

Winter Fuels Review 2015-16



For

National Energy Assistance Directors' Association

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By

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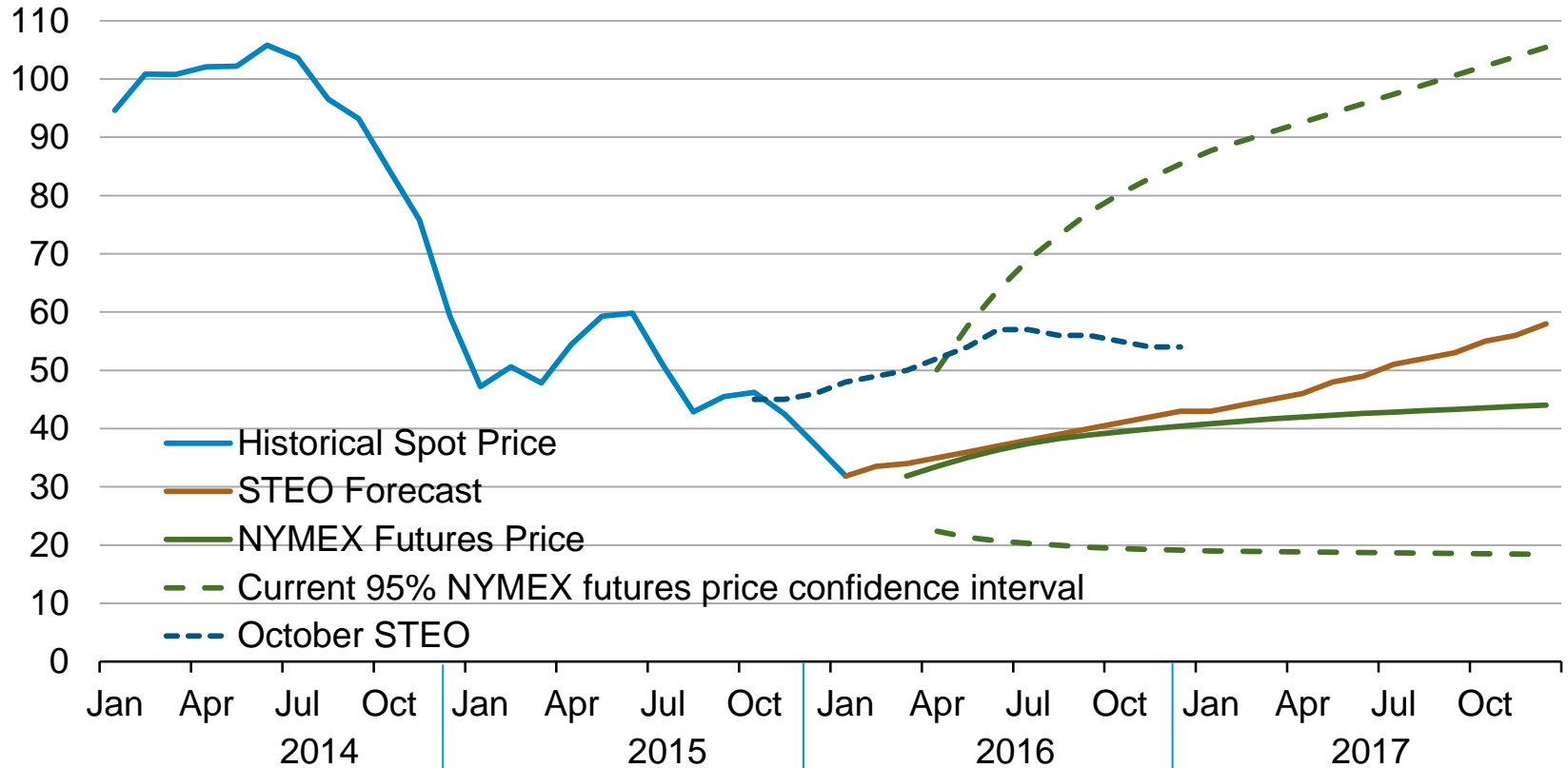
Key takeaways

- Energy prices this winter have been lower than expected compared with EIA's October forecast, and price are also lower than prices in recent years.
- Temperatures in the eastern half of the United States have been warmer than expected in EIA's October forecast, and warmer than the ten-year average.
- This combination of lower-than-expected prices and warmer-than-expected temperatures have contributed heating expenditures being lower than forecast in October across much of the country.
- Heating expenditures for petroleum and natural gas are at multi-year lows

EIA expects WTI prices to remain below \$40/b through the 3rd quarter of 2016 – but, the market-implied confidence band is wide

WTI price

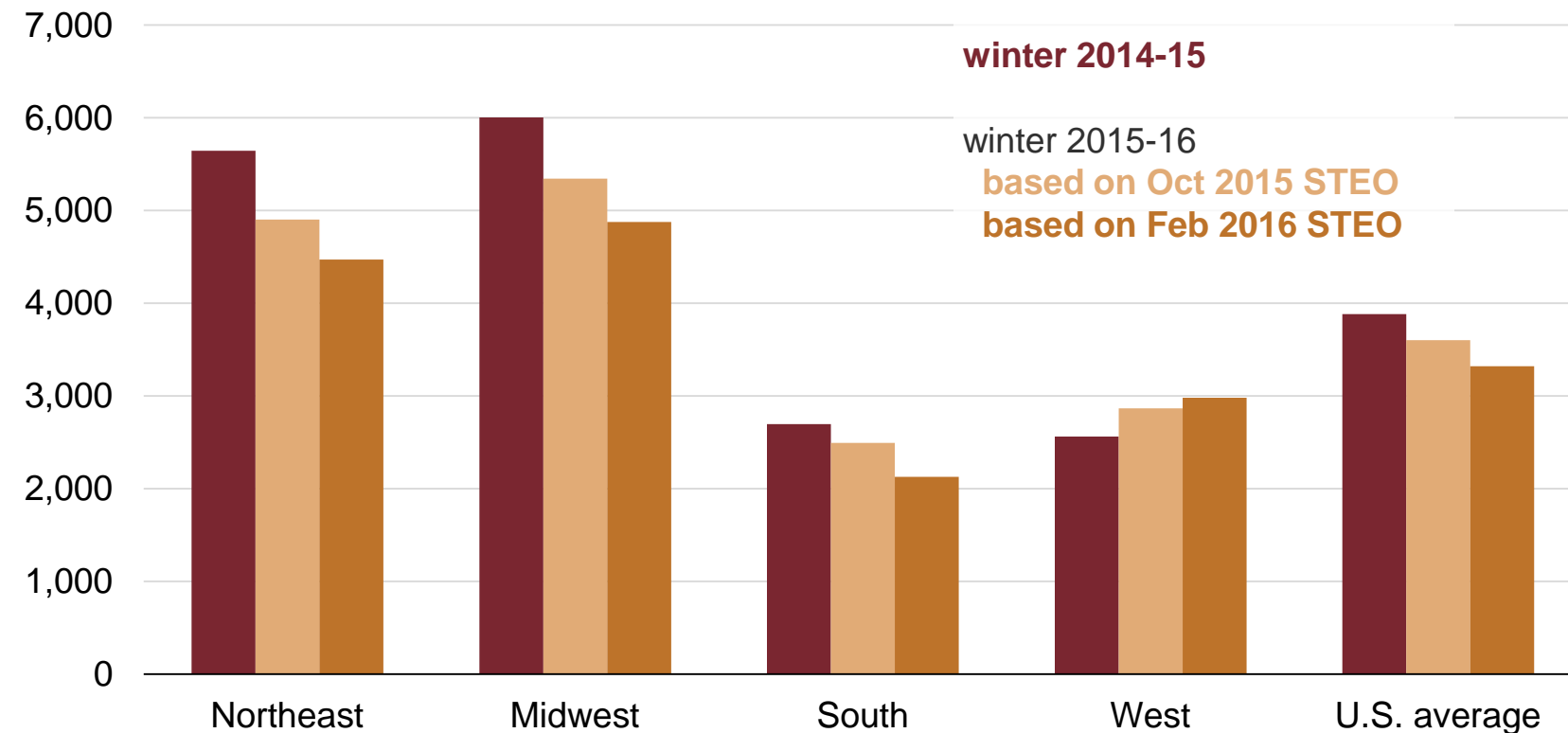
dollars per barrel



Source: EIA, Short-Term Energy Outlook, February 2016

Projections for winter 2015-16 heating degree days have come down since the October STEO, and they are also lower than last winter

