

2020/21 Winter Propane Market Update



December 16, 2020 | Washington, DC

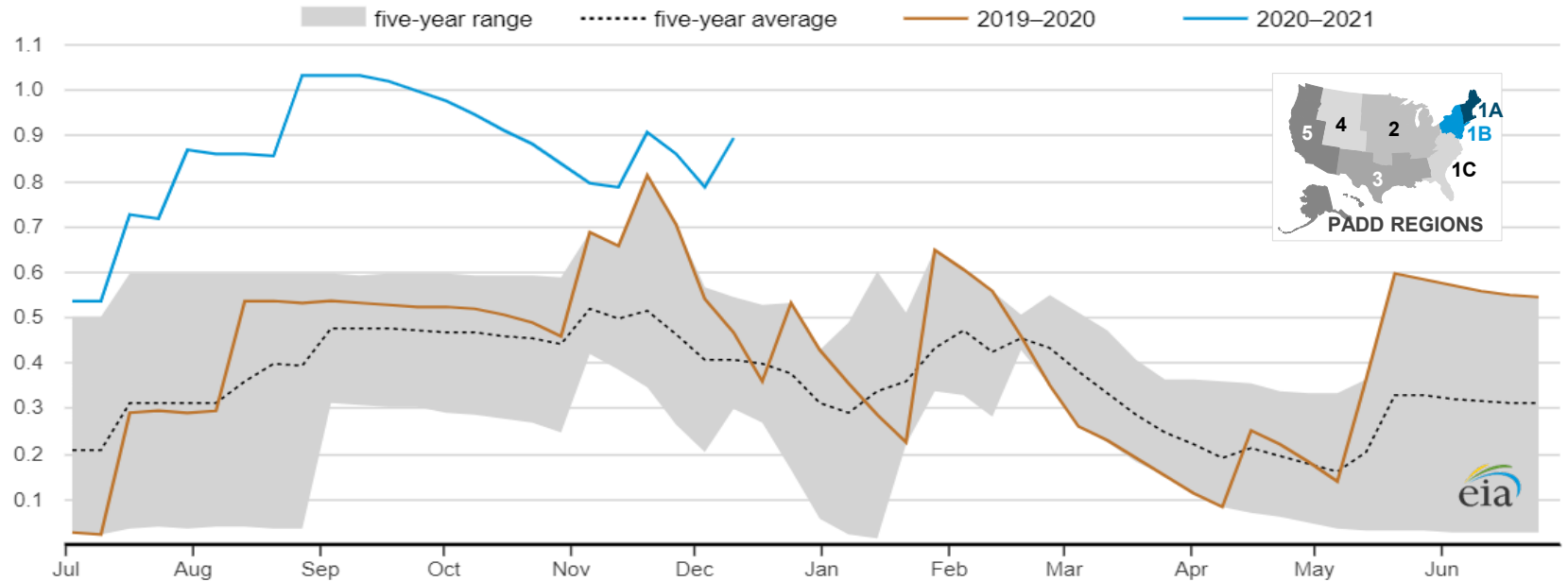
(Inventory data as of 12/11/20; residential heating fuel prices as of 12/14/20)

By

U.S. Energy Information Administration

PADD 1A (New England) propane inventories above the 5-year range

New England (PADD 1A) ending stocks of propane and propylene
million barrels

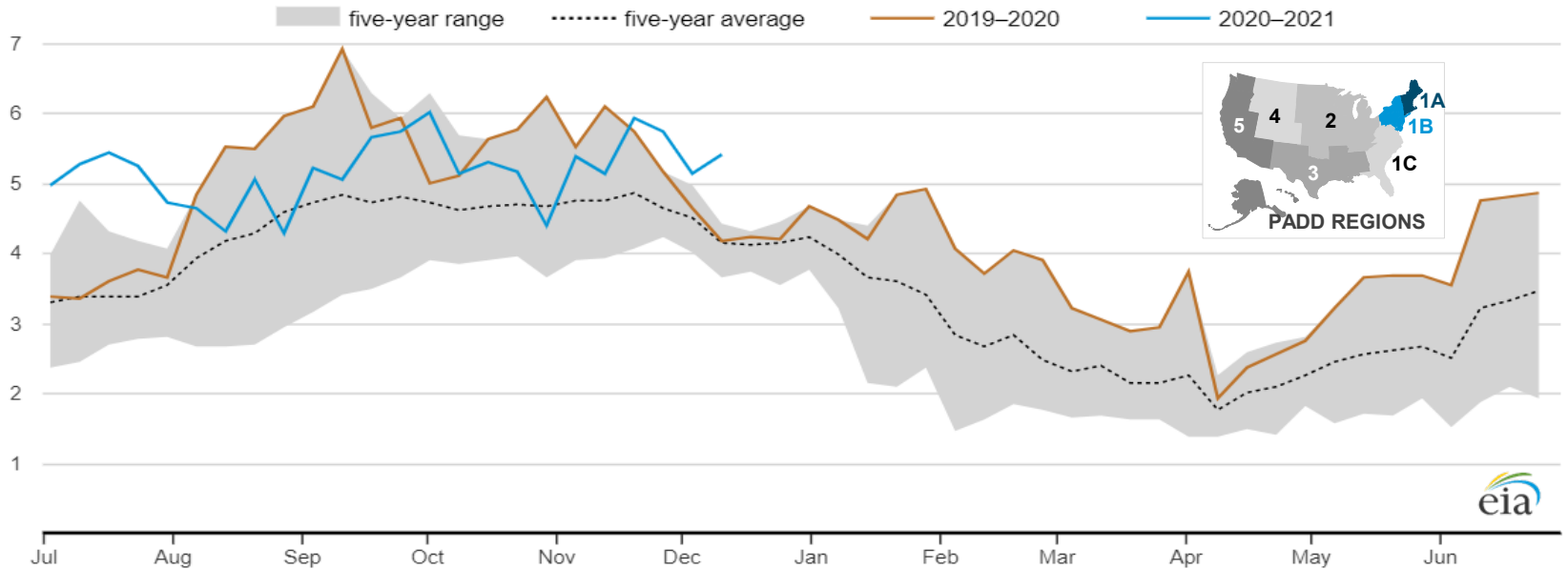


Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report* 12/16/2020

Note: PADD 1A is composed of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
data through December 11, 2020. Propylene at refineries only.

