

State Heating Oil and Propane Program expansion of EIA propane data collection and reporting programs



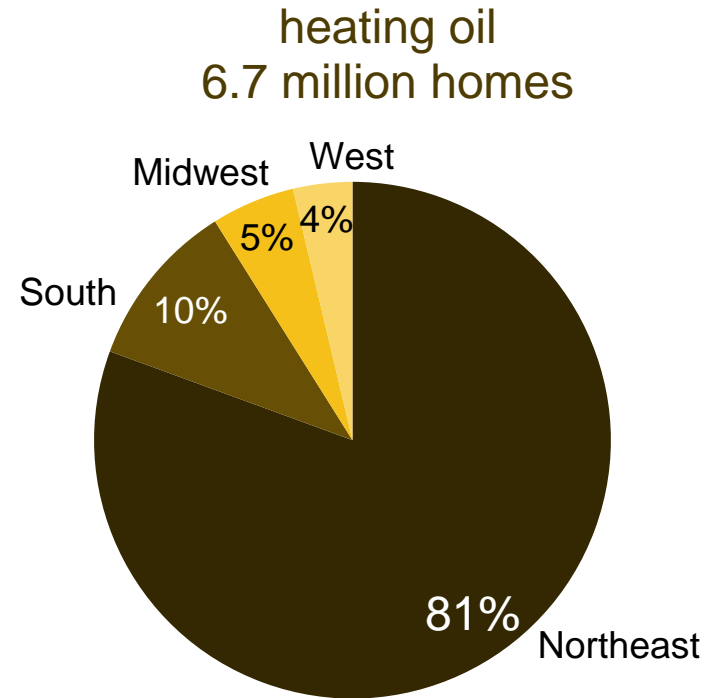
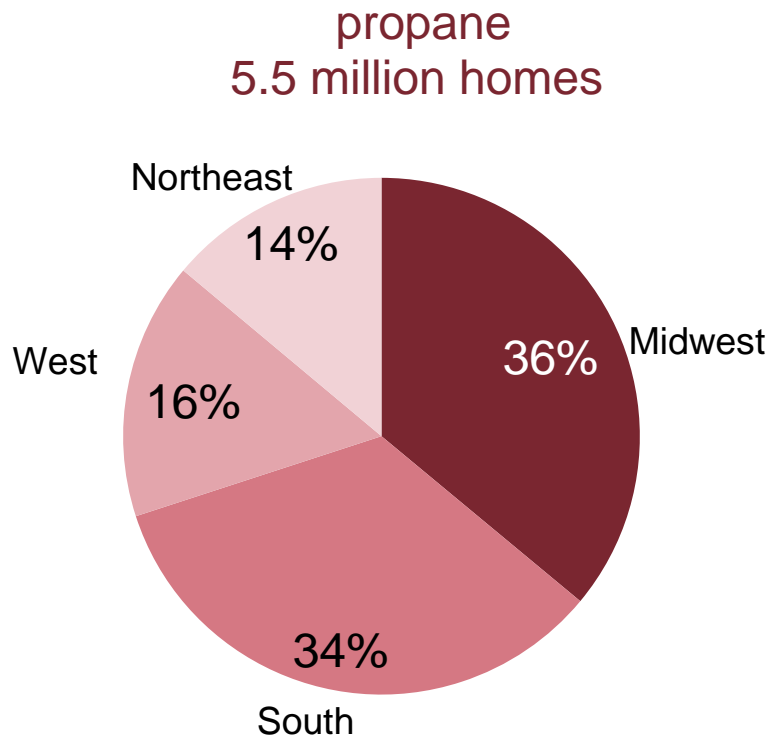
Shirley Neff, Senior Advisor

