

State Heating Oil and Propane Program Overview



2012 SHOPP WebEx Conference

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U.S. Energy Information Administration

Independent Statistics & Analysis | www.eia.gov

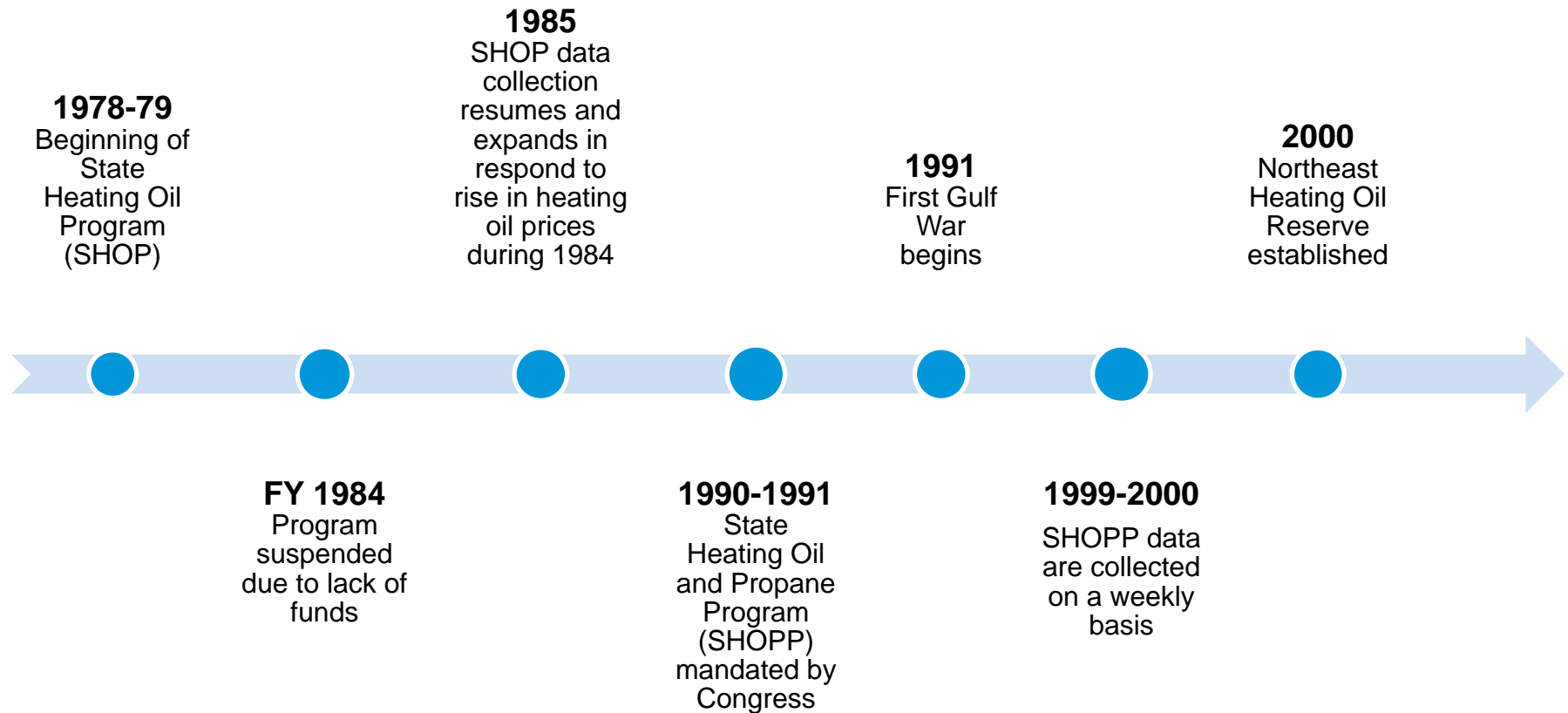
Key Topics

- Overview and history of State Heating Oil and Propane Program (SHOPP)
- Why your State matters
- Working together to improve SHOPP
- Concluding remarks

What is SHOPP?