PADD 1B (Mid-Atlantic) propane inventories above the 5-year range

Central Atlantic (PADD 1B) ending stocks of propane and propylene
million barrels



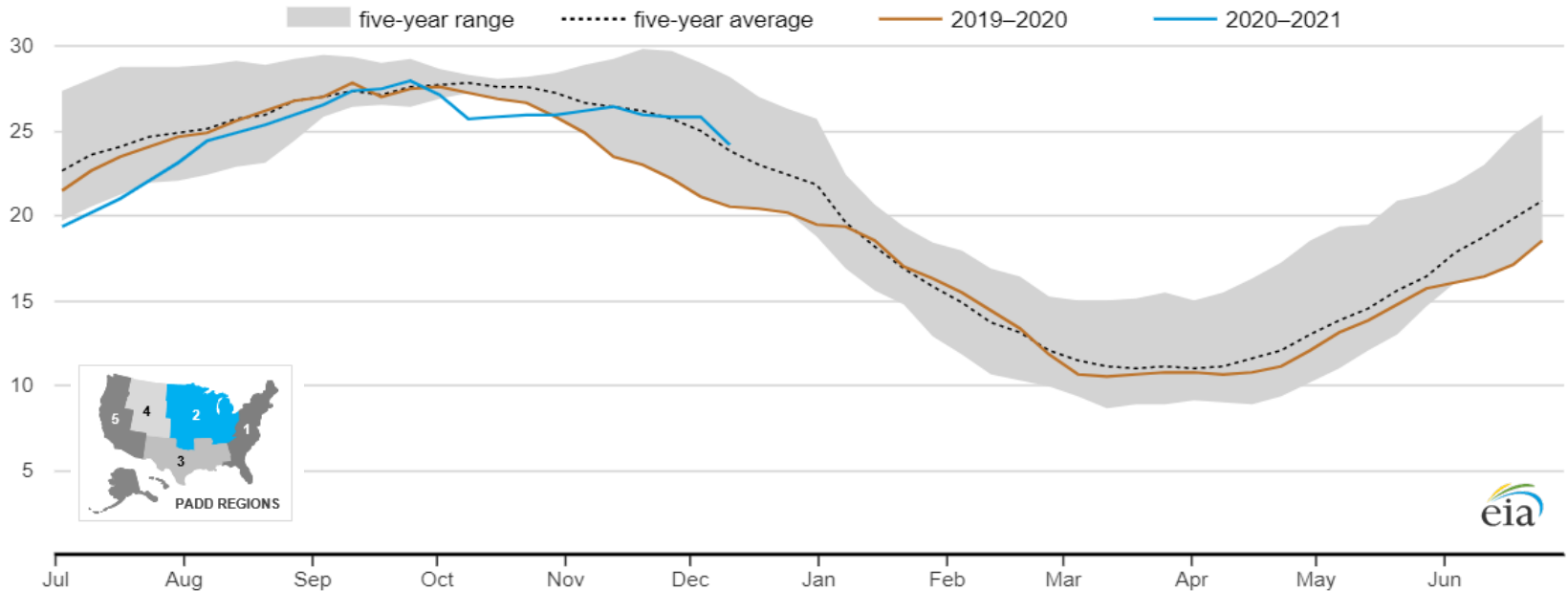
Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report* 12/16/2020

Note: PADD 1B is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

data through December 11, 2020. Propylene at refineries only.

PADD 2 (Midwest) propane inventories above the 5-year average

Midwest (PADD 2) ending stocks of propane and propylene
million barrels



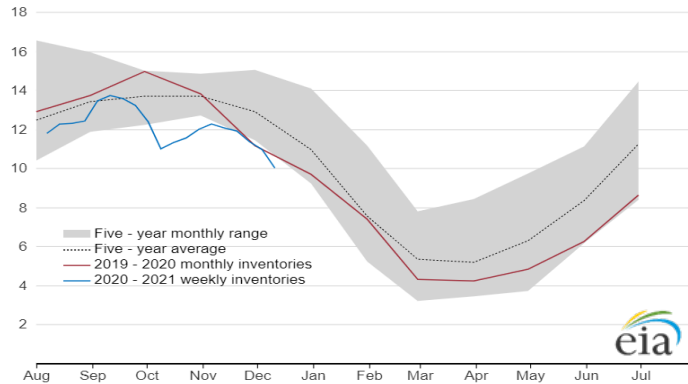
Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report* 12/16/2020

Note: PADD 2 is composed of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.

data through December 11, 2020. Propylene at refineries only.

