

Episode 4: Pipeline Earnings Are Good

In Episode 4 of SL Advisors Talks Energy, Simon reports on 2019 pipeline earnings and provides his insights on the week's major stories in energy politics.

Show Notes:

In this week's podcast, I'm going to talk about pipeline company earnings and why valuations are attractive, followed by some comments on climate change politics

Pipeline Earnings Are Good 1:08

Energy out of favor 1:10

Too much investing in new projects, not enough cash back to investors 1:22

Democratic primary debates show political risk given extreme positions 1:27

But cash flows are growing 1:40

Some big companies reported 2:10

EPD increased EBITDA 18%. \$66BN company 2:14

WMB been weak because of natgas but had good earnings and popped 2:22

OKE, CEQP, TC Pipelines all good quarters 2:38

Still expect FCF to reach \$7-8BN for AEITR this year, up from \$1BN 2:47

Balance sheets are stronger, 4.1X Debt:EBITDA 3:40

Dividend yields >2X bond yields 4:00

...credit analysts, banks fine with risk 4:05

Industry has growing FCF, better credit profile, lots of PE interest 4:40

Energy politics

2 Items caught my eye

- Annual Google Camp 5:10

Attendees of rich and famous, secretive affair 5:20

Barry Diller, Dave Geffen, Katy Perry, Tom Cruise, Leonardo DiCaprio 5:25

Many arriving by private jet – one estimate of 111 separate flights 5:30

Let's hope there's no sermonizing on climate change from this crowd 5:40

- Democratic Debate 6:05

Most candidates endorse GND 6:12

We wrote Bovine Green Dream 6:16

Completely impractical 6:25

Climate change solutions include 6:50

Government support for nuclear 7:05

Increased natgas and phasing out of coal 8:30

R&D on cleaner use of fossil fuels, share results 9:23

Greater honesty, that dealing with climate change will be

expensive 10:11

Americans won't spend >\$10 per months fighting climate change
10:18

US 15% of emissions 11:15

Andrew Yang: Find high ground 11:32

Links to Additional Information:

[The Coming Pipeline Cash Gusher](#)

[The Bovine Green Dream](#)

[Natural Gas: The Big Energy Story](#)