



# 2020 Gas Electric Partnership Conference

Driver/Compressor Strategy Roundtable – Hubert Eldridge, Director System Design

February 5, 2020

# Disclosure

## Forward looking statements / non-GAAP financial measures

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**Non-GAAP** – In addition to using financial measures prescribed by GAAP, we use non-generally accepted accounting principles (“non-GAAP”) financial measures in this presentation. Descriptions of our non-GAAP financial measures, as well as reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in this presentation under “Non-GAAP Financial Measures and Reconciliations”. These non-GAAP measures do not have any standardized meaning under GAAP and may not be comparable to similarly titled measures presented by other issuers. As such, they should not be considered as alternatives to GAAP financial measures. See “Non-GAAP Financial Measures and Reconciliations” below.

# Our Vision

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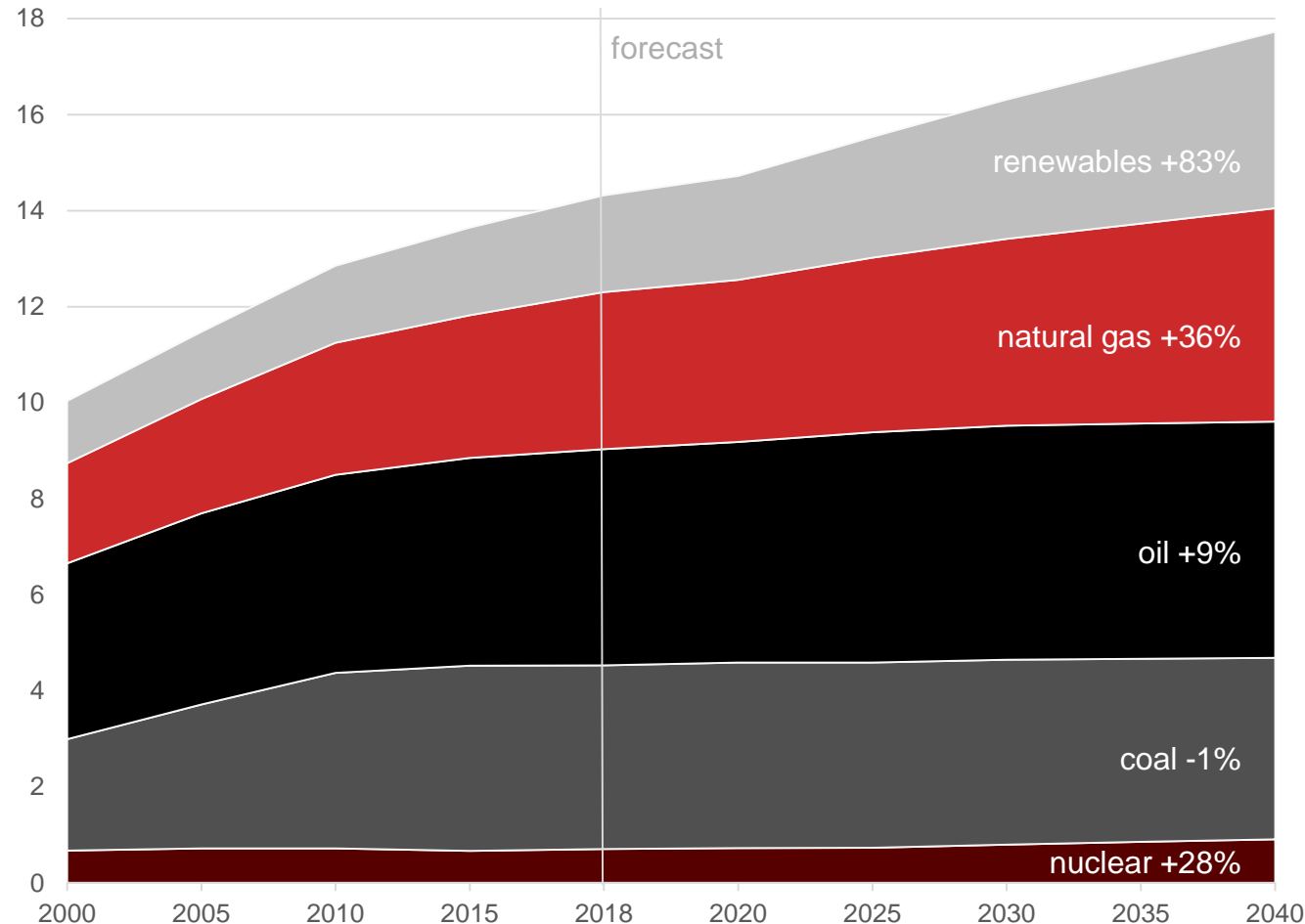
*Delivering energy to improve lives  
& create a better world*

