

Coal

Note 1. Coal Production. Preliminary monthly estimates of national coal production are the sum of weekly estimates developed by the U.S. Energy Information Administration (EIA) and published in the *Weekly Coal Production* report. When a week extends into a new month, production is allocated on a daily basis and added to the appropriate month. Weekly estimates are based on Association of American Railroads (AAR) data showing the number of railcars loaded with coal during the week by Class I and certain other railroads.

Prior to 2002, the weekly coal production model converted AAR data into short tons of coal by using the average number of short tons of coal per railcar loaded reported in the “Quarterly Freight Commodity Statistics” from the Surface Transportation Board. If an average coal tonnage per railcar loaded was not available for a specific railroad, the national average was used. To derive the estimate of total weekly production, the total rail tonnage for the week was divided by the ratio of quarterly production shipped by rail and total quarterly production. Data for the corresponding quarter of previous years were used to derive this ratio. This method ensured that the seasonal variations were preserved in the production estimates.

Beginning in 2002, the weekly coal production model uses statistical autoregressive methods to estimate national coal production as a function of railcar loadings of coal, and heating degree-days and cooling degree-days. On Thursday of each week, EIA receives from the AAR data for the previous week. The latest weekly national data for heating degree-days and cooling degree-days are obtained from the National Oceanic and Atmospheric Administration’s Climate Prediction Center. The weekly coal model is run and a national level coal production estimate is obtained. The weekly coal model is refit every quarter after preliminary coal data are available.

When preliminary quarterly data become available, the monthly and weekly estimates are adjusted to conform to the quarterly figures. The adjustment procedure uses State-level production data and is explained in EIA’s *Quarterly Coal Report*. Initial estimates of annual production published in January of the following year are based on preliminary production data covering the first nine months (three quarters) and weekly/monthly estimates for the fourth quarter. The fourth quarter estimates may or may not be revised when preliminary data become available in March of the following year, depending on the magnitude of the difference between the estimates and the preliminary data. In any event, all quarterly, monthly, and weekly production figures are adjusted to conform to the final annual production data published in the *Monthly Energy Review* in the fall of the following year.

Note 2. Coal Consumption. Coal consumption data are reported by major end-use sector. Forecast data (designated

by an “F”) are derived from forecasted values shown in the EIA *Short-Term Energy Outlook* (DOE/EIA-0202) table titled “U.S. Coal Supply and Demand: Base Case.” The monthly estimates are based on the quarterly values, which are released in March, June, September, and December. The estimates are revised quarterly as collected data become available from the data sources. Sector-specific information follows.

Residential and Commercial—Coal consumption by the residential and commercial sectors is reported to EIA for the two sectors combined; EIA estimates the amount consumed by the sectors individually. To create the estimates, it is first assumed that an occupied coal-heated housing unit consumes fuel at the same Btu rate as an oil-heated housing unit. Then, for the years in which data are available on the number of occupied housing units by heating source (1973–1981 and subsequent odd-numbered years), residential consumption of coal is estimated by the following steps: a ratio is created of the number of occupied housing units heated by coal to the number of occupied housing units heated by oil; that ratio is then multiplied by the Btu quantity of oil consumed by the residential sector to derive an estimate of the Btu quantity of coal consumed by the residential sector; and, finally, the amount estimated as the residential sector consumption is subtracted from the residential and commercial sectors’ combined consumption to derive the commercial sector’s estimated consumption. The 2007 share is applied to 2008 forward, and the other missing years’ shares are interpolated.

Industrial Coke Plants—Prior to 1980, monthly coke plant consumption data were taken directly from reported data. For 1980–1987, coke plant consumption estimates were derived by proportioning reported quarterly data by using the ratios of monthly-to-quarterly consumption data in 1979, the last year in which monthly data were reported. Beginning in January 1988, monthly coke plant consumption estimates are derived from the reported quarterly data by using monthly ratios of raw steel production data from the American Iron and Steel Institute. The ratios are the monthly raw steel production from open hearth and basic oxygen process furnaces as a proportion of the quarterly production from those kinds of furnaces.

