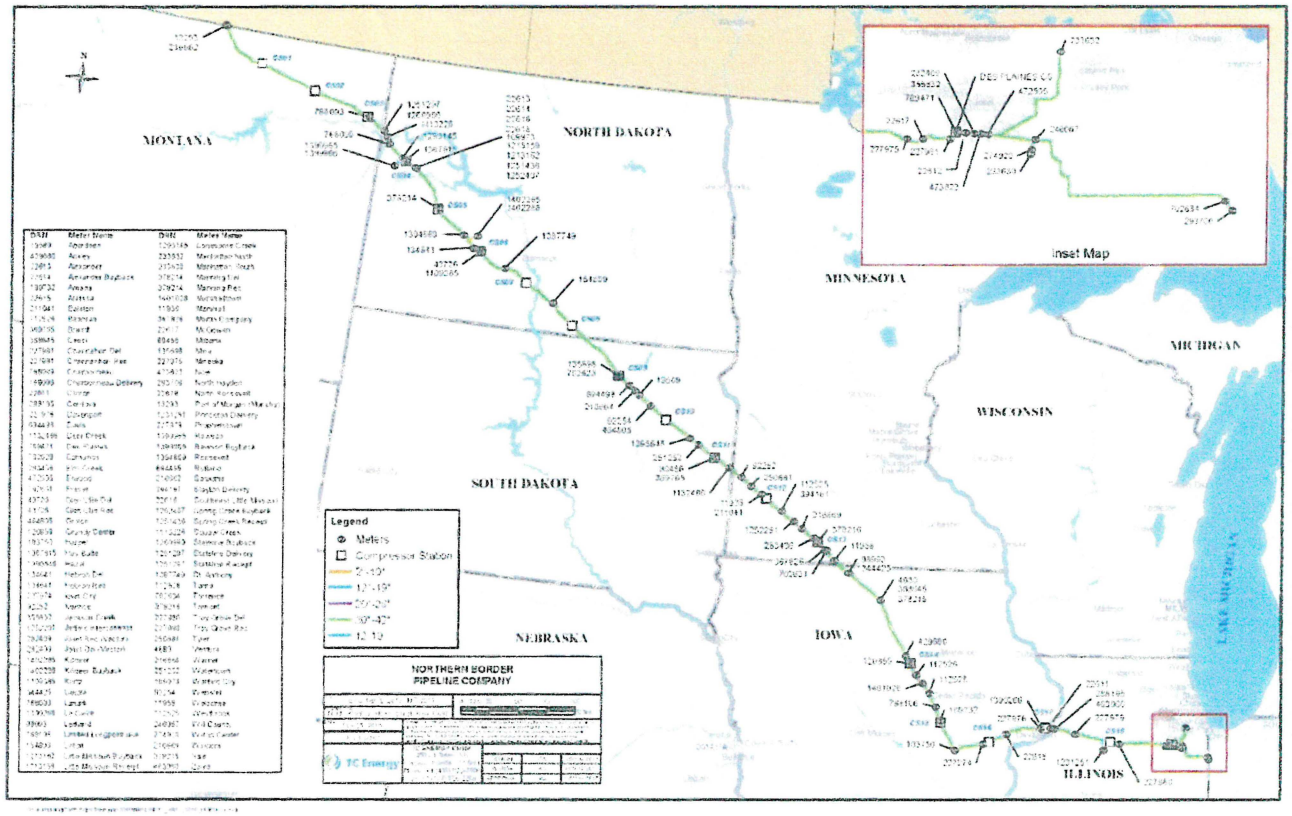
MEGAWATTS OF ELECTRICITY FROM THE NATURAL GAS PRODUCED IN NORTH DAKOTA

This memorandum provides information on megawatts of electricity from the natural gas produced in North Dakota and replacing or converting coal-fired plants to natural gas-fired combined-cycle (NGCC) plants.

MEGAWATTS OF ELECTRICITY

The Northern Border Pipeline (NBPL) is a joint venture owned by ONEOK, Inc. (50%) and TC PipeLines LP (50%) and is a 1,412 mile pipeline transporting Canadian, Bakken, and Rockies natural gas from connections with Foothills and Bison to United States Midwest markets including Chicago (see Figures 1.1 & 1.2). In addition to transporting Canadian sourced supply, the NBPL receives and transports natural gas produced in the Williston and Powder River Basins in the United States and synthetic natural gas produced at the Dakota Gasification plant in North Dakota.[1]

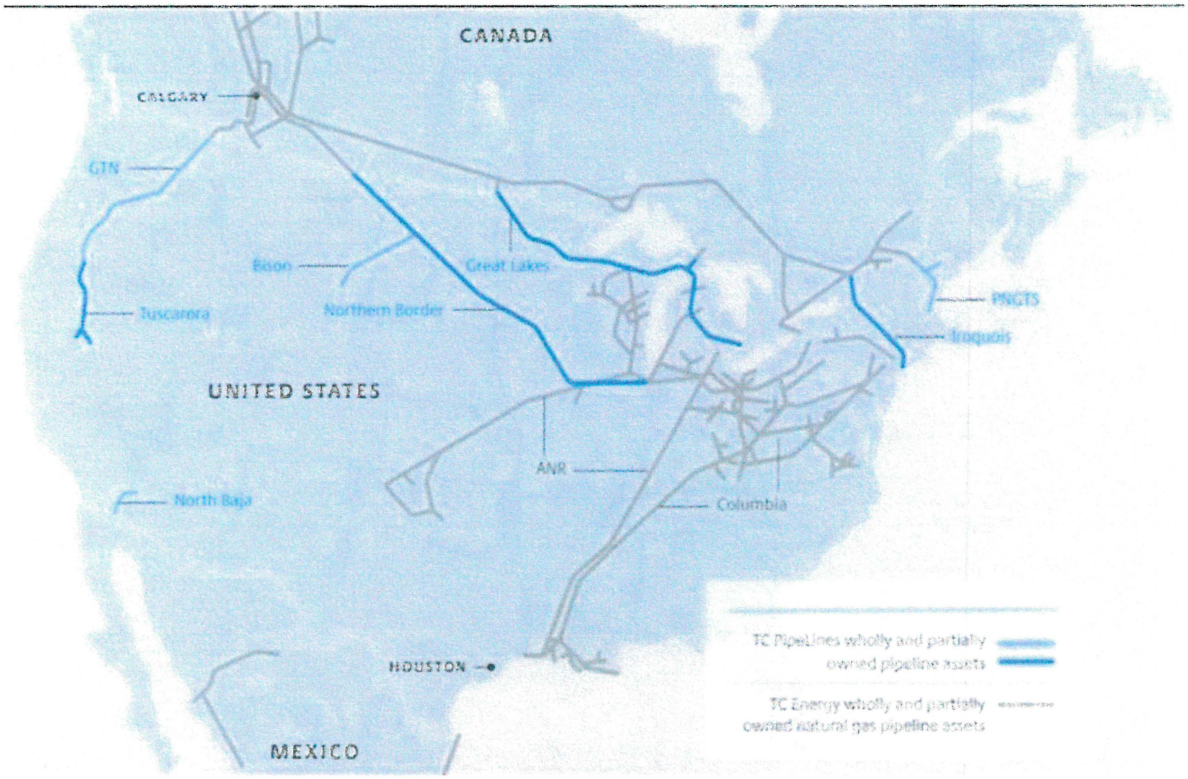
Figure 1.1



Source: Northern Border Pipeline Company, http://www.northernborder.com/docs/nbpl_sys_map.pdf

[1] Northern Border Pipeline Company; http://www.northernborder.com/.