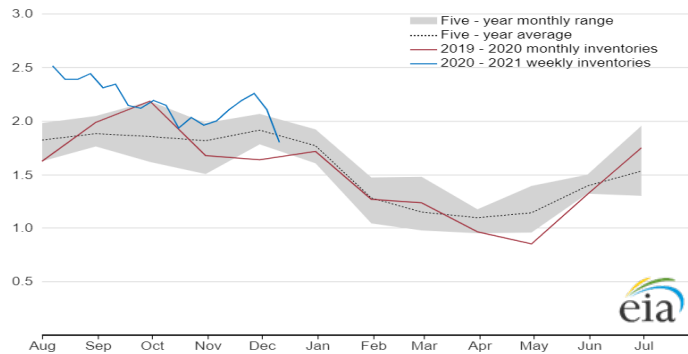
PADD 2 selected state propane* inventories

Kansas propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

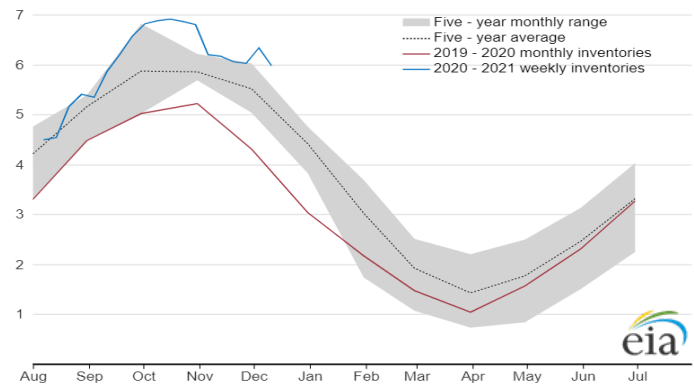
Illinois, Indiana, Ohio propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

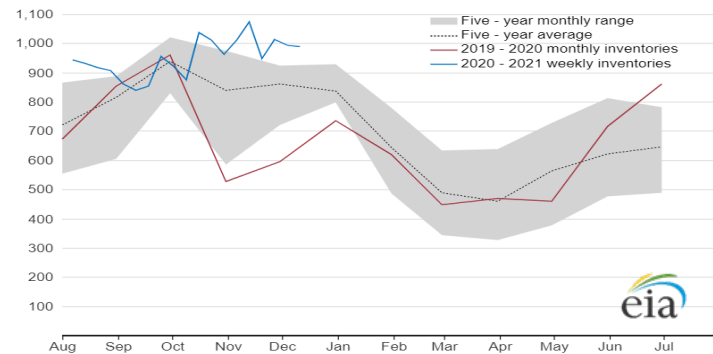
Note: data through December 11, 2020

Michigan propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

Iowa, Minnesota, Wisconsin propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
thousand barrels