Industrial Other—Prior to 1978, monthly consumption data for the other industrial sector (all industrial users minus coke plants) were derived by using reported data to modify baseline consumption figures from the most recent Bureau of the Census Annual Survey of Manufactures or Census of Manufactures. For 1978 and 1979, monthly estimates were derived from data reported on Forms EIA-3 and EIA-6. For 1980–1987, monthly figures were estimated by proportioning quarterly data by using the ratios of monthly-to-quarterly consumption data in 1979, the last year in which monthly data were reported on Form EIA-3. Beginning in January 1988, monthly consumption for the other industrial sector is estimated from reported quarterly data by using ratios derived from industrial production indices published by the Board of Governors of the

Federal Reserve System. Indices for six major industry groups are used as the basis for calculating the ratios: food manufacturing, which is North American Industry Classification System (NAICS) code 311; paper manufacturing, NAICS 322; chemical manufacturing, NAICS 325; petroleum and coal products, NAICS 324; non-metallic mineral products manufacturing, NAICS 327; and primary metal manufacturing, NAICS 331. The monthly ratios are computed as the monthly sum of the weighted indices as a proportion of the quarterly sum of the weighted indices by using the 1977 proportion as the weights. Prior to 2008, quarterly consumption data for the other industrial sector were derived by adding beginning stocks at manufacturing plants to current receipts and subtracting ending stocks at manufacturing plants. In this calculation, current receipts are the greater of either reported receipts from manufacturing plants (Form EIA-3) or reported shipments to the other industrial sector (Form EIA-6), thereby ensuring that agriculture, forestry, fishing, and construction consumption data were included where appropriate. Beginning in 2008, quarterly consumption totals for other industrial coal include data for manufacturing and mining only. Over time, surveyed coal consumption data for agriculture, forestry, fishing, and construction dwindled to about 20,000 to 30,000 tons annually. Therefore, in 2008, EIA consolidated its programs by eliminating agriculture, forestry, fishing, and construction as surveyed sectors.

Electric Power Sector—Monthly consumption data for electric power plants are taken directly from reported data.

Note 3. Coal Stocks. Coal stocks data are reported by major end-use sector. Forecast data for the most recent months (designated by an “F”) are derived from forecasted values shown in the EIA *Short-Term Energy Outlook* (DOE/EIA-0202) table titled “U.S. Coal Supply and Demand: Base Case.” The monthly estimates are based on the quarterly values (released in March, June, September, and December) or annual values. The estimates are revised as collected data become available from the data sources. Sector-specific information follows.

Producers and Distributors—Prior to 1998, quarterly stocks at producers and distributors were taken directly from reported data. Monthly data were estimated by using one-third of the current quarterly change to indicate the monthly change in stocks. Beginning in 1998, end-of-year stocks are taken from reported data. Monthly stocks are estimated by a model.

Residential and Commercial—Prior to 1980, stock estimates for the residential and commercial sector were taken directly from reported data. For 1980–2007, stock estimates were not collected. Beginning in 2008, quarterly stocks data are collected on Form EIA-3 (data for “Commercial and Institutional Coal Users”).

Industrial Coke Plants—Prior to 1980, monthly stocks at coke plants were taken directly from reported data.

Beginning in 1980, coke plant stocks are estimated by using one-third of the current quarterly change to indicate the monthly change in stocks. Quarterly stocks are taken directly from data reported on Form EIA-5.

Industrial Other—Prior to 1978, stocks for the other industrial sector were derived by using reported data to modify baseline figures from a one-time Bureau of Mines survey of consumers. For 1978–1982, monthly estimates were derived by judgmentally proportioning reported quarterly data based on representative seasonal patterns of supply and demand. Beginning in 1983, other industrial coal stocks are estimated as indicated above for coke plants. Quarterly stocks are taken directly from data reported on Form EIA-3 and therefore include only manufacturing industries; data for agriculture, forestry, fishing, mining, and construction stocks are not available.

Electric Power Sector—Monthly stocks data at electric power plants are taken directly from reported data.