U.S. winter population weighted heating degree days

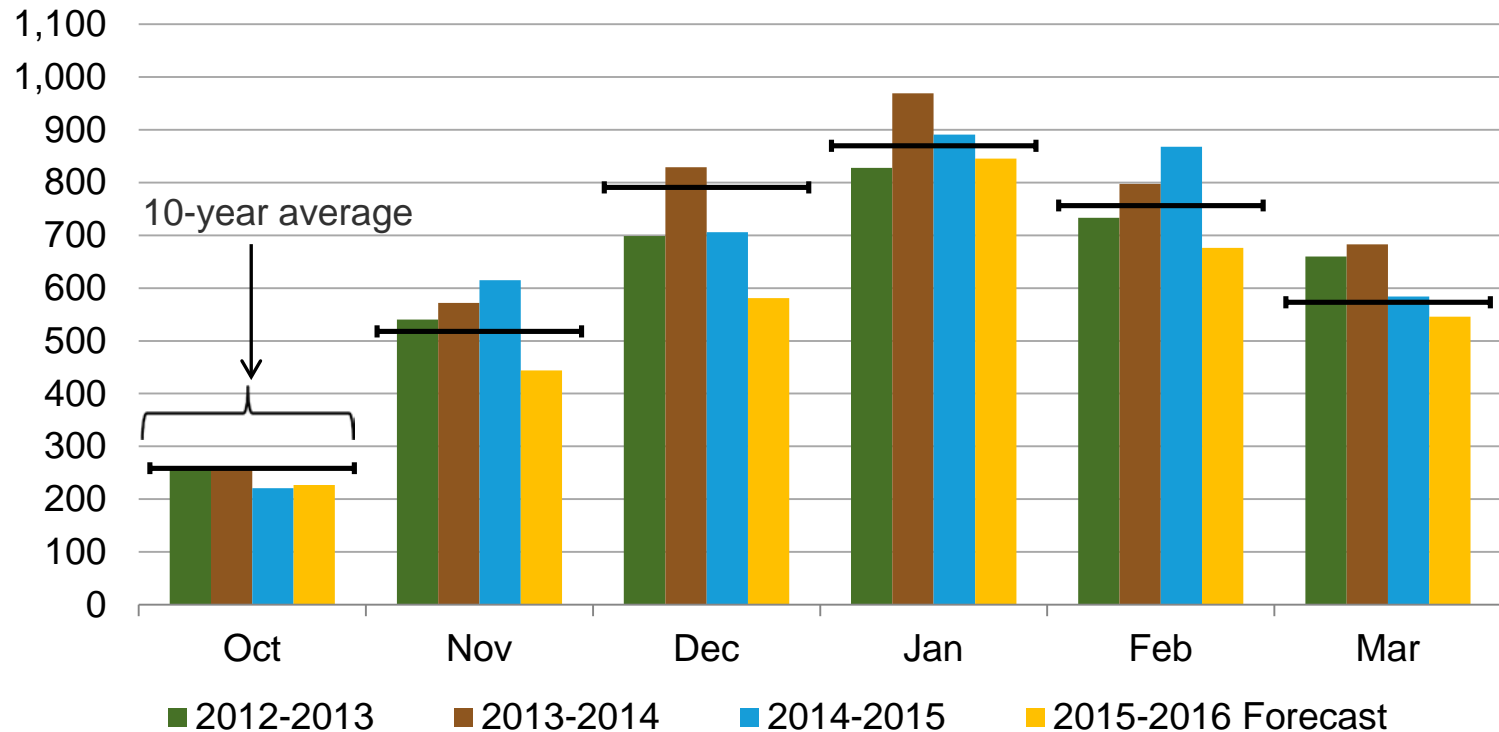


Note: EIA calculations based on National Oceanic and Atmospheric Administration (NOAA) data. Projections reflect NOAA's 14-16 month outlook.

Source: EIA, *Short-Term Energy Outlook*, February 2016

Temperatures in October – January have been milder than the 10-year average, February and March are also expected to be milder

U.S. current population-weighted heating degree days



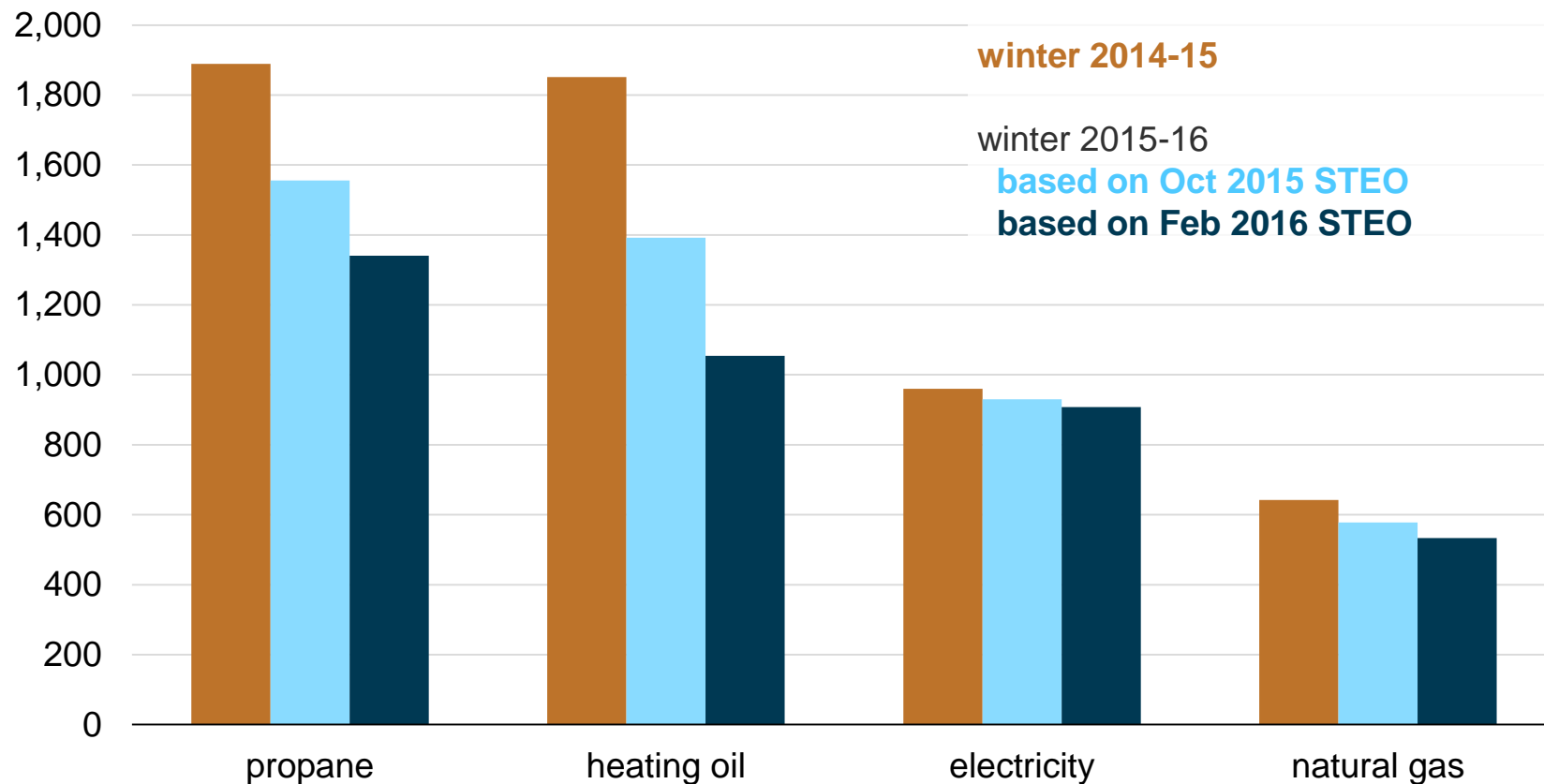
Note: EIA calculations based on National Oceanic and Atmospheric Administration (NOAA) data. Horizontal lines indicate 10-year average over the period Oct. 2005 – Mar. 2015. Projections reflect NOAA's 14-16 month outlook.