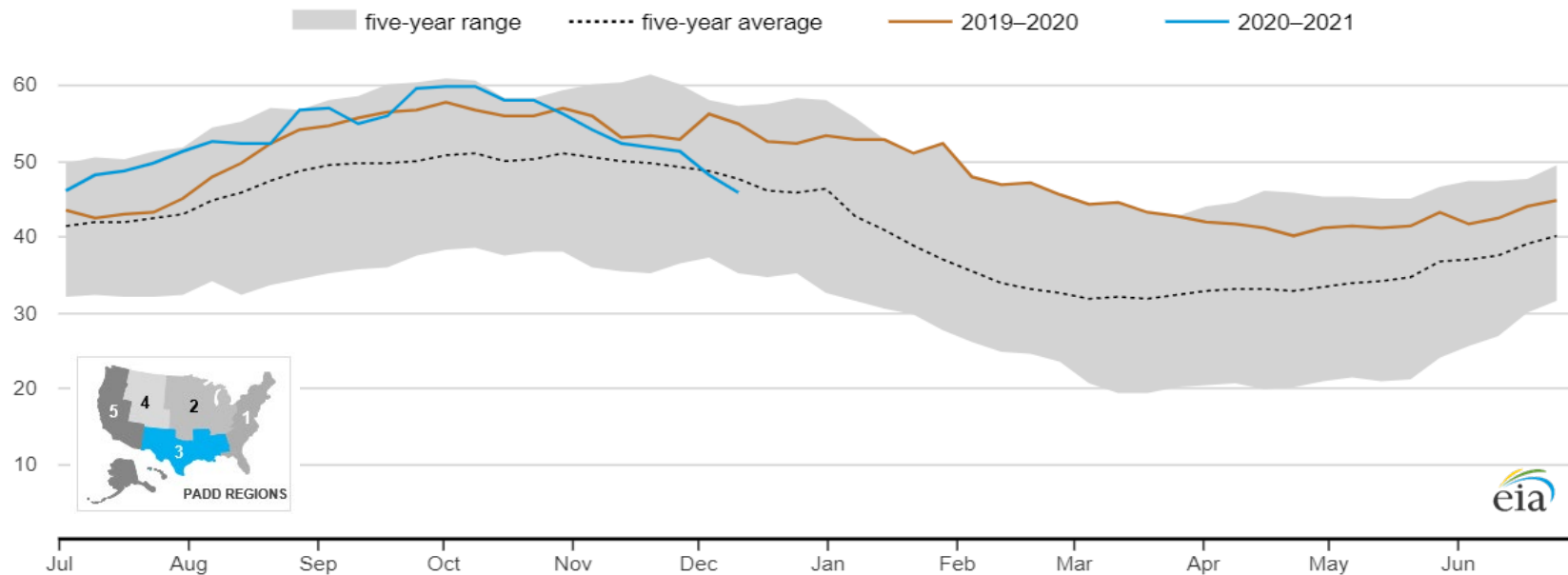


Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

*includes propylene stocks at refineries only

PADD 3 (Gulf Coast) propane inventories below the five-year average

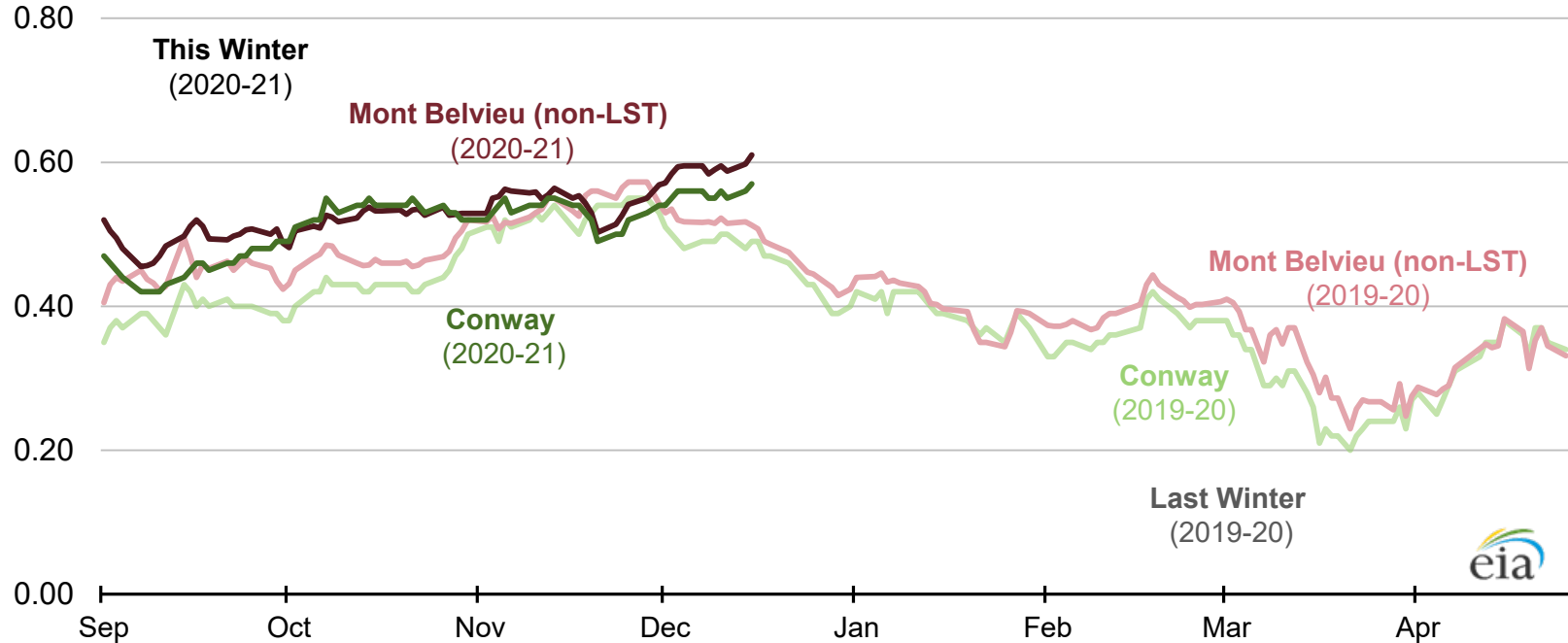
Gulf Coast (PADD 3) propane/propylene inventories
million barrels



Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report* 12/16/2020
Note: PADD 3 is composed of Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.
data through December 11, 2020. Propylene at refineries only.

Mt. Belvieu, TX prices at a growing premium to Conway, KS prices

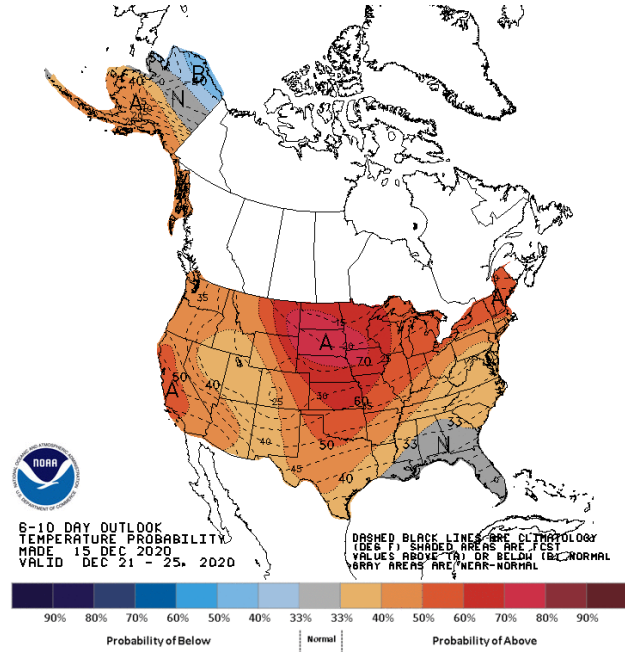
Propane spot prices (Conway, KS and Mont Belvieu, TX)
dollars per gallon



Source: EIA, Bloomberg, data through December 15, 2020

NOAA's projected temperatures:

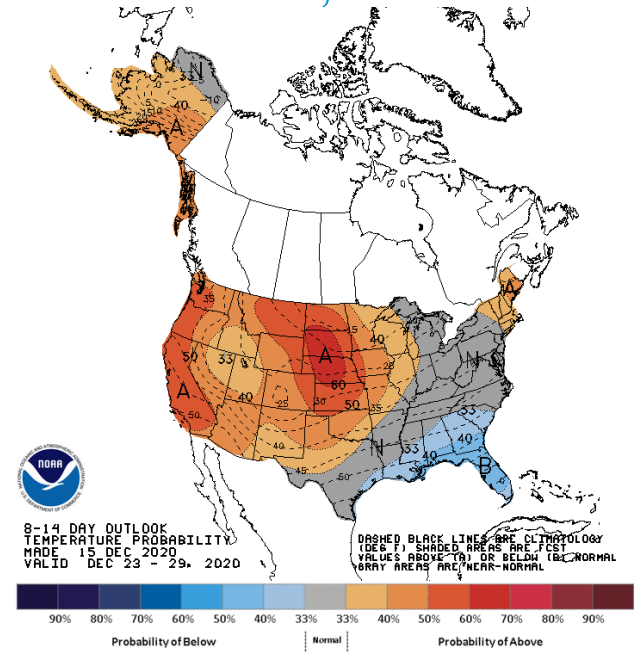
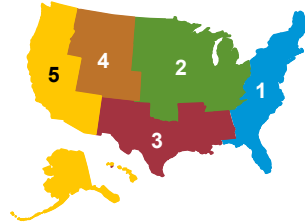
December 21 – Dec. 25, 2020, and December 23 – Dec. 29, 2020



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

Source: [NOAA](#), Dec. 15, 2020

Petroleum Administration for
Defense Districts (PADDs)

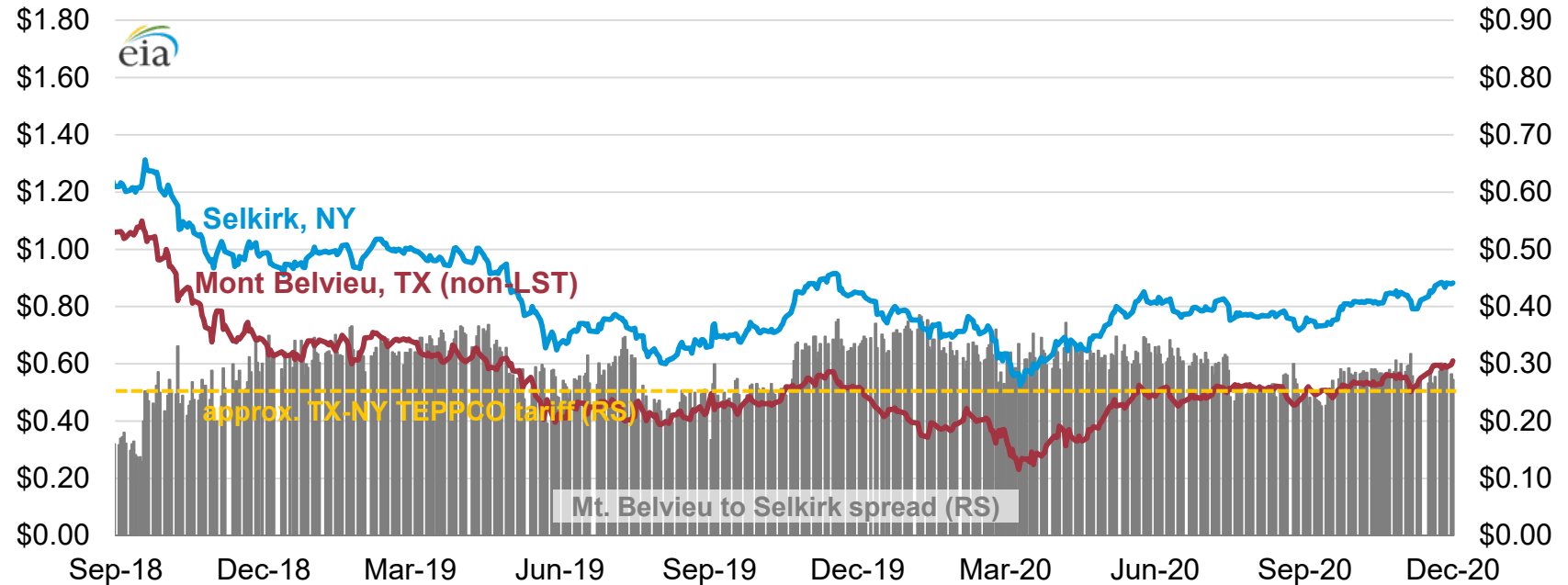


- NOAA forecasts above-normal temperatures for much of the Lower-48, with higher probability towards the upper-Plains. Later in the forecast, near-normal temperatures are expected in parts of the Great Lakes and the Mid-Atlantic, while the Gulf Coast could experience cooler-than-normal weather.
- Propane demand is expected to decrease relative to normal for this time of year in all PADDs. PADD 3 and sub-PADD 1C (Lower Atlantic) could see elevated propane demand later in the forecast as temperatures drop.

Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, remain sufficiently high to pull product from the Gulf Coast

