2019/20 Final Winter Propane Market Update

April 1, 2020 | Washington, DC
(Inventory data as of 03/27/20; residential heating fuel prices as of 03/30/20)

By
U.S. Energy Information Administration
PADD 1A (New England) propane inventories within the 5-year range

PADD 1A propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020
*propane/propylene for fuel use only
PADD 1B (Mid-Atlantic) propane inventories above the 5-year range

PADD 1B propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
PADD 2 (Midwest) propane inventories within the 5-year range

PADD 2 propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
PADD 2 (Midwest) propane inventories below 5-year average levels

PADD 2 propane* inventories, difference from 5-year average
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
Selected state propane* inventories

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
PADD 3 (Gulf Coast) propane inventories above the 5-year range

PADD 3 propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
PADD 3 (Gulf Coast) propane inventories above 5-year average levels

PADD 3 propane* inventories, difference from 5-year average
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 27, 2020

*propane/propylene for fuel use only
Propane spot remain near historical lows. Conway, KS propane spot price discount to Mt. Belvieu widening as end of heating season nears

Propane spot prices (Conway, KS and Mont Belvieu, TX)
dollars per gallon

Source: EIA, Bloomberg, data through March 31, 2020

U.S. Energy Information Administration
NOAA’s projected temperatures: April 06 – Apr. 10, 2020, and April 08 – Apr. 14, 2020

A = temperatures above normal

N = equal chance that temperatures are above normal, normal, or below normal

B = temperatures below normal

Source: NOAA, March 31, 2020

- NOAA projects a high probability of above-normal temperatures east of the Rockies, with highest probability along the Gulf Coast. Later in the forecast, below-normal temperatures along the Pacific Coast and in the western Rockies are expected to shift east into the Great Plains.

- With a forecast of warmer-than-normal temperatures expected in the primary propane-consuming regions of the Great Lakes and the Northeast, consumption of propane in PADDs 1 and 2 are expected to close out the winter heating season at above-normal levels, with PADDs 4 and 5 likely to see continuing heating demand into early April.
With propane product supplied closely tracking heating degree days (HDDs), the warmer 2019/20 winter is likely to result in lower heating fuel demand.

**Source:** EIA Propane Product Supplied; National Oceanic and Atmospheric Administration, Weighted Heating Degree Days
Northeast propane price premium, generally dictated by TEPPCO* tariff, now at tariff parity, and insufficient to attract overseas cargos

*TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through March 31, 2020; Enterprise Products Partners L.P., Effective Tariffs, FERC No. 54.49.0

propane spot prices

propane price spread

$0.00

$0.10

$0.20

$0.30

$0.40

$0.50

$0.60

$0.70

$0.80

$0.90


Selkirk, NY

Mont Belvieu, TX (non-LST)

approx. TX-NY TEPPCO tariff (RS)

Mt. Belvieu to Selkirk spread (RS)
PADD 2 regional prices falling along with benchmark Mt. Belvieu, TX and Conway, KS spot prices

propane spot prices
dollars per gallon


New Hampton, IA
Rapid River, MI
Mankato, MN
Conway, KS
Edmonton, AB

Source: EIA, Bloomberg, data through March 31, 2020

U.S. Energy Information Administration
Lower discount for Edmonton propane due to low inventory levels in Alberta, and a new export terminal in western Canada.

Source: EIA, Bloomberg, data through March 31, 2020
State Heating Oil and Propane Program (SHOPP) updates

- SHOPP is a collaborative program between states and EIA that provides weekly wholesale and retail prices for heating oil and propane at the state level.

- EIA expanded SHOPP in October 2014 to include 14 additional states in propane price data collection. In 2016, EIA added 10 new states to its wholesale propane price publication. This should be taken into consideration when comparing the average prices for the U.S., PADD 1, PADD 1B, PADD 1C, and PADD 2 averages.

- EIA has been providing more granular inventory data to states on a weekly basis since the 2016/2017 heating season.

- EIA implemented two new samples for residential heating oil and propane in October 2019. Under the new sampling methodology EIA is publishing standard errors for SHOPP prices.
Maps of states participating in Winter Fuels Survey

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

Petroleum Administration for Defense Districts
Winter Heating Fuels Survey — PADD 1, 2, 3, and 4 represented States

HEATING OIL

PADD 1: East Coast
PADD 1A: New England
Connecticut
New Hampshire
Maine
Rhode Island
Massachusetts
Vermont

PADD 1B: Central Atlantic
District of Columbia
Maryland
New Jersey
New York
Pennsylvania

PADD 2: Midwest
Indiana
Iowa
Minnesota
Nebraska
New York
Ohio
Kentucky
Michigan
Wisconsin

PADD 3: Gulf Coast

PADD 4: Rocky Mountain

PROPANE

PADD 1: East Coast
PADD 1A: New England
Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

PADD 1B: Central Atlantic
Delaware
Florida
Georgia
Maryland
New Jersey
North Carolina
Pennsylvania
Virginia

PADD 2: Midwest
Illinois
Indiana
Iowa
Kansas
Kentucky
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
Oklahoma
South Dakota
Tennessee
Wisconsin

PADD 3: Gulf Coast
Alabama
Florida
Mississippi
North Dakota
Texas

PADD 4: Rocky Mountain
Colorado
Montana
Idaho
Utah

Source: EIA, Heating Oil and Propane Update
Retail propane prices this heating season below prices for the same week last year in PADDs 1 and 2

Source: State Heating Oil and Propane Program, data through March 30, 2020
Various days-of supply/disposition measures

U.S. weekly stocks of propane/propylene
days of supply & disposition

Note: *disposition = domestic product supplied + exports

Source: U.S. Energy Information Administration, Weekly Petroleum Status Report, data through March 27, 2020

For more information, please see EIA’s webinar on Propane Market Indicators and Measures of Supply Adequacy
For more information


State Energy Portal | www.eia.gov/state

Winter Heating Fuels Site | www.eia.gov/special/heatingfuels/

Movements of Propane by Rail | http://www.eia.gov/dnav/pet/pet_move_railNA_a_EPLLPA_RAIL_mbbl_m.htm

Today in Energy | www.eia.gov/todayinenergy

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