- State Heating Oil and Propane Program (SHOPP)
 - cooperative data collection effort between EIA and State Energy Offices (SEOs)
 - SHOPP season: October through mid-March
 - data used by policymakers, industry analysts, and consumers
- Data collection
 - EIA-877 Survey Form and Instructions, Winter Heating Fuels Telephone Survey, <http://www.eia.gov/survey/#eia-877>
 - States make weekly telephone calls to retail heating oil and propane outlets
 - EIA creates and maintains the sample for each State
- Funding
 - 50/50 cost sharing program
 - 5-year cooperative agreement

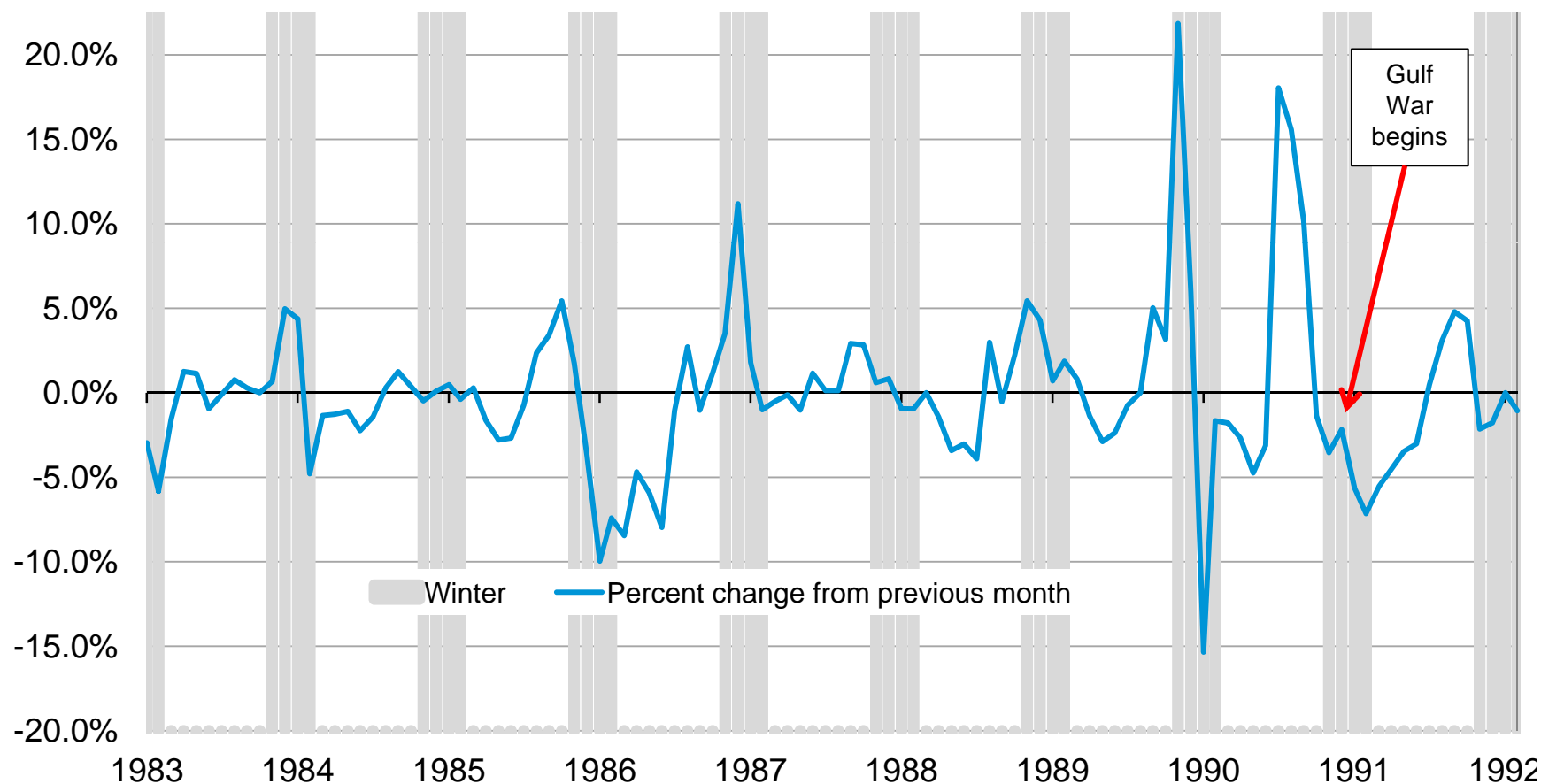
Major Events in History of SHOPP



U.S. No. 2 Distillate Residential Prices by All Sellers

Monthly Prices from 1983 - 1992