propane spot prices
dollars per gallon

propane price spread
dollars per gallon

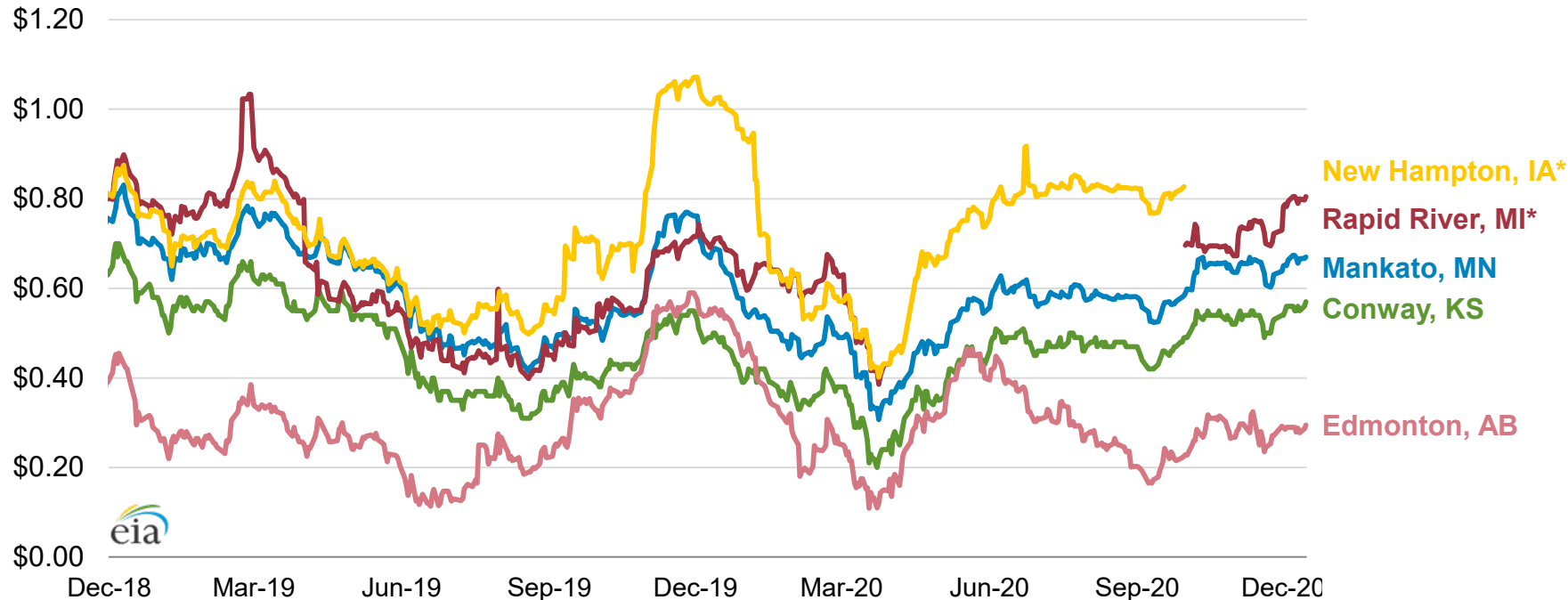


TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through December 15, 2020; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.54.0

Prices at major Midwest market centers, closely correlated with Conway, at steady premium to Edmonton hub propane spot prices

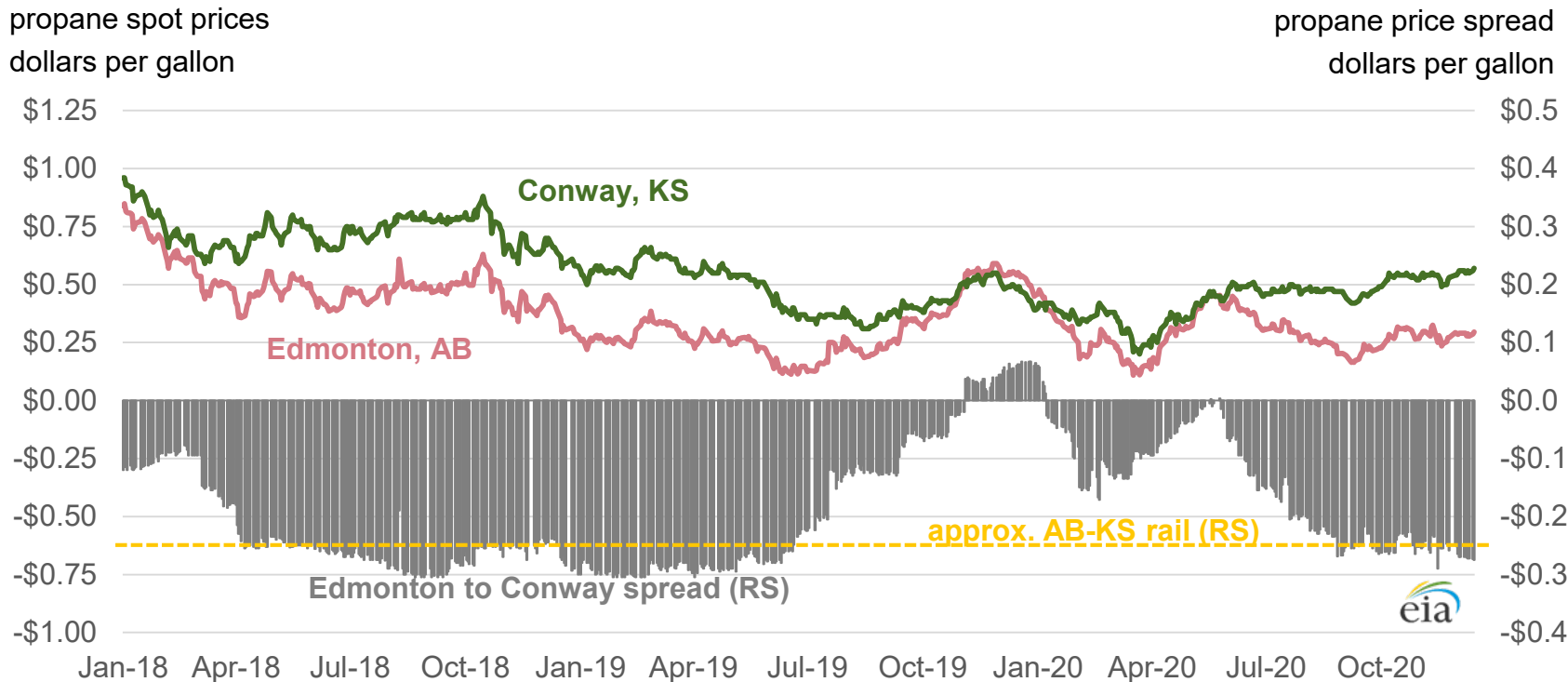
propane spot prices
dollars per gallon



Source: EIA, Bloomberg, data through December 15, 2020

*New Hampton, IA prices not available from October 1 onwards;
Rapid River, MI rack prices unavailable for Apr. 1 through Sep. 30, 2020

