
State Heating Oil and Propane Program Overview



2012 SHOPP WebEx Conference

Marcela Rourk, SHOPP Survey Manager

August 14, 2012 | Washington, DC



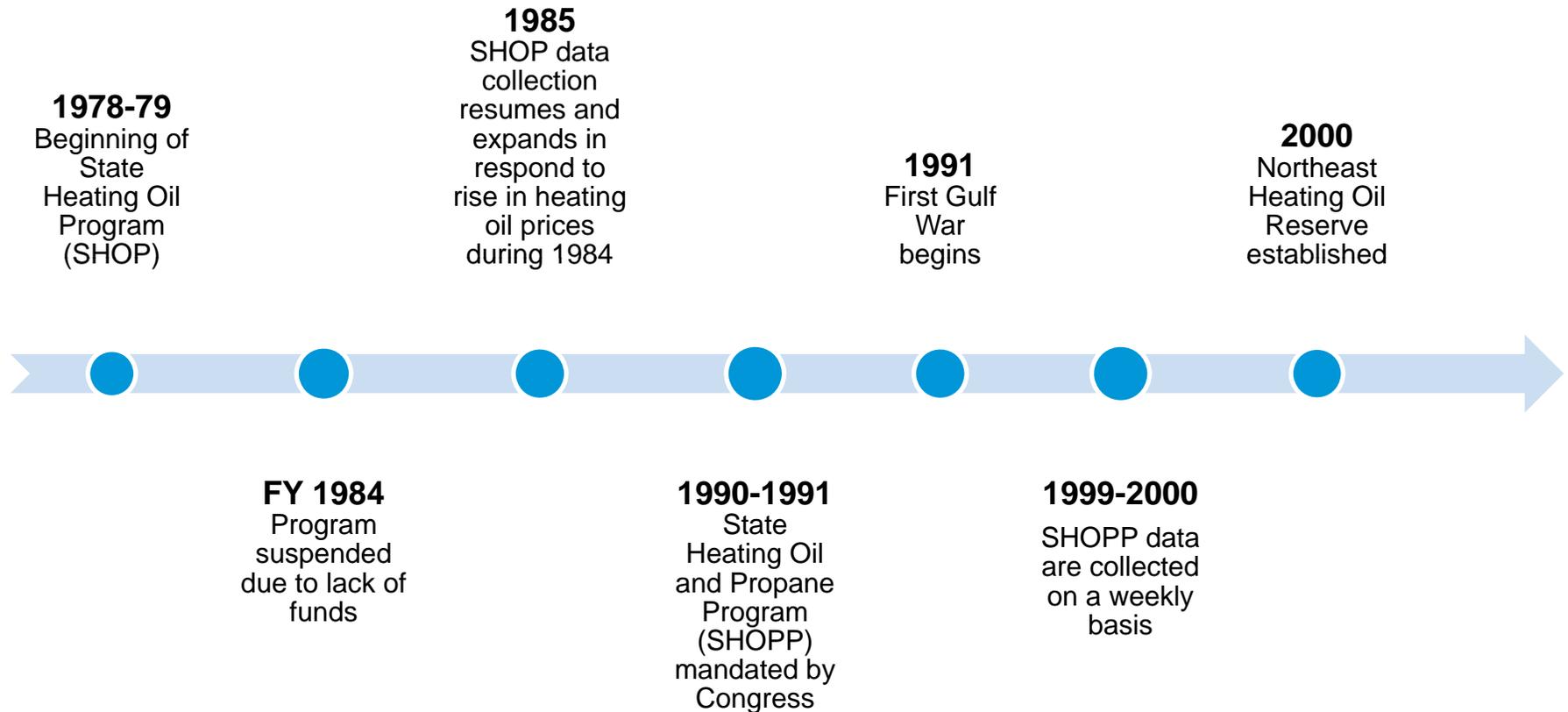
Key Topics

