

## EIA-Short-Term Energy Outlook – Highlights

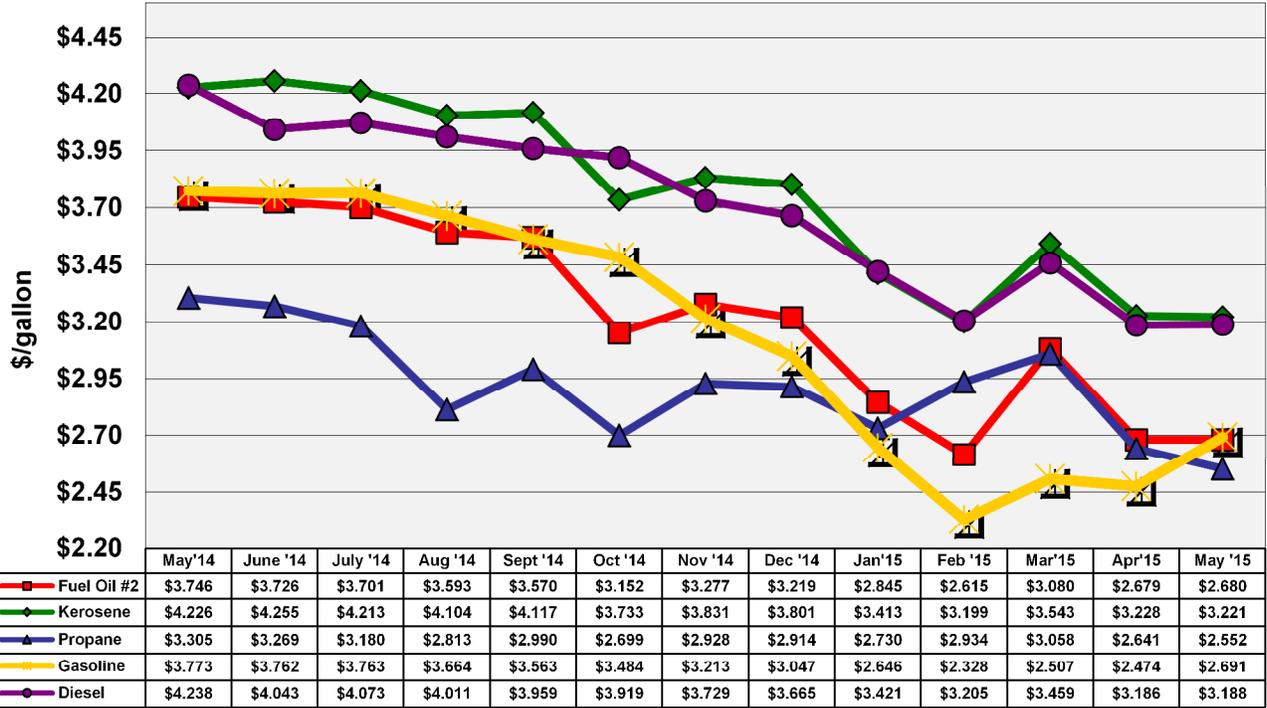
- North Sea Brent crude oil prices averaged \$60/barrel (b) in April, a \$4/b increase from March and the highest monthly average of 2015. Despite increasing global inventories, several factors contributed to higher prices in April, including indications of higher global oil demand growth, expectations for declining [U.S. tight oil production](#) in the coming months, and the growing risk of unplanned supply outages in the Middle East and North Africa.
- EIA forecasts that Brent crude oil prices will average \$61/b in 2015 and \$70/b in 2016, \$1/b higher and \$5/b lower than in last month's STEO, respectively. Average WTI prices in 2015 and 2016 are expected to be \$6/b and \$5/b below Brent, respectively. The current values of futures and options contracts for December 2015 delivery suggest ([Market Prices and Uncertainty Report](#)) the market's expectations (at the 95% confidence interval) for WTI prices in that month range from \$41/b to \$97/b.
- While U.S. monthly average regular gasoline retail prices in April were almost unchanged from March at \$2.47/gallon (gal), U.S. weekly regular gasoline retail prices reached an average of \$2.69/gal on May 11, reflecting rising crude oil prices and several outages at West Coast refineries. EIA expects U.S. regular gasoline retail prices, which averaged \$3.36/gal in 2014, to average \$2.43/gal in 2015 and \$2.63/gal in 2016. The average household is expected to spend \$675 less for gasoline in 2015 compared with last year because of lower prices.
- Total U.S. crude oil production averaged an estimated 9.3 million barrels per day (b/d) in March, but it is expected to decline from June through September before growth resumes. Given EIA's price forecast, projected total crude oil production averages 9.2 million b/d in both 2015 and 2016, 40,000 b/d (0.5%) and 100,000 b/d (1.1%) lower than in last month's STEO, respectively.
- Natural gas working inventories were [1,786 billion cubic feet \(Bcf\) on May 1](#), which was 71% higher than a year earlier, but 4% lower than the previous five-year (2010-14) average. The winter withdrawal season typically ends in March, and April is typically the beginning of the injection season, which runs through October. EIA projects natural gas inventories will end October 2015 at 3,890 Bcf, a net injection of 2,420 Bcf. This would be the second-highest injection season on record.
- Low natural gas prices in recent months have significantly increased the use of natural gas rather than coal for electricity generation. EIA expects natural gas generation in April and May will almost reach the level of coal generation, resulting in the closest convergence in generation shares between the two fuels since April 2012.

