

SHELL GAS -TO-LIQUIDS IN THE CONTEXT OF A FUTURE FUEL STRATEGY – TECHNICAL MARKETING ASPECTS

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ABSTRACT

Liquid fuels refined from crude oil are likely to continue to dominate the transportation fuels market for the next 20 years. However, fuel properties and specifications will not stand still, with change driven by sustainability challenges of:

- Security and diversification of energy supply
- Reduced greenhouse gas emissions
- Reduced local pollutant emissions
- Affordability, availability, and customer acceptance.

In the long term, hydrogen produced from renewable sources is seen by many as the ultimate solution, combining both local and global environmental advantages. However, in the personal mobility domain, there is still a long way to go on the path to commercialization of hydrogen and fuel cells.

In the interim period, alternative fuels – such as biofuels, liquefied natural gas, compressed natural gas, and gas to liquids (GTL) fuels -- will play, in

varying degrees, an increasingly important role in meeting mobility needs. Some may grow beyond niche positions depending on Government transport fuel policy.

GTL fuel offers strategic diversification of energy supply, since it is derived from natural gas, and can provide a bridge to future fuels and technologies. Its compatibility with the existing diesel infrastructure in combination with significant local pollutant emissions benefits (both as pure, 100-percent GTL and as a blend with conventional diesel) results in a more cost effective solution in reducing emissions than other alternative fuels.

This paper discusses various market development activities associated with GTL fuel and how these are often directly related to the technical attributes of the fuel. For example, the ability of GTL fuels to deliver emissions benefits when blended with conventional diesel, has recently allowed the formulation of fuels with reduced black smoke emissions in Thailand and Greece.