



Administrator Adam Sieminski's keynote remarks at the Bipartisan Policy Center's "Understanding the New Energy Landscape: Technological Change and Global Market Integration" conference in Washington, DC - as prepared for delivery

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Good afternoon everybody.

Let me start by thanking Margot Anderson and the entire staff of the Bipartisan Policy Center for organizing this impressive conference-- it feels a bit like a reunion for all of us who have labored over the years to understand and explain energy issues. Margot served at both the EIA and the policy office at the Department of Energy, and we were sorry to see her go but very pleased to see her in this new role at the BPC. A special word of thanks goes out to Tracy Terry at the BPC who did much of the "heavy lifting" for today's event. Thanks also to folks like the NPC's Paul Bledsoe and everybody else who works in communications and the press for your efforts to help inform policy makers and the public.

I am delighted and honored to be here in my new role as Administrator of EIA, the Energy Information Administration. Energy is an exciting and important field - worth spending a career on. It is global in scope - with international and geopolitical dimensions - but very local as well with the price at the pump affecting household budgets.

In fact, this is one of the most dynamic times I can remember for the energy sector - which leads to challenges for consumers, suppliers, policymakers, and the EIA. Our analyses must be both balanced and forward-looking enough to factor in the major forces remaking the energy world at an accelerating pace. Let me talk a little about the complex world we at EIA face.

On the supply side, the shale revolution affects almost everything.

Domestically we are seeing a dramatic increase in oil and natural gas production. In fact, we reported just this week, that the U.S. has had the largest increase in oil production outside of OPEC so far this year. Like our colleagues at the U.S. Geological Survey, we are challenged to keep up with the rapid advances in technology. The implications for energy supply - short term and long term - are critical for EIA.

The production increases occurring in the U.S. mid-continent have made clear the need for new ways of moving oil to market - EIA has to get a handle on the data for rail shipments of crude. A few years ago biofuels was the growth area for the railroads, now it's crude oil - a throwback to the days of J.D. Rockefeller. The sheer volume of oil and natural gas liquids and transportation constraints there can affect what oil and natural gas gets produced where.

At the same time, several refineries on the East Coast announced reorganizations last fall citing comparatively high feedstock costs, competition from trade in refined products and declining demand in the region. EIA created an ongoing briefing document on the situation that has been updated no fewer than 10 times since December. EIA has to stand ready to help policy-makers and the public understand events like this.

The burgeoning supply of natural gas has reduced consumer prices, supported new investment in industry, in particular the chemical sector, and has led to serious gas on coal competition in power generation. The sheer volume of shale gas production in the Marcellus in Pennsylvania, for example, is backing out pipeline shipments from the Gulf Coast and Canada. This means building new regional pipelines and reconfiguring flows on existing pipelines.

In some ways, the most remarkable aspect of increasing oil and gas production is the way it is changing the international position of the United States. Rising oil production has meant a steady decline in the net amount of crude oil we import – from a peak of 60% of consumption in 2005 to 45% in 2011 due to both higher oil production and decreased consumption. And we have become a net exporter of petroleum products.

The change is just as clear for other forms of energy. Less than a decade ago companies were building LNG import terminals; now many of them are proposing to reconfigure terminals for export. Coal exports have risen significantly in the last few years, even as coal has faced a rising challenge from natural gas for domestic use. Just last week we reported in a Today in Energy feature that coal exports were up over 30% last year. Interestingly, about half of those exports were to Europe, roughly double the amount to Asia. In short, the American economy may be poised to benefit further from the Nation's resurgence in energy production.

The **demand side** of the energy equation draws fewer headlines these days. But, when you think about it, the changes are just as dramatic.

For over 30 years, U.S. households have added all kinds of plug loads – from multiple home computers, to DVRs and smart phones. We have bigger houses and bigger refrigerators – often more than one refrigerator. Nearly everyone has air conditioning. Yet Americans aren't using any more energy per household. How do I know that? Because EIA's 2009 Residential Energy Consumption Survey (RECS) shows it. RECS is, quite simply, the most authoritative source of information about residential energy consumption in the United States – it's relied on by everyone from utility forecasters to appliance manufacturers – many of whom may not even know the source of the data underpinning their market research. This gain in energy use productivity means that Americans are getting far more value out of the same amount of energy. That frees up resources for all kinds of other uses.