Source: EIA Short-Term Energy Outlook, February 2016.

Projections for winter 2015-16 heating degree days have come down since the October STEO, and they are also lower than last winter

Average winter household heating expenditures by fuel

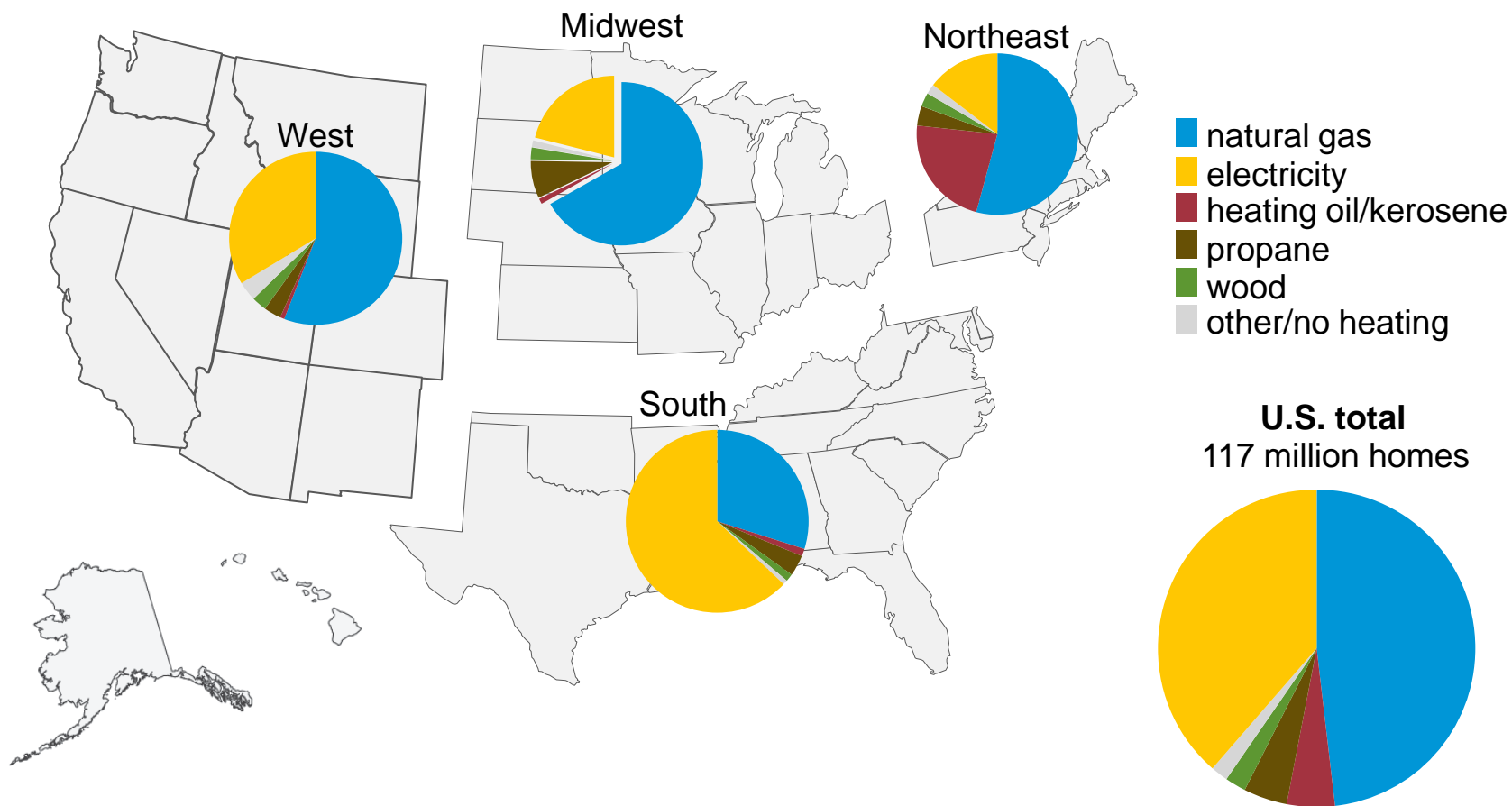
dollars



Source: EIA, Short-Term Energy Outlook, February 2016

Heating fuel market shares vary across U.S. regions