MGA Propane Supply Chain Working Group Meeting

June 04, 2014 | Madison, WI

Of all homes heated by propane, 36% are in the Midwest

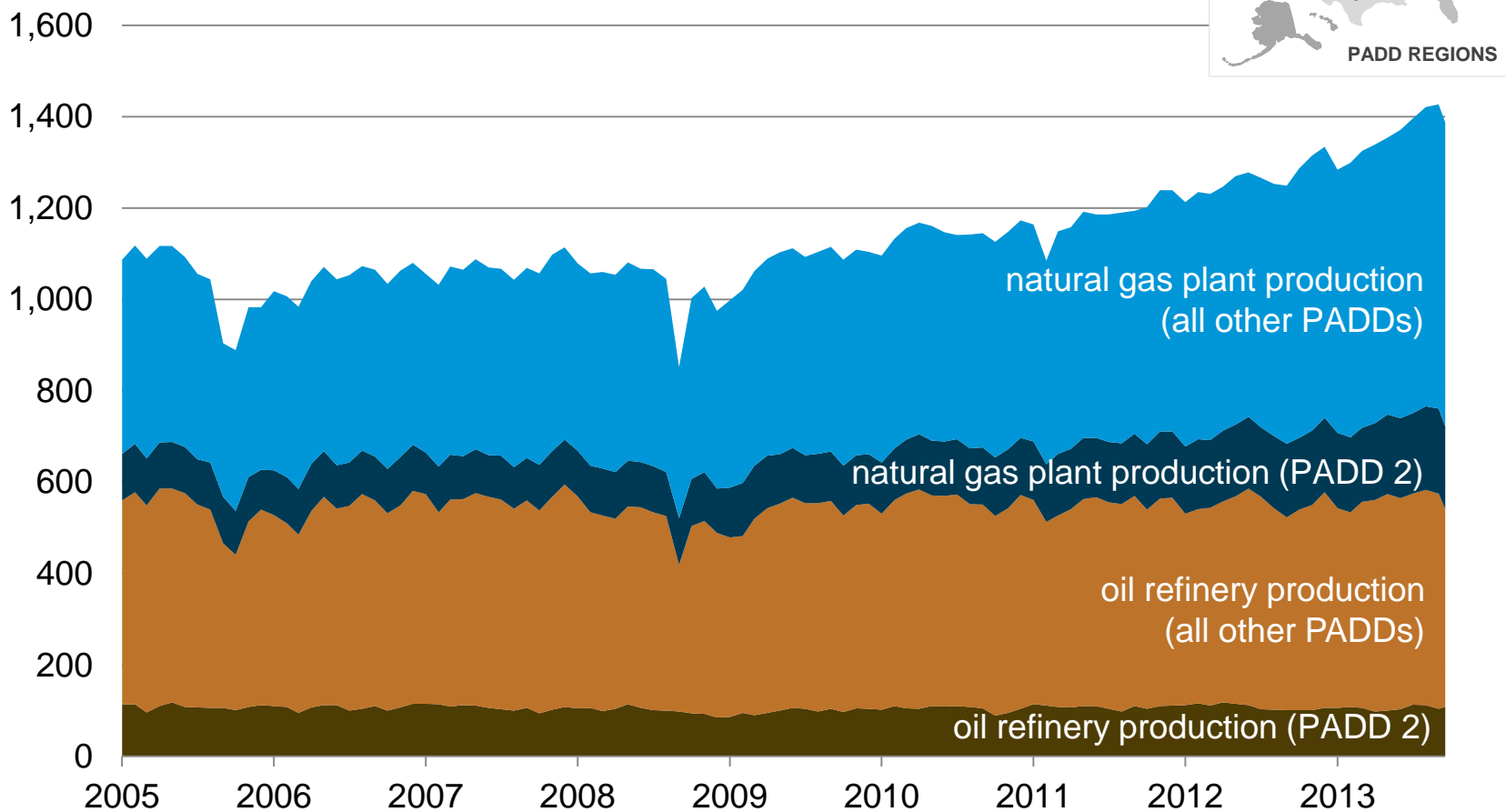
location of homes by primary space heating fuel across Census Regions
(regions add to 100%)