# Hydrocarbons Required to Meet Long-Term Global Demand

U.S. energy infrastructure will be critical for decades

## GLOBAL PRIMARY ENERGY DEMAND BY FUEL

billion tons oil equivalent



### Broad-based natural gas demand growth across all sectors leads to growing share of total energy demand

- Led by global industrial development (industrial demand growth is >2x power generation growth through 2030)
- Asia Pacific region accounts for ~50% of the demand growth over the next two decades

### Oil demand increases through 2030, though growth rate slows in late 2020s

- Long-distance freight, shipping, aviation & petrochemical demand continue growing
- Passenger car fuel demand projected to peak in late 2020s due to fuel efficiency, electric vehicles & compressed natural gas

### Continued growth expected from U.S. shale

- U.S. provides 85% of increase in global oil production & 30% of increase in global natural gas production by 2030
- By 2025, U.S. shale alone overtakes Russia in total oil & gas production

Source: International Energy Agency, World Energy Outlook, November 2019 (Stated Policies Scenario)

Note: Growth figures relative to 2018 (latest actual). World primary energy demand includes final energy consumption by end-use sectors, fuel use in power generation (electricity & heat plants) & other energy sector (includes transformation industries such as coal mines & oil & gas extraction, as well as losses converting primary energy into form used by end-sectors).

# Kinder Morgan: Leader in North American Energy Infrastructure



Unparalleled & irreplaceable asset footprint built over decades

## Largest natural gas transmission network

- ~70,000 miles of natural gas pipelines
- 659 bcf of working storage capacity
- Connected to every important U.S. natural gas resource play & key demand centers
- Move ~40% of U.S. natural gas consumption & exports
- ~1,200 miles of natural gas liquids pipelines

## Largest independent transporter of refined products

- Transport ~1.7 mmbbld of refined products
- ~6,800 miles of refined products pipelines
- ~3,100 miles of crude pipelines