Editor's Note: Data presented in the Vermont Fuel Price Report as in the past, is collected on the first Monday of the month.

# VERMONT FUEL PRICE REPORT

MAY  
2015

## Vermont Fuel Prices -One-Year Trend



### Vermont Average Retail Petroleum Prices (per gallon)

	May '15	Apr'15	%change	May'14	%change
No. 2 Fuel Oil	\$2.680	\$2.679	0.01%	\$3.746	-28.46%
Kerosene	\$3.221	\$3.228	-0.20%	\$4.226	-23.78%
Propane	\$2.552	\$2.641	-3.39%	\$3.305	-22.80%
Reg. Unleaded Gasoline	\$2.691	\$2.474	8.77%	\$3.773	-28.68%
Diesel	\$3.188	\$3.186	0.07%	\$4.238	-24.78%

# VERMONT FUEL PRICE REPORT

MAY  
2015

Comparing the Cost of Heating Fuels						
Type of Energy	BTU/unit	Typ Effic	\$/unit	\$/MMBtu	High Efficiency	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$2.68	\$24.24	95%	\$20.41
Kerosene, gallon	136,600	80%	\$3.22	\$29.48		
Propane, gallon	91,600	80%	\$2.55	\$34.82	93%	\$29.95
Natural Gas, therm	100,000	80%	\$1.44	\$18.01	*	\$15.17
Electricity, kWh (resistive heat)	3,412	100%	\$0.15	\$43.46		
Electricity, kWh (cold climate heat pump)	3,412		\$0.15		240%	\$18.32
Wood, cord (green)	22,000,000	60%	\$ 227.14	\$17.21	*	
Pellets, ton	16,400,000	80%	\$294.00	\$22.41	*	

\* The natural gas price is based on the rate effective 2/5/15. \*Wood green and Pellets updated 9/19/14.

The *Comparing the Cost of Heating Fuels* table includes two additional columns “High Efficiency” and \$/MMBTU HF. The new furnaces which are manufactured to meet higher efficiency standards can result in savings on energy for the customer. If you are in need of or thinking of replacing your current system contact your dealer for information on high efficiency systems.