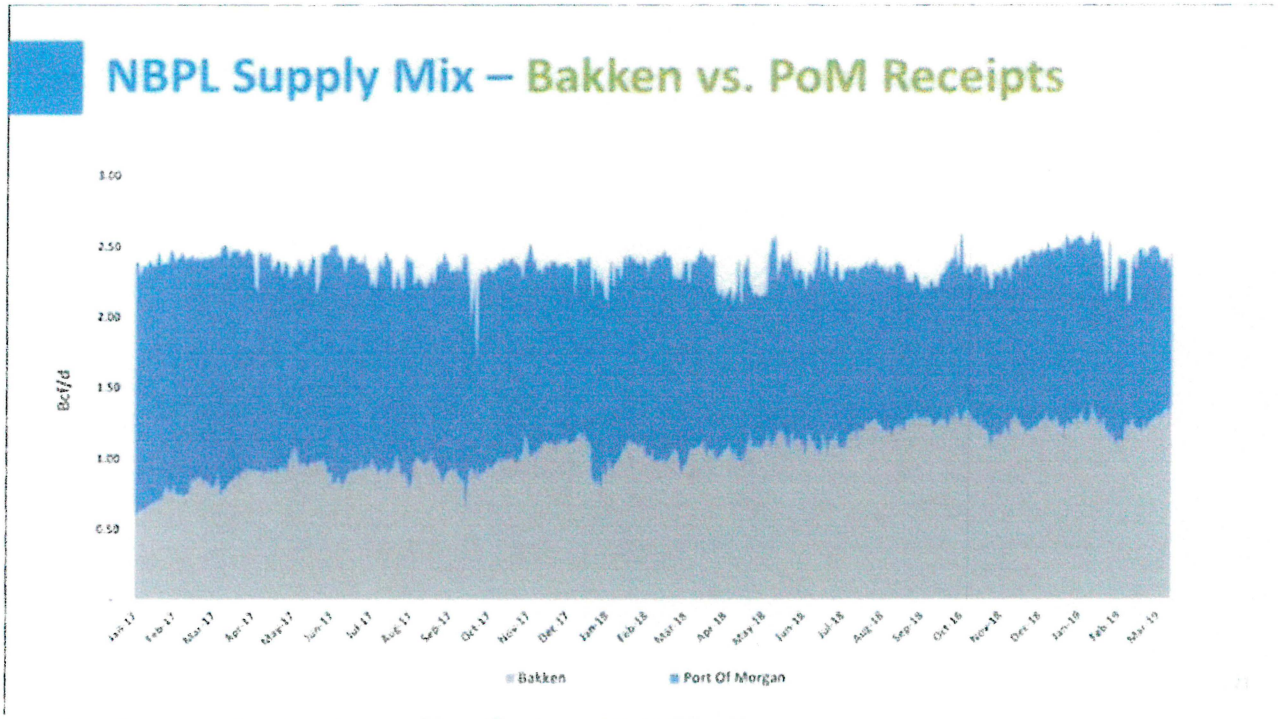
Figure 1.2



Source: TC Pipelines, LP., Gas Transmission Northwest LLP., http://www.tcpipelineslp.com/gtn.html

The Northern Border Pipeline has a capacity of approximately 2.5 billion cubic feet (Bcf) per day of natural gas with about fifty-five to sixty percent coming from the Bakken, or about 1.5 Bcf per day[2] (see Figure 2).

Figure 2



Source: http://www.northernborder.com/docs/CustomerMtgWEB.pdf

[2] Northern Border Pipeline Company; http://www.northernborder.com/docs/CustomerMtgWEB.pdf.

Northern Border Pipeline is fed by numerous gas processing plants in North Dakota (see Figure 3). Gas processing plants or "gas plants" take associated gas from the wellhead and separate it into natural gas liquids (NGL) and pipeline quality natural gas.[3] The pipeline quality natural gas is compressed and injected into interstate gas pipelines including Northern Border Pipeline, Bison and WBI Energy.[4] A map of ND gas pipelines and gas plants is shown below (see Figure 4). Some of the gas plants (north of the Missouri River) send rich gas stream to Alliance Pipeline.

A volume of 1.5 Bcf per day of Bakken natural gas could supply 15,000 to 16,000 megawatts (MW) of new modern efficient natural gas combined-cycle generation. This is about twice the electric generation capacity of North Dakota, and also is roughly equivalent to the coal generation that was replaced with natural gas combined-cycle plants between 2011 and 2019 (see Figure 5).

Figure 3

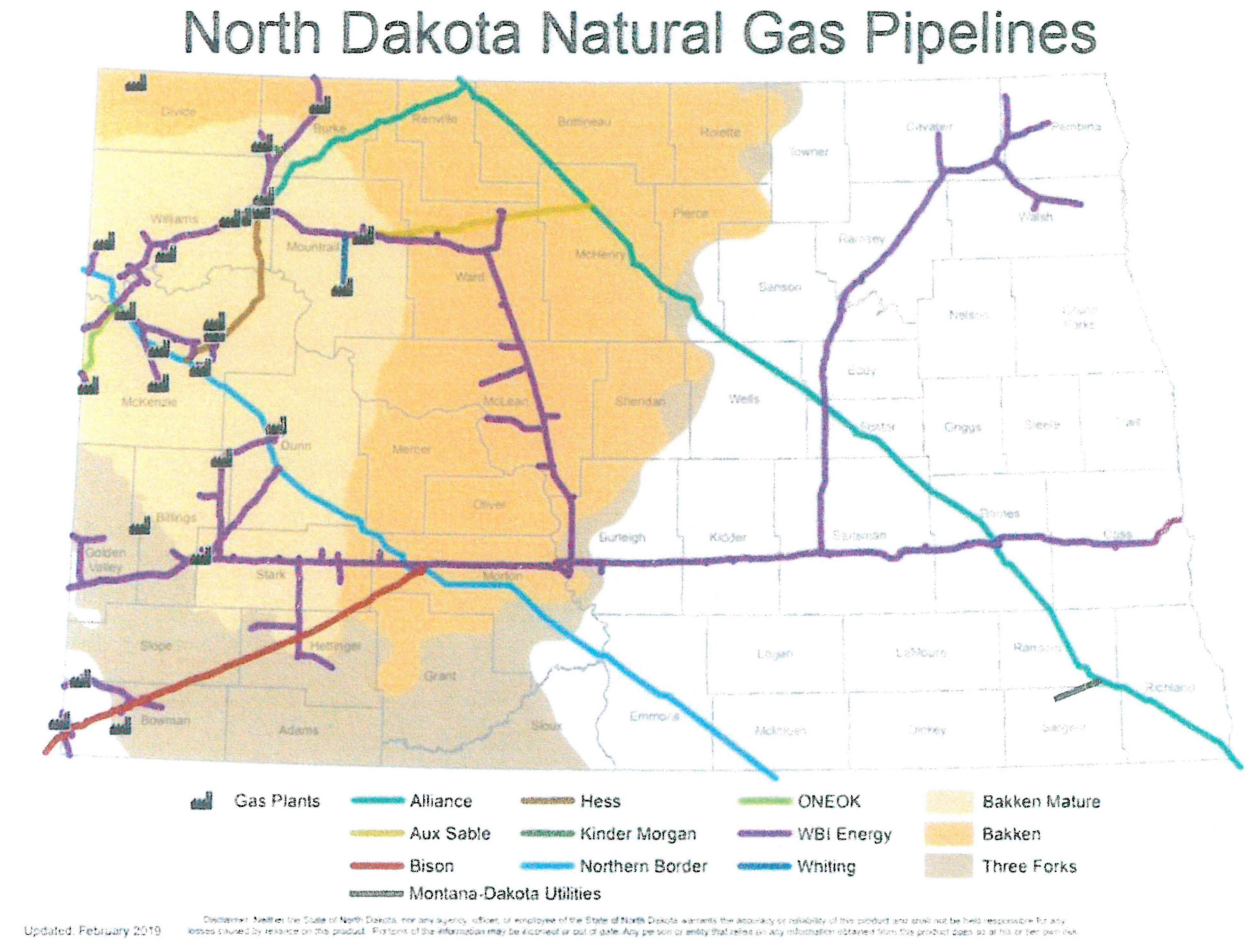
Natural Gas Processing Capacity, Million Cubic Feet Per Day