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

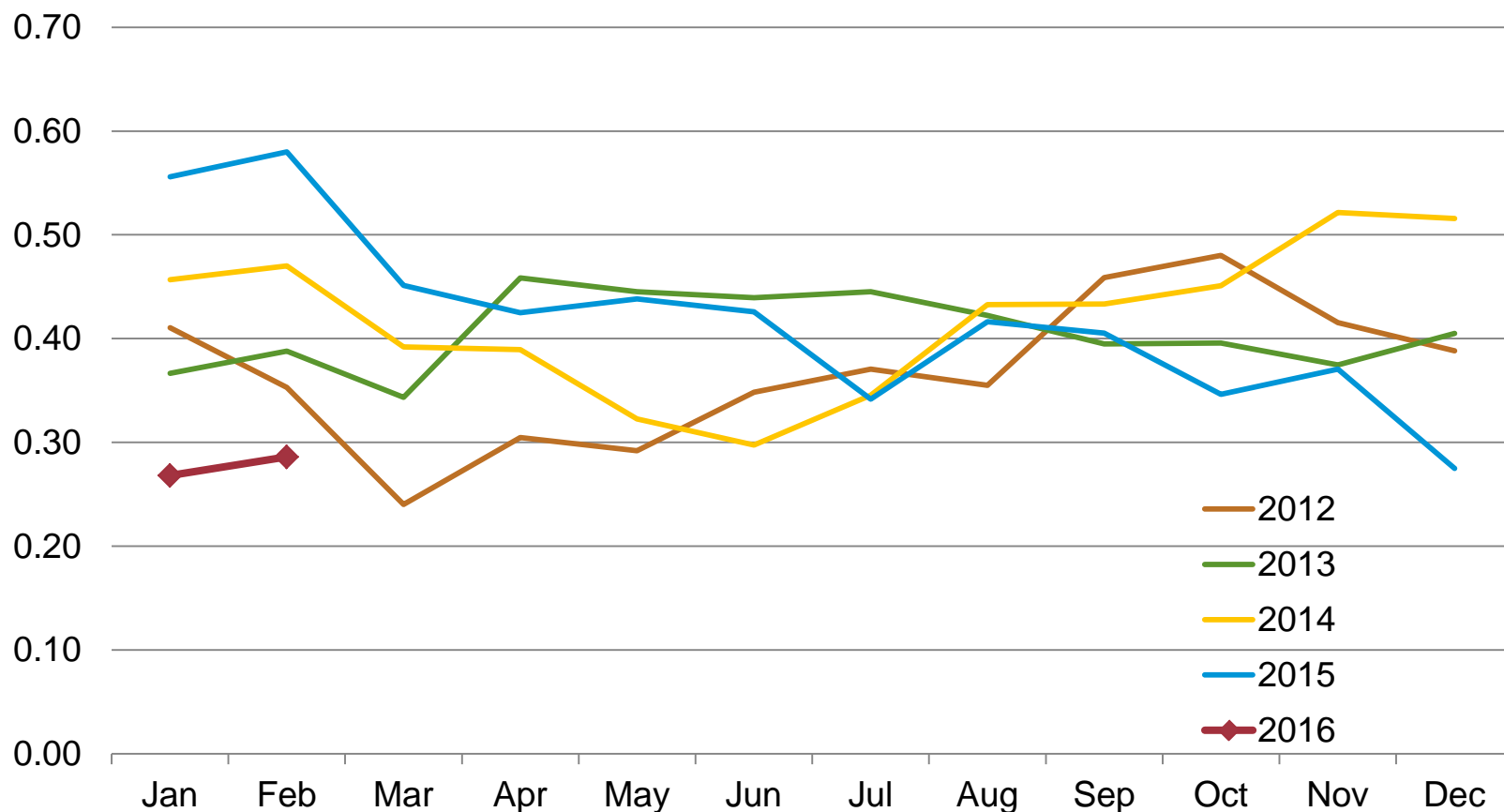


Source: U.S. Energy Information Administration based 2014 American Community Survey

Heating Oil

Heating oil wholesale prices have been low this winter relative to crude oil prices

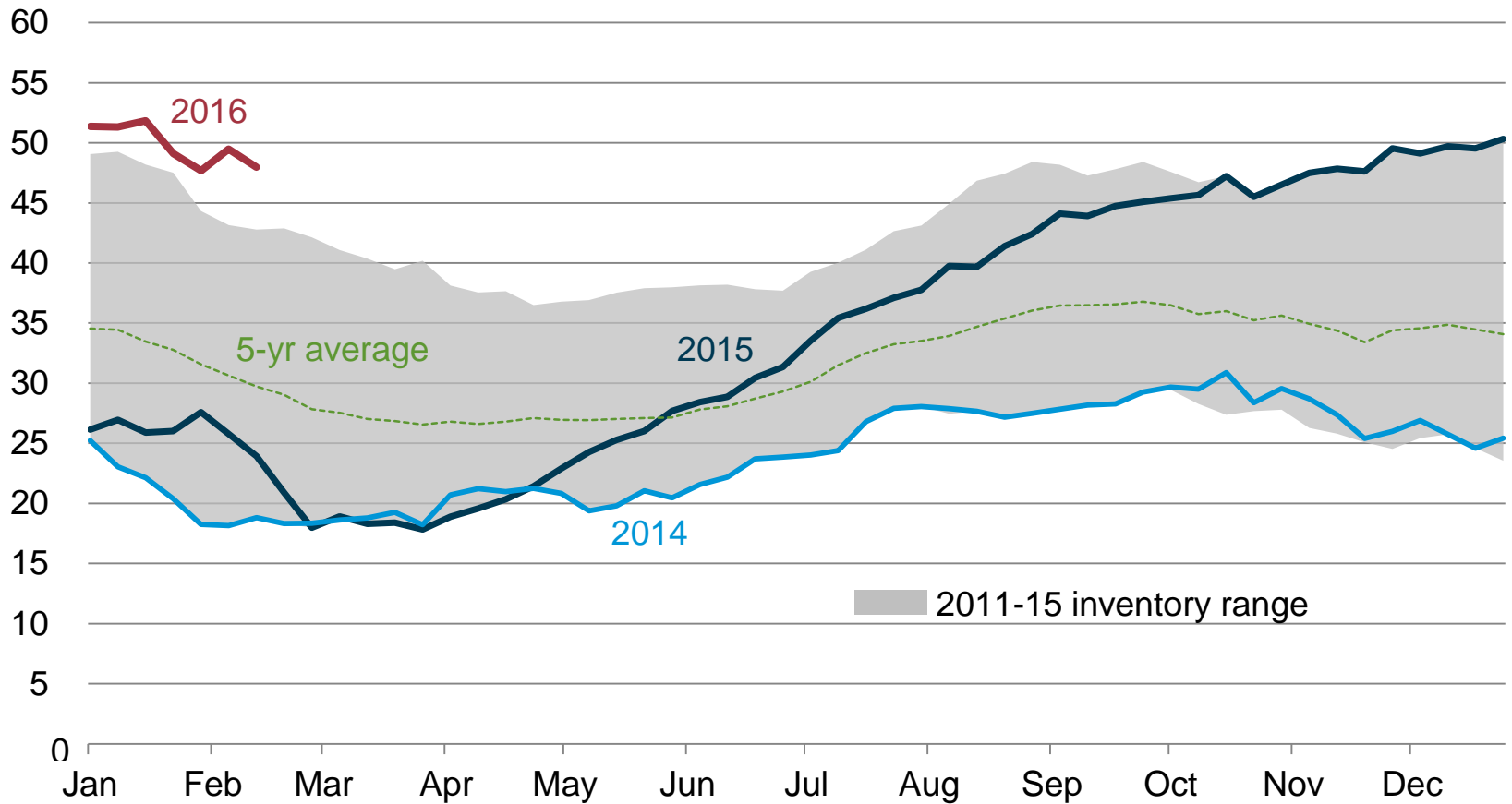
Monthly average NY Harbor heating oil crack spread (Brent)
dollars per gallon