- 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

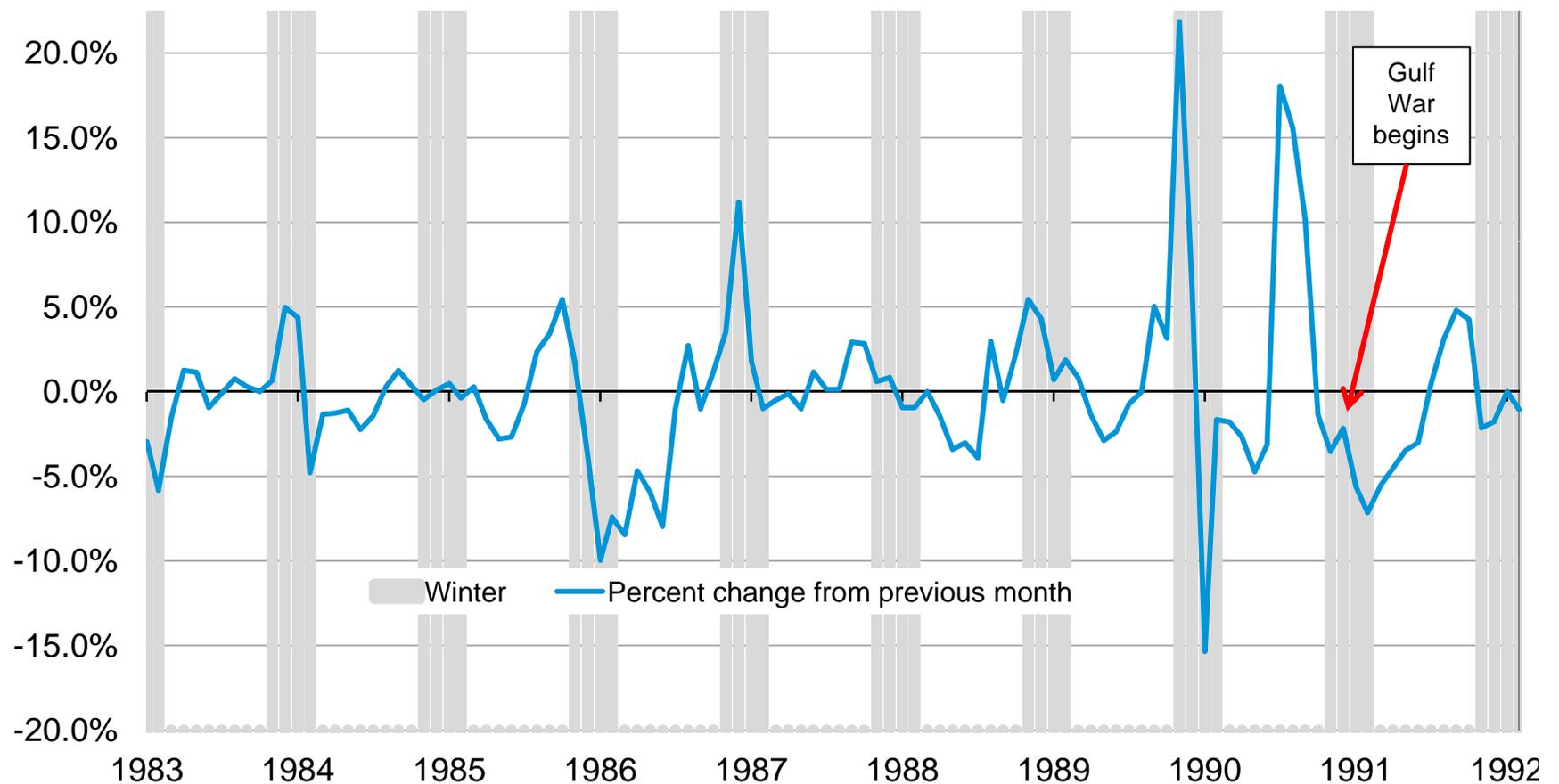
Major Events in History of SHOPP



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

Monthly Prices from 1983 - 1992