Source: U.S. Census Bureau, 2012 American Community Survey

US production of propane increasingly comes from natural gas processing plants

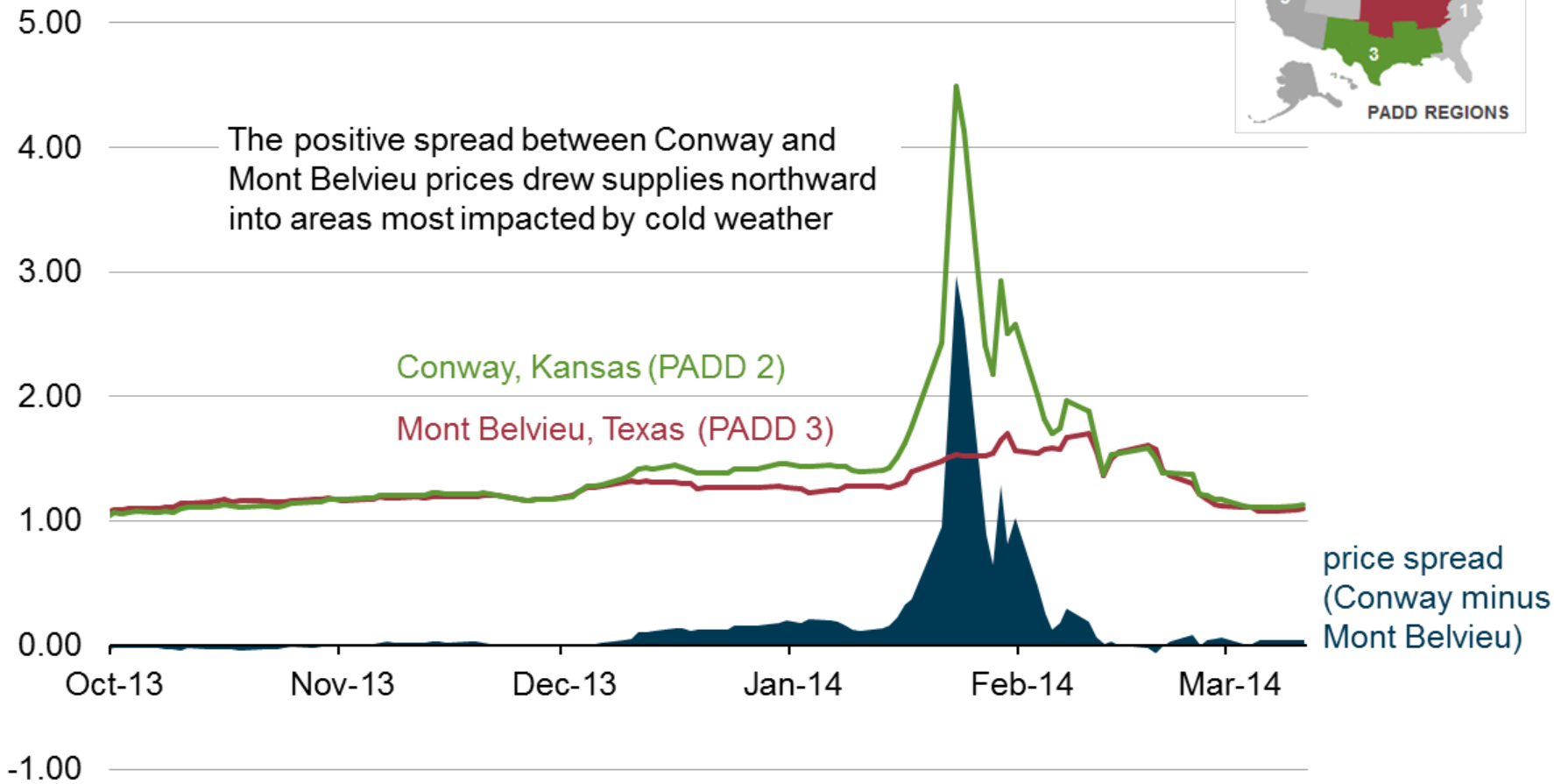
production of propane and propylene
thousand barrels per day



Source: EIA, Petroleum Supply Monthly

Conway (KS) price premium over Mt. Belvieu (TX) grew rapidly in late January, but has since narrowed

