US

EIC Country Report

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Executive summary

The US energy landscape is a dynamic mix of turbulence and potential. While political tensions, inflation, and aging infrastructure poses a challenge, this report equips you with the insights to navigate these challenges and seize the exciting opportunities within. Beginning with the O&G sector, the country is poised to maintain its status as a major player with onshore drillings in the Lower 48 states shale plays that are ramping up to near pre-pandemic levels as well as the reinstatement of four offshore leases in the Gulf of Mexico in the highly contentious Inflation Reduction Act 2022 (IRA).

Recent world-wide events such carbon emission reduction efforts by nations in COP27 as well as the Russia-Ukraine War also present a unique development in the global LNG market, with which the US is at the forefront competing with long-time major players such as Qatar and Australia. Fuelled by European and Asian demands for LNG, the midstream sector is in a heated competition to build more export/regasification terminals. Companies like Sempra Energy and Cheniere Energy are leading the charge with confirmed FIDs for their Port Arthur and Corpus Christi LNG terminals, paving the way for many others to follow suit.

The downstream sector is facing a number of challenges, including rising costs, and stricter environmental regulations. However, the IRA has provided a significant boost to the

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sector, by investing in renewable energy and clean technology. These investments will help the downstream sector to reduce its emissions and develop new products and technologies such as the emergence of electric vehicles and biofuels, which is having a significant impact on the industry. Electric vehicle sales are growing rapidly, and biofuels are becoming more competitive with traditional gasoline and diesel.

We also see major strides being made in the renewable energy and energy transition sector. The US has set their targets to reduce greenhouse gas emissions by 50-52% below the 2005 level by 2030. As of 2023, they had managed to reduce emissions by an average of 25-38% below the 2005 level due to increased electrification, higher equipment efficiencies, and increased generation by renewable sources such as solar and wind. The share of renewable energy sources will steadily increase predominantly from solar and wind projects from 21% in 2021 to 24% in 2023.

The federal government has also set their sights on improving the economic viability of the energy transition sector, namely the hydrogen, carbon capture, and energy storage sectors. To boost the domestic hydrogen economy, seven interstate regional hubs were chosen through the Regional Hydrogen Hubs Program (H2Hubs), receiving a total of US$7B in federal funding. This marks a significant step towards building a nationwide hydrogen infrastructure.

This report dives deeper into each segment, providing a comprehensive analysis of trends, challenges, and specific opportunities for you to explore. Whether you're eyeing O&G, renewables, or disruptive clean tech, the report serves as a roadmap to navigate the US energy market to turn challenges into triumphs.