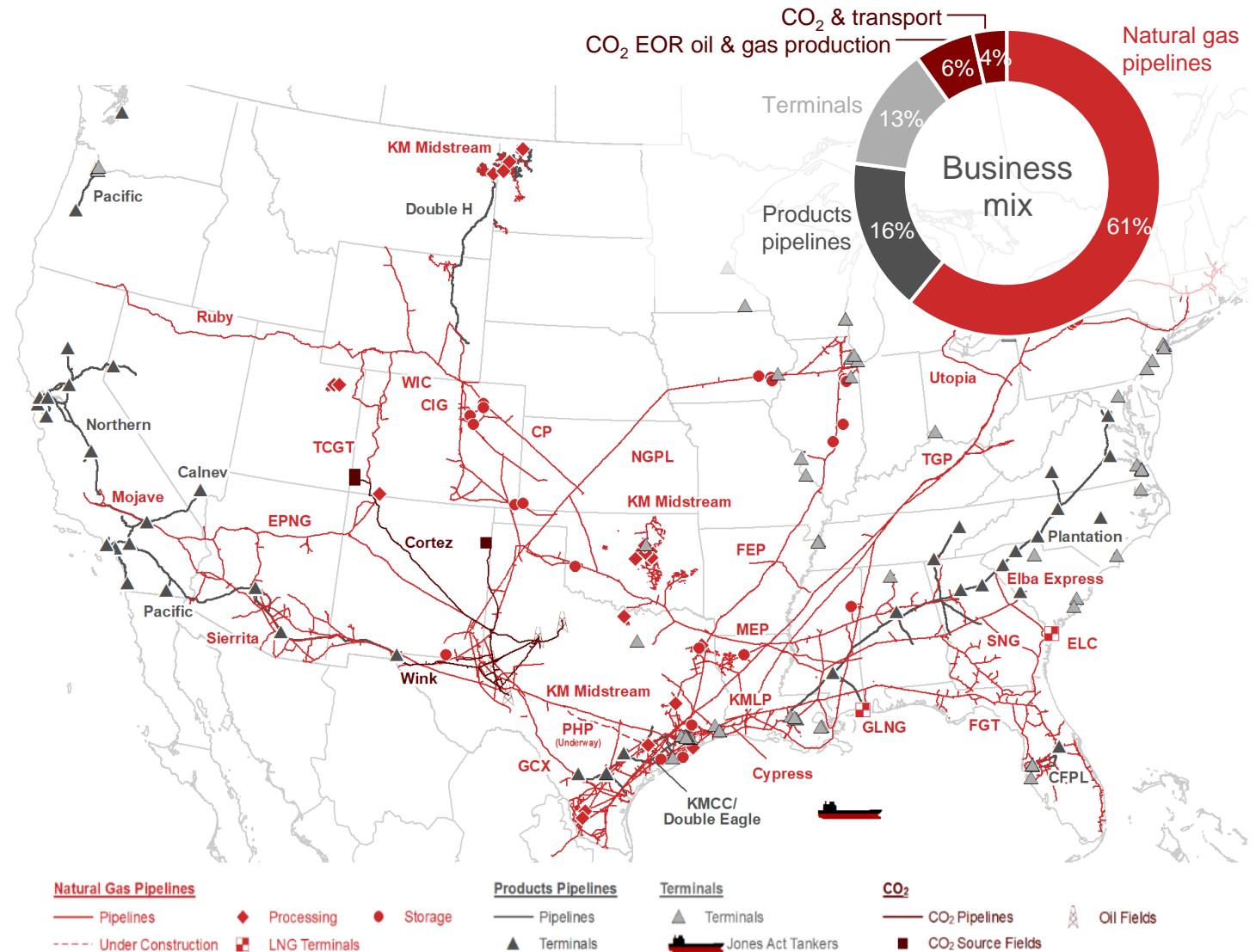
## Largest independent terminal operator

- 147 terminals
- 16 Jones Act vessels

## Largest transporter of CO<sub>2</sub>

- Transport ~1.2 bcf of CO<sub>2</sub>

Leading infrastructure provider across multiple critical energy products



Note: Mileage & volumes are company-wide per 2020 budget. Business mix based on 2020 budgeted Adjusted Segment EBDA. See Non-GAAP Financial Measures & Reconciliations.

# Prioritizing Environmental, Social & Governance (ESG)

Protecting the public, our employees & the environment

- Invest millions of dollars each year on integrity management & maintenance programs to operate our assets safely
  - Outperform the industry averages in almost all safety & release related categories
  
- Employ sustainable business practices, conduct ourselves in an ethical & responsible manner
  - Our Code of Business Conduct & Ethics outlines our commitment to integrity, accountability, safety & excellence
  - We expect our employees to uphold these standards at work every day
  
- Support the communities where we work
  - Donate more than \$1 million annually to academic & arts programs through the Kinder Morgan Foundation

### SUSTAINALYTICS ESG RISK RATING<sup>(a)</sup>

#2 out of 184

Refiners & Pipelines  
(Industry Group)

#2 out of 102

Oil & Gas Storage & Transportation  
(Subindustry)

### Surpassed methane emissions intensity target<sup>(b)</sup> in 2018

0.02% vs. 0.31%

target for natural gas transmission  
& storage assets

7

years ahead  
of schedule

Doing business the right way, every day

a) As of 12/20/2019.  
b) Kinder Morgan's allocation of One Future methane emissions intensity target.