percent change in price from previous month



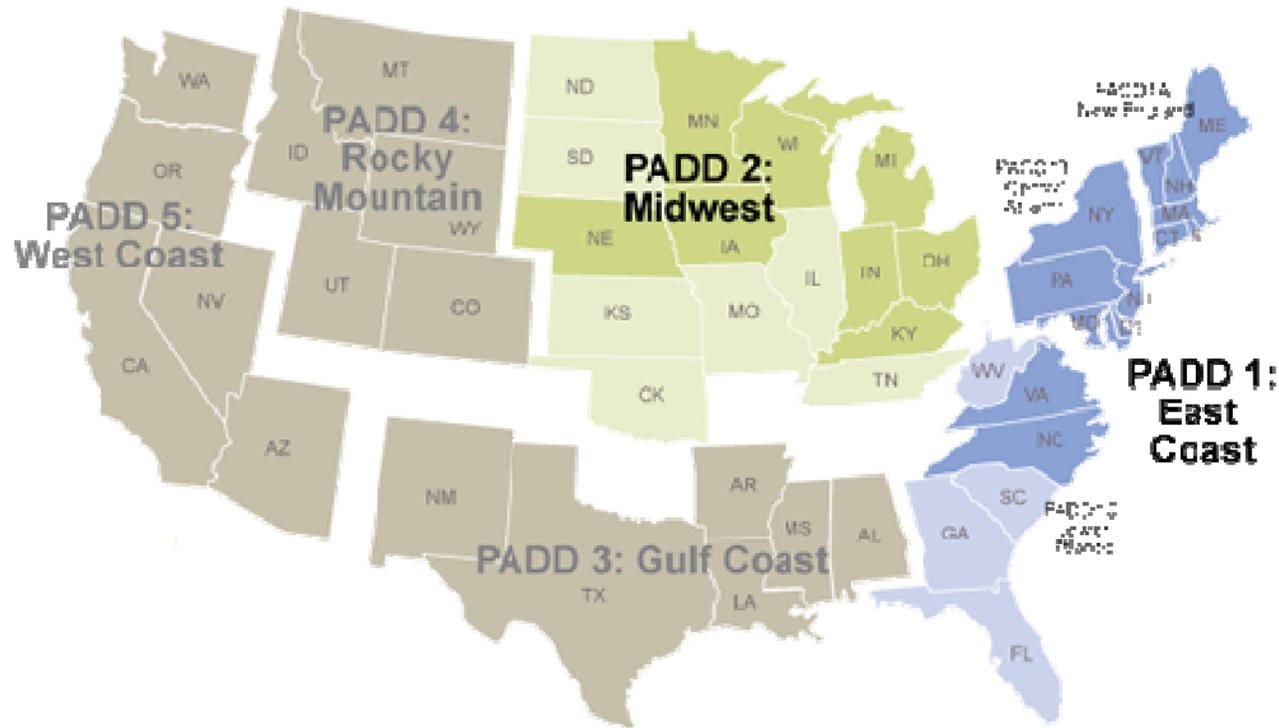
Source: EIA

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

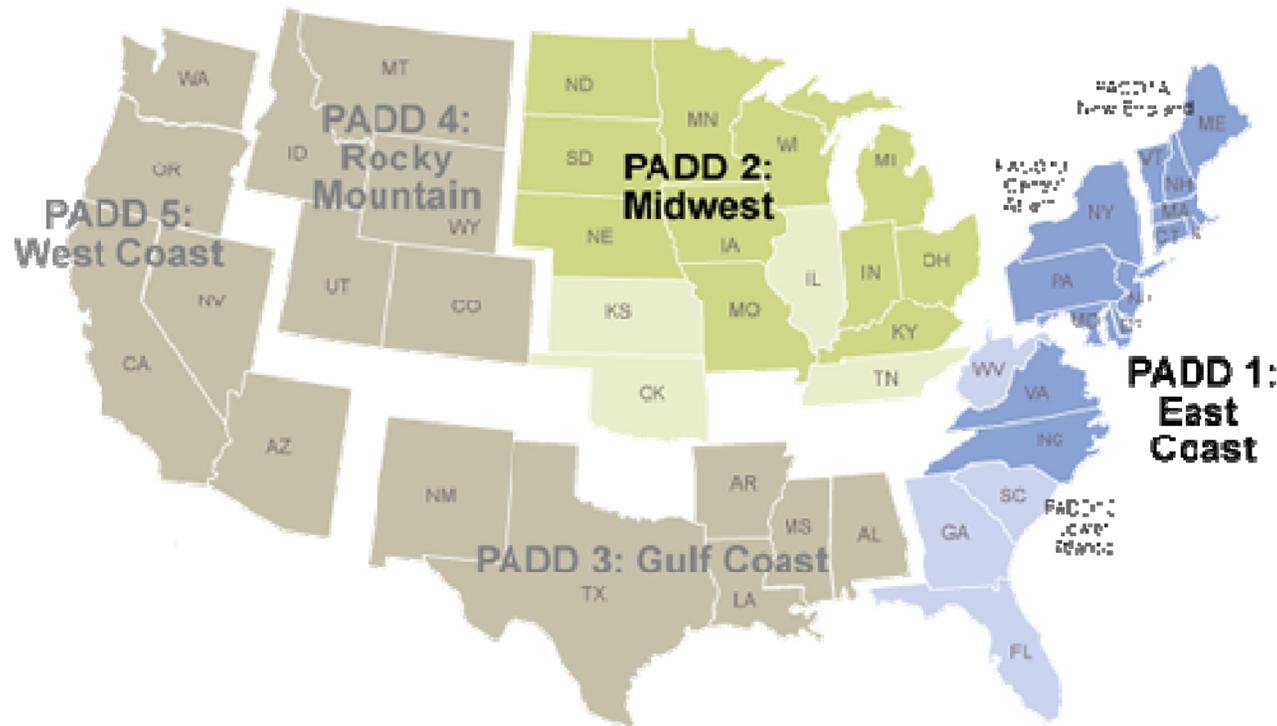
Midwest (PADD 2)