Owner Company	Facility	County	2006	2008	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
North Dakota																
Steel Reef	Lignite	Burke	6	6	6	6	6	6	6	6	6	6	6	6	6	6
ONEOK	Marmarth	Slope	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	NA	NA	NA	NA	NA
ONEOK	Grasslands	McKenzie	60	90	90	90	90	90	90	90	90	90	90	90	90	90
ONEOK	Stateline I	Williams	NA	NA	NA	NA	100	100	100	100	100	120	120	120	120	120
ONEOK	Stateline II	Williams	NA	NA	NA	NA	NA	100	100	120	120	120	120	120	120	120
ONEOK	Garden Creek I	McKenzie	NA	NA	NA	NA	100	100	120	120	120	120	120	120	120	120
ONEOK	Garden Creek II	McKenzie	NA	NA	NA	NA	NA	NA	120	120	120	120	120	120	120	120
ONEOK	Garden Creek III	McKenzie	NA	NA	NA	NA	NA	NA	120	120	120	120	120	120	120	120
ONEOK	Lonesome Creek	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	200	200	240	240	240	240
ONEOK	Demicks Lake	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200
ONEOK	Demicks Lake II	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200
ONEOK	Demicks Lake III	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Sus.
ONEOK	Bear Creek	Dunn	NA	NA	NA	NA	NA	NA	NA	NA	60	80	130	130	130	130
ONEOK	Bear Creek II	Dunn	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200
Petro Hunt	Little Knife	Billings	27	27	27	27	27	27	27	27	27	27	27	27	27	27
True Oil	Red Wing Creek	McKenzie	4	4	4	4	4	10	10	10	10	10	15	15	15	15
Sterling Energy	Ambrose	Divide	0.5	0.5	0.5	0.5	0.5	0.5	NA	NA	NA	NA	NA	NA	NA	NA
EOG Resources	Stanley	Mountrail	NA	20	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
Whiting Oil & Gas	Ray	Williams	NA	10	NA	NA	NA	NA	NA	10	10	10	15	25	25	25
Andeavor	Robinson Lake	Mountrail	NA	30	45	90	90	90	110	130	130	130	130	150	150	150
Andeavor	Belfield	Stark	NA	NA	NA	30	30	35	35	35	35	35	35	35	35	35
XTO - Nesson	Ray	Williams	NA	10	10	10	10	10	10	25	25	25	25	25	25	100
Hess	Tioga	Williams	110	110	110	110	110	110	250	250	250	250	263	263	265	415
Targa/Hess JV	LM4	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200	200	200
Kinder Morgan	Badlands	Bowman	4	40	40	40	40	40	40	40	40	40	40	40	40	40
Kinder Morgan	Norse	Divide	NA	NA	25	25	25	25	25	25	25	25	25	25	25	25
Kinder Morgan	Watford City	McKenzie	NA	NA	NA	50	90	90	90	90	90	90	90	90	90	90
Kinder Morgan	Roosevelt	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	50	50	50	200	200	200
Liberty Midstream Solutions	County Line	Williams	NA	NA	NA	NA	NA	NA	NA	NA	20	20	30	30	30	30
Summit Resources	Knutson	Billings	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**	NA**
Targa Resources	Badlands	McKenzie	NA	NA	NA	45	45	45	45	90	90	90	90	90	90	90
USG Midstream Bakken	DeWitt	Divide	NA	NA	NA	NA	NA	3	3	3	3	3	3	3	3	3
1804 Ltd	Spring Brook	Williams	NA	NA	NA	NA	NA	NA	NA	45	45	45	60	70	70	70
Oasis	Wild Basin	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	80	145	320	320	320	320
Arrow Field Services	Arrow	McKenzie	NA	NA	NA	NA	NA	NA	NA	NA	NA	30	30	150	150	150
Caliber Midstream	Hay Butte	McKenzie	NA	NA	NA	NA	NA	NA	10	10	10	10	10	10	10	10
Outrigger Energy II	N/A	Williams	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	250
Aux Sable - Chicago, IL																
Aux Sable	Prairie Rose	Mountrail	NA	NA	126	126	126	126	126	126	126	126	126	126	126	126
		Total, MMCFD	222.0	355.0	491.0	661.0	901.0	1,015.0	1,444.5	1,599.5	2,029.5	2,137.0	2,452.0	3,162.0	3,362.0	4,037.0

Source: *Infrastructure Constraints in the Bakken*, U.S. Department of Energy, August 2014.

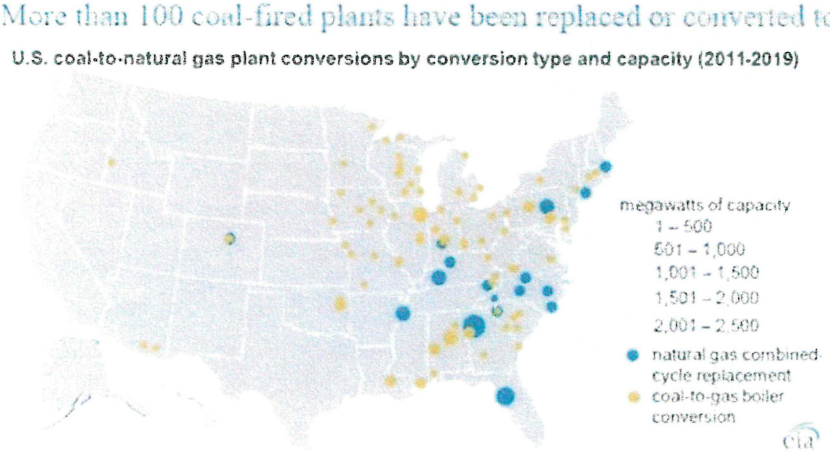
[3] Northern Border Pipeline Company; http://www.northernborder.com/.
[4] *Id.*

Figure 4



Source: https://www.ndstudies.gov/energy/level2/module-2-petroleum-natural-gas/transporting-and-processing

Figure 5



Source: U.S. Energy Information Administration, *Annual Electric Generator Report* and *Preliminary Monthly Electric Generator Inventory*.

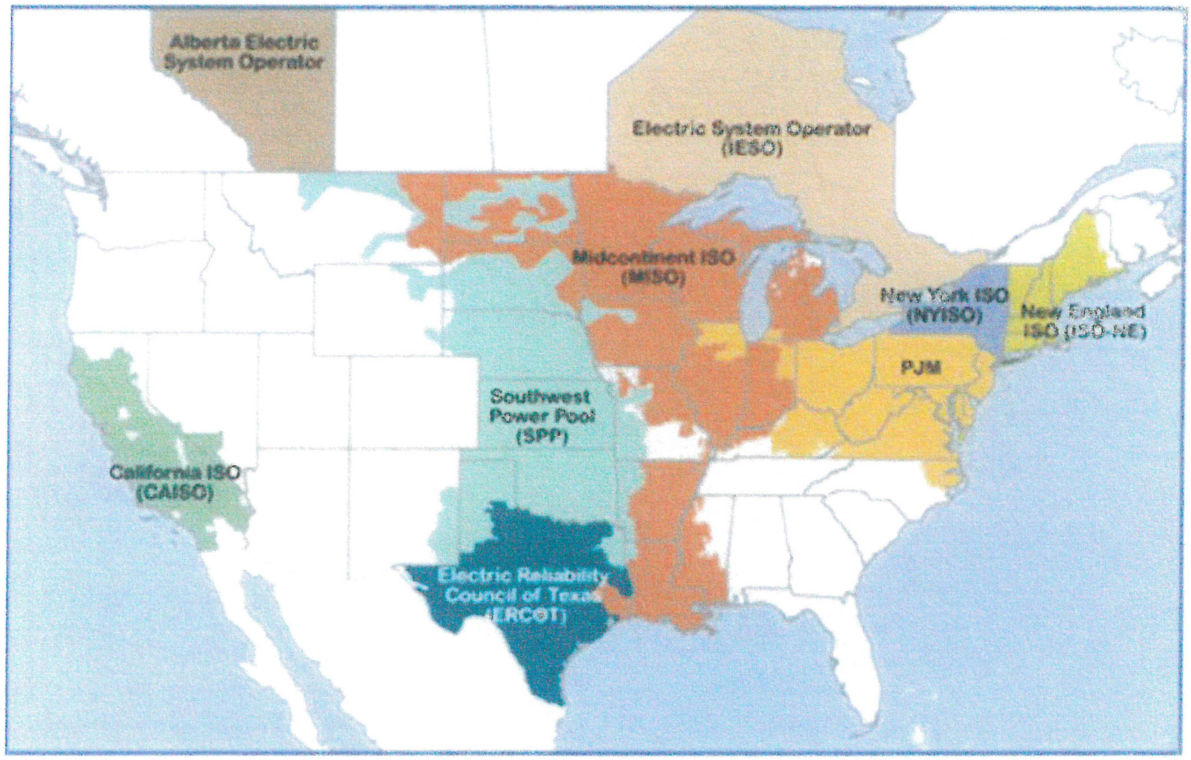
Between 2011 and 2019, 17 coal-fired plant owners replaced old coal-fired power plants with new NGCC plants with a total generating capacity of 15,300 MW, 94 percent more than the 7,900 MW capacity of the coal-fired power plants they replaced.[5]

[5] *More than 100 coal-fired plants have been replaced or converted to natural gas since 2011*, U.S. Energy Information Administration, August 2020.

