

# Communicating Energy

## The Challenge of Splitting the Difference Between Technical and Non-Technical Audiences

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# Communicating Energy - Outline

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- **Focus is mainly on oil and oral presentations, but a lot of it applies to other energy and written work as well.**
- **Some fundamentals of communicating**
- **A few difficult issues in communicating energy generally**
- **Sophisticated audiences sometime need help too**
- **Some common mistakes in communicating**
- **Visuals make communications easier**
- **But there are good and bad visuals**

# Some Fundamentals

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- Remember, you're up front because you know something they're interested in, and don't already know.
- Start from something the audience can relate to; gasoline pump prices, front month crude futures, recent political news.
- Keep the arithmetic simple up front, the details can go in back, maybe as a supplement.
- Own up early to your biases – “I'm a supply optimist”; “I look at things as an economist.”
- Whatever the audience, be sure they leave knowing something they didn't know before -- or look at things they knew differently -- hopefully both.
- Find a way to enjoy yourself, if you're not happy they won't be.

# A Few of the Most Difficult Issues

- **Inherent bias against energy companies:**
  - ◆ Image as “rich, fat cat plunderers of people & the planet”
  - ◆ If you’re not attacking them, you’re their tool
- **Battling basic myths and misinformation:**
  - ◆ “The world has already run of oil”
  - ◆ “Oil companies and auto company have conspired to stop technology and promote gas guzzlers”
  - ◆ “Opec is a classic economic cartel”
  - ◆ “There’s a conspiracy between X and Y to do Z”
- **Communicating how heterogeneous energy is:**
  - ◆ A crude is not a crude, crude is not product, oil is not gas
  - ◆ There isn’t one price of oil – or gas or electricity or coal or ethanol

# Even Sophisticated Audiences Need Help

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- **Opec's "demand security" fetish**
  - ◆ there's a difference between demand and consumption
  - ◆ for Opec, demand security is about crude demand not products
- **"The speculators did it"**
- **"Reversion to mean" always works, eventually**
- **"Simple economics apply" – (always/never?)**
- **"It's the economy, stupid"**
- **"Just look at the price"**

# Some Common Mistakes

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- **Get your units right – millions/billions; per year/per day; etc. -- try not to mix unit too much.**
- **Just because you just read or talked to someone about something doesn't mean the audience is up to speed, give background and context up front.**
- **There is a lot of jargon when we talk to each other, but we also understand the more general terminology, remember the general public doesn't understand the jargon.**
- **If you have to use some industry jargon, explain it – briefly -- that shouldn't insult the specialists and you don't lose the rest of the audiences. But do it quickly.**

# Visuals

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- **It is important to sprinkle in visuals among reader slides. Try to set a nice rhythm to it.**
- **Maps are a great way to orient any audience, but keep them broad enough so everyone has a point of reference. Insets work well, otherwise sequence maps.**
- **Don't put too many numbers in a table, enough detail to add value without overloading the audience. Use colors and bold too indicate relative importance.**
- **Make totals add by squelching the rounding wherever you can, especially with your own forecasts. Sophisticated audiences understand rounding, others don't.**
- **Don't overload graph's with too many lines.**