- 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

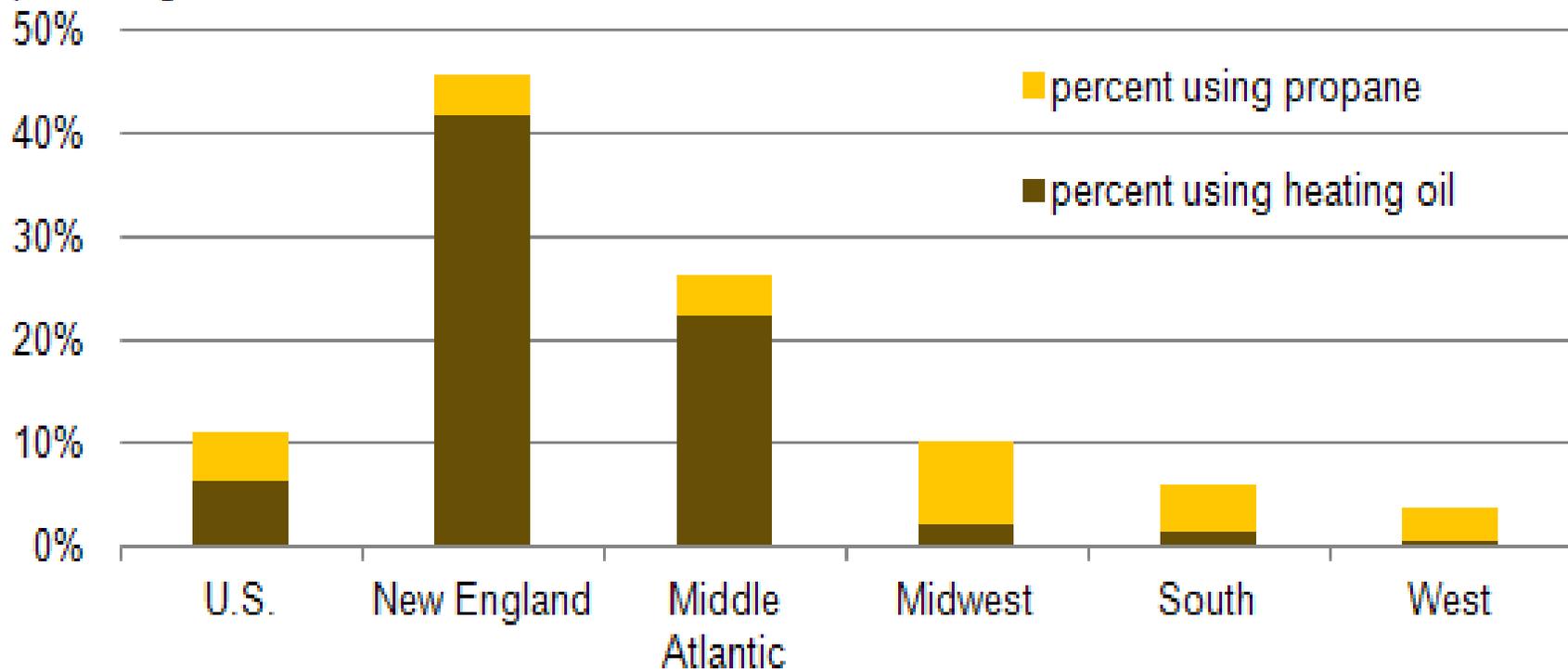
Why Your State Matters



*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 \(RECS\)](#).