percent change in price from previous month



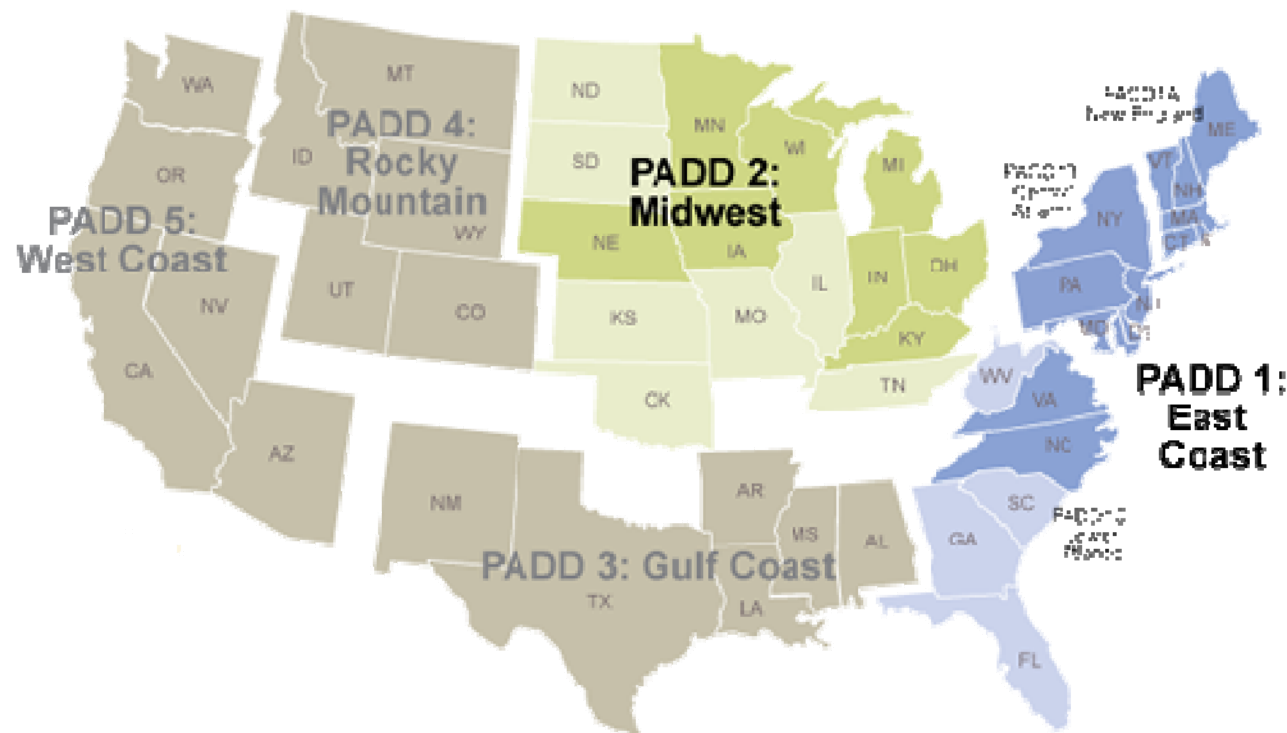
Source: EIA

Progression of SHOPP Data Collection

- Coverage
 - initial: between 11 and 14 States
 - current: 24 States and the District of Columbia
- Frequency
 - initial: on the first of month
 - 1990s: bi-weekly
 - current: weekly
- Products
 - initial: heating oil
 - current: heating oil and propane

Residential Heating Oil States

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



Heating Oil

East Coast (PADD 1)

New England (PADD 1A)

Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

Central Atlantic (PADD 1B)

Delaware
District of Columbia
Maryland
New Jersey
New York
Pennsylvania

Lower Atlantic (PADD 1C)