Source: EIA, Thomson Reuters, and CME Group

Heating oil inventories have been high in the Northeast

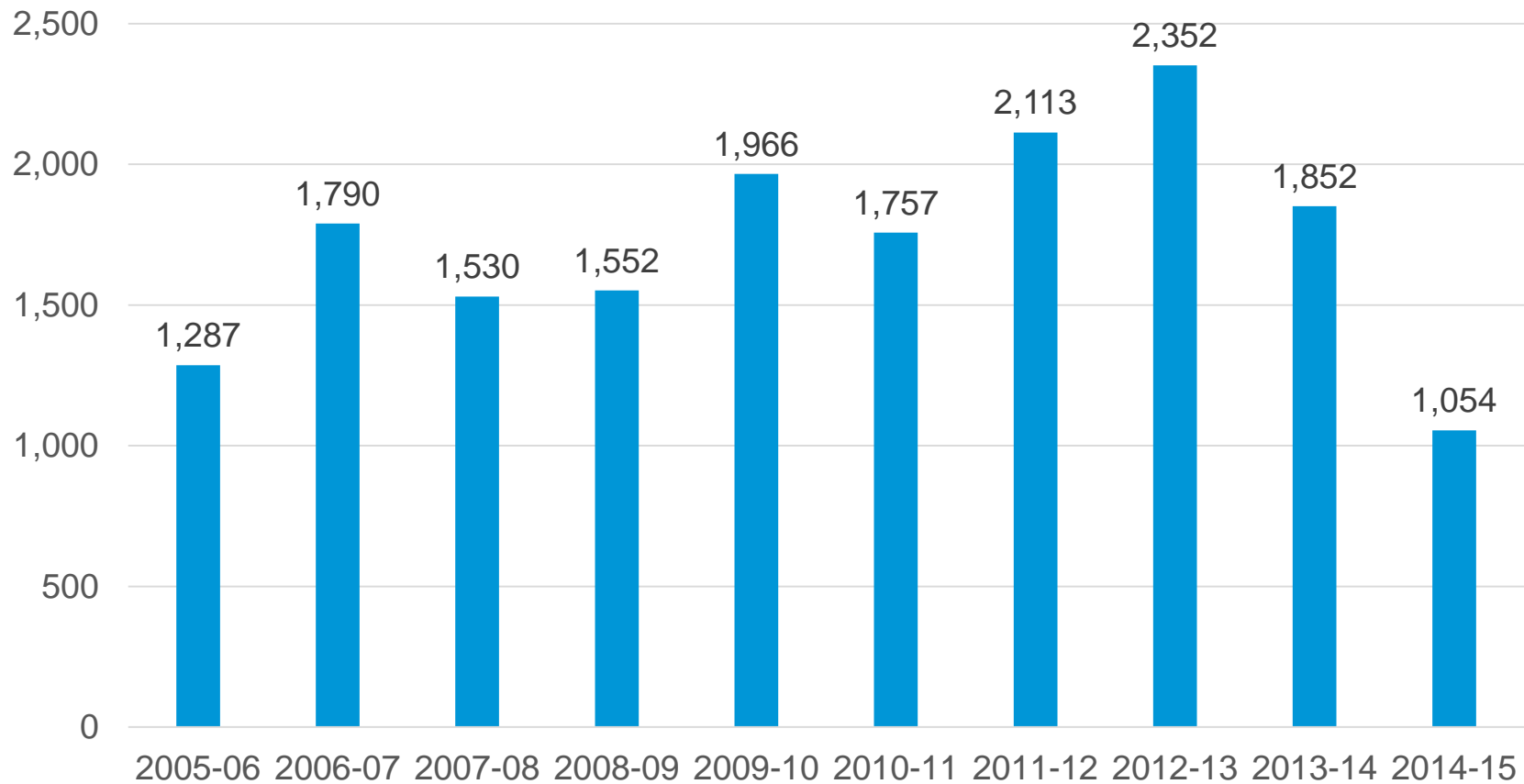
Distillate inventories – Northeast region
million barrels



Source: EIA, Weekly Petroleum Status Report, data through February 12, 2016

Low oil prices and mild temperatures this year contributed to heating expenditures compared with recent years

U.S. average heating expenditures for household that heat primarily with oil dollars

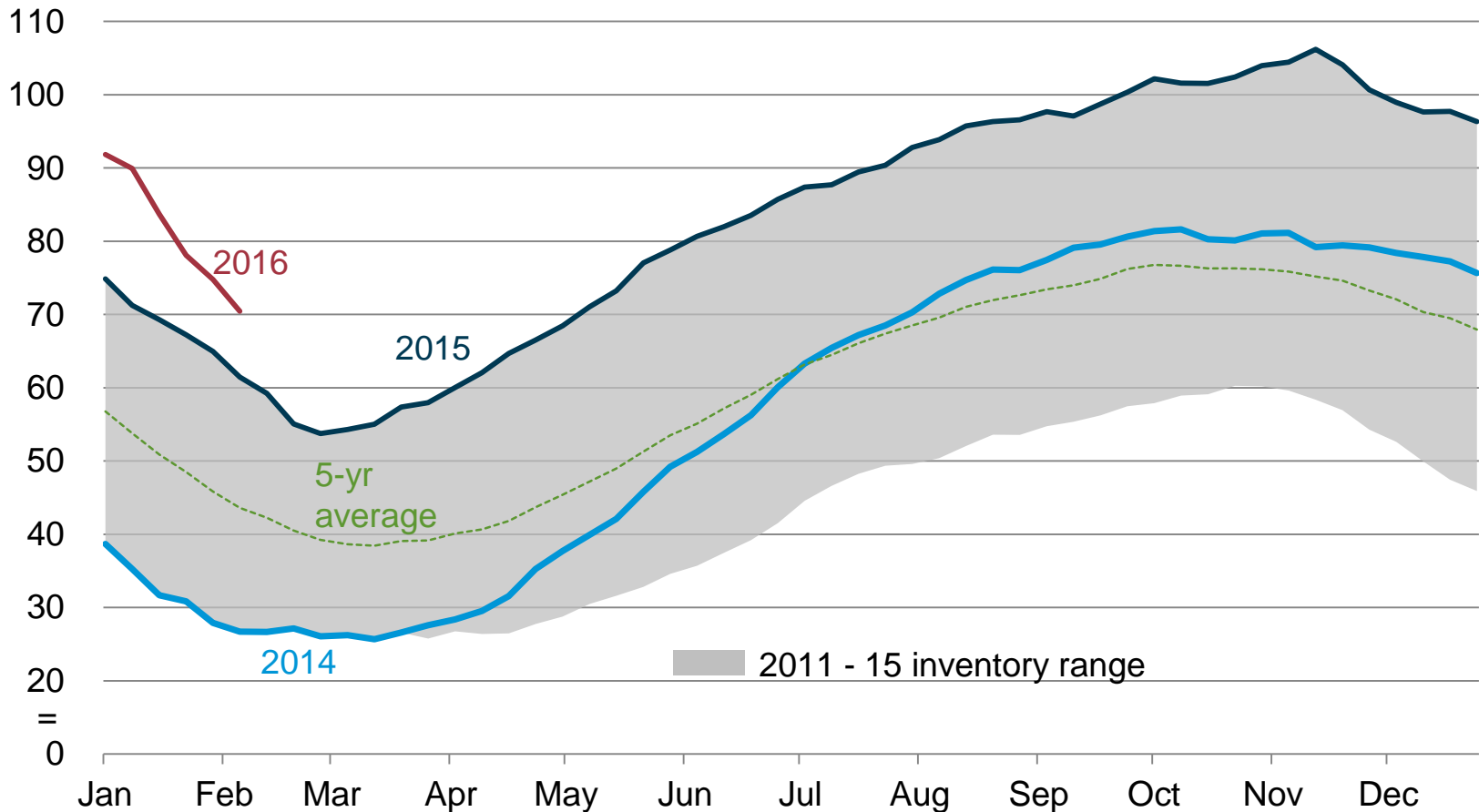


Source: EIA, *Short-Term Energy Outlook*, February 2016

Propane

Propane inventories were high for all of 2015 and continue to be above the five-year range in early 2016