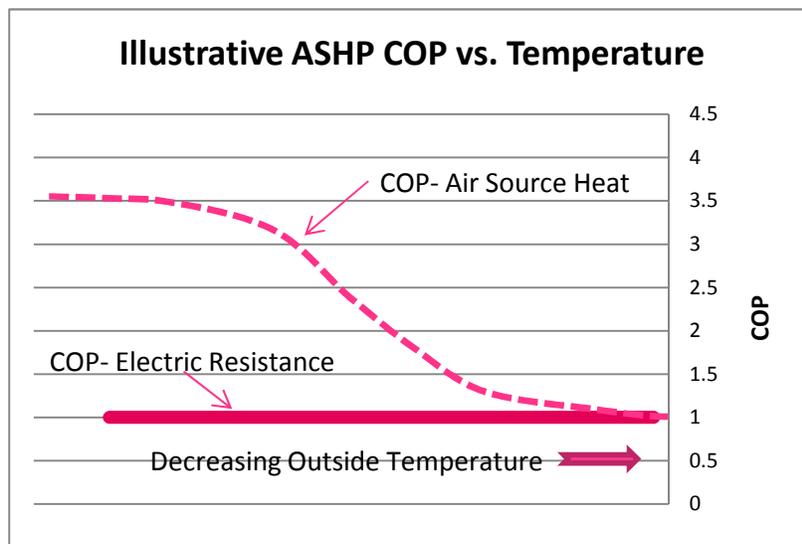
Since the Fuel Price Report’s *Comparing the Cost of Heating Fuels* section began including information on heat pumps, the Department has received a number of comments and suggestions concerning the value of the Coefficient of Performance (COP) for air source heat pumps (ASHP). A COP over 1 means that occupants of a home receive more heat than is contained in the electricity delivered to run the ASHP.

$$\text{Heat Pump Efficiency} = \frac{\text{Quantity of heating or cooling delivered}}{\text{Electricity required by the heat pump}}$$

Historically, the use of heat pumps has been concentrated in areas with temperate climates which rarely see temperatures much below freezing. This is because the performance of these systems tended to decline significantly at temperatures below freezing. These systems’ COPs remain high as temperature varies through cool, but not cold, weather. As ambient temperatures begin declining from the optimal operation range the operational efficiency begins to decline as well. At some point, depending on the refrigerant and configuration of the heat pump, the COP = 1 which is the same as for electric resistance heating. At that level the heat pump alone cannot supply enough heat to maintain a comfortable interior temperature and requires that a supplemental source of heat be available.

In recent years manufacturers have developed air source “cold climate” heat pumps which have improved performance over a larger temperature range, due in part to the introduction of new refrigerants and more advanced compressors. These ASHPs have the potential to displace other heating sources down to zero F or below, resulting in displacement of a significant fraction of Vermont winter heating. Here in Vermont several programs are currently in the process of collecting actual operational data from ASHPs; their goal is to determine real world annual COP under Vermont’s annual temperature range of over 120 degrees. The average yearly heating COP is expected to lie somewhere at a value between 1 and 3 with 2.4 being a reasoned guesstimate based on average winter temperatures and product specifications. As information becomes available we will update the table accordingly.

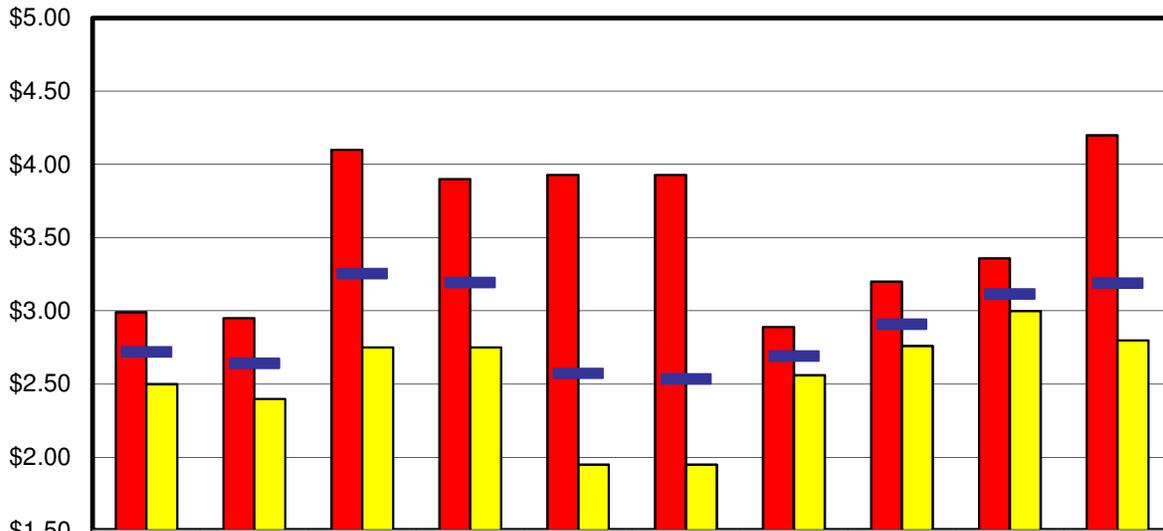
The figure below is for illustrative purposes only and does not represent actual operational data.