North Carolina
Virginia

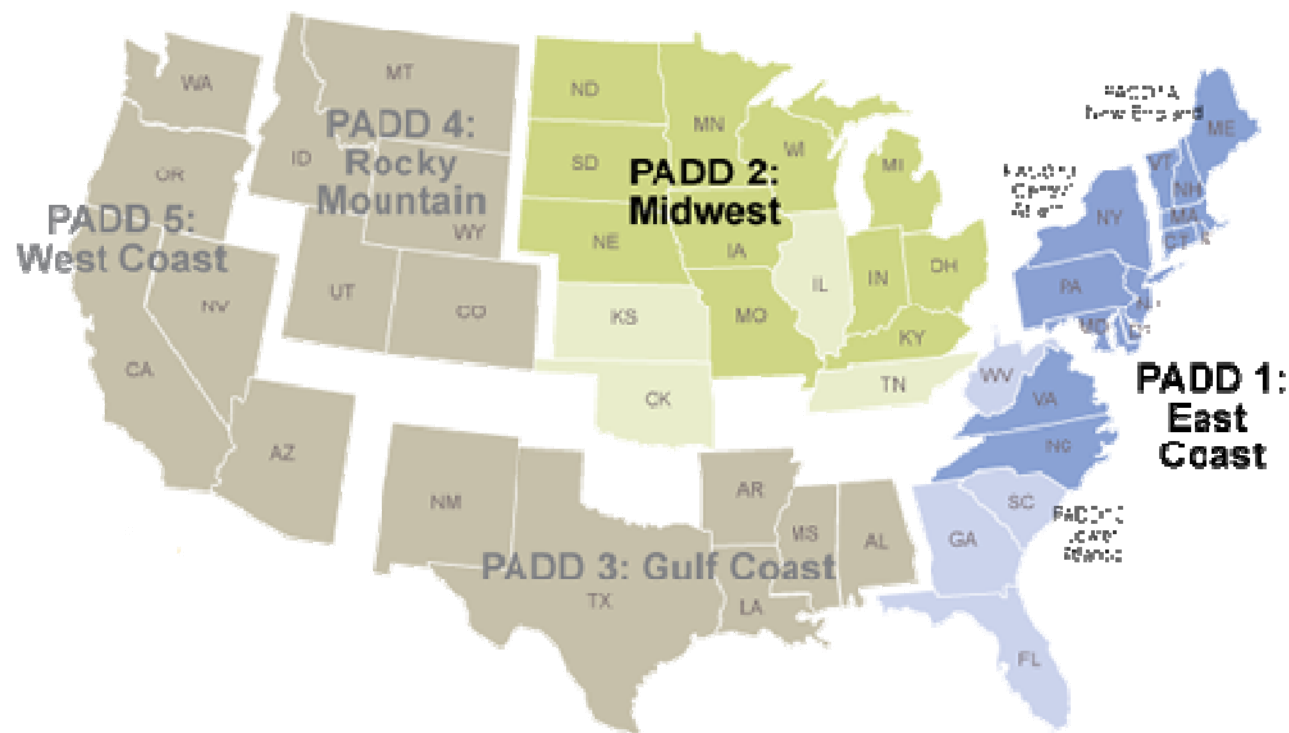
Midwest (PADD 2)