Below are some statistics for North Dakota and several regional transmission organizations (see Figure 6) for comparison:

- North Dakota:
  - Installed capacity = 8,400 MW.
    - Natural gas combined cycle = 0 MW.
    - Natural gas simple cycle peaking = 520 MW.
  - Peak load = 3,900 MW.
- Southwest Power Pool (SPP) [6]:
  - Installed capacity = 89,500 MW.
    - Natural gas combined cycle = 13,500 MW.
    - Natural gas simple cycle peaking = 23,300 MW.
  - Peak load = 51,230 MW.
- Midcontinent Independent System Operator (MISO)[7]:
  - Installed capacity = 137,300 MW.
    - Natural gas combined cycle = 18,000 MW.
    - Natural gas simple cycle peaking = 27,100 MW.
  - Peak load = 124,200 MW.
- PJM[8]:
  - Installed capacity = 184,600 MW.
    - Natural gas combined cycle = 33,500 MW.
    - Natural gas simple cycle peaking = 44,100 MW.
  - Peak load = 148,200 MW.

Figure 6



Source: RTO map, Federal Energy Regulatory Commission, https://www.ferc.gov/sites/default/files/2020-05/elec-ovr-rto-map.pdf

[6] *Power Plant Summary; SPP Region.* S&P Global, 2019.
[7] *Power Plant Summary; MISO Region.* S&P Global, 2019.
[8] *Power Plant Summary; PJM Region.* S&P Global, 2019.

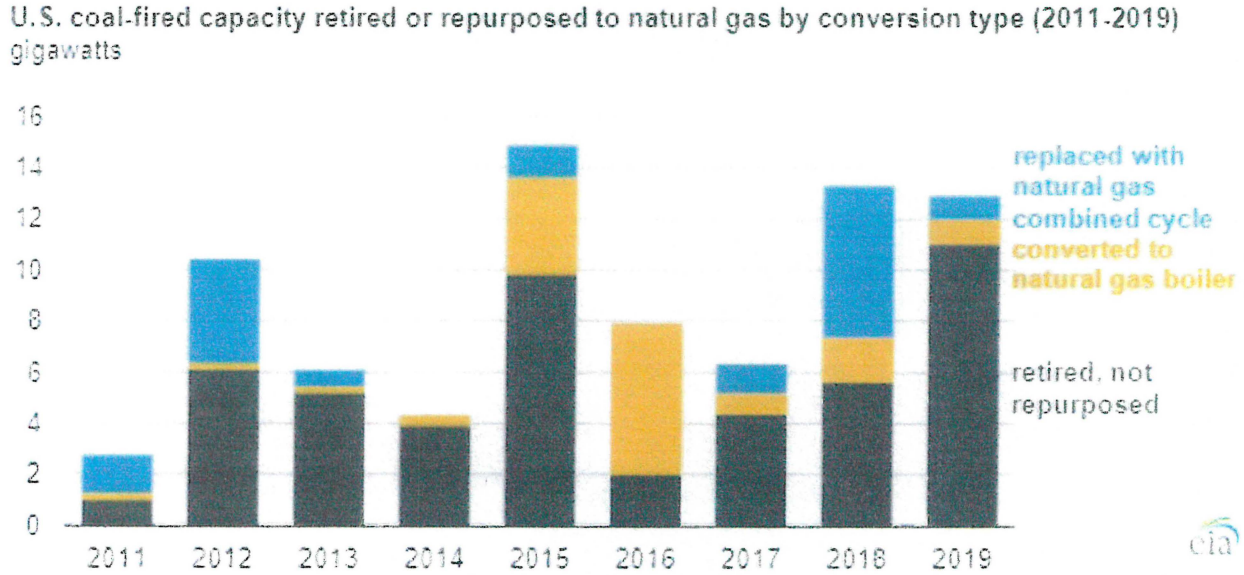
REPURPOSING COAL-FIRED POWER PLANTS

One hundred twenty-one United States coal-fired power plants were repurposed to burn other types of fuels between 2011 and 2019, 103 of which were converted to or replaced by natural gas-fired plants.[9] At the end of 2010, 316.8 gigawatts (GW) of coal-fired capacity existed in the United States, but by the end of 2019, 49.2 GW of that amount was retired, 14.3 GW had the boiler converted to burn natural gas, and 15.3 GW was replaced with natural gas combined cycle.[10] The decision for plants to switch from coal to natural gas was driven by stricter emission standards, low natural gas prices, and more efficient new natural gas turbine technology.[11]

Two different methods are used to switch coal-fired plants to natural gas.[12] The first method is to retire the coal-fired plant and replace it with a new NGCC plant.[13] The second method is to convert the boiler of a coal-fired steam plant to burn other types of fuel, such as natural gas.[14]

Between 2011 and 2019,17 coal-fired plant owners adopted the first method, replacing old coal-fired power plants with new NGCC plants.[15] The new NGCC plants have a total generating capacity of 15.3 GW, 94 percent more than the 7.9 GW capacity of the coal-fired power plants they replaced. The increase in capacity is largely a result of the advanced turbine technology installed in NGCC plants (see Figure 7).[16]

Figure 7



Source: U.S. Energy Information Administration, *Annual Electric Generator Report* and *Preliminary Monthly Electric Generator Inventory*, August 2020.

Between 2011 and 2019, 104 coal-fired plants adopted the second approach, converting the steam boiler to burn other fuels, most commonly natural gas, although some were configured to burn petroleum coke (a refinery by-product), waste materials from paper and pulp production, or wood waste solids.[17]

Coal-fired plants in the eastern half of the country have been good candidates for conversion because the plants tend to be smaller-capacity units and are mostly over 50 years old.[18] Of the 104 coal-fired plants in this age range, 86 have converted boilers to burn natural gas, representing 14.3 GW of capacity.[19] Although most plants

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[9] *More than 100 coal-fired plants have been replaced or converted to natural gas since 2011*, U.S. Energy Information Administration, August 2020.
[10] *Id.*
[11] *Id.*
[12] *Id.*
[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] *Id.*

transitioned entirely to natural gas, a few maintained coal burning capabilities, allowing the plants to burn whichever fuel is most economically efficient.[20]

The utility with the most conversions between 2011 and 2019 was Alabama Power Co., which converted 10 generators located at four coal plants in Alabama, totaling 1.9 GW of capacity.[21] These conversions took place between 2015 and 2016, largely to comply with the Mercury and Air Toxics Standards required by the United States Environmental Protection Agency.[22]

Plant owners intend to retire another 17 GW of coal-fired capacity by 2025 (see Figure 8).[23] After a coal unit retires, the power plant site goes through a complex, multiyear process that includes decommissioning, remediation, and redevelopment.

Figure 8

Source: U.S. Energy Information Administration, *Annual Electric Generator Report* and *Preliminary Monthly Electric Generator Inventory,* July 2019.

Coal-fired power plants in the United States remain under significant economic pressure. Many plant owners have retired coal-fired units because of relatively flat electricity demand growth and increased competition from natural gas and renewables.[24] In 2018, plant owners retired more than 13 GW of coal-fired generation capacity, which is the second-highest annual total for United States coal retirements. The highest total for coal retirements, at 15 GW, occurred in 2015.[25]

CONCLUSION

Repowering a former coal-fired plant with natural gas-fired elements is a viable option for power providers because much of the critical infrastructure is in place, including transmission lines, substations, and water. As the United States coal-fired electric generation fleet continues to manage challenges from emission standards and low prices for natural gas, the expectation is that more of these conversions will take place, particularly in the Midwest and Southeast.