U.S. propane inventories
million barrels

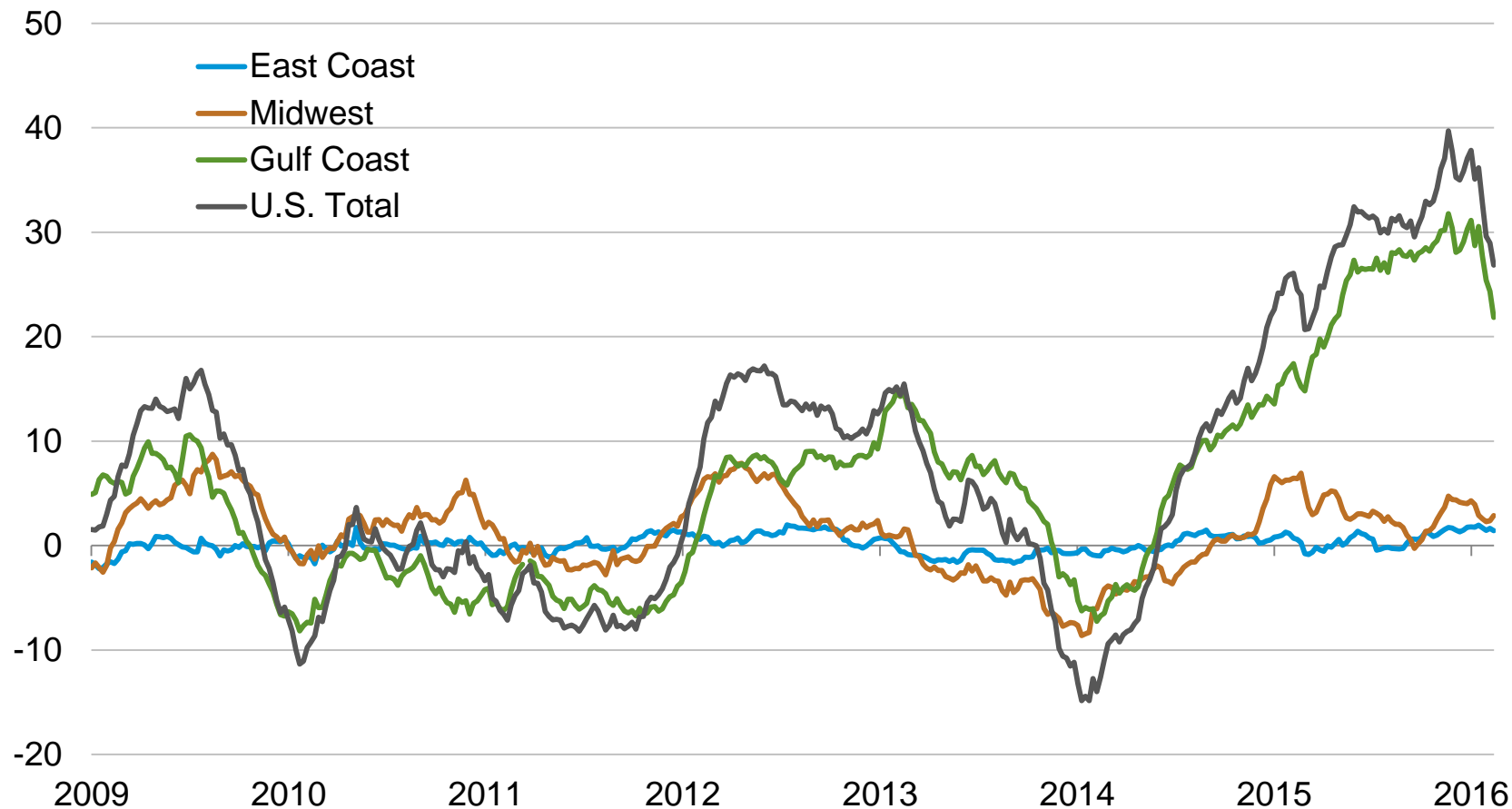


Source: EIA, Weekly Petroleum Status Report, data through February 12, 2016

*propane/propylene for fuel use only

The bulk of the increase in propane inventories over past two years has been on the Gulf Coast

Propane inventories compared with five-year average
million barrels

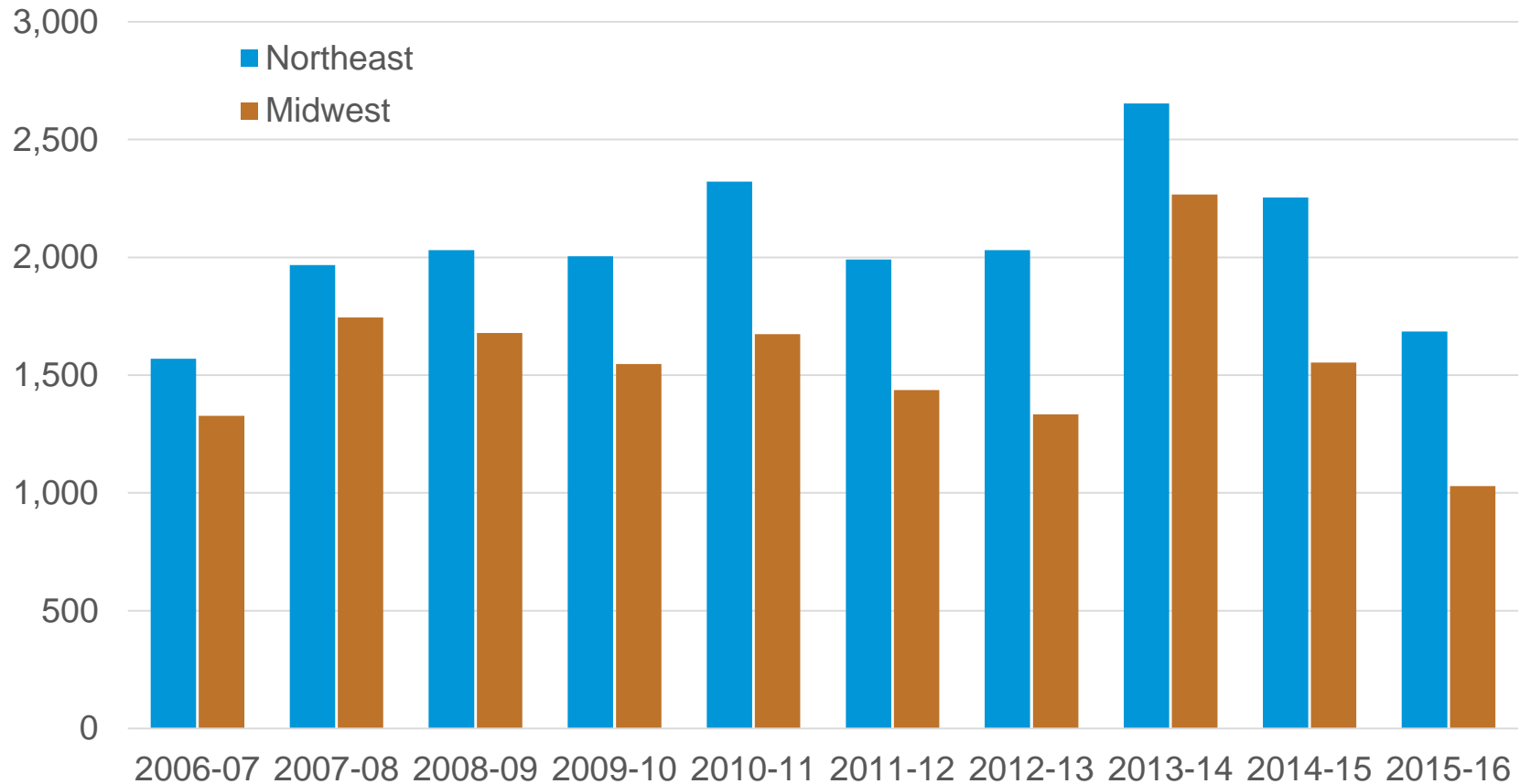


Source: EIA, Weekly Petroleum Status Report, data through February 12, 2016

*propane/propylene for fuel use only

Propane heating expenditures are lower this winter than in previous years

Average heating expenditures for household that heat primarily with propane dollars

