**“EIA Now Publishes Oil Stocks at Power Plant Level” January 22, 2019**

EIA.gov Link: <https://www.eia.gov/todayinenergy/detail.php?id=38072>

**Summary:**

New Data has become available courtesy of the U.S. Energy Information Administration (EIA) that sheds new light on both monthly and yearly oil stock levels at power plants. Power plants that generate electricity by burning petroleum liquids are used seasonally, at times when energy demand is greatest. This could be during a heat wave in Phoenix, when additional power for air conditioning is needed, or during a cold front in Boston, when additional power for heat is needed. Since these plants are only used for short periods at a time, they keep oil on hand to assure that they are ready to generate additional energy should it be needed. It also should be noted that the reason that these plants are only really used at times of great demand is that they are not very efficient due to their age, the price of petroleum, and the fact that they are also heavy polluters.

The data allowed researchers to see which states had the largest oil stocks (i.e. which states made “investing decisions [to] account for natural gas pipeline constraints as well as the difficulty of transporting coal”). The five states with oil stocks exceeding 1 million barrels as of October 2018 were: Florida, New York, Virginia, Massachusetts, and Hawaii.

While the article doesn’t directly speak on the impact this new data could have on academic research, I think it could potentially open new doors for researchers by simply providing them with another variable to control for.

**Research Questions:**

* Do increased oil stocks cause increased electrical bills for residents in the areas where the oil is stored?
  + This would be difficult to answer as it would be hard to avoid OVB. There are all kinds of things, other than oil stocks, that affect electricity prices and it might be difficult to capture all these variables
  + Perhaps the researcher could take advantage of natural experiments. The article mentioned that the bomb cyclone in the Northeast in the first week of January increased the use of these demand-driven power plants. Perhaps data from Boston (where the storm was) could be compared to data from Florida to try to capture some differences caused by the storm and, by extension, the increased burning of petroleum liquids.
* Do increased oil stocks have negative environmental effects?
  + Data on emissions in states with high and low oil stocks would be needed
  + Perhaps a difference-in-differences experiment could be run comparing emissions at times when stocks are high, to emissions in the same place when stocks are low.