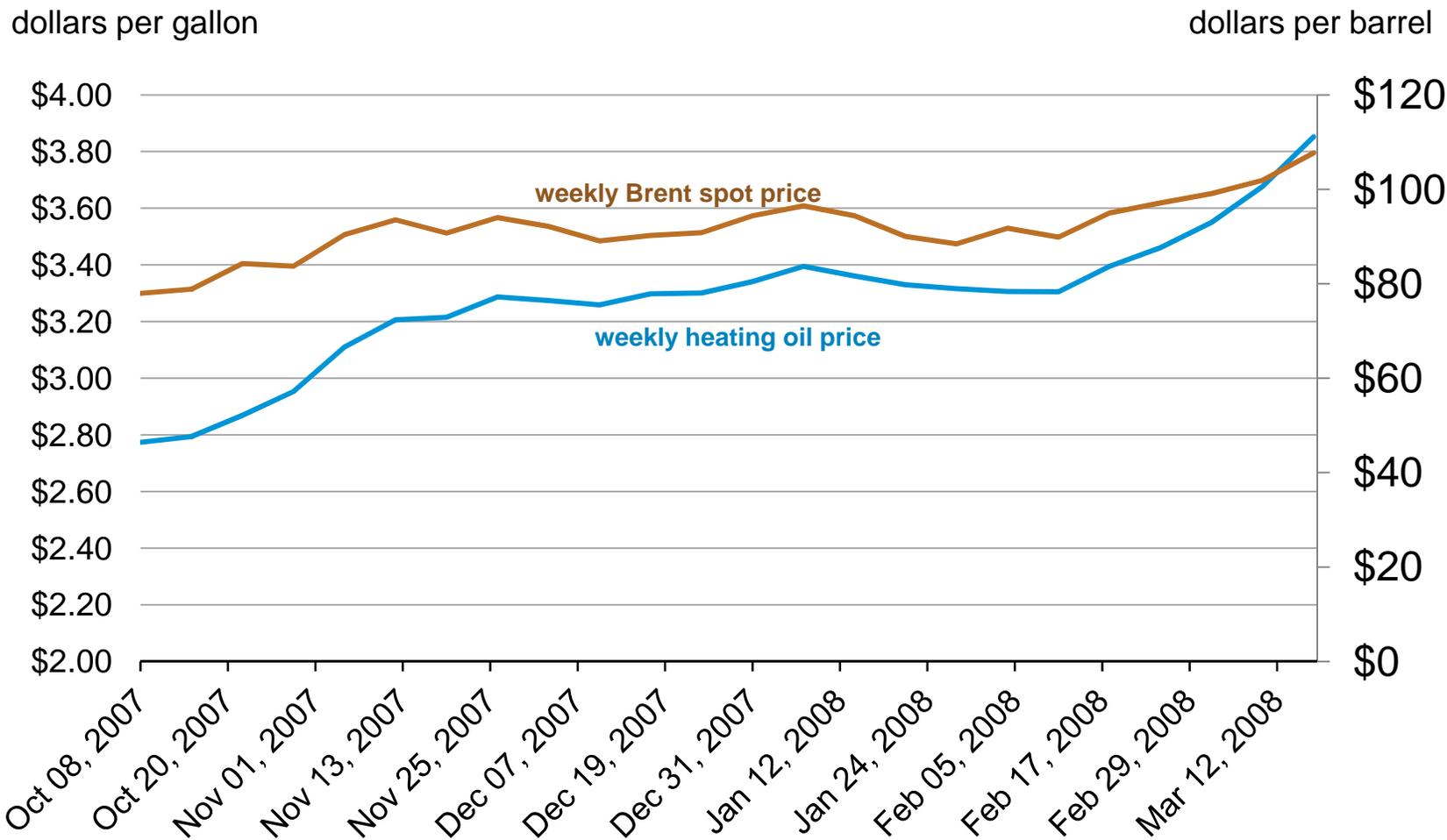
Your Knowledge of Local Markets is Important to EIA