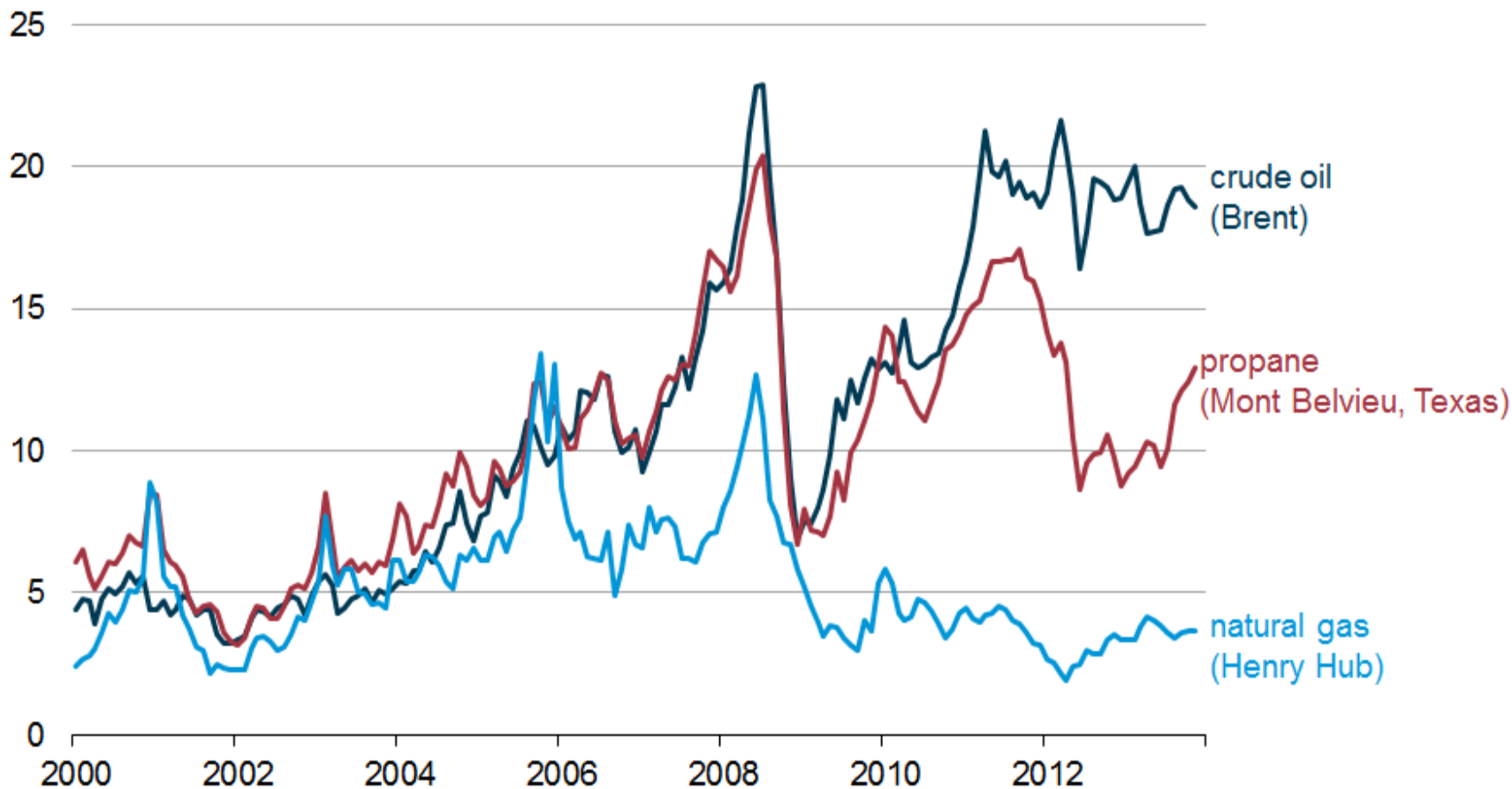
propane and propylene spot prices
dollars per gallon



Source: U.S. Energy Information Administration, Thomson Reuters, data through March 11