# Contributing to a Lower-Carbon Future with Natural Gas

Long-standing commitment to reducing methane emissions | Ongoing enhancements to ESG disclosures

- **25+ years of commitment** to reducing methane emissions, including ONE Future & EPA’s Natural Gas STAR program
- Rated in **top quartile of midstream sector** for methane disclosures & quantitative methane targets by Environmental Defense Fund
- Released second ESG Report, including **2 degree scenario analysis** in 2019 ESG report
- Utilizing Sustainability Accounting Standards Board (**SASB**) & Task Force for Climate-Related Disclosure (**TCFD**) frameworks
- **Multiple ongoing energy management programs** to reduce our electricity usage & Scope 2 GHG emissions

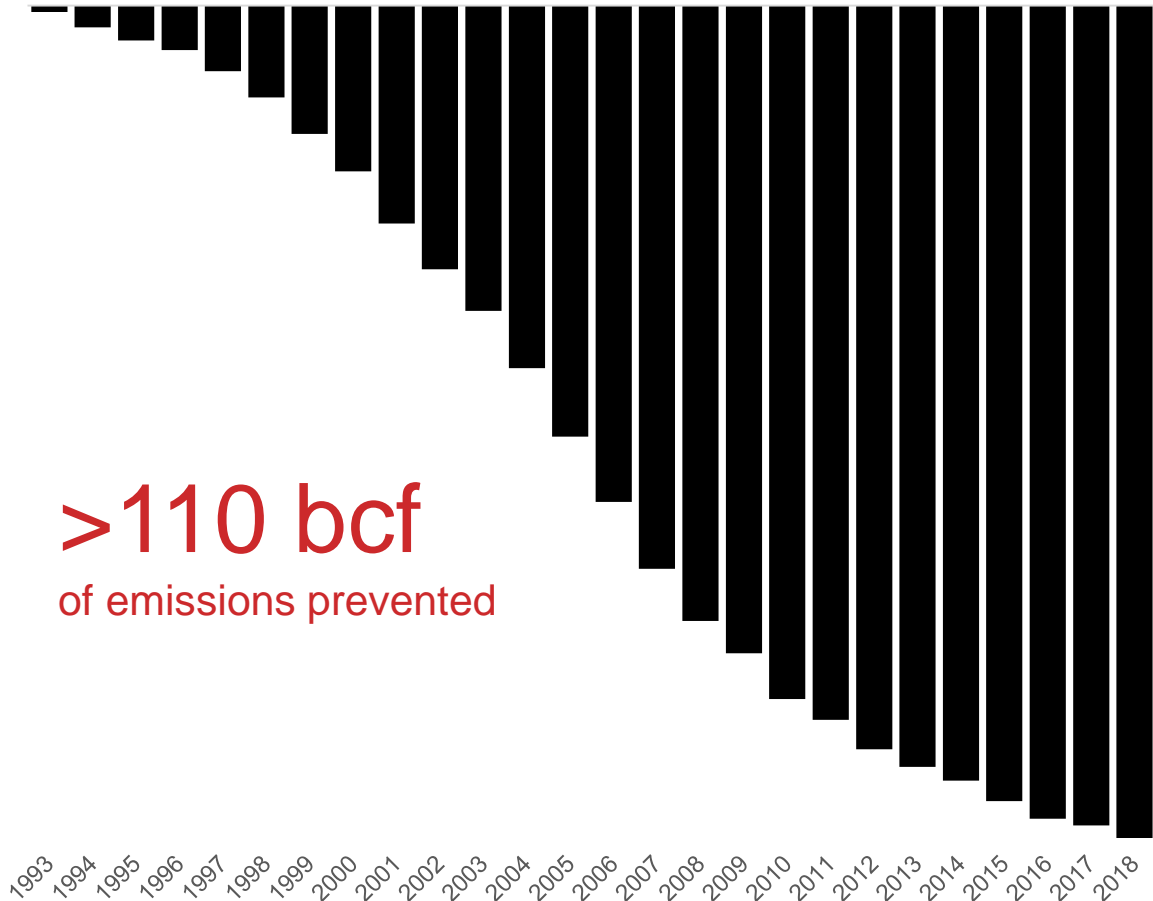
## ECONOMICALLY INCENTIVIZED TO REDUCE EMISSIONS

Savings from reducing pipeline blowdowns (\$ millions)

		Estimated reductions	Savings value @ \$3/Mcf	Project cost	CO2e emission reductions
2017	113 projects	1.9 bcf	\$5.6	\$3.6	846,783 tons
2018	90 projects	1.6 bcf	\$4.8	\$3.1	724,798 tons

## SUCCESSFUL METHANE EMISSIONS REDUCTIONS<sup>(a)</sup>

bcf, cumulative across KM operations



a) Kinder Morgan’s EPA Natural Gas STAR Summary Report (September 2019).