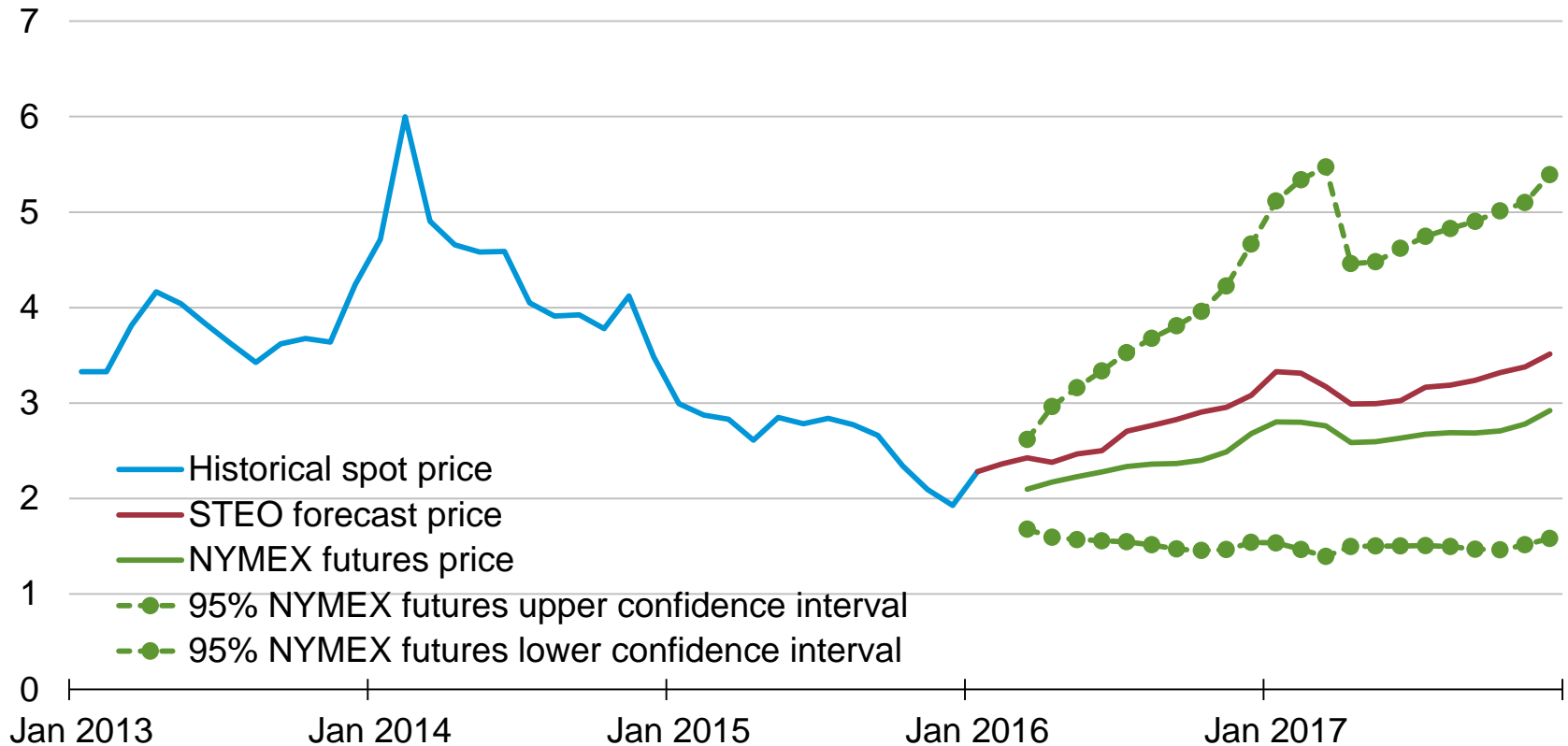


Source: EIA, Short-Term Energy Outlook, February 2016

Natural Gas

Low Henry Hub spot prices contributed to lower residential natural gas prices this winter compared with previous winters

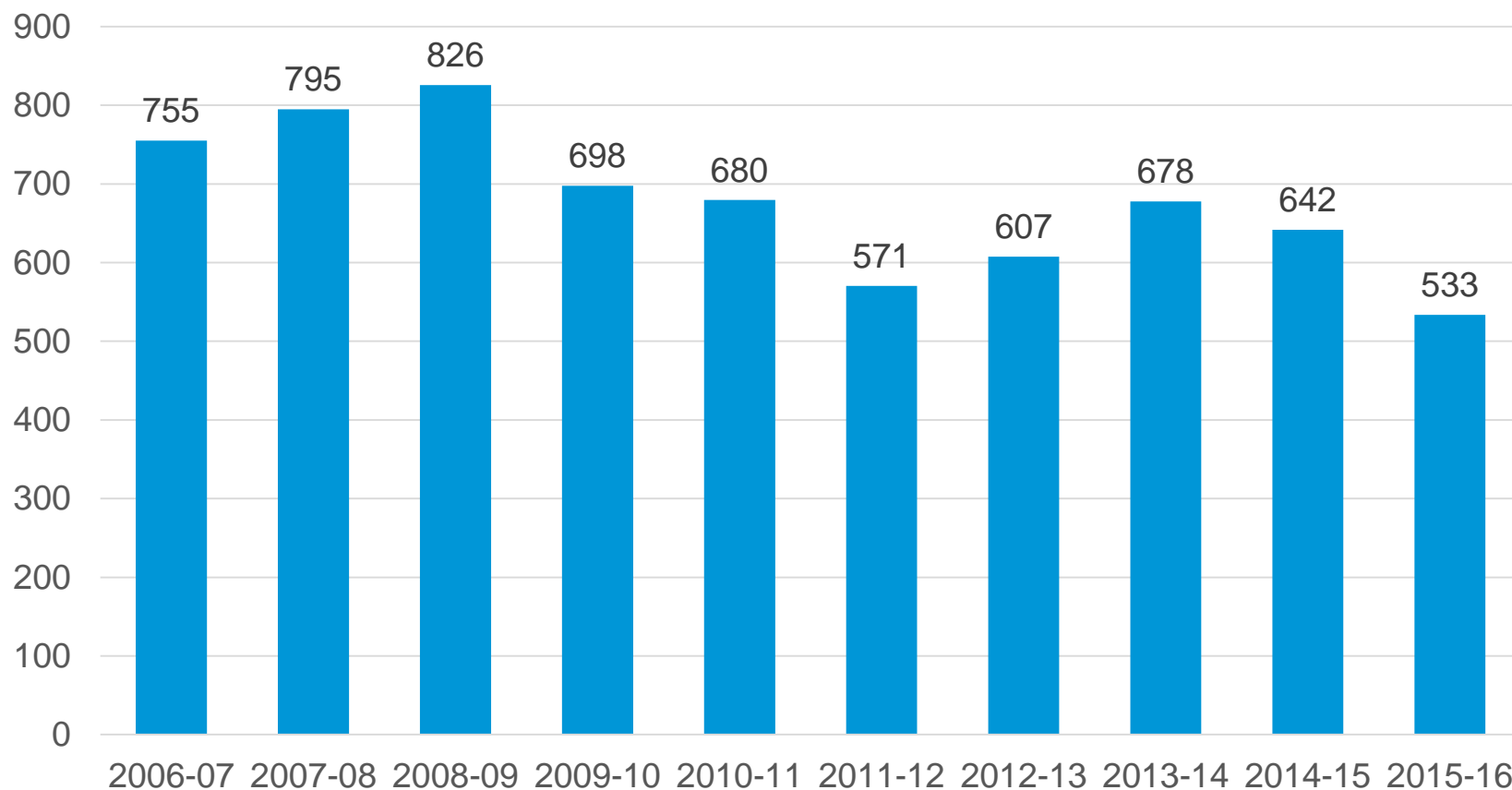
Henry Hub natural gas spot price
dollars per MMBtu



Source: EIA, Short-Term Energy Outlook, February 2016

Lower natural gas prices and mild temperatures this year contributed to low natural gas heating expenditures compared with recent years

U.S. average heating expenditures for household that heat primarily with natural gas dollars