Once closely linked with crude oil, U.S. propane prices now track in between natural gas and crude oil

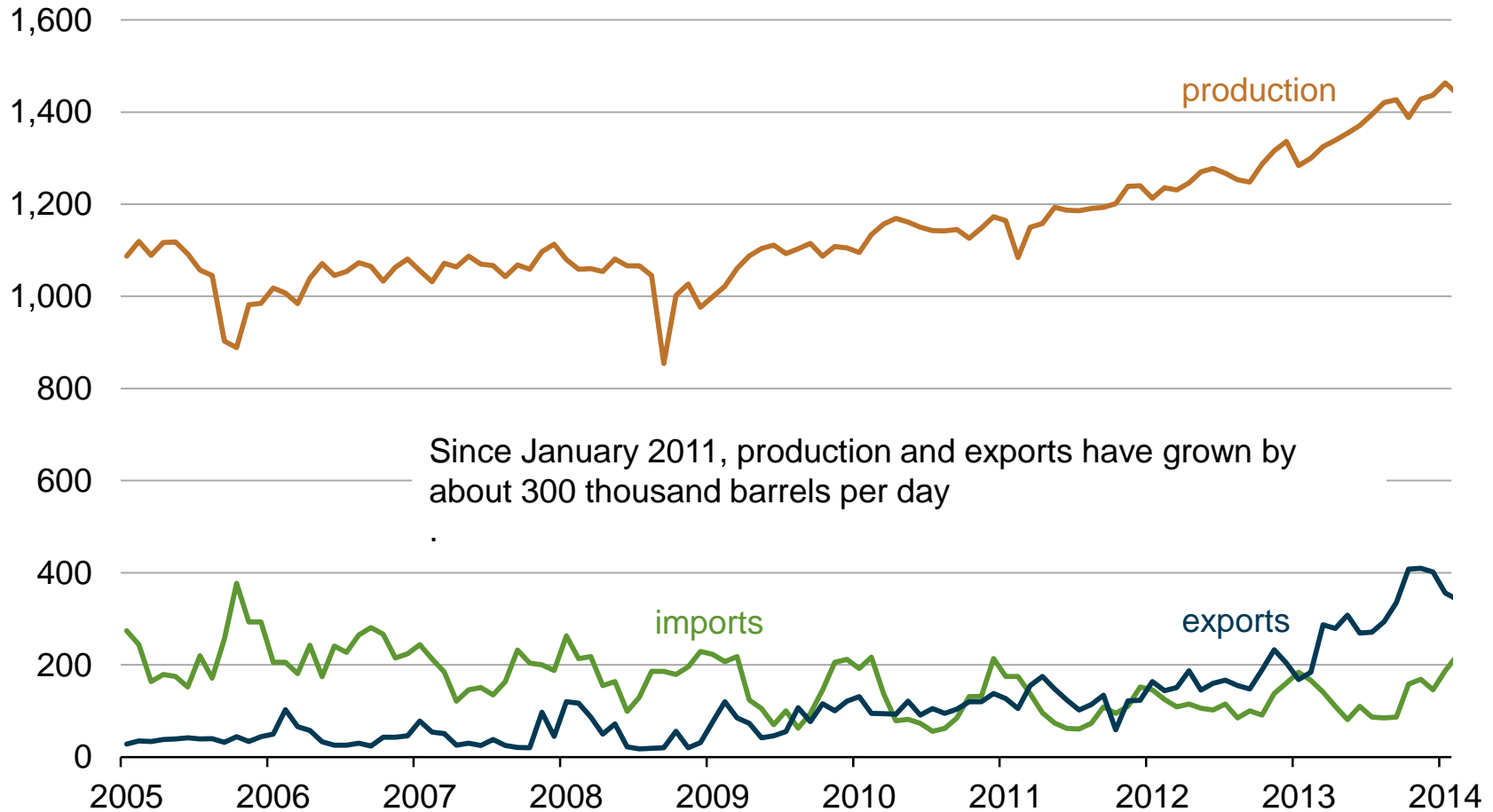
monthly average spot prices on an energy-content basis
dollars per million British thermal units