Indiana
Iowa
Kentucky
Michigan
Minnesota
Nebraska
Ohio
Wisconsin

Source: EIA, Heating Oil and Propane Update

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

Source: EIA, Heating Oil and Propane Update

Why Your State Matters

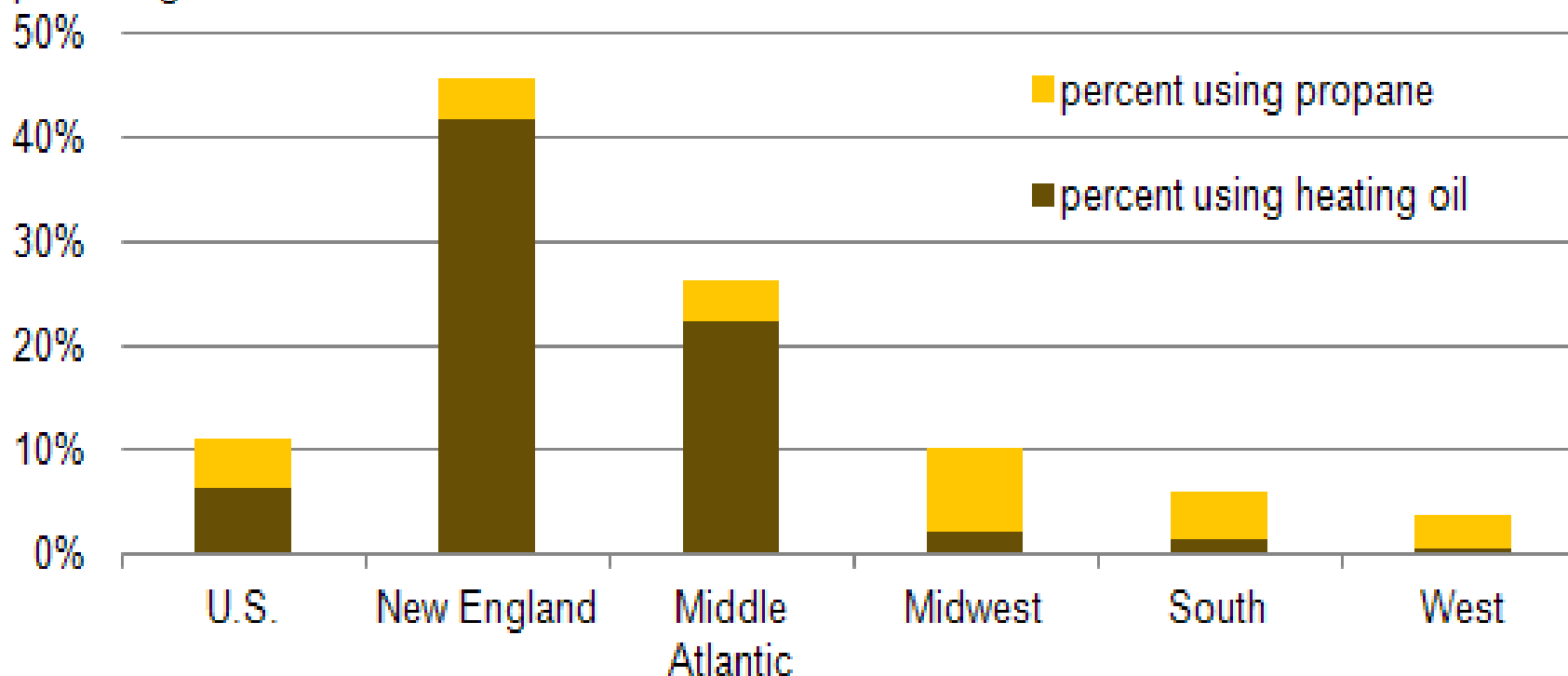


*Marcela Rourk, Washington, DC,
August 14, 2012*

Highest Use of Heating Oil and Propane in Northeast and Midwest

Homes using heating oil and propane for space heating, 2009

percentage



Source: EIA, [Residential Energy Consumption Survey \(RECS\)](#).