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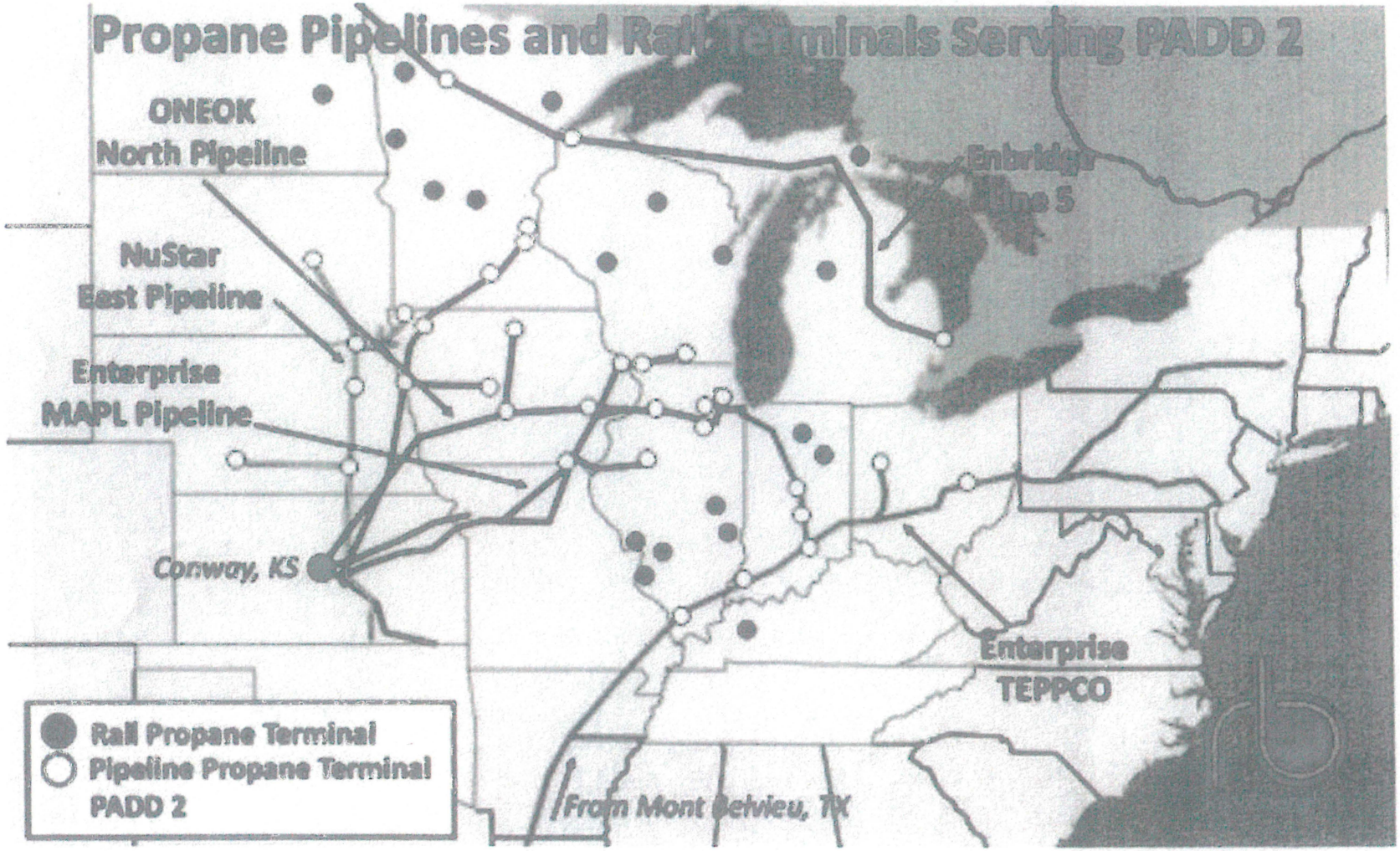
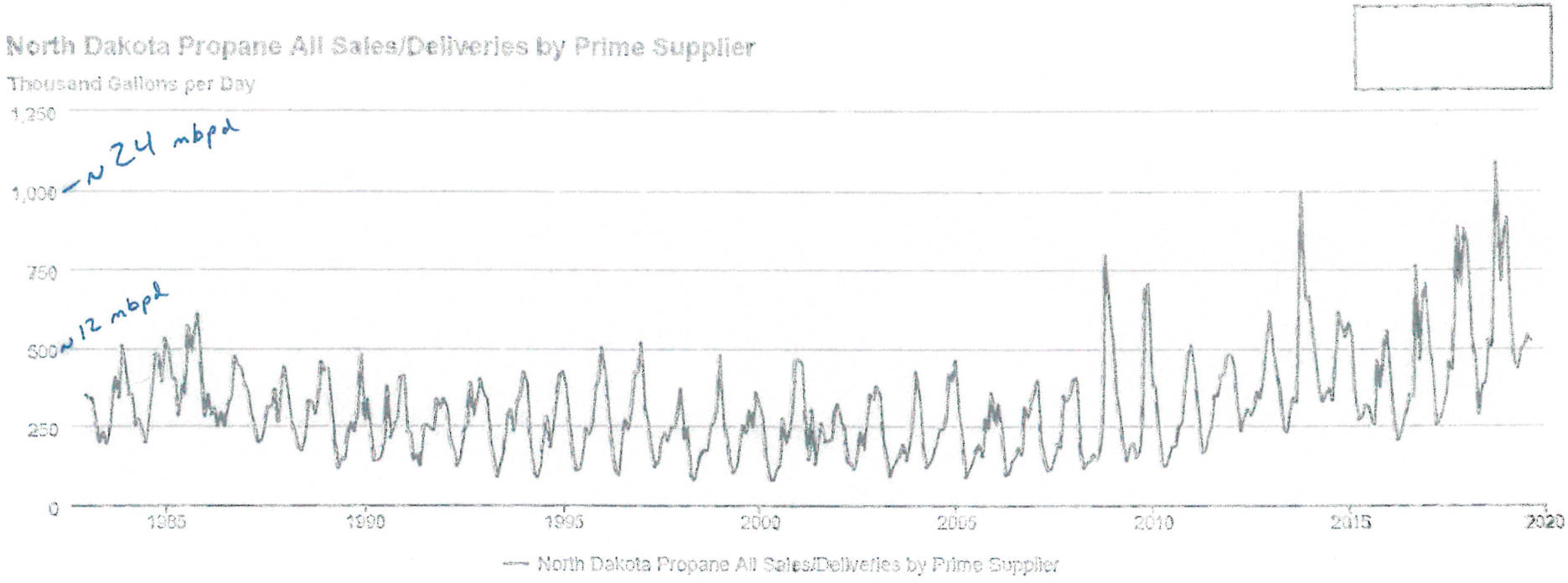
[20] *Id.*
[21] *Id.*
[22] *Id.*
[23] *Preliminary Monthly Electric Generator Inventory,* U.S. Energy Information Administration, August 2020.
[24] *More U.S. coal-fired power plants are decommissioning as retirements continue,* U.S. Energy Information Administration. July 2019.
[25] *Id.*


Propane Pipelines and Rail Terminals Serving PADD 2
ONEOK
North Pipeline
NuStar
East Pipeline
Enterprise
MAPL Pipeline
Enbridge
Line 5
Conway, KS
Enterprise
TEPPCO
From Mont Belvieu, TX
Rail Propane Terminal
Pipeline Propane Terminal
PADD 2

53

North Dakota Propane Consumption



eia Source: U.S. Energy Information Administration

North Dakota Propane Production

ALKANE

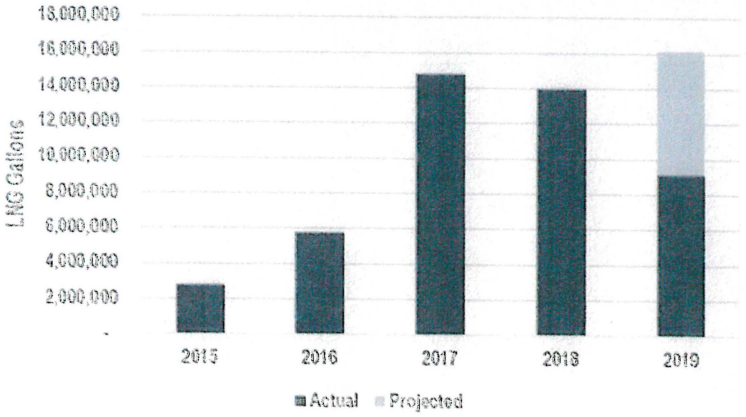
MIDSTREAM

MDU
WAHPETON

DECEMBER 2019

Background

Founded in 2014 as North Dakota LNG, we are a pioneer in alternative fuels delivering nearly 50 million gallons of Liquefied Natural Gas (LNG) through July 2019



About Us

Virtual pipeline solutions for natural gas in the Williston Basin. We provide turn-key alternative fuel, power, and stranded gas solutions helping customers save money and increase production while reducing their environmental impact.