Source: U.S. Energy Information Administration, based on Thomson Reuters

U.S. propane production and trade trends

U.S. propane and propylene production, imports, and exports
thousand barrels per day



Source: EIA, Petroleum Supply Monthly through February 2014

Proposed changes to EIA programs for 2014-15

- Expanding the State Heating Oil and Propane Program (SHOPP) to more states and year round
- Holding a SHOPP workshop in October with the Winter Fuels Outlook conference
- Proactive outreach to State Energy Offices working with the National Association of State Energy Officials (NASEO)
- Possibility of publishing stock data on a weekly basis for the major market hubs (Conway, KS and Mt Belvieu, TX) and by state in the Midwest - may require confidentiality waivers from respondents

For additional information, Shirley.Neff@eia.gov

What is SHOPP?

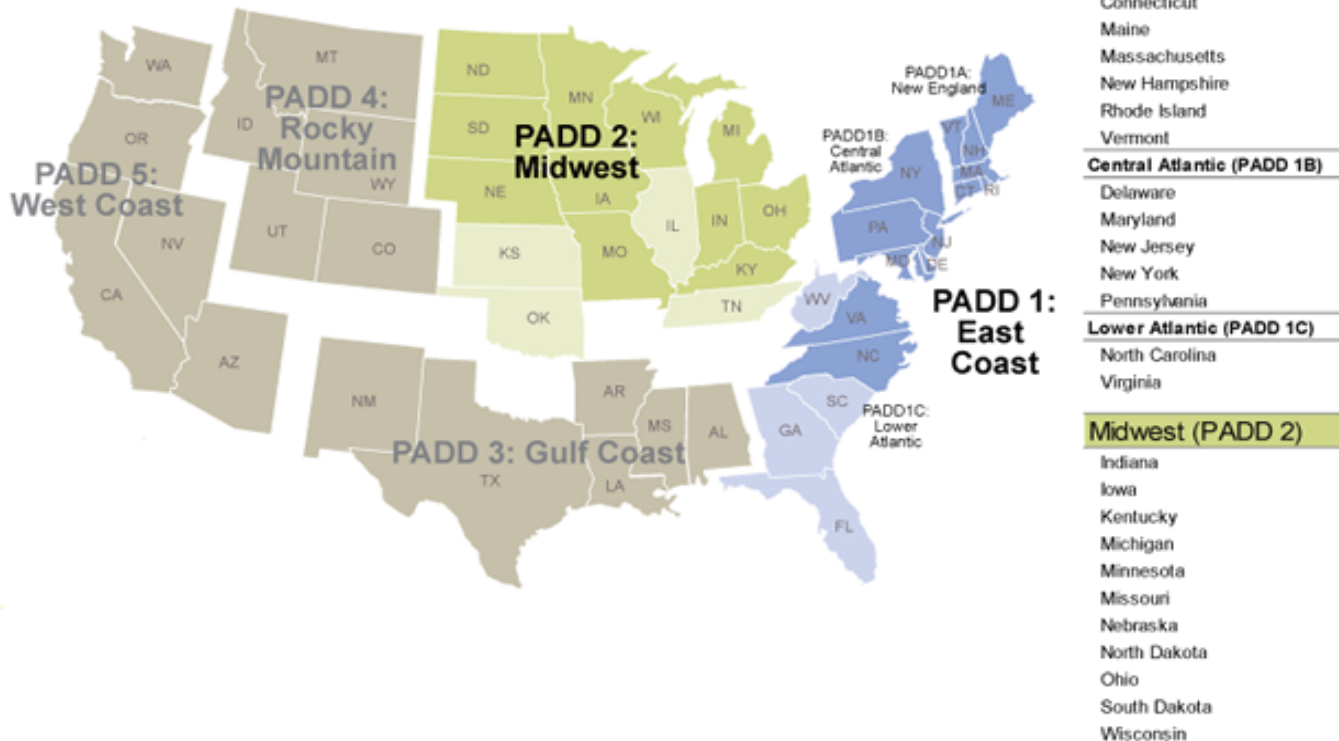
- State Heating Oil and Propane Program (SHOPP)
 - Cooperative data collection effort between EIA and State Energy Offices (SEOs) since '78-'79
 - Data used by market actors, policymakers, industry analysts, and consumers
 - Collects weekly residential heating oil and propane prices at a state level from October through March (EIA will propose extending the program year round)
- Data collection
 - EIA-877 Survey Form and Instructions, Winter Heating Fuels Telephone Survey, <http://www.eia.gov/survey/#eia-877>
 - States contact retail heating fuel outlets weekly via phone or email and obtain price data (burden estimate approximately 4-5 hours per week)
- Funding
 - 50/50 cost sharing program
 - 5-year cooperative agreement

SHOPP benefits

- Cost-sharing
 - EIA provides 50% of the total state cost of participation
 - Average state cost for propane collection is \$6,000, ranging from \$2,000 to \$11,000, some of this includes voluntary travel
- Timely information on market conditions in your state
 - LIHEAP, fuel transportation waivers, Jones Act, etc.
 - Helps states respond to consumer and legislative inquiries about heating oil and propane prices (EIA receives calls from propane consumers from states that do not participate and are looking for price information)
- Information sharing
 - Weekly status reports during the heating season
 - Direct retailer contact **by states** often provides early insight into market issues
 - SHOPP Conference and annual Winter Heating Fuels Conference

Residential propane states

Petroleum Administration for Defense Districts
Winter Heating Fuels Survey - PADD 1 and 2 represented States



Propane

East Coast (PADD 1)

New England (PADD 1A)

- Connecticut
- Maine
- Massachusetts
- New Hampshire
- Rhode Island
- Vermont

Central Atlantic (PADD 1B)

- Delaware
- Maryland
- New Jersey
- New York
- Pennsylvania

Lower Atlantic (PADD 1C)

- North Carolina
- Virginia

Midwest (PADD 2)

- Indiana
- Iowa
- Kentucky
- Michigan
- Minnesota
- Missouri
- Nebraska
- North Dakota
- Ohio
- South Dakota
- Wisconsin

New States-2014

- Alabama
- Florida
- Illinois**
- Idaho
- Tennessee**
- Texas
- Colorado
- Montana
- Georgia
- Mississippi
- Utah

Source: EIA, Heating Oil and Propane Update

State-reported residential retail prices for states in the Midwest

63% of propane consumption is residential

	1/27/14	2/3/14	2/10/14	2/17/14	2/24/14	3/3/14	3/10/14	3/17/14
Residential retail propane price (dollars per gallon, excluding taxes)								
Indiana	4.215	4.265	4.043	3.753	3.472	3.248	3.011	2.922
Iowa	4.709	3.590	3.220	2.811	2.591	2.149	1.970	1.889
Kentucky	3.785	3.852	3.677	3.584	3.417	2.942	2.937	2.872
Michigan	3.611	3.766	3.667	3.692	3.359	3.247	2.992	2.872
Minnesota	4.610	3.967	3.480	3.264	2.985	2.658	2.416	2.284
Missouri	3.997	3.672	3.484	3.131	2.960	2.657	2.458	2.311
Nebraska	4.073	3.357	2.995	2.601	2.393	2.048	2.055	1.875
North Dakota	4.569	3.839	3.283	2.905	2.618	2.333	2.200	2.087
Ohio	3.731	3.908	3.808	3.733	3.615	3.489	3.365	3.233
South Dakota	4.107	3.664	3.408	3.019	2.797	2.751	2.582	2.536
Wisconsin	4.490	3.945	3.686	3.344	2.967	2.650	2.395	2.254