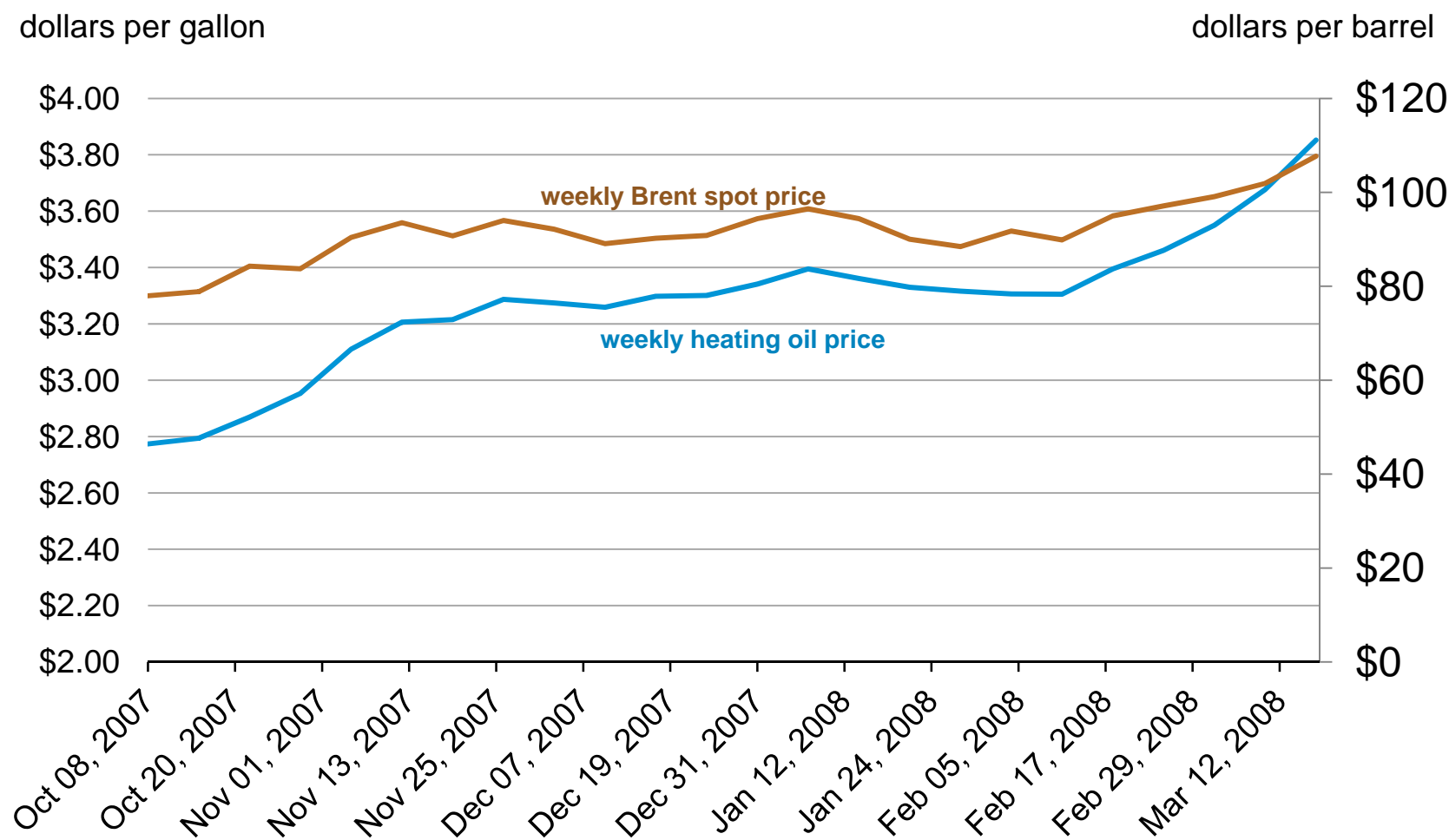
Your Knowledge of Local Markets is Important to EIA

- We value your feedback
- We want to encourage discussion among SEOs
 - it serves everyone if EIA provides a forum where SEOs can discuss issues impacting heating fuel markets
 - particularly useful between those States that are close to each other

“An unsophisticated forecaster uses statistics as a drunken man uses lamp-posts – for support rather than illumination.”