Virtual Pipeline Solutions For Upstream and Downstream

Flare Capture

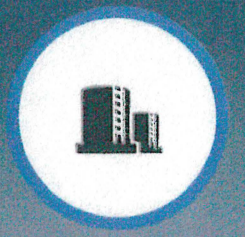
Year-round applications

Full utilitzation of flare stream. 4mmCFD of Flare produces 25,000 gallons per day of LNG and >30,000 gallons per day of NGLs

Drilling & Completions

Year-round LNG applications

Consumption averages 2,150 gallons per day on drilling rigs to 12,000 gallons per day on frac spreads

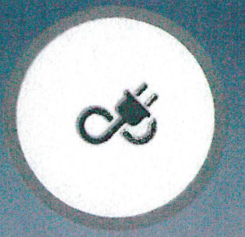


Water Heating & Recycling

Water heating is a Winter application only.

Water Recycling was piloted in August and is year-round.

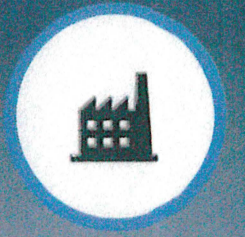
Consumption averages 5,000 gallons per day



Remote Power

Short-term project based applications

Applications can range from 5,000 gallons per day to 40,000 gallons per day of LNG



Off-Grid Commercial

Permanent LNG applications

Consumption typically between 2,000-5,000 LNG gallons per day

Service Area

We competitively deliver to applications 500 miles away and are approved to transport into Canada

Market Isolated from Supply

Current LNG supply for the Williston Basin involves significant transportation planning and cost. We are over 600 miles away from next closest plant.

We have significant first-mover advantage; building a similar sized LNG plant with storage and field equipment takes significant capital ($50MM) and lead-times for equipment exceed 50 weeks.

LNG Production Capabilities

Tioga facility built for redundancy with three production trains

Plant 1

- 2-Train turbo expander plant with production capacity of 10,000 gallons per day
  - Train-A: 5,000 gallons per day
  - Train-B: 5,000 gallons per day

Plant 2

- Single train ANGLE mixed refrigerant plant with production capacity of 80,000 gallons per day
  - Train-C: 80,000 gallons per day
  - Expansion to 100,000 gallons per day possible

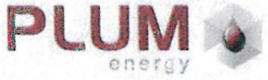
Storage

- 2-fixed storage 55,000 gallon horizontal bullet tanks at the Tioga facility
  - Transportation trailer fleet with 70,000 gallons of storage capacity
  - On-site customer storage vessels with 300,000 gallons of storage capacity

We work with the biggest names in the Bakken and Beyond:

Oil & Gas

Wholesale



Remote Power

INSTALLATION
APPLICATIONS
MONITORING
DELIVERY

- ON-SITE STORAGE
- REMOTE MONITORING
- COMPANY DRIVERS
- DRIVER TRACKING
- INSTALLATION EXAMPLES

On-Site Storage with Vaporization

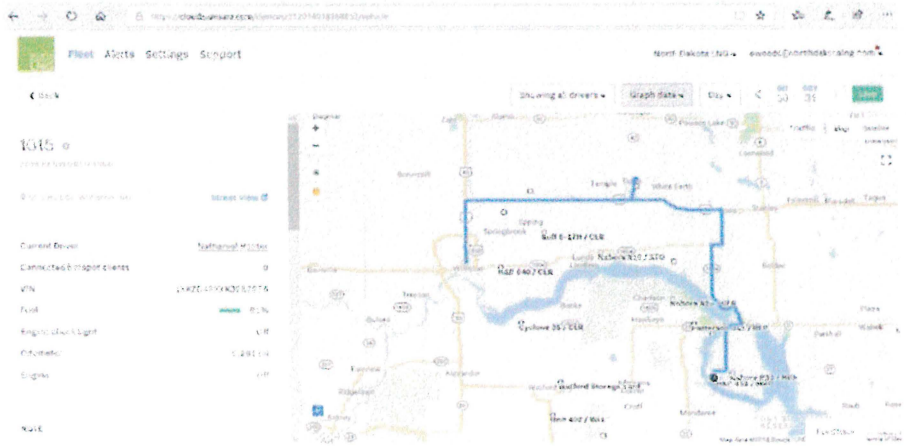
Ambient Vaporization

Electric Vaporization

Remote Monitoring

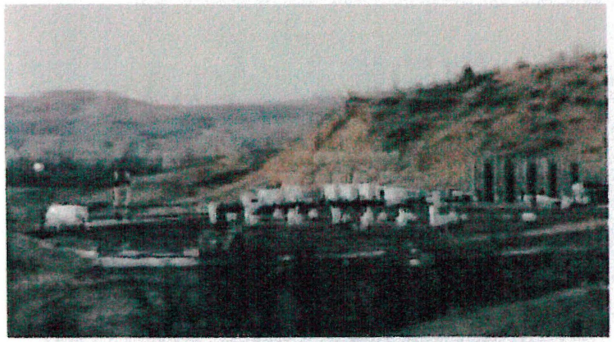
ALKANE MIDSTREAM

LNG Delivery with Real-time Tracking

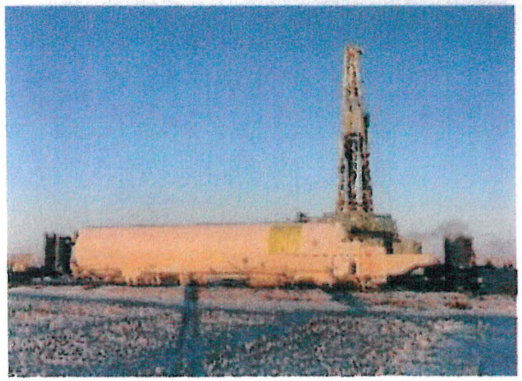


ALKANE
MIDSTREAM

LNG In Use



Well Pads



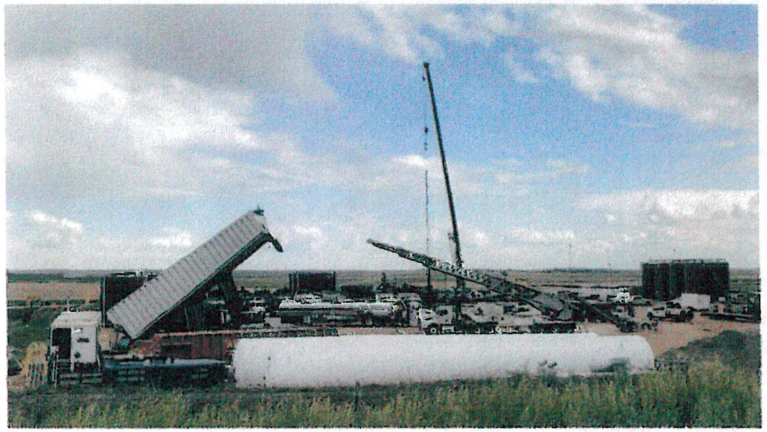
Drill Rigs

Water Heating

ALKANE MIDSTREAM

LNG In Use

Dual-fuel Frac Spread



- Up to 70% diesel displacement
- Up to 20,000 LNG gpd
- Year-around operation

Water Recycling

IGF+

- 10,000 BBL/d
- 98% Suspended Solids, Iron, Oil removal

FLASH

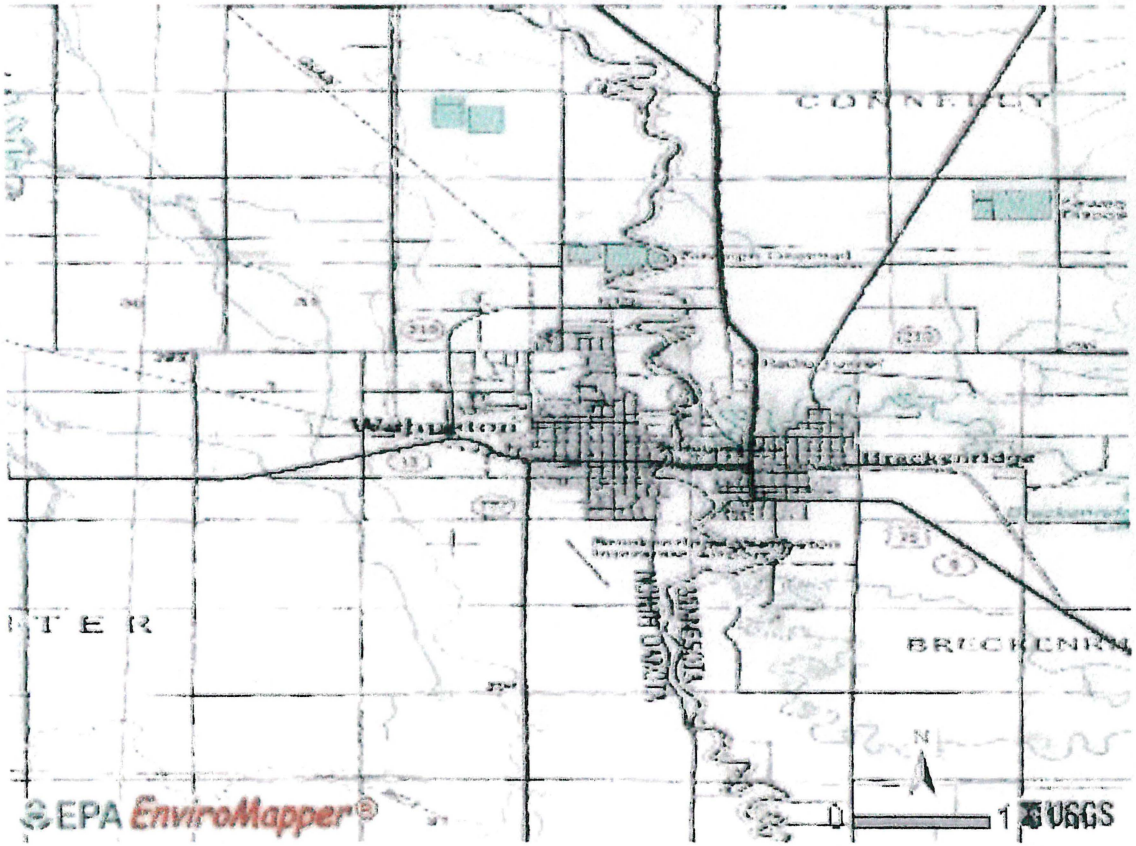
- Up to 400BBL/d Evaporation

ALKANE MIDSTREAM

THE WAHPETON COMMUNITY

- 63 MILE GAS LATERAL LINE
- INCREASED DEMAND ON GAS LINE
- TIME REQUIRED TO EXPAND
- INDUSTRIAL CUSTOMERS ARE EXPANDING OPERATIONS ELSEWHERE
- SOLUTION NEEDED FOR INTERIM

63 Mile Gas Distribution Line



Wahpeton Community

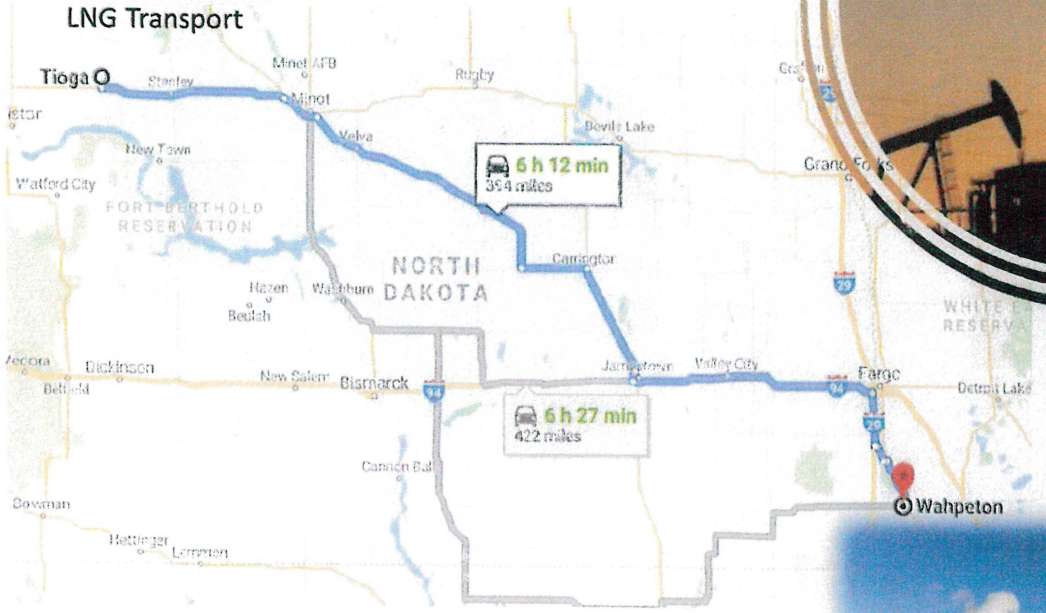
- 7,753 Population (2018 est.)
- Industrial Consumers: Woodcraft, WCCO, Minn-Dak, Cargill, ComDel, Heartland, Doosan/Bobcat, Masonite, Wil-Rich
- Numerous Commercial Customers
- ND State College of Science
- K-12 Schools

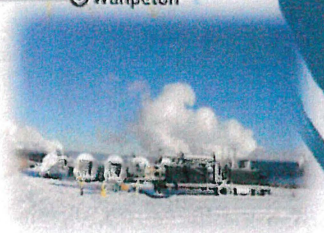
Previous Alkane (ND LNG) Support

- Minn-Dak (via TexPar)
- Cargill (proposals)

ALKANE MIDSTREAM

Bakken Liquefaction and LNG Transport



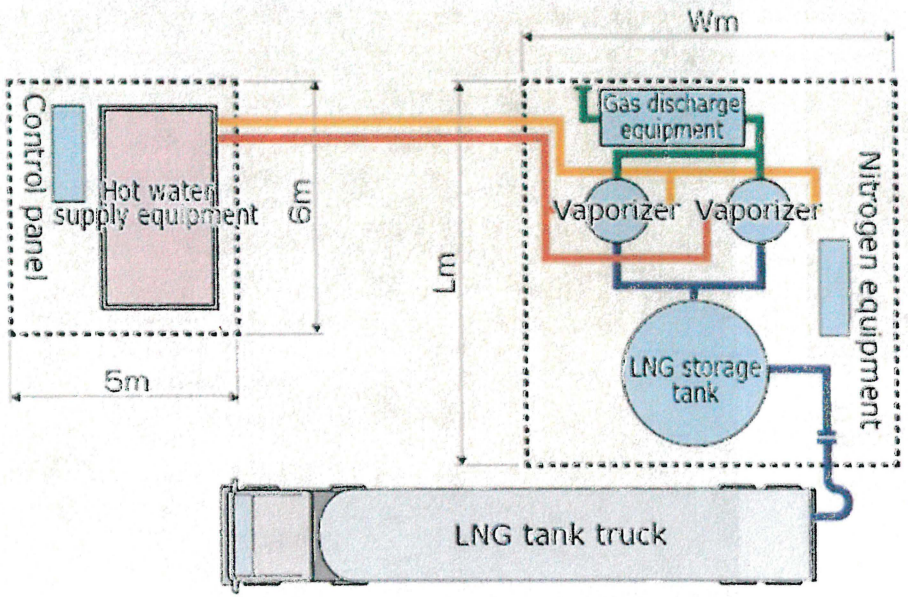


Interim LNG Storage at Wahpeton Injection Point

Proposal

- Utilization of Bakken Flare Gas
- Liquefied in Tioga, transport to Wahpeton
- Stored at Metering Point
- Injected as needed to support gas line pressure
- Short-term and Longer-term solutions

Short-Term: Temporary Storage and Vaporization



Temporary Storage

- 16,000 gallon mobile Queen Storage Trailers
- Quantity based on calculated need
- Remote Monitoring for level and gas flow

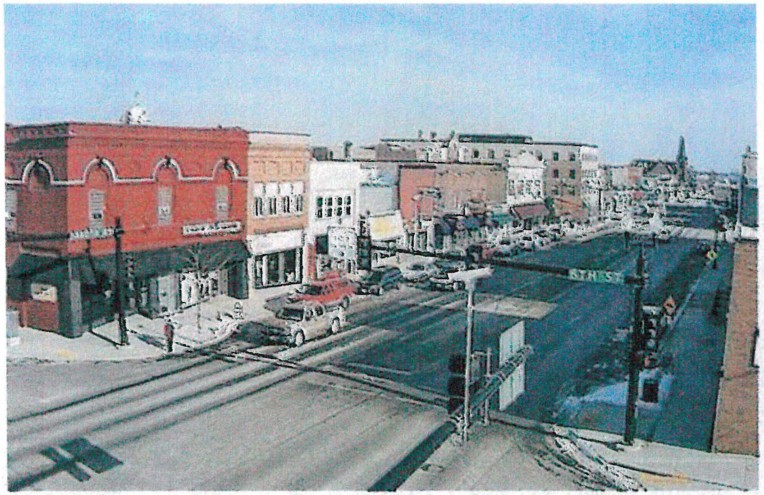
Water Bath Vaporization

- Mobile / Trailer Mounted
- 150,000 scf/h capable
- Efficient Boilers
- Scalable / Quantity based on need
- Remote Monitoring

Metering / Injection Point.