Note 4. Coal Forecast Values. Data values preceded by “F” in this section are forecast values. They are derived from EIA Short-Term Integrated Forecasting System (STIFS). The model is driven primarily by data and assumptions about key macroeconomic variables, the world oil price, and weather. The coal forecast relies on other variables as well, such as alternative fuel prices (natural gas and oil) and power generation by sources other than fossil fuels, including nuclear and hydroelectric power. Each month, EIA staff review the model output and make adjustments, if appropriate, based on their knowledge of developments in the coal industry.

The STIFS model results are published monthly in EIA’s *Short-Term Energy Outlook*, which is accessible on the Web at <http://www.eia.gov/emeu/steo/pub/contents.html>.

Note 5. Additional Coal Information. EIA’s *Quarterly Coal Report* provides additional information about coal data and estimation procedures.

Table 6.1 Sources

Production

1973–September 1977: U.S. Department of the Interior, Bureau of Mines, *Minerals Yearbook* and *Minerals Industry Surveys*.

October 1977 forward: U.S. Energy Information Administration (EIA), *Weekly Coal Production*.

Waste Coal Supplied

1989–1997: EIA, Form EIA-867, “Annual Nonutility Power Producer Report.”

1998–2000: EIA, Form EIA-860B, “Annual Electric Generator Report—Nonutility.”

2001–2003: EIA, Form EIA-906, “Power Plant Report,” and Form EIA-3, “Quarterly Coal Consumption and

Quality Report—Manufacturing Plants.”

2004–2007: EIA, Form EIA-906, “Power Plant Report,” Form EIA-920, “Combined Heat and Power Plant Report,” and Form EIA-3, “Quarterly Coal Consumption and Quality Report—Manufacturing Plants.”

2008 forward: EIA, Form EIA-923, “Power Plant Operations Report,” and Form EIA-3, “Quarterly Coal Consumption and Quality Report, Manufacturing and Transformation/Processing Coal Plants and Commercial and Institutional Coal Users”; and, for forecast values, EIA, Short-Term Integrated Forecasting System.

Imports and Exports

U.S. Department of Commerce, Bureau of the Census, Monthly Reports IM 145 (Imports) and EM 545 (Exports).

Stock Change

Calculated from data in Table 6.3. (The 1973 stock change value is calculated using the 1972 total stocks value of 116,753 thousand short tons from EIA, *Annual Energy Review*, Table 7.6. The 1972 stocks value excludes stocks at producers and distributors.)

Losses and Unaccounted for

Calculated as the sum of production, imports, and waste coal supplied, minus exports, stock change, and consumption.

Consumption

Table 6.2.

Table 6.2 Sources

Residential and Commercial Total

Coal consumption by the residential and commercial sectors combined is reported to the U.S. Energy Information Administration (EIA). EIA estimates the sectors individually using the method described in Note 2, “Consumption,” at the end of Section 6. Data for the residential and commercial sectors combined are from:

1973–1976: U.S. Department of the Interior (DOI), Bureau of Mines (BOM), *Minerals Yearbook*.

January–September 1977: DOI, BOM, Form 6-1400, “Monthly Coal Report, Retail Dealers—Upper Lake Docks.”

October 1977–1979: EIA, Form EIA-2, “Monthly Coal Report, Retail Dealers—Upper Lake Docks.”

1980–1997: EIA, Form EIA-6, “Coal Distribution Report,” quarterly.

1998–2007: DOI, Mine Safety and Health Administration, Form 7000-2, “Quarterly Mine Employment and Coal Production.”

2008 forward: EIA, Form EIA-3, “Quarterly Coal Consumption and Quality Report, Manufacturing and Transformation/Processing Coal Plants and Commercial and Institutional Coal Users” (data for “Commercial and Institutional Coal Users”); and, for forecast values, EIA, Short-Term Integrated Forecasting System (STIFS).

Commercial CHP

Table 7.4c.

Commercial Other

Calculated as “Commercial Total” minus “Commercial CHP.”

Industrial Coke Plants

1973–September 1977: DOI, BOM, *Minerals Yearbook* and *Minerals Industry Surveys*.

October 1977–1980: EIA, Form EIA-5/5A, “Coke and Coal Chemicals—Monthly/Annual Supplement.”