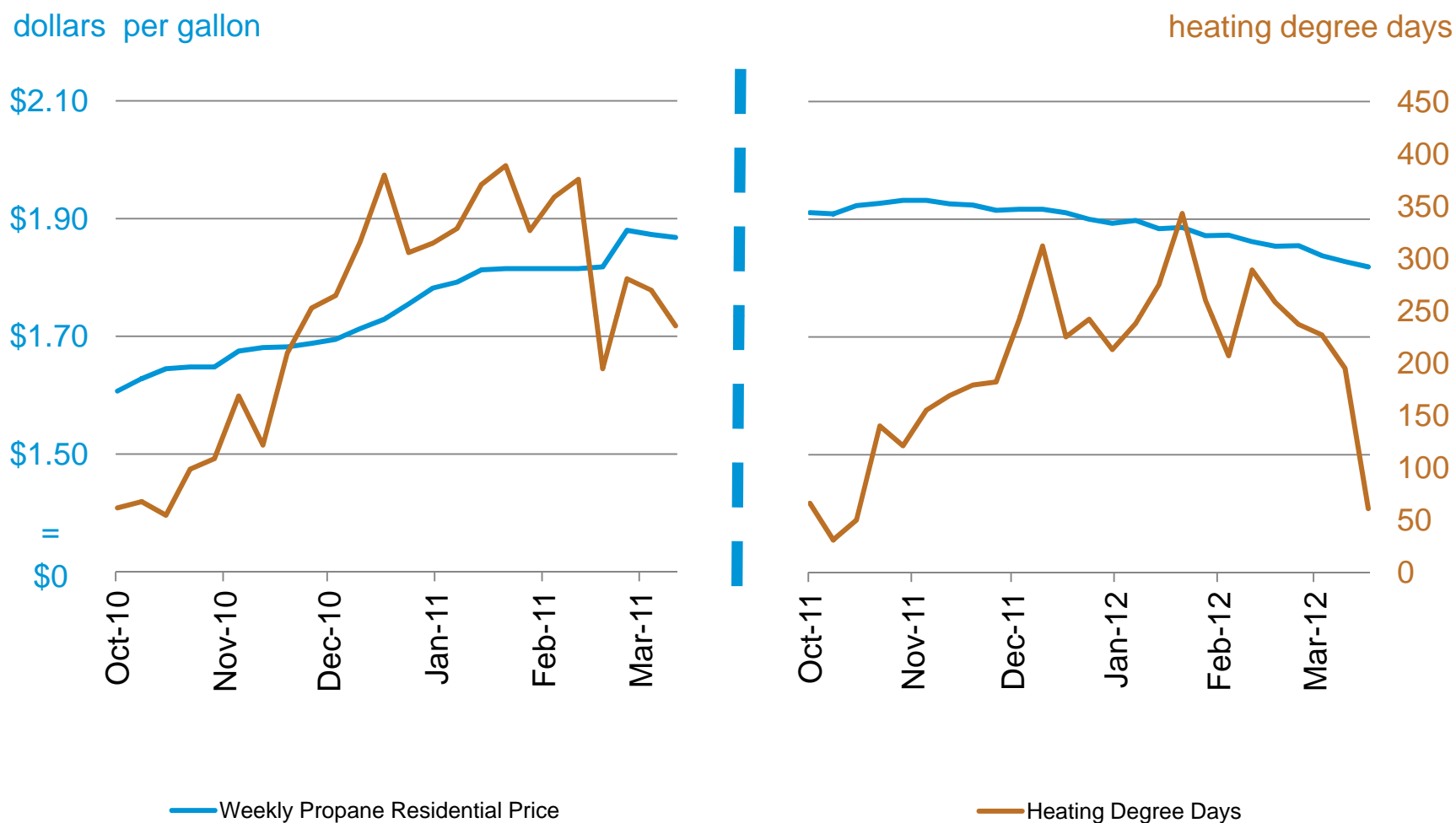
-- *Andrew Lang*

U.S. Residential Heating Oil Price Strongly Correlated to Brent Crude Oil Spot Price During 2007-2008 Season



Source : EIA, Thomson Reuters

Propane Prices in Iowa Showing Correlation with Winter Temperatures, 2010-2011 and 2011-2012



Sources: EIA, NOAA

Managing the Sample

- Sample is rotated every 4-5 years, subject to budget
- Replacements are made at the beginning of each season and periodically throughout the season
- Success in the retail heating oil and propane business is very unpredictable
- As the primary contact with respondents, you have first access to knowledge about outlets