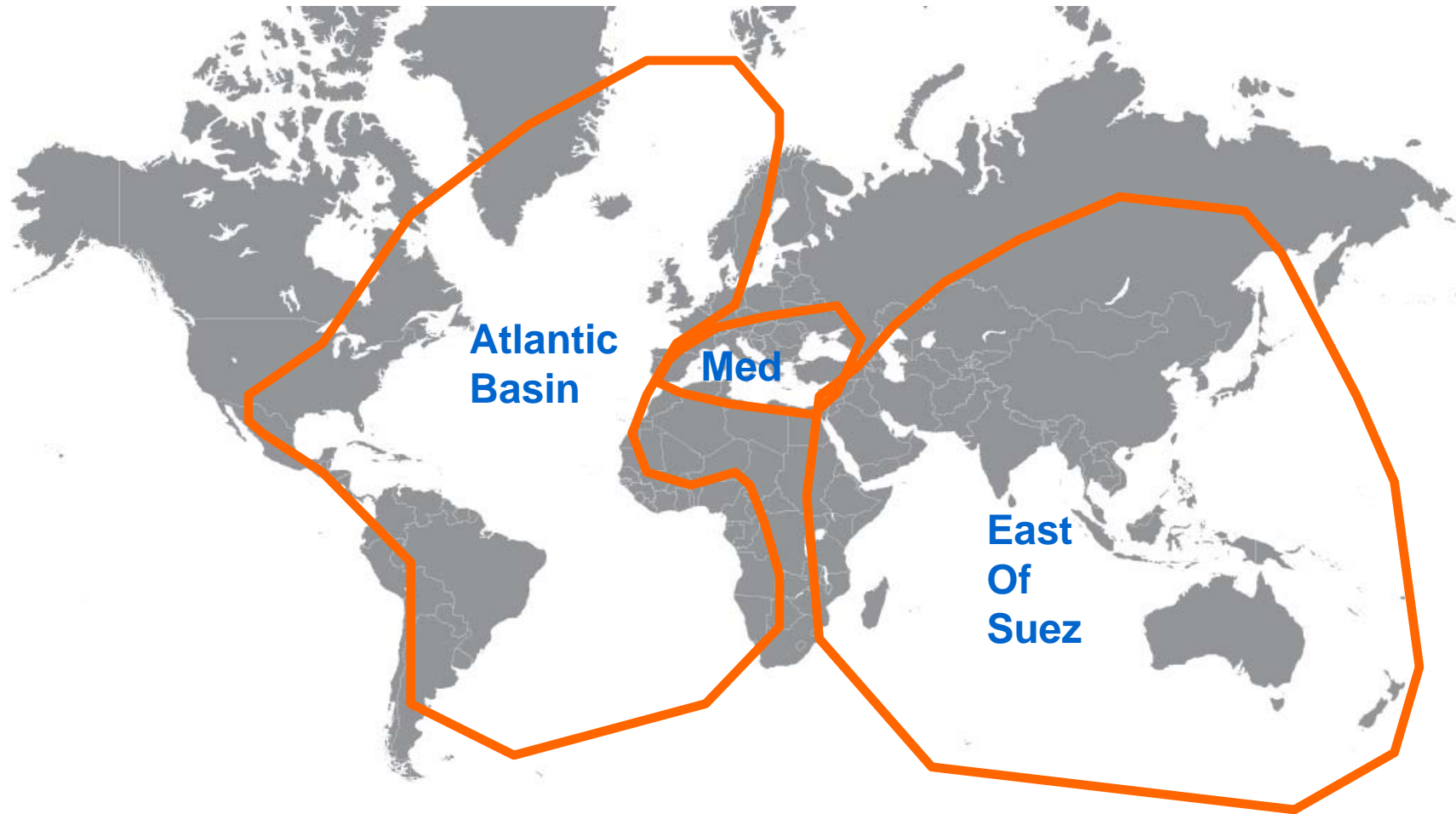
# Good Map, Bad Map?

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# Good Map, Bad Map?

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# Good Table, Bad Table?

KEY CRUDE OIL NETBACK VALUES & MARGINS											
NETBACKS	Recent Weekly Prices					Monthly Prices					
	Sep.3- Sep.7	Aug.27 Aug.31	Aug.20 Aug.24	Aug.13 Aug.17	Aug.6- Aug.12	Aug.	Jul.	Jun.	May	Apr.	Mar.
<b>US GULF COAST (Cracking)</b>											
Saudi Arabia Lt.-34	73.86	70.39	66.89	68.86	67.54	67.54	73.45	72.72	75.22	69.94	60.50
Dubai Fateh-32	74.26	70.65	67.01	69.21	67.74	67.74	73.62	72.29	74.50	69.75	59.71
UK Brent Blend-38	78.67	75.09	71.23	73.56	71.25	71.25	76.81	76.68	78.56	73.44	63.39
US W. Texas Int.-40	81.44	77.93	74.06	76.21	73.78	73.78	80.45	80.04	82.87	77.75	67.91
Nigeria Bonny Lt.-37	82.64	79.33	75.03	77.72	74.95	74.95	81.20	80.29	82.64	77.88	68.12
<b>ROTTERDAM (Reforming/Cracking)</b>											
Saudi Arabia Lt.-34	67.68	65.15	63.25	64.31	64.34	64.34	67.66	64.74	63.85	61.73	55.29
Dubai Fateh-32	67.07	64.41	62.46	63.77	63.81	63.81	66.89	63.38	62.35	60.54	53.60
Russia Urals-33	67.84	65.34	63.52	64.65	64.71	64.71	67.79	64.74	63.84	61.75	55.46
UK Brent Blend-38	70.74	68.58	66.87	68.46	68.39	68.39	70.45	67.79	66.94	63.96	57.96
Nigeria Bonny Lt.-37	73.32	71.15	69.11	70.33	70.07	70.07	72.87	70.19	69.39	66.22	60.09
<b>SINGAPORE (Topping/Reforming)</b>											
Saudi Arabia Lt.-34	67.54	65.91	64.05	65.02	65.83	65.83	68.48	65.06	64.30	63.26	57.20
Dubai Fateh-32	67.34	65.69	63.82	64.75	65.61	65.61	68.31	64.93	64.11	62.95	56.80
Indonesia Minas-34	69.41	67.77	66.32	66.20	67.20	67.20	70.04	66.74	65.28	62.54	55.79
Malaysia Tapis-43.5	74.26	72.69	71.03	71.28	71.79	71.79	75.76	72.88	72.75	70.14	63.98
Nigeria Bonny Lt.-37	72.70	70.87	68.93	69.68	70.38	70.38	74.16	70.86	70.07	68.15	60.91
<b>REFINING MARGINS</b>											
<b>US GULF COAST (Cracking)</b>											
Saudi Arabia Lt.-34	na	-2.34	-4.00	-2.12	-4.86	-4.86	-0.42	6.54	11.25	9.61	4.33
Dubai Fateh-32	4.34	2.78	0.38	2.50	0.86	0.86	4.10	6.44	9.90	5.82	0.79
UK Brent Blend-38	3.91	4.54	2.78	3.52	0.51	0.51	-0.18	5.46	11.29	5.96	1.20
US W. Texas Int.-40	5.75	4.97	3.81	4.18	1.88	1.88	6.46	12.61	19.41	13.80	7.25
Nigeria Bonny Lt.-37	4.78	5.68	3.57	4.78	1.29	1.29	1.40	6.85	12.51	7.60	3.65
<b>ROTTERDAM (Reforming/Cracking)</b>											
Saudi Arabia Lt.-34	-2.34	-2.48	-5.03	-3.62	-8.20	-8.20	-4.61	-2.63	-0.67	-2.42	-2.07
Dubai Fateh-32	-2.85	-3.46	-4.17	-2.94	-3.08	-3.08	-2.63	-2.47	-2.26	-3.39	-5.32
Russia Urals-33	-4.22	-3.13	-2.83	-3.18	-4.03	-4.03	-6.84	-3.38	-0.01	-2.00	-3.55
UK Brent Blend-38	-4.02	-1.97	-1.57	-1.57	-2.35	-2.35	-6.53	-3.44	-0.34	-3.53	-4.23
Nigeria Bonny Lt.-37	-4.54	-2.50	-2.36	-2.60	-3.59	-3.59	-6.92	-3.26	-0.74	-4.06	-4.38
<b>SINGAPORE (Topping/Reforming)</b>											
Saudi Arabia Lt.-34	-3.38	-2.51	-4.37	-3.40	-2.59	-2.59	-1.87	-1.42	-0.69	-1.13	-1.64
Dubai Fateh-32	-2.58	-2.17	-2.81	-1.96	-1.28	-1.28	-1.21	-0.93	-0.49	-0.98	-2.12
Indonesia Minas-34	-5.93	-5.53	-5.26	-6.47	-6.94	-6.94	-6.43	-1.79	-3.00	-6.06	-6.94
Malaysia Tapis-43.5	-5.29	-3.65	-3.44	-4.10	-4.83	-4.83	-3.78	-2.22	-2.25	-4.39	-3.84
Nigeria Bonny Lt.-37	-5.16	-2.78	-2.53	-3.25	-3.28	-3.28	-5.64	-2.59	-0.05	-2.12	-3.56