Commercial buildings may even be more important from an energy system perspective. The demand on the electric grid from commercial buildings drives peak summer system loads in most urban areas of the country. EIA's Commercial Buildings Energy Consumption Survey (CBECS) is under way and will supply the same kind of information for the commercial sector that RECS does now for the residential sector. That's no easy thing, given how many different kinds of commercial buildings there are. But given how

much the sector matters to the economy, how critical information on energy use is to purchase and lease decisions, as well as the need to understand the impact of commercial loads on electric peaks, it's deeply important to provide authoritative information to the public.

As detailed in the AEO we just released, the impact of fuel economy on gasoline demand is one of the drivers behind reducing U.S. oil imports and reducing greenhouse gas emissions. You'll hear much more about that during the final panel this afternoon.

I have barely scratched the surface of the issues before us. Renewable fuels will continue to play a growing role in electric power generation. Under the Renewable Fuel Standard, or RFS, we have reached the point where almost every gallon of gasoline is 10% biofuel. How additional volumes will be used as the volumetric requirement under the RFS increases - as E85 in flex fueled vehicles or maybe a 15% in regular gasoline vehicles - is an issue for EIA. New technologies will continue to change the energy world, whether through better batteries, efficiency improvements, or improving production technologies. This year's AEO addresses many of these and other issues in the side cases in the Issues in Focus section.

All these changes and challenges. How will EIA address them? Let me share with you my outlook for EIA.

EIA is indispensable

- It is the world's most important and authoritative source of information on energy
- It has an unrivaled reputation for fairness, even in this most political of cities
- While working at the National Security Council, I saw firsthand how EIA's analyses and clarity of presentation are recognized at the very highest levels of our government
- In fact, it's instructive to note that Congress directed that EIA be the agency that reports periodically on Iran's impact on world oil markets - we released our latest report yesterday

There are four basic principles that are guiding my efforts at EIA, I want to share them with you because I will need the support not only of the EIA staff but of our survey respondents and all of you outside experts who provide input and advice to EIA both informally, at events like this, and through our various working groups.

First, we need to be innovative and creative, to find new ways to get *better* information, *faster* and *cheaper*.

Better: EIA needs to be an agency that is always on the alert for ways to ensure our data collection and reporting keep up with the rapidly changing energy sector. We are never going to be "right" about forecasts but we need to be sure, to the best of our ability, what we are putting out is based on the best data and the best tools, AND that when there's an error we own up to it and correct it quickly.

Faster: The information world has speeded up. EIA has been and will continue to find ways to streamline our approaches so that we can get accurate data out to the public in time for people

to use the information well. With the internet, smart phones and the 24 hour news cycle, we need to speak more clearly to a world where the term real-time has become a way of life.

Cheaper: We all know about budget issues – and we also know that information technologies have become far more powerful and less expensive. When I was in the private sector, we were constantly upgrading and making system changes to serve our customers - when we got it right, we provided greater value and also lowered costs. Everyone faces the same challenge that’s also an opportunity: to use all the new power that’s available to us both to manage our costs and to give more value to our audiences.

Second, we need to promote best practices for data management. Organizations like EIA have a particularly challenging responsibility to maintain current systems while going through transitions. We need to find and adapt the best of what others are doing – that means other agencies ... as well as think-tanks, academics, industry, and NGOs that are doing energy research.

Third, we need to make EIA data, analysis and forecasting more readily available to stakeholders. EIA’s already moving in that direction with articles that are shorter, punchier and more market relevant. Let me cite just one example—Today In Energy. It’s a terrific innovation. It has been a daily must-read for me since its inception early last year. We also need to improve EIA’s dissemination platform by providing a more flexible foundation so that all of our customers can make full use of our data and information assets. In the information-rich world we live in, I would like to see EIA as the go to source for everything from current market information, to accurate historical time series data, to straightforward explanations of the things people hear about on the news every day.

Fourth, I want EIA to be recognized as the exciting place it is so we can attract more good people, young people just out of school certainly, but also more senior people with experience in different parts of the energy sector, so that we can be on the cutting edge of data analysis, providing insights to our entire customer base from policymakers and investors to homeowners and school kids.

In conclusion, I want to stress that one of the central goals in DOE’s strategic Plan is to **lead the national conversation on energy.** We can have the best data and analysis in the world, but if we at EIA are not communicating it effectively to different audiences, they aren’t getting full value of the work we are doing. And although EIA.gov is the most comprehensive energy education resource now available on the web, there’s still much more we can do to expand our reach through interactive tools such as dynamic mapping, animation, and data visualization.