- 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

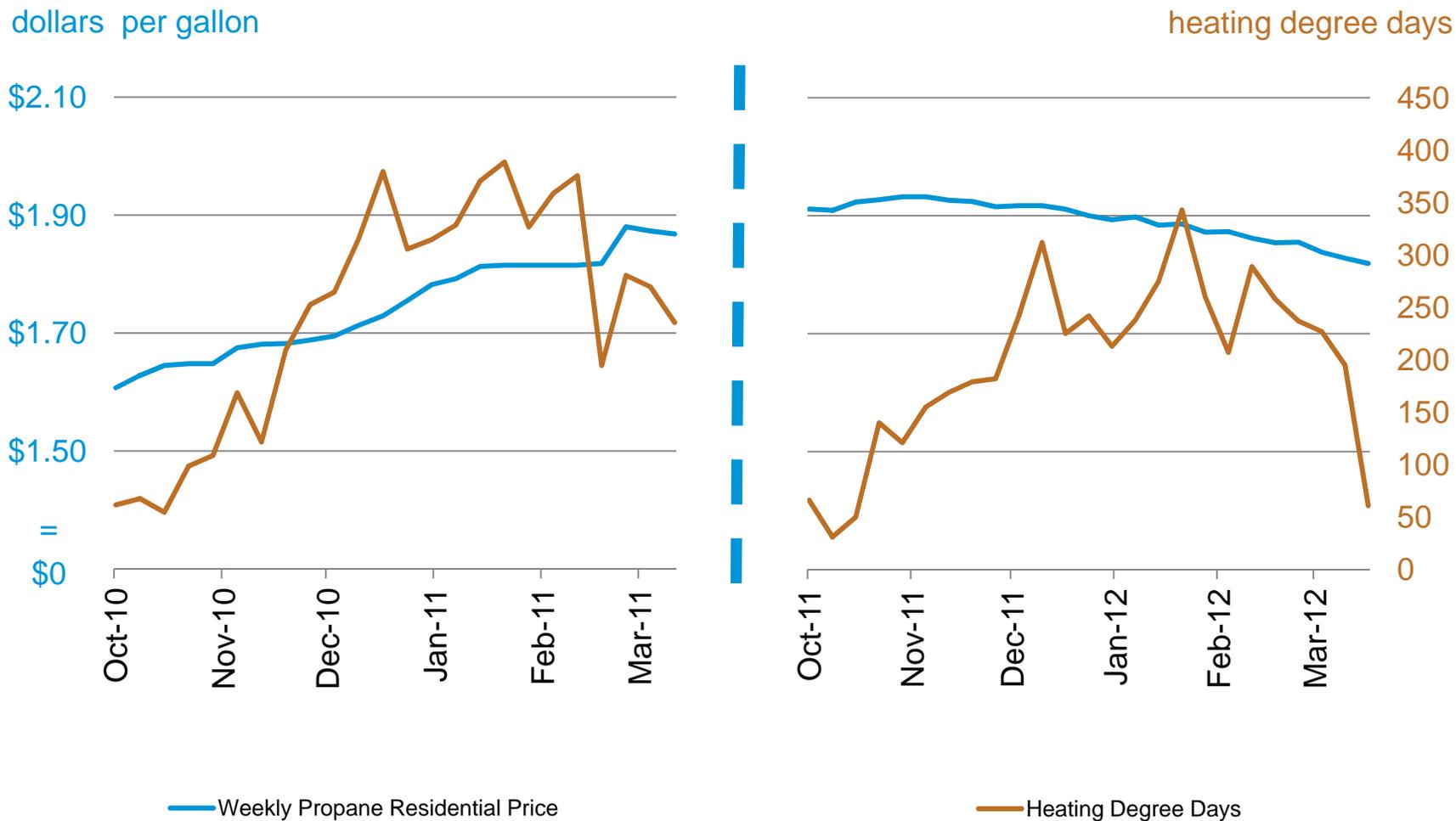


Source : EIA, Thomson Reuters



Marcela Rourk, Washington, DC,
August 14, 2012

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



Sources: EIA, NOAA



Marcela Rourk, Washington, DC,
August 14, 2012

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