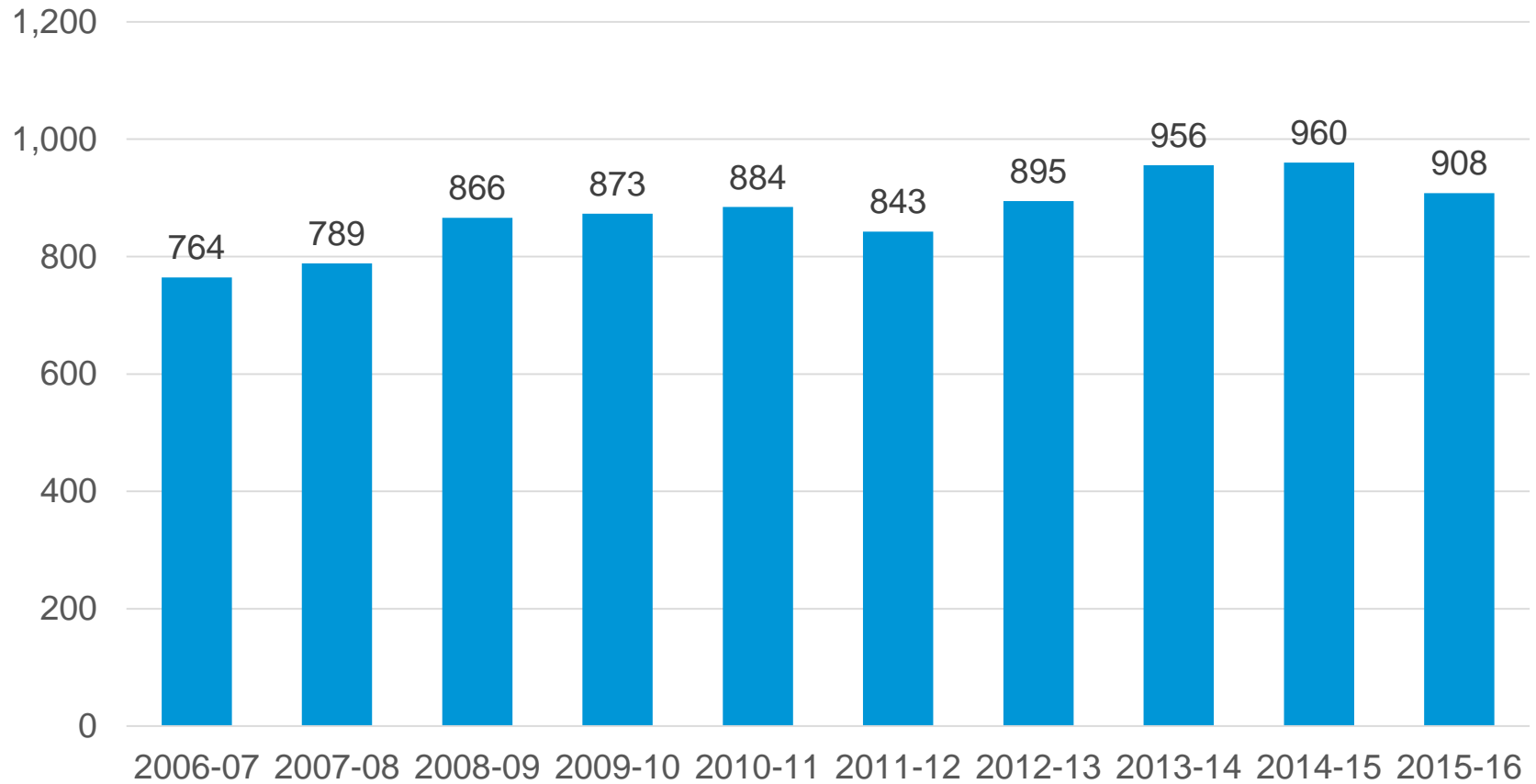


Source: EIA, *Short-Term Energy Outlook*, February 2016

Electricity

Electricity heating expenditures change much less winter-to-winter than do expenditures for other fuels

U.S. average heating expenditures for household that heat primarily with electricity
dollars

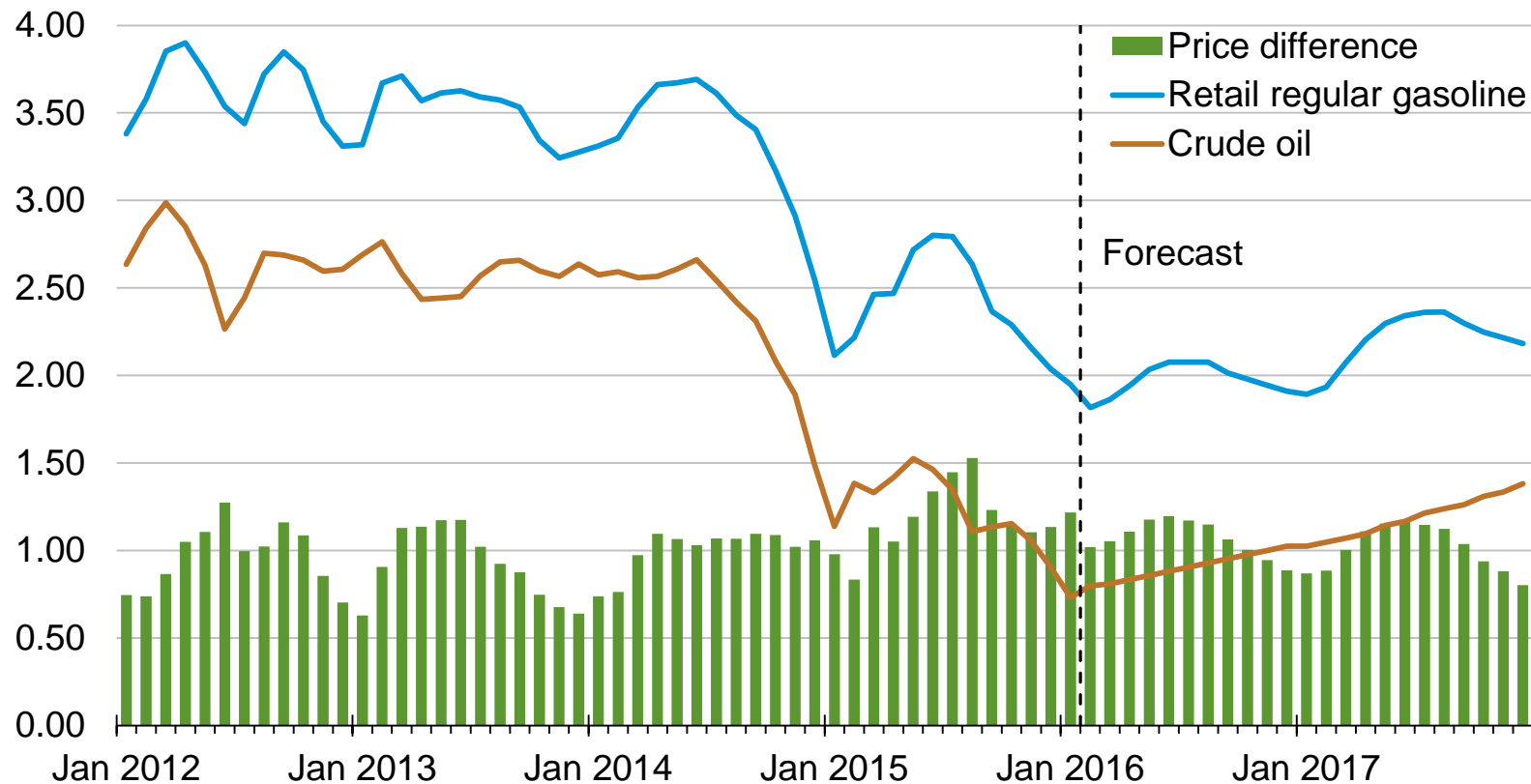


Source: EIA, *Short-Term Energy Outlook*, February 2016

Gasoline

Retail gasoline prices are projected to average \$2.04/gal during the summer and \$1.98/gal in for full-year 2016

U.S. gasoline and Brent crude oil prices
dollars per gallon



Source: EIA, Short-Term Energy Outlook, February 2016