p Preliminary. Earlier data including revisions available in the OMI Numerical Data Source.

# Good Table, Bad Table?

## Slowing Non-Opec Oil Supply Growth

	Levels					Changes				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
<b>Long-Term Growers</b>										
FSU	11,974	12,589	13,149	13,554	14,048	+466	+615	+561	+405	+494
So. & C. America	4,393	4,495	4,922	5,250	5,292	+177	+102	+427	+328	+42
Africa (exc. Angola)	2,622	2,761	2,755	2,878	2,986	+221	+139	-6	+122	+108
<b>Long-Term Decliners</b>										
North Sea	4,867	4,900	4,900	4,707	4,344	-389	+34	-1	-192	-363
Asia	6,909	7,048	6,988	6,814	6,591	+39	+139	-61	-174	-223
Other Middle East	1,625	1,523	1,421	1,353	1,272	-50	-102	-103	-67	-81
North America	14,264	14,463	14,460	14,425	14,394	+63	+199	-3	-35	-31
Other Europe	518	511	485	450	425	-41	-7	-26	-35	-25
<b>Total Non-Opec*</b>	<b>47,172</b>	<b>48,291</b>	<b>49,079</b>	<b>49,431</b>	<b>49,351</b>	<b>+484</b>	<b>+1,118</b>	<b>+788</b>	<b>+352</b>	<b>-80</b>
Processing Gains & Biofuels	2,166	2,386	2,642	2,870	3,070	+168	+220	+256	+228	+200
<b>Total Non-Opec</b>	<b>49,338</b>	<b>50,676</b>	<b>51,720</b>	<b>52,301</b>	<b>52,421</b>	<b>+652</b>	<b>+1,338</b>	<b>+1,044</b>	<b>+581</b>	<b>+120</b>

\* Excludes biofuels exc. for Brazil and US. Source: Oil Market Intelligence, September 2007.

# Conclusions

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- **Communicating energy to technical or non-technical audiences is more similar than you think.**
- **You should be able to give the first part of a technical speech to a non-technical audience.**
- **Everybody benefits from a well defined context, where do things fit geographically, quantitatively.**
- **Keep to a few straightforward arguments to draw a limited number of well-stated conclusions.**
- **Re-enforce why what you've shown is relevant and important to your audience.**
- **All of this applies to written as well as oral communication**