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

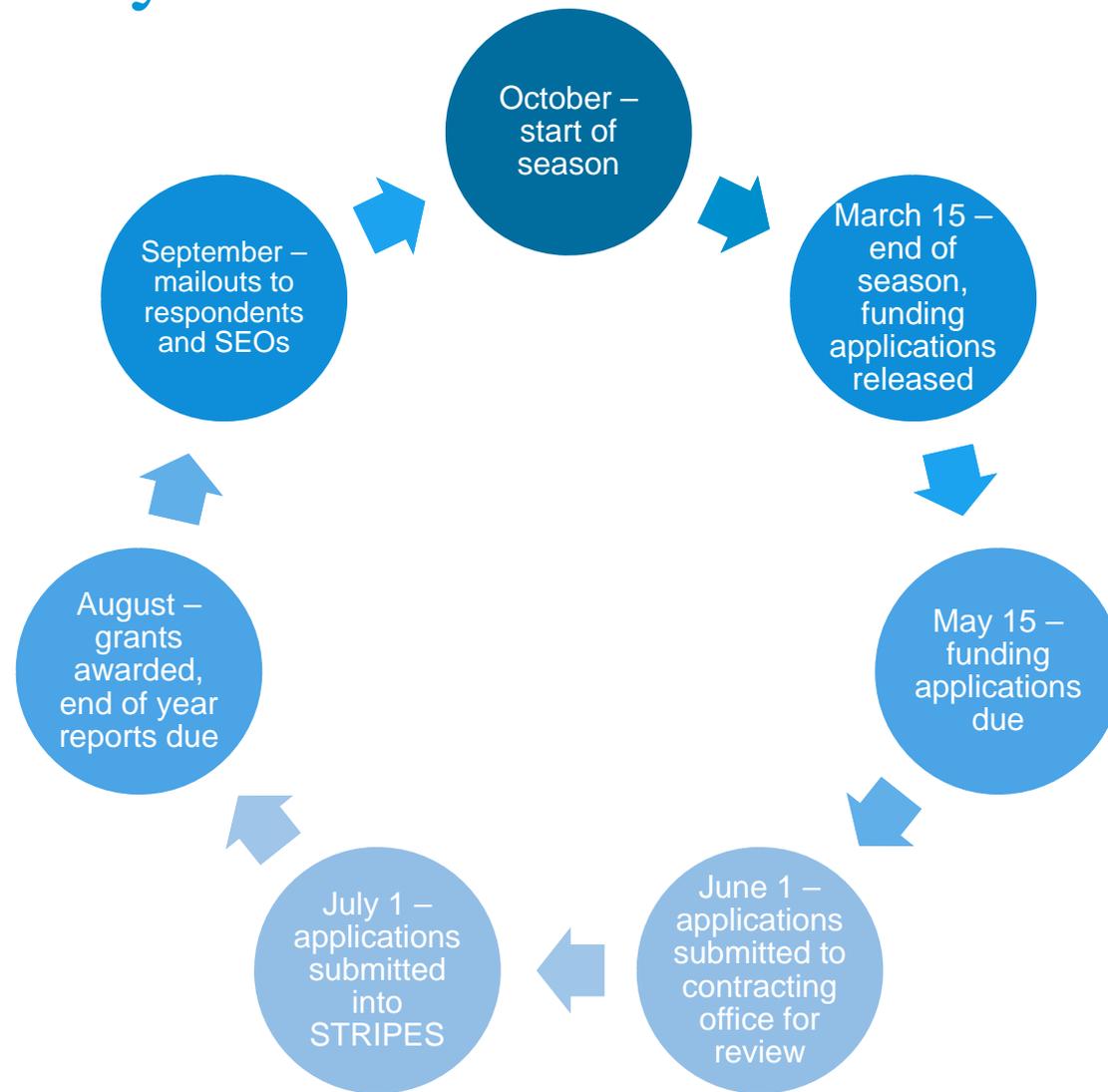
Transitions in SHOPP

- 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/>

SHOPP Survey Manager

Marcela Rourk

Marcela.Rourk@eia.gov

(202) 586-4412

SHOPP Survey Operator

David Dudley

David.Dudley@eia.gov

(202) 586-9240