Note: Illinois, Kansas, Oklahoma, and Tennessee do not report information

Source: EIA, State Heating Oil and Propane Program, data through March 17

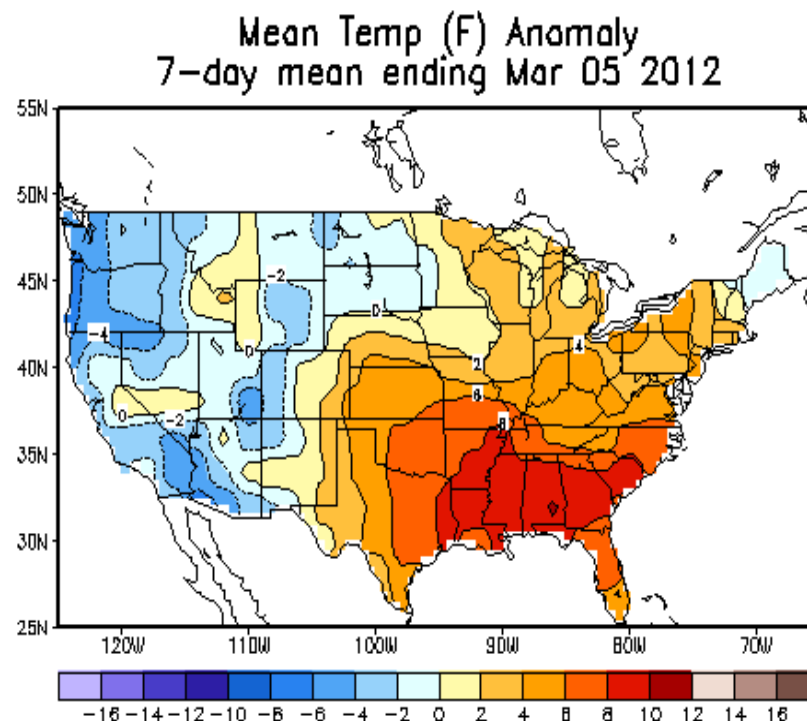
<http://www.eia.gov/petroleum/heatingoilpropane/>

Information sharing: weekly email status reports to SEOs

Promotes communication and information sharing between EIA and State Energy Offices

Examples of topics covered in weekly email status reports to SEOs:

- Summarize weekly heating fuel activity
- Expectations based on trends
- Data collection techniques
- Alternate reporting schedules due to weather or holidays
- Latest news on industry related events
- NOAA Weather Reports



Chance to share information with other State Energy Offices and EIA

For more information: data publications

U.S. Energy Information Administration home page www.eia.gov

This Week in Petroleum (TWIP) <http://www.eia.gov/oog/info/twip/twip.asp>

Heating Oil and Propane Update (HOPU) <http://www.eia.gov/petroleum/heatingoilpropane/>

FAQs for SEOs http://www.eia.gov/petroleum/heatingoilpropane/faq_stateofficials.cfm

Weekly Petroleum Status Report (WPSR)

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Short-Term Energy Outlook (STEO) <http://www.eia.gov/forecasts/steo/>

Expansion webinar

http://www.eia.gov/petroleum/heatingoilpropane/webinar/pdf/2014_shopp_informational_webex.pdf

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EIA product highlight: State Energy Portal

U.S. STATES

MICHIGAN

State Profile and Energy Estimates

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OVERVIEW DATA ANALYSIS RANKINGS COMPARE FIND ? HELP

Profile Overview

Layers/Legend Base Maps

Map details and data

Send map questions, comments and suggestions to: mapping@eia.gov

QUICK FACTS

- In 2010, Michigan had more underground natural gas storage capacity – 1.1 trillion cubic feet – than any other State in the Nation.
- The Antrim Gas Field, located in Michigan's Lower Peninsula, was ranked 15th in the Nation in estimated proved wet natural gas reserves as of 2009 and produced an estimated 126 billion cubic feet of gas that year.
- In 2011, Michigan's three nuclear power plants, with four reactor units, provided 30 percent of the State's net electricity generation.
- Michigan used coal for 54 percent of its net electricity generation in 2011; much of its coal is

Print State Energy Profile (overview, data, & analysis)