Working Together to Improve SHOPP



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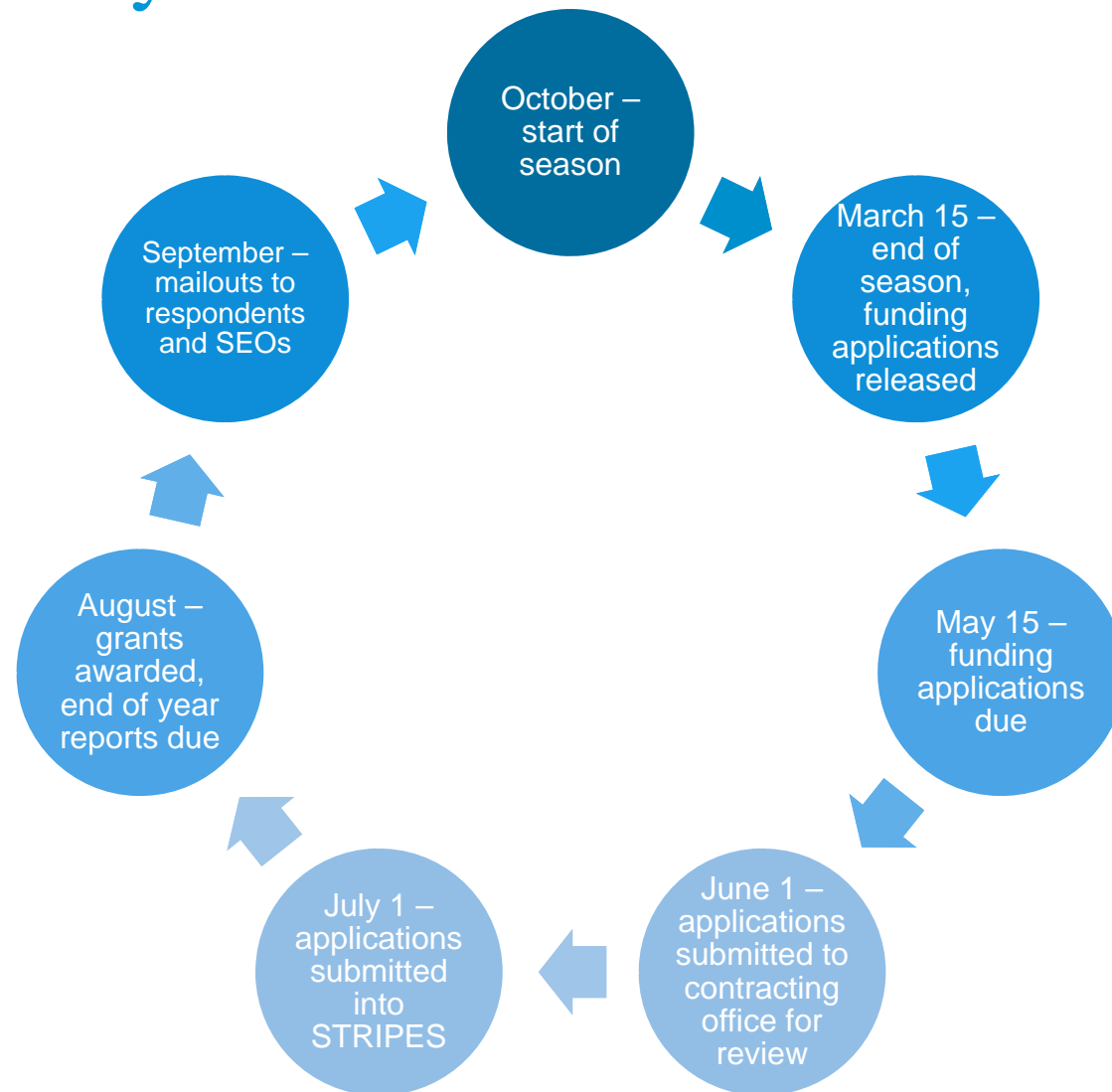
Transitions in SHOPP

- Turnover
- Switch in grant disbursement systems
- Changes in application and reporting requirements

SHOPP Funding Structure

- SHOPP is a 50/50 cost-sharing program
- SHOPP's aim is to create an equal playing field between EIA and SEOs
- Congress has awarded fixed amount to EIA for SHOPP
- EIA has worked with this same amount for many years
- SEOs cope with same financial challenges

SHOPP Cycle



How can EIA help?

- EIA is receptive to suggestions on what help is needed to facilitate SEO participation
 - we have been working to automate the funding process so that funds are easily accessible to grantees
 - this process has taught us how to handle transitions more effectively
- The goal is to save money and gain efficiencies within EIA and SEOs

What EIA is Doing to Improve SHOPP

- Creation of Heating Oil and Propane Update Page
 - current and historical SHOPP pricing data, as well as data on distillate and propane supply
 - FAQs for use by data users, respondents, and SEOs
 - financial forms

Q: Why are data not collected over the summer? ›

FAQs for Data Users ›
FAQs for Respondents ›
FAQs for State Energy Offices ›

For State Energy Officials

Financial Forms
FAQs for State Energy Offices

What EIA is Doing to Improve SHOPP (cont.)

- Formalization of Final Reports
 - we will be distributing the final reports from each State in a more formal manner
 - this comprehensive report will include a brief summary of the season from EIA
- Analysis provided in Today in Energy
<http://www.eia.gov/todayinenergy/>
- Improving the application process

Improving the Application Process

- Grants.gov
- This will mean:
 - FILLABLE forms!
 - pre-populated parts of SF-424 and other standard forms with CFDA number, description of the program, to save you time
 - status available for application
 - documents are automatically uploaded into STRIPES system, speeding up our award process
 - electronic signatures

Concluding Remarks

- SHOPP has a long history, going on its 23rd season in its current format
- SHOPP is a joint effort making SEO participation invaluable to us

“Facts are stubborn, but statistics are more pliable.” – Mark Twain

- SHOPP staff want to reduce burden on SEOs to make funds go further, please contact us with any ideas or requests

For More Information: Data Publications

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

Heating Oil and Propane Update (HOPU)

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

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

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/>

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