1981–1984: EIA, Form EIA-5/5A, “Coke Plant Report—Quarterly/Annual Supplement.”

1985 forward: EIA, Form EIA-5, “Coke Plant Report—Quarterly”; and, for forecast values, EIA, STIFS.

Other Industrial Total

1973–September 1977: DOI, BOM, *Minerals Yearbook* and *Minerals Industry Surveys*.

October 1977–1979: EIA, Form EIA-3, “Monthly Coal Consumption Report—Manufacturing Plants.”

1980–1997: EIA, Form EIA-3, “Quarterly Coal Consumption Report—Manufacturing Plants,” and Form EIA-6, “Coal Distribution Report,” quarterly.

1998–2007: EIA, Form EIA-3, “Quarterly Coal Consumption Report—Manufacturing Plants,” Form EIA-6A, “Coal Distribution Report,” annual, and Form EIA-7A, “Coal Production Report,” annual.

2008 forward: EIA, Form EIA-3, “Quarterly Coal Consumption and Quality Report, Manufacturing and Transformation/Processing Coal Plants and Commercial and Institutional Coal Users,” and Form EIA-7A, “Coal Production Report,” annual; and, for forecast values, EIA, STIFS.

Other Industrial CHP

Table 7.4c.

Other Industrial Non-CHP

Calculated as “Other Industrial Total” minus “Other Industrial CHP.”

Transportation

1973–1976: DOI, BOM, *Minerals Yearbook*.

January–September 1977: DOI, BOM, Form 6-1400, “Monthly Coal Report, Retail Dealers—Upper Lake Docks.”

October–December 1977: EIA, Form EIA-6, “Coal Distribution Report,” quarterly.

Electric Power

Table 7.4b.

Table 6.3 Sources

Producers and Distributors

1973–1979: U.S. Department of the Interior (DOI), Bureau of Mines (BOM), Form 6-1419Q, “Distribution of Bituminous Coal and Lignite Shipments.”

1980–1997: U.S. Energy Information Administration

(EIA), Form EIA-6, "Coal Distribution Report," quarterly. 1998–2007: EIA, Form EIA-6A, "Coal Distribution Report," annual. 2008 forward: EIA, Form EIA-7A, "Coal Production Report," annual, and Form EIA-8A, "Coal Stocks Report," annual; and, for forecast values, EIA, Short-Term Integrated Forecasting System (STIFS).

Residential and Commercial

1973–1976: DOI, BOM, *Minerals Yearbook*.

January–September 1977: DOI, BOM, Form 6-1400, "Monthly Coal Report, Retail Dealers—Upper Lake Docks."

October 1977–1979: EIA, Form EIA-2, "Monthly Coal Report, Retail Dealers—Upper Lake Docks."

2008 forward: EIA, Form EIA-3, "Quarterly Coal Consumption and Quality Report, Manufacturing and Transformation/Processing Coal Plants and Commercial and Institutional Coal Users" (data for "Commercial and Institutional Coal Users"); and, for forecast values, EIA, STIFS.

Industrial Coke Plants

1973–September 1977: DOI, BOM, *Minerals Yearbook* and *Minerals Industry Surveys*.

October 1977–1980: EIA, Form EIA-5/5A, "Coke and Coal Chemicals—Monthly/Annual."

1981–1984: EIA, Form EIA 5/5A, "Coke Plant Report—Quarterly/Annual Supplement."

1985 forward: EIA, Form EIA-5, "Coke Plant Report—Quarterly"; and, for forecast values, EIA, STIFS.

Industrial Other

1973–September 1977: DOI, BOM, *Minerals Yearbook* and *Minerals Industry Surveys*.

October 1977–1979: EIA, Form EIA-3, "Monthly Coal Consumption Report—Manufacturing Plants."

1980–2007: EIA, Form EIA-3, "Quarterly Coal Consumption Report—Manufacturing Plants."

2008 forward: EIA, Form EIA-3, "Quarterly Coal Consumption and Quality Report, Manufacturing and Transformation/Processing Coal Plants and Commercial and Institutional Coal Users"; and, for forecast values, EIA, STIFS.

Electric Power

Table 7.5.

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