Discount for Edmonton propane relative to Conway, at over 25¢/gal, sufficient to cover rail shipments to the Midwest



Source: EIA, Bloomberg, data through December 15, 2020

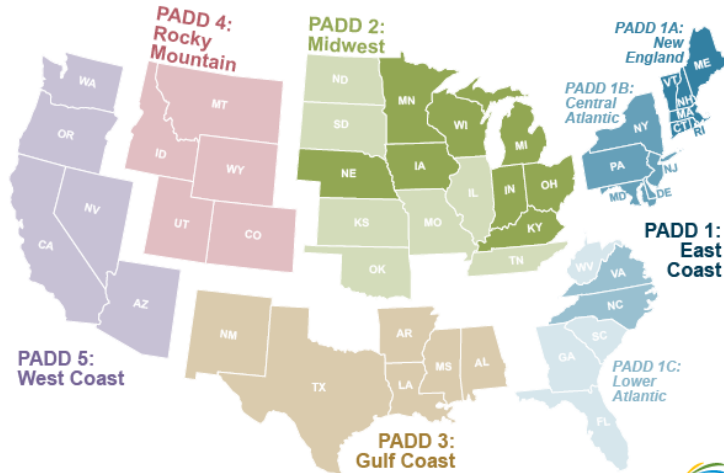
State Heating Oil and Propane Program (SHOPP) updates

- 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



HEATING OIL



PADD 1: East Coast

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

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

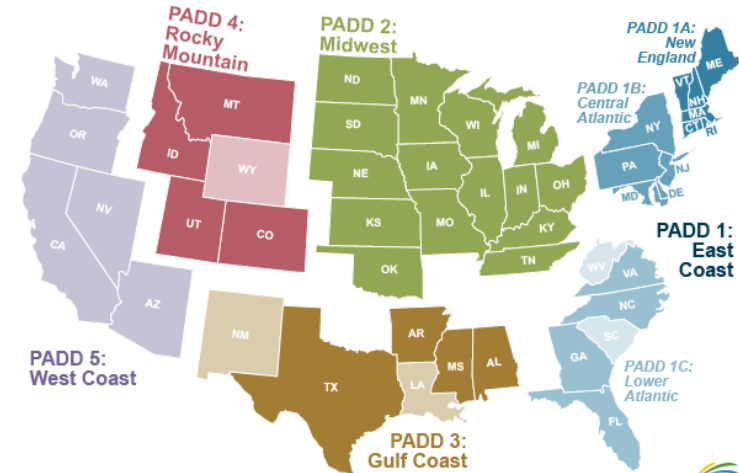
PADD 2: Midwest

Indiana Minnesota
Iowa Nebraska
Kentucky Ohio
Michigan Wisconsin

PADD 1C: Lower Atlantic
North Carolina Virginia

Petroleum Administration for Defense Districts

Winter Heating Fuels Survey — PADD 1, 2, 3, and 4 represented States



PROPANE



PADD 1: East Coast

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

PADD 1B: Central Atlantic
Delaware
Maryland
New Jersey
New York
Pennsylvania

PADD 1C: Lower Atlantic
Florida
Georgia
North Carolina
Virginia

PADD 2: Midwest

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

PADD 3: Gulf Coast

Alabama Mississippi
Arkansas Texas

PADD 4: Rocky Mountain

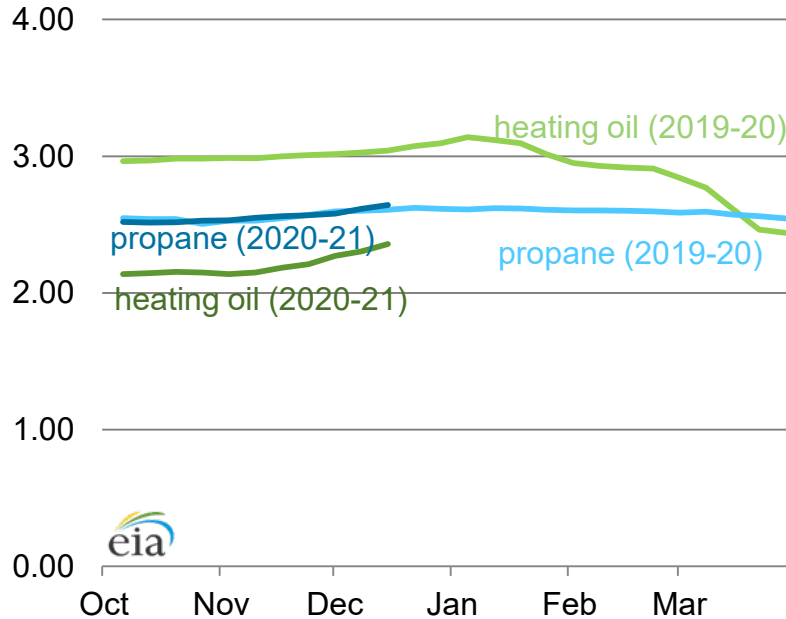
Colorado Montana
Idaho Utah

Source: EIA, [Heating Oil and Propane Update](#)

Retail propane prices this heating season at similar levels to prices the same week last year in PADD 1, with PADD 2 prices slightly below