Michigan, U.S. Rankings

Consumption	
Total Energy per Capita	35
Expenditures	
Total Energy per Capita	37
Production	
Total Energy	25
Crude Oil	16
Natural Gas	17
Coal	--
Electricity	12
Prices	
Natural Gas	42
Electricity	11
Environment	
Carbon Dioxide Emissions	11

[See more rankings >](#)

Today In Energy

[See all state articles >](#)

Household Energy Use



EIA's State Energy Portal gives users detailed portraits of energy production, consumption, and energy prices at the state level

The State Energy Portal features almost 90 key data series, state Quick Facts, and charts for each state

State Energy Portal
www.eia.gov/state

EIA product highlight: Today in Energy

Independent Statistics & Analysis
U.S. Energy Information Administration

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Winter 2013-14 Propane Updates

Information related to the current propane situation >

What's New

- Short-Term Energy Outlook > March 11
- Drilling Productivity Report > March 10
- Indonesia Country Analysis Brief > March 5
- More >

Coming Up

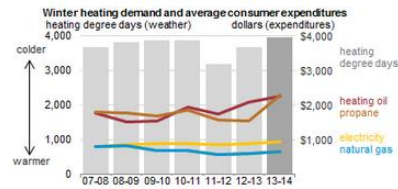
- OPEC Revenue Fact Sheet >
- U.S. Crude Oil and Natural Gas Proved Reserves >
- More >

Today in Energy

Posted March 12, 2014

Heating fuel expenditures rise this winter, especially for propane-heated homes >

Average expenditures for U.S. households heating primarily with propane are expected to be 54% higher this winter (October-March) compared with last winter, while expenditures for homes using heating oil will be 7% higher, natural gas 10% higher, and electricity 5% higher, according to EIA's March Short-Term Energy Outlook. Persistently cold weather east of the Rocky Mountains drove up demand for all heating fuels, depleted inventories, and put upward pressure on prices. [More](#)



Source: EIA, Short-Term Energy Outlook, March Issue

Data Highlights

WTI crude oil futures price

3/11/2014: \$100.03/bbl
↓ \$3.30 from week earlier
↑ \$7.97 from year earlier

Natural gas futures price

3/11/2014: \$4.605/mmbtu
↓ \$0.082 from week earlier
↑ \$0.356 from year earlier

Retail heating oil price

3/10/2014: \$4.195/gal
↓ \$0.031 from week earlier
↑ \$0.136 from year earlier

Crude oil inventories

3/7/2014: 370.0 mmbbl
↑ 8.2 mmbbl from week earlier
↓ 14.0 mmbbl from year earlier

Weekly coal production

3/1/2014: 19,373 million tons
↑ 0.587 million tons from week earlier
↓ 0.289 million tons from year earlier

Independent Statistics & Analysis
U.S. Energy Information Administration

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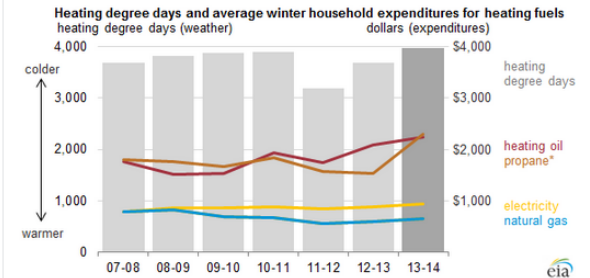
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MARCH 12, 2014

Heating fuel expenditures rise this winter, especially for propane-heated homes



Source: U.S. Energy Information Administration, Short-Term Energy Outlook, March Issue
Note: Winter 2013-14 includes forecasts for March.
Note: * Propane expenditures represent households in the Midwest and Northeast.

Average expenditures for U.S. households heating primarily with propane are expected to be 54% higher this winter (October-March) compared with last winter, while expenditures for homes using heating oil will be 7% higher, natural gas 10% higher, and electricity 5% higher, according to EIA's March Short-Term Energy Outlook. Persistently cold weather east of the Rocky Mountains drove up demand for all heating fuels, depleted inventories, and put upward pressure on prices. Propane prices experienced an especially high spike during several weeks in January and February. EIA's current estimates for winter heating expenditures are significantly higher than the pre-winter forecasts in the October 2013 Short-Term Energy Outlook.

Fuel use Temperatures

Share of homes by primary space-heating fuel and Census Region



EIA homepage & Today in Energy
www.eia.gov

For more information

U.S. Energy Information Administration home page | www.eia.gov

Short-Term Energy Outlook | www.eia.gov/steo

Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer

Today in Energy | www.eia.gov/todayinenergy

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Drilling Productivity Report | www.eia.gov/petroleum/drilling