- Vaporized LNG connected to Flange at Metering / Injection point

ALKANE MIDSTREAM



Wahpeton
- Stable gas supply. Ability to retain / grow Industry.

MDU
- Ability to strategically expand gas distribution network.
- Maintain / Increase user base.

Operators
- Additional outlet for flare gas

North Dakota
- Retention / Expansion of business in the state

Beneficiaries of Solution

Wahpeton | MDU | Operators | North Dakota

THANK YOU

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Targa Resources Corp.
January 2020

TARGA

Community Connected Through Sustainability and ESG

Safety, Environmental, Social and Governance

- As an energy infrastructure company focused on the transportation and storage of energy products, our operations are essential to the delivery of energy efficiently, safely, and reliably across the United States. At Targa Resources, we invest hundreds of millions of dollars each year to build new and expanded assets to deliver energy products that sustain and enhance the quality of life of our citizenry.
- We strive to conduct our business safely and with integrity, creating lasting benefits to our stakeholders, including our investors, lenders, customers, employees, business partners, regulators and the communities in which we live and work.

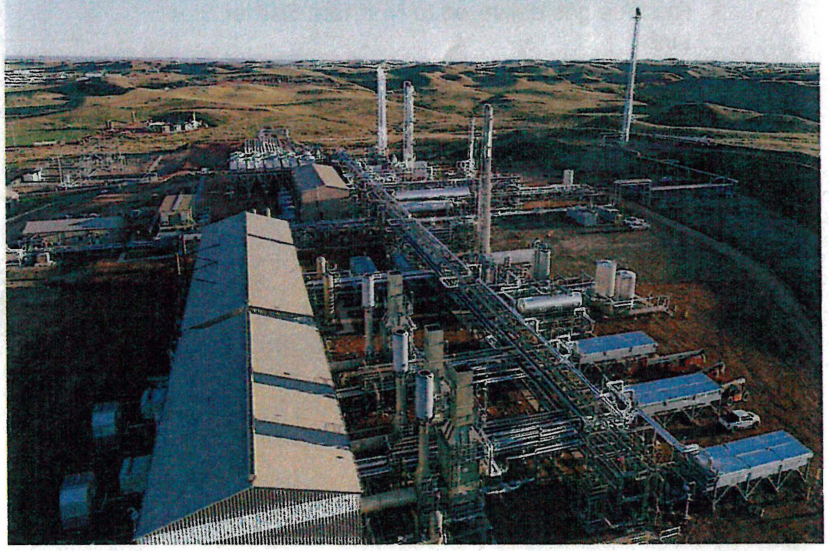
✓ **Safety and operational excellence**

✓ **Environmental stewardship**

✓ **Strong alignment with shareholders**

TARGA

North Dakota Badlands



Key Issues For Discussion

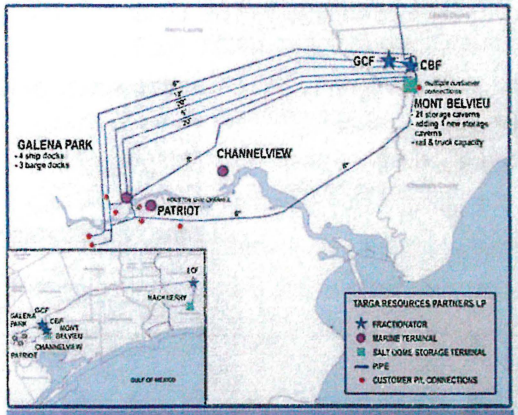
- Landfarming for crude oil impacted soil
- Processing Investments and gas capture
- Targa's assets as a global player- National Security through energy independence and trade balance and cleaner air globally through lpg exports and fuel replacement
- Targa's value to the growing domestic petrochemical industry

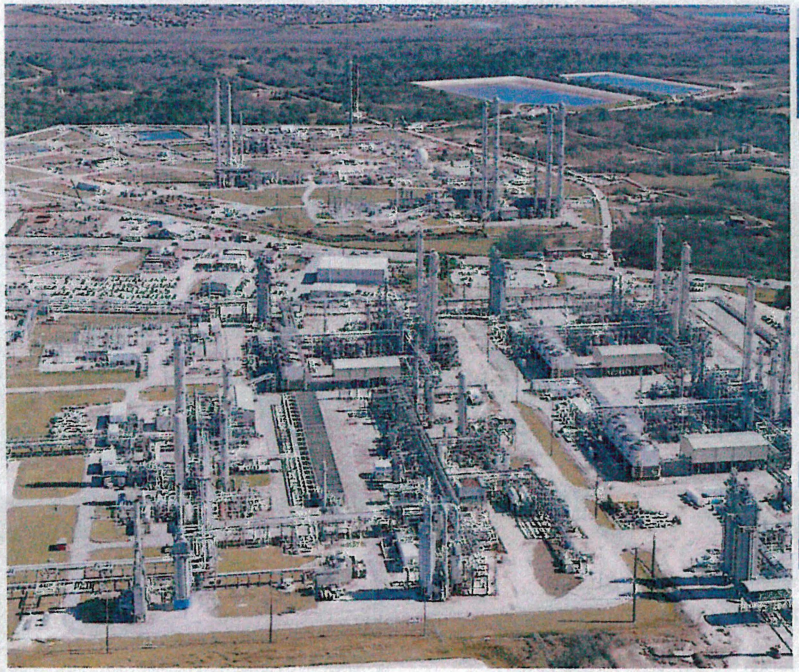
Building Today for Better Bakken Tomorrow

TARGA

Downstream Segment

Logistics Assets Exceedingly Difficult to Duplicate





Galena Park Marine Terminal		
	Products	MMBbl/ Month
Export Capacity	LEP / HD5 / NC4	~10.0
Other Assets		
700 MBbls in Above Ground Storage Tanks		
4 Ship Docks		

Fractionators			
		Gross Capacity (MBbl/d)	Net Capacity (MBbl/d)[1]
Mont Belvieu[1]	CBF - Trains 1-3	253	223
	CBF - Backend Capacity	40	35
	CBF - Train 4	100	88
	CBF - Train 5	100	88
	Train 6	100	100
	Train 7[2]	110	110
	Train 8[2]	110	110
GCF - Mont Belvieu		125	49
Total - Mont Belvieu		938	802
LCF - Lake Charles		55	55
Total		**993**	**857**

Potential Fractionation Expansions

Permit received for Train 9 incremental fractionation

Other Assets

Mont Belvieu

35 MBbl/d Low Sulfur/Benzene Treating Natural Gasoline Unit

23 Underground Storage Wells

Pipeline Connectivity to Petchems/Refineries/LCF/etc.

7 Pipelines Connecting Mont Belvieu to Galena Park

Rail and Truck Loading/Unloading Capabilities

Other Gulf Coast Logistics Assets

Channelview Terminal (Harris County, TX)

Patriot Terminal (Harris County, TX)

Hackberry Underground Storage (Cameron Parish, LA)

(1) Based on Targa's effective ownership interest

(2) Expansion underway to increase fractionation capacity by 220 MBbl/d in Mont Belvieu; Train 7 expected to be complete late Q1 2020 and Train 8 expected to be complete late Q3 2020

Targa Long Term Strategic Outlook is Excellent

Focus in recent years has been to transform into a fully integrated midstream company with scale and asset diversity

- Transformation of asset footprint from growth capital investments largely complete

Targa's Grand Prix NGL Pipeline was the missing piece of the integrated platform advantage

- ~$2 billion project and largest capital investment in Targa's history
- In-service and flowing significant volumes that are expected to grow over time

Heavily invested in supply aggregation through our premier G&P footprint with connectivity to downstream demand

- Since 2015, ~$8.5 billion in capital invested across the Targa value chain
- Supply aggregation – Gathering & Processing
  - Added 15 new plants with an aggregate 2.7 Bcf/d of incremental processing capacity
- Demand markets – Downstream (Fractionation and Exports)
  - Added frac trains 5, 6, 7 and 8 with an aggregate 420 MBbl/d incremental fractionation capacity in Mont Belvieu, the premier U.S. NGL market hub
  - LPG export debottlenecking and expansions that will bring capacity from 7 MMBbl/month to 11 – 15 MMBbl/month(1)

(1) Capacity range based on product demand and vessel size