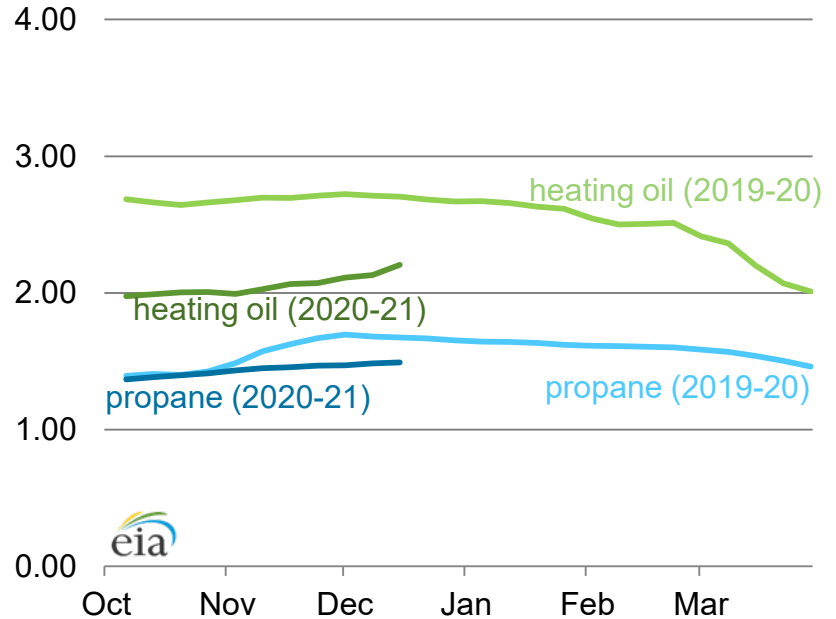
PADD 1

dollars per gallon



PADD 2

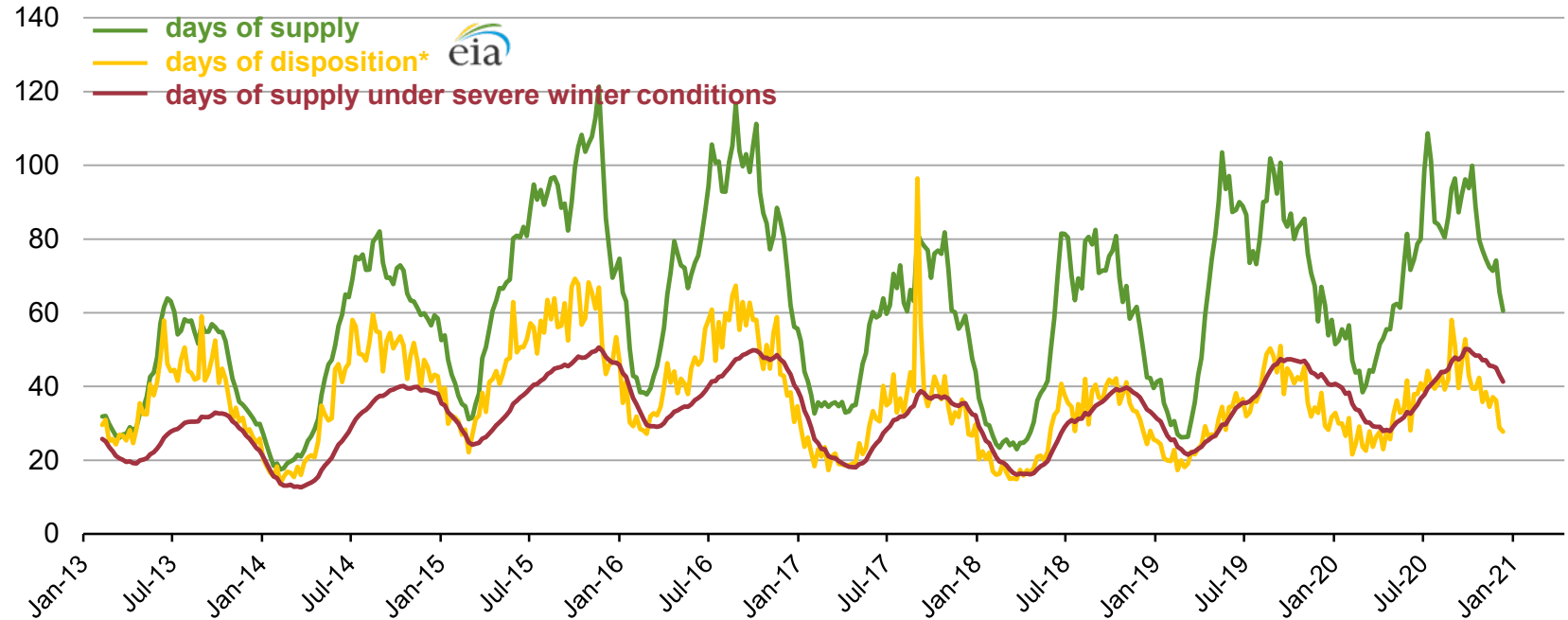
dollars per gallon



Source: State Heating Oil and Propane Program, data through December 14, 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 December 11, 2020

For more information, please see EIA's [webinar on Propane Market Indicators and Measures of Supply Adequacy](#)

For more information

U.S. Energy Information Administration home page | www.eia.gov

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_mbb1_m.htm

Today in Energy | www.eia.gov/todayinenergy

Short-Term Energy Outlook | www.eia.gov/steo

Energy Explained – Hydrocarbon Gas Liquids |

http://www.eia.gov/energyexplained/index.cfm?page=hgls_home

Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer