

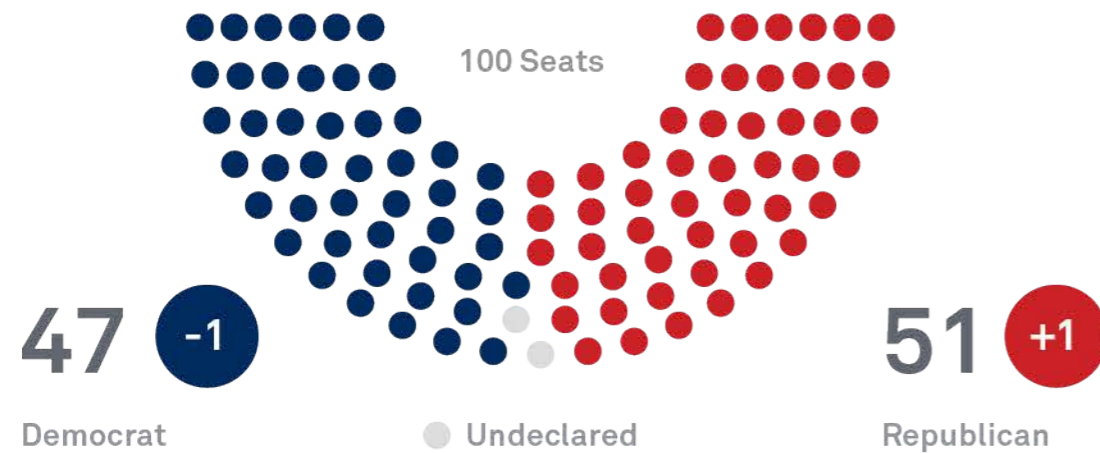
Midterms 2018: Fractious election yields mixed results for energy

After the dust settled on an unusually contentious US midterm election November 6, Democrats had taken control of the House of Representatives, Republicans had held their control of the Senate, and voters had their say on a plethora of races and ballot measures with significant implications for oil, natural gas and power markets. In California and Missouri, gasoline tax increases were rejected, while Colorado voters rebuffed new limits on oil and gas drilling and Washington voters denied a carbon tax. The election brought mixed results for renewable energy-related initiatives and gubernatorial candidates who backed ambitious clean energy goals.

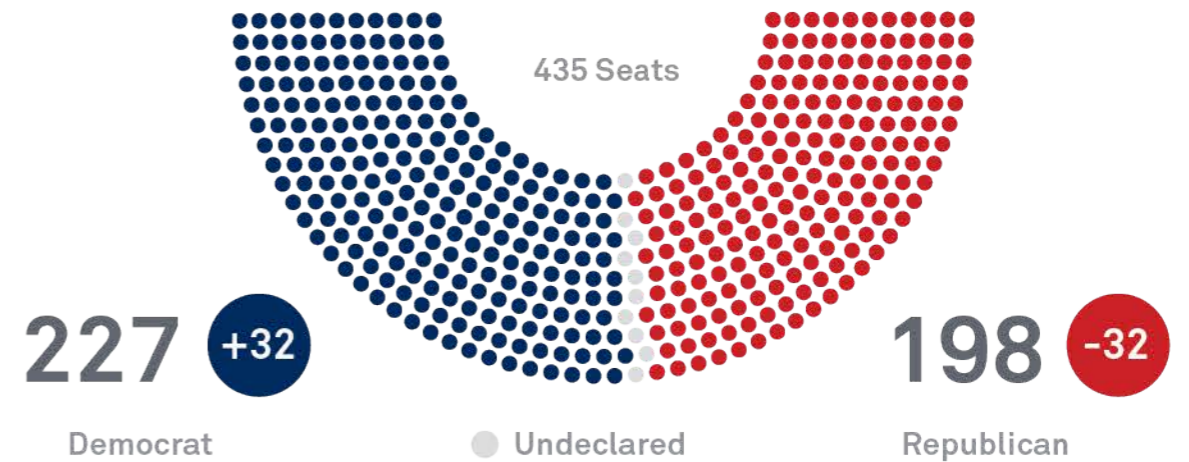


Control of Congress

Senate Results



House Results



Energy ballot measures

ALASKA

BALLOT MEASURE 1 **✗ 63%**

Oil and gas producers in Alaska will not face more onerous permitting requirements for development. The measure was intended to protect salmon habitats.

COLORADO

PROPOSITION 112 **✗ 55%**

The oil and gas drilling setback requirement will remain 500 feet, not be extended to 2,500 feet, with this so-called "de facto drilling ban" defeated.

NEVADA

QUESTION 3 **✗ 67%**

Nevada will continue to be served by vertically integrated electric utilities rather than transitioning to a competitive, market-based structure.

ARIZONA

PROPOSITION 127 **✗ 69%**

Arizona utilities will not have to supply half of their power from renewable sources by 2030. The 15% by 2025 renewables mandate remains in place.

FLORIDA

AMENDMENT 9 **✓ 69%**

With a single amendment, Florida banned both oil and gas drilling in state waters and indoor vaping. There is currently no hydrocarbon production.

QUESTION 6

✓ 59%

Nevada electricity suppliers will be mandated to supply 50% of their electricity from renewables by 2030, requiring the build-out of new solar capacity.

CALIFORNIA

PROPOSITION 6 **✗ 56%**

Motorists will continue to pay the 12-cent/gallon gasoline tax and 20-cent/gallon diesel tax this measure would have repealed. The proceeds will help fund mass transit and infrastructure projects.

MISSOURI

PROPOSITION D **✗ 54%**

Motorists will not pay 2.5 cents/gallon more gasoline tax each of the next four years with the tax rising to 27 cents/gallon in 2022.

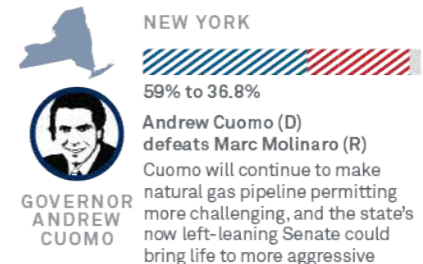
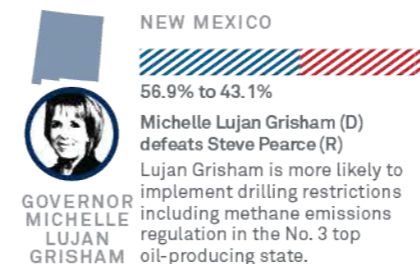
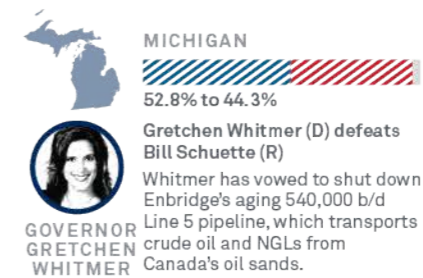
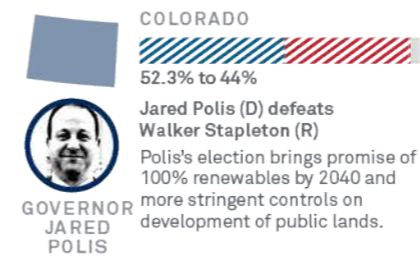
WASHINGTON

INITIATIVE 1631 **✗ 56%**

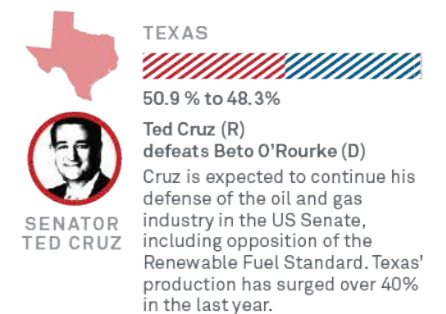
This first of its kind in the US carbon emissions fee would have increased operating costs for oil refineries, natural gas-fired power plants and other carbon emitters.

Key State Races

GOVERNOR RACES



US SENATOR RACE



"The strong Republican showing in the Senate suggests that a green agenda will face headwinds at the federal level for a while to come, even as Democratic pickups of state-houses suggest that more states will become active in this space."

— Roman Kramarchuk, S&P Global Platts Analytics