# VERMONT FUEL PRICE REPORT

MAY  
2015

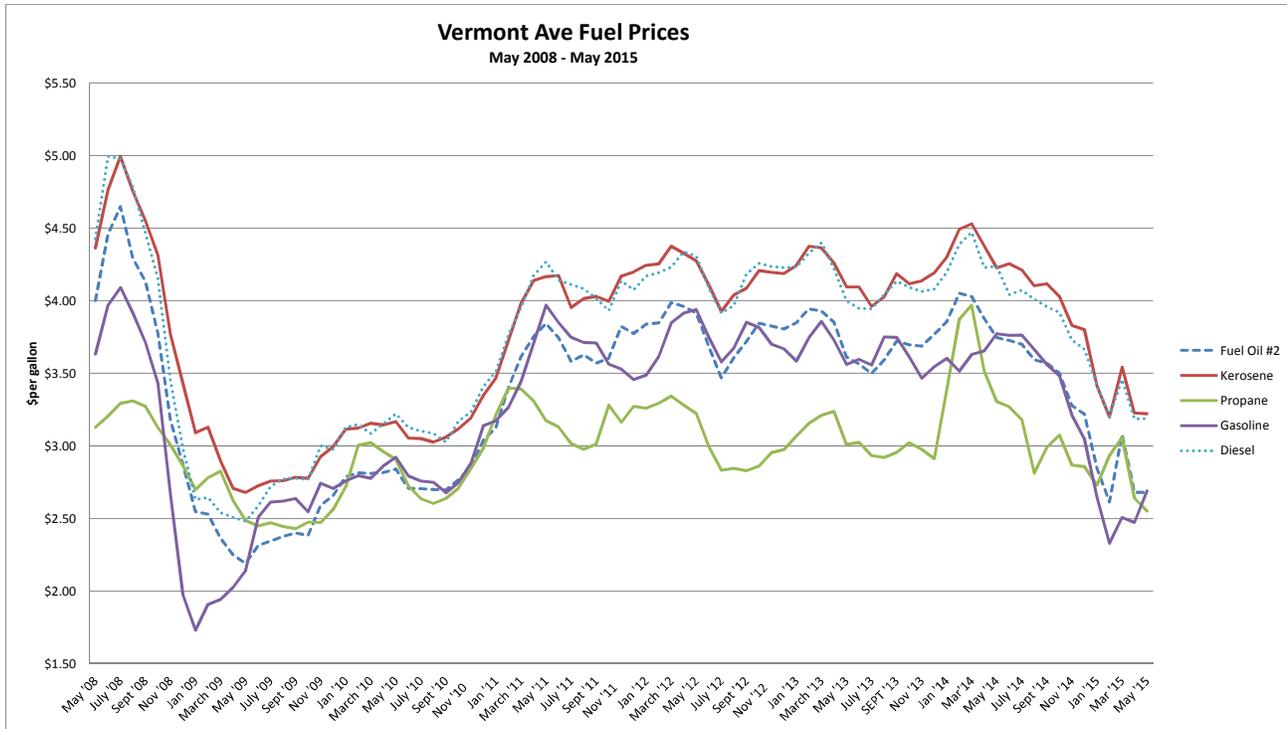
Fuel Price Ranges in Vermont



	Oil-Credit	Oil-Cash	Kero-Credit	Kero-Cash	Pro-Credit	Pro-Cash	Regular Gasoline	Mid Grade Gasoline	Super Gasoline	Diesel
Maximum	\$2.99	\$2.95	\$4.10	\$3.90	\$3.93	\$3.93	\$2.89	\$3.20	\$3.36	\$4.20
Minimum	\$2.50	\$2.40	\$2.75	\$2.75	\$1.95	\$1.95	\$2.56	\$2.76	\$3.00	\$2.80
Average	\$2.72	\$2.64	\$3.25	\$3.19	\$2.57	\$2.53	\$2.69	\$2.91	\$3.11	\$3.19

Fuel Price Ranges in Vermont

	<u>Oil-Credit</u>	<u>Oil-Cash</u>	<u>Kero-Credit</u>	<u>Kero-Cash</u>	<u>Pro-Credit</u>	<u>Pro-Cash</u>	<u>Regular Gasoline</u>	<u>Mid Grade Gasoline</u>	<u>Super Gasoline</u>	<u>Diesel</u>
<b>Stan.Dev \$</b>	\$0.13	\$0.11	\$0.27	\$0.25	\$0.44	\$0.49	\$0.26	\$0.94	\$0.24	\$0.42
<b>Stan.Dev%</b>	4.87%	4.20%	8.30%	7.89%	17.10%	19.53%	2.05%	5.88%	1.93%	2.22%



## Vermont Historical Weather and Degree Day Data

CDD's are used during summer months to compare the current day's average temperature against the 65°F standard to determine the energy demands of cooling your home through air conditioning or fans. For example, if the current day's high is 85°F and the low is 65°F, the day's average temperature will be 75°F. Since 75°F-65°F is 10°F, this day would have 10 cooling degree days. Adding the degree days together for the whole month provides a way to compare previous months or years.

HDD's are used the same way during winter months to determine the energy demands of heating your home. The 65°F standard still is used; however, the day's average temperature is subtracted instead of added to the standard. For example, if the current day's high is 30°F and the low is 10°F, the day's average temperature will be 20°F. Since 65°F-20°F is 45°F, this day would have 45 heating degree days.

Just like cooling degree days, heating degree days may be added together for the entire month to compare to previous months or years.<sup>1</sup>

<sup>1</sup> <http://www.consumersenergy.com/content.aspx?id=4582>

# VERMONT FUEL PRICE REPORT

MAY  
2015

The primary online source for historical weather and degree day data is available from the NOAA - National Climatic Data Center (NCDC) web site at:

<http://www7.ncdc.noaa.gov/CDO/CDODivisionalSelect.jsp#>

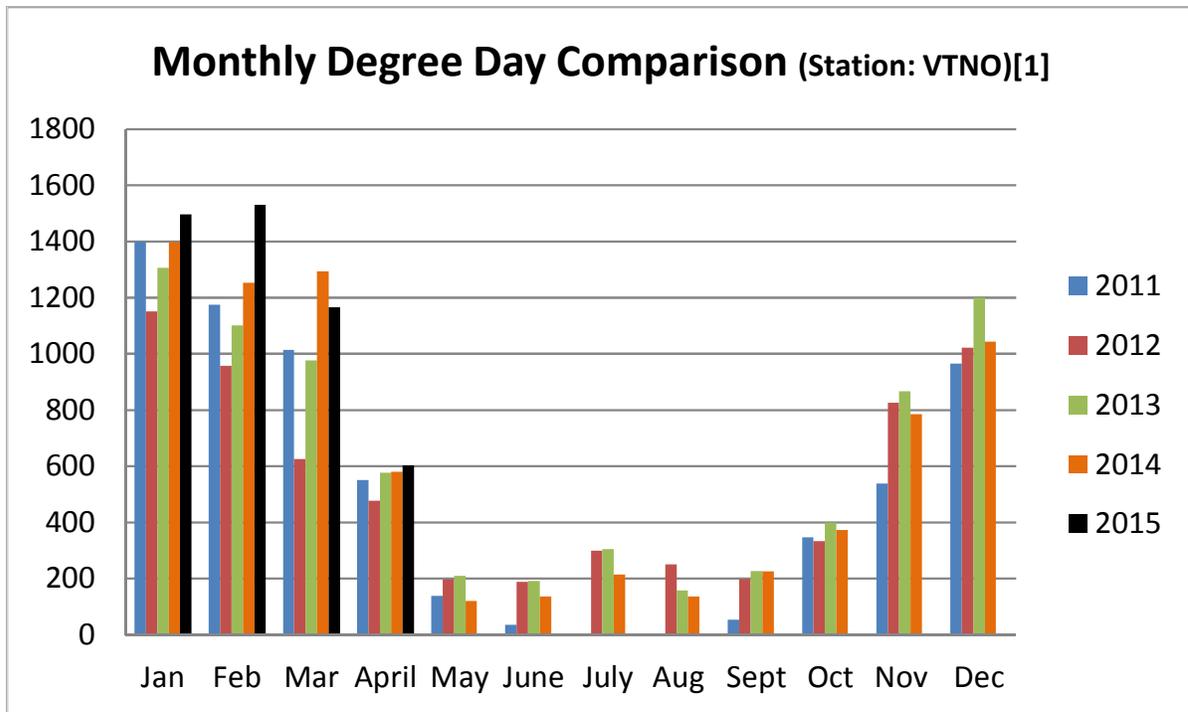
NCDC maintains the world's largest climate data archive and provides climatological services. Records in the archive range from paleoclimatic data to centuries-old journals to data less than an hour old.

Another source is the Weather Data Depot web site. The data collection is not as extensive as the NOAA collection only covering the years from 1993 forward. But the site is more user friendly.

[http://www.weatherdatadepot.com/?pi\\_ad\\_id=8426228665&gclid=CIaZvMf8krQCFQqk4AodFRYArQ](http://www.weatherdatadepot.com/?pi_ad_id=8426228665&gclid=CIaZvMf8krQCFQqk4AodFRYArQ)

A negative percentage means the Comparison Year was milder than the Base Year. A positive percentage means the Comparison Year was more severe than the Base Year. When the monthly degree days in either the base year or the comparison year are less than 30, a percentage comparison is not calculated. However, the Annual Total comparison percentages include all heating and cooling degree days.

Monthly Degree Day Comparison (Station: VTNO)									
Month	Base Year (2014)			Comparison Year (2015)			Comparison Percentages		
	HDD	CDD	TDD	HDD	CDD	TDD	HDD	CDD	TDD
January	1398	0	1398	1496	0	1496	7%		7%
February	1253	0	1253	1530	0	1530	22%		22%
March	1294	0	1294	1166	0	1166	-9%		-9%
April	580	0	580	603	0	603	3%		3%
May	197	23	220			0			
June	28	109	137			0			
July	1	212	213			0			
August	8	128	136			0			
September	163	62	225			0			
October	357	16	373			0			
November	786	0	786			0			
December	1044	0	1044						
Through April	4525	0	4525	4795	0	4795	6%		6%
Annual Total	7109	550	7659						



*Disclaimer: "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."*

*NOTE: The Vermont Fuel Price Report is published monthly by the Vermont Department of Public Service. Prices are collected on or about the first Monday of each month and reflect dealer discounts for cash or self-service, except propane prices, which are an average of the credit and discount price. Propane prices are based on 1,000 + gallons. For more information please contact Mike Kundrath at (802) 828-4081 or by email at [michael.kundrath@state.vt.us](mailto:michael.kundrath@state.vt.us).*