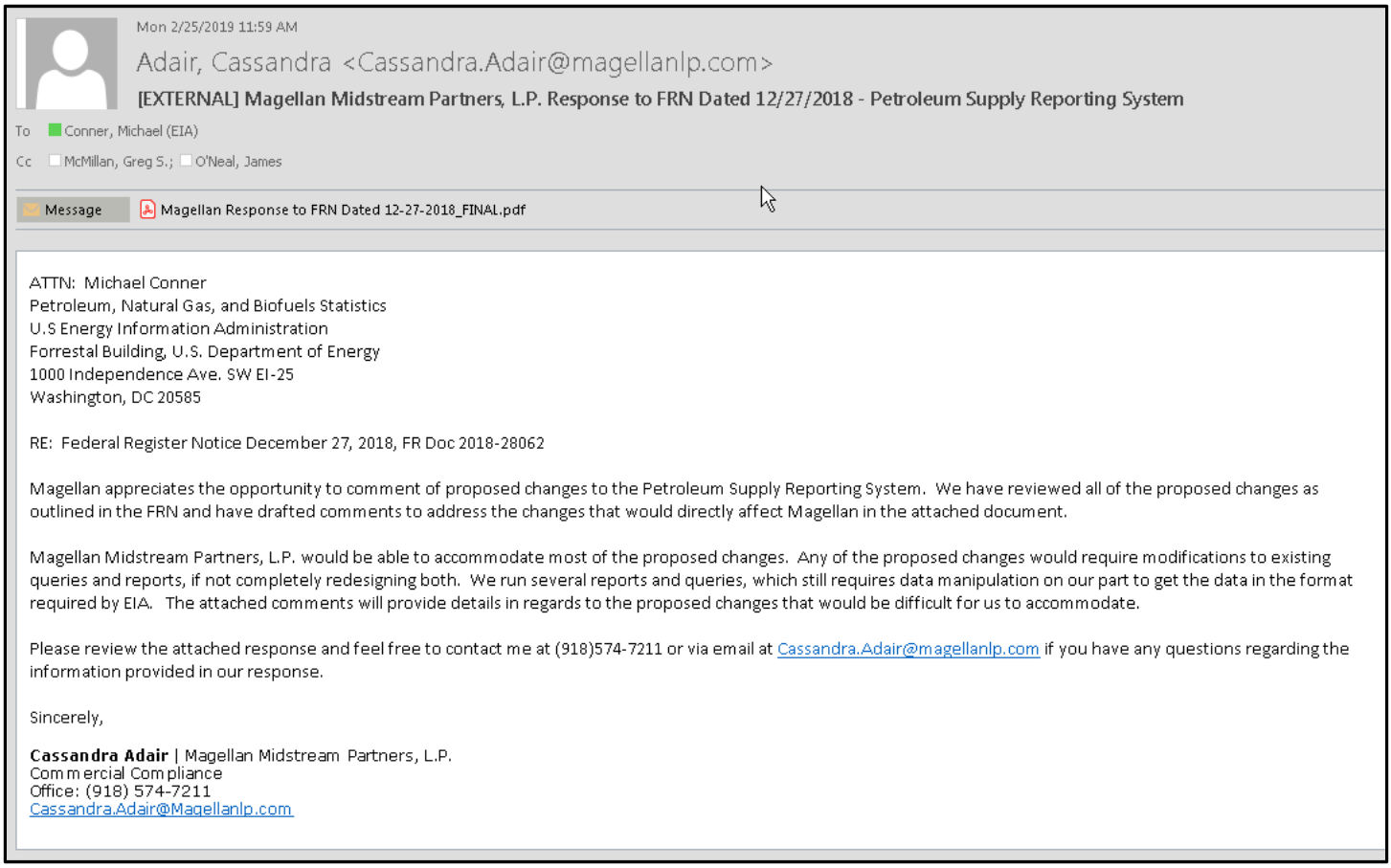
Survey Clearance for Petroleum Supply Forms

Comments Received in Response to the 60-day Federal Register Notice

Table of Contents

COMMENT 1

February 25, 2019: Cassandra Adair of Magellan Midstream Partners sent us comments regarding our proposed form changes.



Mon 2/25/2019 11:59 AM

Adair, Cassandra <Cassandra.Adair@magellanlp.com>

[EXTERNAL] Magellan Midstream Partners, L.P. Response to FRN Dated 12/27/2018 - Petroleum Supply Reporting System

To Conner, Michael (EIA)

Cc McMillan, Greg S.; O'Neal, James

Message | Magellan Response to FRN Dated 12-27-2018_FINAL.pdf

ATTN: Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S Energy Information Administration
Forrestal Building, U.S. Department of Energy
1000 Independence Ave. SW EI-25
Washington, DC 20585

RE: Federal Register Notice December 27, 2018, FR Doc 2018-28062

Magellan appreciates the opportunity to comment of proposed changes to the Petroleum Supply Reporting System. We have reviewed all of the proposed changes as outlined in the FRN and have drafted comments to address the changes that would directly affect Magellan in the attached document.

Magellan Midstream Partners, L.P. would be able to accommodate most of the proposed changes. Any of the proposed changes would require modifications to existing queries and reports, if not completely redesigning both. We run several reports and queries, which still requires data manipulation on our part to get the data in the format required by EIA. The attached comments will provide details in regards to the proposed changes that would be difficult for us to accommodate.

Please review the attached response and feel free to contact me at (918)574-7211 or via email at Cassandra.Adair@magellanlp.com if you have any questions regarding the information provided in our response.

Sincerely,

Cassandra Adair | Magellan Midstream Partners, L.P.
Commercial Compliance
Office: (918) 574-7211
Cassandra.Adair@Magellanlp.com

ATTACHMENT TO COMMENT 1 (page 1 of 3)

MAGELLAN
MIDSTREAM PARTNERS, L.P.
PO Box 22186
Tulsa, OK 74121-2186

February 25, 2019

ATTN: Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U. S. Energy Information Administration
Forrestal Building, U. S. Department of Energy
1000 Independence Ave. SW EI-25
Washington, DC 20585

RE: Federal Register Notice December 27, 2018, FR Doc 2018-28062
Request for Comments for proposed changes to Petroleum Supply Reporting System

Dear Mr. Conner:

Magellan appreciates the opportunity to comment on the proposed changes to the Petroleum Supply Reporting System. As the owner and operator of the nation's longest refined products pipeline system, we recognize the importance of the program and we invest considerable time and effort into collecting, analyzing, and reporting data to the U. S. Energy Information Administration.

We have reviewed in detail all of the proposed changes outlined in the subject Federal Register Notification (FRN) and we have drafted comments to address the changes that would impact our reporting. In the following pages we have provided discussion of each of the issues with feedback pertaining to what would be required of us in order to satisfy the proposed reporting changes. Magellan currently submits 67 weekly reports and 90 monthly reports across different surveys.

A majority of the proposed changes would require modifications to existing queries if not require total re-designs of the reports used to manipulate the data into the new format. Additionally, since reporting is a very manual process for Magellan, the time it would take to process and enter all the new data would significantly increase the time it takes us to do both the weekly and monthly reporting as the data is manually entered, thus increasing the opportunity for typographical errors. In summary, Magellan would be able to accommodate the majority of the proposed reporting changes, however some of the proposed changes would require speculation or cause an undue burden on Magellan to provide.

The Proposed Changes that would be more problematic for Magellan to provide are listed below:

Form EIA 802/803/805/810/812/813/815 - Reporting of stocks in transit
The instructions state that we are to report all ending stocks in the **custody** of the terminal regardless of ownership. Further, reported stock quantities are defined to represent actual measured inventories at the terminal, **plus any domestic stocks in transit to the terminal** (i.e. stocks in transit via rail, truck or barge should be reported). There are some inherent difficulties in trying to get in-transit data from terminal locations like Magellan. We are concerned that speculating volumes in transit to terminals would be inaccurate and/or unreliable. Therefore, we do not support the concept of reporting for volumes that are not in our custody. Such shipments have not been metered to verify the product and/or the volumes being delivered.

In regards to in-transit product by truck, there are many hurdles that must be cleared in order to be able to load or off-load at a terminal. Until a driver scans his ID card, we have no way of knowing which product(s) and volumes are being transported, and whether the intent is to load or off-load. In other words, being in transit or showing up at the terminal does not automatically enable a driver to be able to load/offload product. We do not receive advanced notice from a truck or inventory owner that a truck is on the way and how much or which product it is planning to load/offload. However, once offloaded we can accurately report what has gone through our meter and is in the current inventory.

In the case of water vessels, the amount of notification given to the terminal in advance of a barge or ship arriving to load or offload product varies. In some locations, like one of Magellan's gulf coast marine facilities, the contract states that the vessel must provide 36 hours' notice (tender) in order to be scheduled at the dock. In reality, most barges provide 24-hour notice. Ships typically meet the 36-hour requirement and they have priority scheduling over a barge. As with trucking shipments, we are not provided advance notice when a ship is leaving port and headed to a Magellan terminal as this can change during transit based on market conditions and commercial opportunities. Additionally, as with trucking shipments, we can accurately report current inventory only after the vessel has offloaded. Reporting product in transit would put Magellan in a speculative position. Our concern here is that this will cause undue burden in data gathering and analysis and ultimately lead to increased discrepancies in the data accuracy. The resulting follow-up inquiries from EIA will increase the administrative burden associated with validating speculative information without providing any increase in the value or reliability of the market information.

For instance, if a facility knows of 5 barges transporting a total of 500K barrels or product that is due after 23:59:59 on the last day of the week or month, we would receive those shipments as part of the receipts for the next week or month. Product is booked once it goes through the meters. For measurement purposes, the meters operate on a strict 24-hour clock. Any product received after midnight on any day, would show up as a delivery for the next day. We understand the intent is to capture in transit product volumes, but without ownership or custody of the inventory, terminal operators would have to forecast their weekly and/or monthly deliveries which would not be sufficiently accurate. As with rail and trucks, the total volume of in transit product should come from the shipping companies.

As a respondent, we already receive concerns from EIA about inventory builds and decreases based off EIA's forecast. This would only increase the likelihood of having to explain inventory builds/decreases, especially in the case where a ship/barge decided to dock elsewhere.

Any product in transit should not be included as the current weeks or months available inventory as it is not actually part of the available supply base as of the day it tenders its request to dock. These products would not be available in the supply base until after they have been offloaded from a vessel, at which point they are considered an actual receipt for the next week.

If the goal is to consider in-transit stocks as part of the current week's available stocks, EIA should capture all in transit stocks by going to the shipping companies, rail companies, trucking companies and/or inventory owners. These entities have all the in transit data, whereas the terminals have very limited information. Once in-transit stocks are delivered and in our custody, it becomes a receipt for the week in which it is delivered, not the previous week. It is the week in which it is actually delivered and in our custody at which point it is actually available for market in the supply chain.

In addition to extra work being required of the terminals and of Commercial Compliance, we would need to get work approved and sufficient lead time to schedule IT resources to accommodate the changes. We also have current automation projects that would have to be reconfigured to meet the new obligations. This would be easier to accommodate if EIA was going to provide some interface by which we could automatically upload data instead of having to complete individual forms. In 2014, we tested an XML

process whereby the forms could be uploaded automatically. The test was successful with API, but not with EIA. Enabling respondents to have some option for uploading files automatically would greatly enhance the entire process.

Lastly, for any in transit information we could provide, this would require local Traffic and Inventory staffs to go back to the previous week or month and confirm whether or not a shipment was received since only forecasted in-transit information could be provided at time of reporting. This is an undue burden on staff, especially for product that is not in our custody.

In the case of rail cars, we have very few locations receiving product by rail. However, we would run into similar difficulties as with the other types of transit.

Form EIA 802/803/805/810/812/813/815
As we have a centralized EIA Reporting function, changing the unit of measurement from thousand barrels to barrels-will drastically slow down our cycle time on producing a single Report. Magellan submits 67 weekly reports and 90 monthly reports to the EIA. We manually enter the data, and since there is no additional time allowed for reporting at the same time as additional detail is being required, it would be an additional burden for us to meet the 4:00 EST weekly reporting deadline. This would also require updates and/or changes to the numerous queries and reports that we run to gather and format the data in required for the report.

Form EIA 803/813 – Crude Report
In part 3 of the 802 report, EIA proposed the reporting of crude oil stored in Cushing as deliverable under the NYMEX contract or not deliverable under NYMEX. As a terminal operator, we are not a delivery point as defined by the NYMEX contract. As such, we do not track whether or not the product meets the NYMEX Specifications. That is determined at the Delivery Point. Magellan only tracks whether or not the product meets the specifications as identified in the Tariff. At the most, we would be able to report all inventory of the WTI and/or DSW products as deliverable and all the other products as not deliverable.

Please feel free to contact me at 918-574-7309 if you have any questions.

Sincerely,

Greg McMillan
Supervisor Commercial Compliance
Magellan Midstream Partners, L.P.
One Williams Center, MD 32
Tulsa, OK 74172

cc: Alex H. Gilden
American Petroleum Institute
1220 L. Street, NW
Washington, DC 20005

EIA RESPONSE TO COMMENT 1 (page 1 of 2)

June 14, 2019: EIA emailed Ms. Adair the following response:

Fri 6/14/2019 1:06 PM

PetroleumSupplyForms

RE: Magellan Midstream Partners, L.P. Response to FRN Dated 12/27/2018 - Petroleum Supply Reporting System

To Adair, Cassandra

Cc Greg.McMillan@magellanlp.com; James.O'Neal@magellanlp.com; PetroleumSupplyForms

Hello Cassandra,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Form EIA 802/803/805/810/812/813/815 - Reporting of stocks in transit:
The instructions state that we are to report all ending stocks in the custody of the terminal regardless of ownership. Further, reported stock quantities are defined to represent actual measured inventories at the terminal, plus any domestic stocks in transit to the terminal (i.e. stocks in transit via rail, truck or barge should be reported). There are some inherent difficulties in trying to get in-transit data from terminal locations like Magellan. We are concerned that speculating volumes in transit to terminals would be inaccurate and/or unreliable. Therefore, we do not support the concept of reporting for volumes that are not in our custody. Such shipments have not been metered to verify the product and/or the volumes being delivered.

In regards to in-transit product by truck, there are many hurdles that must be cleared in order to be able to load or off-load at a terminal. Until a driver scans his ID card, we have no way of knowing which product(s) and volumes are being transported, and whether the intent is to load or off-load. In other words, being in transit or showing up at the terminal does not automatically enable a driver to be able to load/offload product. We do not receive advanced notice from a truck or inventory owner that a truck is on the way and how much or which product it is planning to load/offload. However, once offloaded we can accurately report what has gone through our meter and is in the current inventory.

In the case of water vessels, the amount of notification given to the terminal in advance of a barge or ship arriving to load or offload product varies. In some locations, like one of Magellan's gulf coast marine facilities, the contract states that the vessel must provide 36 hours' notice (tender) in order to be scheduled at the dock. In reality, most barges provide 24-hour notice. Ships typically meet the 36-hour requirement and they have priority scheduling over a barge. As with trucking shipments, we are not provided advance notice when a ship is leaving port and headed to a Magellan terminal as this can change during transit based on market conditions and commercial opportunities. Additionally, as with trucking shipments, we can accurately report current inventory only after the vessel has offloaded. Reporting product in transit would put Magellan in a speculative position. Our concern here is that this will cause undue burden in data gathering and analysis and ultimately lead to increased discrepancies in the data accuracy. The resulting follow-up inquiries from EIA will increase the administrative burden associated with validating speculative information without providing any increase in the value or reliability of the market information.

For instance, if a facility knows of 5 barges transporting a total of SOOK barrels or product that is due after 23:59:59 on the last day of the week or month, we would receive those shipments as part of the receipts for the next week or month. Product is booked once it goes through the meters. For measurement purposes, the meters operate on a strict 24-hour clock. Any product received after midnight on any day, would show up as a delivery for the next day. We understand the intent is to capture in transit product volumes, but without ownership or custody of the inventory, terminal operators would have to forecast their weekly and/or monthly deliveries which would not be sufficiently accurate. As with rail and trucks, the total volume of in transit product should come from the shipping companies.

As a respondent, we already receive concerns from EIA about inventory builds and decreases based off EIA's forecast. This would only increase the likelihood of having to explain inventory builds/decreases, especially in the case where a ship/barge decided to dock elsewhere.

Any product in transit should not be included as the current weeks or months available inventory as it is not actually part of the available supply base as of the day it tenders its request to dock. These products would not be available in the supply base until after they have been offloaded from a vessel, at which point they are considered an actual receipt for the next week.

If the goal is to consider in-transit stocks as part of the current week's available stocks, EIA should capture all in transit stocks by going to the shipping companies, rail companies, trucking companies and/or inventory owners. These entities have all the in transit data, whereas the terminals have very limited information. Once in-transit stocks are delivered and in our custody, it becomes a receipt for the week in which it is delivered, not the previous week. It is the week in which it is actually delivered and in our custody at which point it is actually available for market in the supply chain.

In addition to extra work being required of the terminals and of Commercial Compliance, we would need to get work approved and sufficient lead time to schedule IT resources to accommodate the changes. We also have current automation projects that would have to be reconfigured to meet the new obligations. This would be easier to accommodate if EIA was going to provide some interface by which we could automatically upload data instead of having to complete individual forms. In 2014, we tested an XML process whereby the forms could be uploaded automatically. The test was successful with API, but not with EIA. Enabling respondents to have some option for uploading files automatically would greatly enhance the entire process.

Lastly, for any in transit information we could provide, this would require local Traffic and Inventory staffs to go back to the previous week or month and confirm whether or not a shipment was received since only forecasted in-transit information could be provided at time of reporting. This is an undue burden on staff, especially for product that is not in our custody.

In the case of rail cars, we have very few locations receiving product by rail. However, we would run into similar difficulties as with the other types of transit.

> EIA surveys include a long-standing requirement for operators of refineries, storage terminals, and other facilities to report barrels in transit by tanker, barge, rail, and truck as ending stocks at destination facilities. Barrels held in pipelines (pipeline fill) and tanks used for pipeline operations are reported as stocks to EIA by pipeline operators.
>
> EIA needs to track barrels in transit to avoid reporting spurious stock changes that will, in the absence of reported stocks in transit, introduce errors and uncertainties in U.S. and regional volumetric balance data for petroleum, biofuels, and hydrocarbon gas liquids. For example, barrels of fuel oil loaded on a barge near the end of a report month must continue to be included as inventory in EIA data while the barrels are in transit to avoid having the barrels add to demand measured as product supplied in the month when they were loaded on the barge and then subtract from demand measured as product supplied in the month when the barrels were added to stocks at a destination terminal.
>
> EIA recognizes the difficulties experienced by companies when reporting stocks in transit at destination facilities and the uncertainties and potential for errors that are introduced in U.S. and regional data. EIA proposed survey changes asking companies to report separate stocks in transit and stocks held on site in order to simplify reporting and provide EIA with data to assess the current state of stocks in transit reporting and work toward improvements.
>
> The current EIA practice of asking companies to combine stocks in transit with stocks held on site introduces unnecessary complexities, especially on surveys that require companies to report volumetric balance data for refineries (Form EIA-810), product storage terminals (Form EIA-815) and biofuel plants (proposed Form EIA-819). Volumetric balance data typically require companies to report volumes to show the following volumetric balance.
>
> stocks beginning of month (including barrels in transit) + receipts - input + production - shipments - use and loss - stocks end of month (including barrels in transit) = zero.

EIA RESPONSE TO COMMENT 1 (page 2 of 2)

Fri 6/14/2019 1:06 PM

PetroleumSupplyForms

RE: Magellan Midstream Partners, L.P. Response to FRN Dated 12/27/2018 - Petroleum Supply Reporting System

To Adair, Cassandra

Cc Greg.McMillan@magellanlp.com; James.O'Neal@magellanlp.com; PetroleumSupplyForms

Reporting according to the current requirement not only requires companies to include stocks in transit, but also requires them to adjust monthly receipt quantities to include barrels in transit in order to maintain the volumetric balance. When barrels are actually received in the following month, then those barrels must be subtracted from receipts reported to EIA to maintain the balance in the following month.

The EIA proposal to require separate reporting of stocks on site and stocks in transit simplifies reporting because the volumetric balance will be entirely based on barrels held on site at the beginning and end of each report period. The added requirement to adjust receipts across report periods is eliminated.

The current practice of reporting combined stocks on site and stocks in transit makes it essentially impossible for EIA to identify companies that are and are not reporting stocks in transit and to assess quality of data. Collecting separate data for stocks held on site and stocks in transit will provide enhanced visibility into the data, allow EIA to identify likely errors, work with companies to improve data, and inform work to improve survey methods for collecting stocks in transit data. In the near term, separate data on stocks in transit is expected to reduce the number of follow-up calls from EIA to reporting companies because EIA will be able to answer questions without follow-up through analysis of the more detailed stocks data. In the longer term, EIA will use the data for analyses aimed at improving survey forms and instructions and possibly making other methodology changes to improve tracking stocks in transit and seek ways to reduce reporting burden.

EIA resource constraints require a delay in implementation of separate reporting of stocks on site and stocks in transit until a later survey clearance cycle. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement to combine stocks held on site and stocks in transit.

Form EIA 802/803/805/810/812/813/815

As we have a centralized EIA Reporting function, changing the unit of measurement from thousand barrels to barrels-will drastically slow down our cycle time on producing a single Report. Magellan submits 67 weekly reports and 90 monthly reports to the EIA. We manually enter the data, and since there is no additional time allowed for reporting at the same time as additional detail is being required, it would be an additional burden for us to meet the 4:00 EST weekly reporting deadline. This would also require updates and/or changes to the numerous queries and reports that we run to gather and format the data in required for the report.

Reporting in thousand barrels works well for large-volume products (e.g., crude oil and gasoline), but EIA is increasingly asked to report data on small-volume products especially in the biofuels area. Reporting in thousand barrels units has the potential to mask some activity because the quantities are too small for individual facilities to report on a weekly or perhaps even monthly basis. EIA expects to provide more complete accounting of small-volume product activity with the change of reporting units to barrels.

EIA resource constraints require a delay in implementation of reporting data in barrels. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement and EIA will pursue reporting in barrels in a future survey clearance.

Form EIA 803/813 – Crude Report

In part 3 of the 802 report, EIA proposed the reporting of crude oil stored in Cushing as deliverable under the NYMEX contract or not deliverable under NYMEX. As a terminal operator, we are not a delivery point as defined by the NYMEX contract. As such, we do not track whether or not the product meets the NYMEX Specifications. That is determined at the Delivery Point. Magellan only tracks whether or not the product meets the specifications as identified in the Tariff. At the most, we would be able to report all inventory of the WTI and/or DSW products as deliverable and all the other products as not deliverable.

EIA will withdraws from further consideration the requirement to report separate crude oil stocks deliverable under the NYMEX futures contract. Comments received in response to the proposed data collection show that reporting would require significant resources and would most likely produce data with limited utility for promoting market transparency.

Thank you for your comments,
Office of Petroleum and Biofuels Statistics

COMMENT 2

February 25, 2019: Daniel Boss of Enterprise Products sent us comments regarding our proposed form changes, via the email account of Anneceia Childers.

Mon 2/25/2019 2:04 PM

Childers, Anneceia <achilders@eprod.com>

[EXTERNAL] Enterprise Products Operating LLC's Response to EIA Federal Register Notice No. 247

To Conner, Michael (EIA)

Cc Boss, Daniel; Childers, Anneceia; Dalhoff, Steve; Mellencamp, Lisa

You replied to this message on 2/25/2019 2:12 PM.

Message Enterprise Response to EIA FRN No. 247 due 2-25-2019.docx

Dear Mr. Conner,

Please accept this written response on behalf of Enterprise Products Operating LLC to the proposed information collection process granted under the Federal Registry Notice Vol. 83, No. 247 published on December 27, 2018, under the heading Agency Information Collection Extension. We have evaluated the proposed changes and have prepared feedback on certain items which we believe will affect us, our customers or the areas in which our business operates.

Overall, we have found many positive changes in the proposed new survey forms which we believe will add transparency, consistency and accuracy to the information reported to and by the EIA. We rely on EIA data in our business and anticipate experiencing many direct benefits from the better information, particularly when it comes to the monthly stocks data.

However, as a pipeline and plant operator, there are certain *weekly* reporting requirements that we would expect to be particularly burdensome due to the fact that our processes and systems have been developed around a *monthly* measurement, material balancing and accounting close cycle. Some of the additional information and the level of detail the EIA would request on a weekly basis is currently prepared only monthly for purposes of creating pipeline statements, inventory reports, plant statements, allocation statements, customer invoices and financial statements. Providing this information on a more frequent *weekly* basis would require us to use estimates to a significant degree and to make certain assumptions. We would prefer to report accurate *monthly* data to the EIA and leave the assumption making process to industry pundits and other data users and observers.

With respect to several of the new *monthly* reporting requirements, particularly those involving natural gas liquids and crude oil, we have highlighted some proposed changes that could require a material capital investment by us and others in the industry for what appears to be only a perceived or minor benefit to recipients of this information. Some of these changes would require enhancements to our internal systems and reports, along with the potential installation of additional measurement equipment and devices in the field or require additional third party inspectors or connected carriers to provide this information to us. Some of these requirements would significantly expand the scope of the current reports and entail very detailed information which would be impossible to provide in some cases or very costly to provide in others. In our opinion, several of these new information items contribute very little value, if any, to determining stocks and trends relevant to hydrocarbon market participants and others.

We certainly appreciate the opportunity the EIA provides to comment on these proposed changes and are grateful the EIA takes into consideration the impact to respondents in terms of any incremental burdens and costs that would be incurred to provide this information. While some of the newly requested information might be interesting to a few individuals, particularly industry pundits, we believe that much of the information it is less meaningful for overall government and industry reporting purposes and departs from the agency's function of providing useful information at the macro level.

Therefore, we respectfully request that you consider our feedback specific to each proposed change and hope that you will let us know if there are any additional facts or details that would be helpful to you in evaluating and deciding whether to ultimately proceed with each item proposed in the updated forms.

Should you have questions or comments, please contact Anneceia Childers or Steve Dalhoff in our Regulatory Reporting and Compliance department.

Best regards,

Daniel Boss
Senior Vice President, Accounting & Risk Control
Enterprise Products
713-381-3955 Office
713-398-3826 Cell
Email: rdboss@eprod.com

ATTACHMENT TO COMMENT 2 (page 1 of 3)

Enterprise Products Operating LLC
Comments and Feedback to EIA Proposed Survey Form Changes - February 25, 2019

Weekly		Monthly		Combined
Form #	**Survey Item**	**Form #**	**Survey Item**	**Enterprise Response/Questions**
All Forms except EIA-809	Change the unit of measurement from thousand barrels to barrels	**All Forms except EIA-809**	Change the unit of measurement from thousand barrels to barrels	• We recommend continuing to report in thousands of barrels to avoid incurring the costs to update our system-based reports to eliminate rounding. • The difference between stocks currently reported in thousands of barrels and whole barrels would likely be immaterial. • The change could also lead to a false perception of precision in the new reports despite those volumes being derived using the same historical procedures including the use of estimates.

Weekly		Monthly		Combined
Form #	**Survey Item**	**Form #**	**Survey Item**	**Enterprise Response/Questions**
EIA-800, Weekly Refinery Report	• Add new rows, under the column headings for Input; Production; and Ending Stocks, to separately report unfinished oils, other biofuel and renewable fuel (excluding ethanol), hydrocarbon gas liquids (excluding propane), and total refinery olefins. Ethane, normal butane, isobutane, and natural gasoline will be reported as a single category under hydrocarbon gas liquids.	**EIA-810, Monthly Refinery Report**		• It appears that the scope of the EIA-800 report has changed from *Refineries and Fractionators* to *Refineries* only based on the change in the report name and the purpose section included in the form's instructions. The purpose states that this form "is used to collect data on the operations of *petroleum refineries*." We believe this is a good change because it promotes consistency with the EIA-810 monthly report which only includes refineries. • We would like to confirm that NGL fractionators, propylene splitters, isomerization plants, dehydrogenization plants, olefins plants, octane enhancement plants and other non-petroleum refineries are not required to complete the EIA-800 report. • If non-petroleum refining facilities are required to complete the report, a more detailed purpose and a broader definition of the types of facilities and commodities/products to be reported would be helpful to ensure accuracy and completeness. • Our fractionators are pipeline connected to our storage terminals and have very limited on-site, dedicated storage for holding stocks (bullet tanks with 1,000 to 5,000 barrels capacity). The stocks used as mixed NGL feed (y-grade) or output from our fractionators (purity NGL products are already reported on EIA-805 and EIA-815. This differs from refineries which have large capacity tankage on-site to hold crude oil and refined products stocks. • Because many of the ending stocks produced from non-petroleum refineries (such as NGLs from y-grade and olefins from NGLs) are held in terminals in a separate location from the facility, we believe that including such volumes in the weekly report could lead to double-counting. • If the intent of this change is to narrow the focus exclusively on petroleum refineries to essentially "mass balance" refinery inputs, outputs and ending stocks, we believe that this is a helpful change that reduces confusion and promotes consistency with the EIA-810 monthly report.

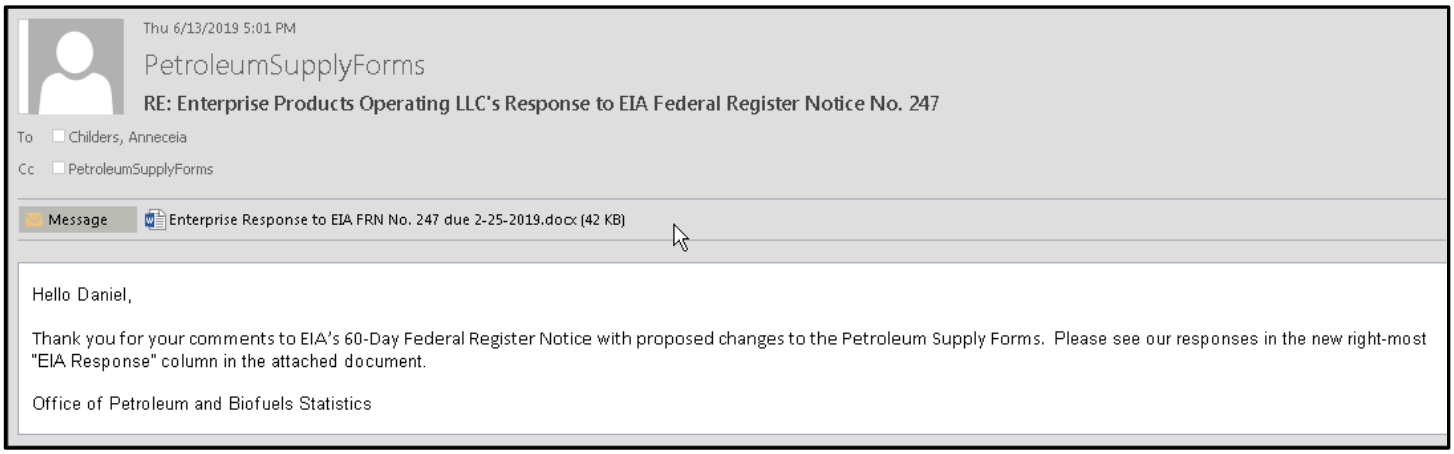
Weekly		Monthly		Combined
Form #	**Survey Item**	**Form #**	**Survey Item**	**Enterprise Response/Questions**
EIA-803 Weekly Crude Oil Stocks Report	• In Part 3, add separate reporting of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract. Separate reporting of crude oil stocks at Cushing, Oklahoma that are deliverable under NYMEX contract provides improved market transparency.	**EIA-813 Monthly Crude Oil Report**	• In Part 4, add collection of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract. Separate reporting of crude oil stocks at Cushing, Oklahoma that are deliverable under NYMEX contract provides improved market transparency.	• We recommend not making this change. • Inventory owners in Cushing maintain stocks of various crude grades. The individual grades often do not meet the NYMEX specification on a stand-alone basis but can be blended with other grades to meet NYMEX specifications. • We believe that this level of reporting could be misleading because companies blend to meet the NYMEX specification when contractually required to do so or when the NYMEX specification grade earns a premium. Reporting a low volume of NYMEX specification grade crude oil does not mean that it could not be created on short notice by blending the readily available crude grades. • A snapshot once per week will be volatile because holding component grades individually provides the product owner with more economic optionality and physical flexibility. Owners often decide to hold grades until there is a need or incentive to blend crude grades to meet the NYMEX specification. • The amount of crude that ultimately goes to delivery under the NYMEX futures contract is most often inconsequential to overall reported stocks at Cushing. We believe an analysis of historical physical deliveries under the NYMEX futures contract would show that this information would provide little value, if any. • Collecting the proposed additional data would be unduly burdensome relative to the value this information provides.

ATTACHMENT TO COMMENT 2 (page 2 of 2)

Weekly		Monthly		Combined
Form #	**Survey Item**	**Form #**	**Survey Item**	**Enterprise Response/Questions**
EIA-805, Weekly Bulk Terminal Report	• Add a question in Part 3 Terminal Activity to report ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane. o This change allows EIA to accurately determine the availability of propane that is ready for distribution and delivery to the market and compare it to propane that requires fractionation or other processing before it can be delivered.	**EIA-815, Monthly Bulk Terminal Report**	• Add a question in Part 3 to report ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane. This change will help to clarify availability of propane that is ready for distribution and delivery to the market and propane that requires fractionation or other processing before it can be delivered.	• We believe reporting propane separately from propane contained in a mix would be a valuable metric on a monthly basis only. • A weekly report would be highly volatile due to our approximately 1.3 million barrels per day of fractionation capacity and approximately 6 million barrels per day of capacity industry-wide. Weekly reporting would provide little value due to the significant variations in the data based on fractionation operations (e.g. run-time and down-time) from week to week. • Reporting accurate weekly data of propane separately from propane stored as a mix would be unduly burdensome, time consuming and costly. A monthly report of the requested data should provide sufficient and far more reliable information. • We understand that consumer grade and export grade propane are to be reported together. Despite the request to report the combined volume, we recommend not making a distinction between commercial grade propane and export grade propane because export grade propane meets consumer grade propane specifications and there is more than sufficient capacity to convert consumer grade propane to export grade propane. Enterprise views the two grades as fungible.
			• In Part 3 Terminal Activity, In Part 3 Terminal Activity, reconfigure the collection of normal butane and isobutane stocks to allow for the reporting of stocks of refinery-grade butane as either normal butane or isobutane.	• We recommend continuing to report RGB as a mixed product. • The relationship between RGB and normal butane is similar to the relationship between mixed NGLs and propane. • The composition of RGB varies including components of normal butane, natural gasoline and isobutane, among others. RGB is purchased as a mix, comingled with other RGB streams and ultimately processed into its component parts in downstream facilities. Because of frequent changes in composition, individual component volumes would need to be estimated based on historical information and upon making certain assumptions which will vary by data reporter, resulting in potentially significant inaccuracies. • We believe the proposed new reporting requirement would add little value to the determination of stocks by component. We believe available data should be reported by respondents and assumptions should be left to the users of the reported data. • Breaking down RGB into its purity product components would be very difficult, as well as unduly burdensome, time consuming and costly.
			• EIA proposes to add a new section, Part 4 Petrochemical Plant Stocks of Natural Gas Liquids, to collect reporting of the stocks of ethane, propane, normal butane, isobutene, and natural gasoline natural gas liquids (NGL) held at petrochemical plants, EIA–815.	• We believe this is a good change which will provide higher visibility into available stocks of propane held at petrochemical plants. • The volumes of these stocks can be material and could be used to satisfy winter heating demand when incentivized by market prices.
		EIA-816, Monthly Natural Gas Liquids Report	• Add a new Part 5 to collect monthly volumes of outlet residue gas separated out by methane, ethane, propane, nitrogen, and NGLs. The addition of data on inlet and residue natural gas improves EIA estimates of the reduction of natural gas supply due to NGL extraction. This data also improves market assessments by providing a measure of ethane and other NGL quantities that remain in natural gas after processing as well as providing an indicator of the heat content of marketed natural gas.	• We recommend providing outlet residue gas in total, not broken out by component. • Outlet residue gas by component (methane, ethane, propane and nitrogen) would be difficult to provide in cases where a gas analysis is currently not available. This reporting would require a material capital investment for the installation of additional measurement equipment and would likely increase the use of third parties for measurement services, thus increasing our costs and costs to the industry as a whole. • Many of our plants operate as closed systems while others have comingled inlet and outlet streams. Developing methods to allocate these volumes would be extremely difficult, as well as unduly burdensome, time consuming and costly.
			• Add a new Part 6 Isomerization Activity to collect volumes on the input of normal butane used for production of isobutane in Section 6.1.	• We recommend not reporting this activity. • Due to the various compositions and frequent changes of mixed butanes used as feed for the isomerization facilities, we would need to develop an allocation methodology and make assumptions that could lead to significant and misleading inaccuracies in reported volumes.
			• Section 6.1a will separately collect the volumes of normal butane sourced from natural gas processing plants and refineries. • Form instructions: Report the volume of butane being converted by an isomerization process into isobutane by source.	• We recommend not reporting this activity. • We believe it would be impossible without material capital investments for us to distinguish isomerization feedstocks between gas plant-sourced and refinery-sourced due to the nature in which the feedstock is supplied. Gas plant and refinery sourced volumes are comingled during transportation of mixed products from their origin locations, comingled in the storage of mixed products, fractionated from a common stream into purity products and comingled again in the storage of purity products, in addition to multiple blending activities that occur upstream of the isomerization plant. • In rare circumstances where this data could be distinguished, the reporting of this information would be unduly burdensome, very costly and time consuming. • The concerns related to isomerization feedstocks in the item immediately shown above this item apply to this item as well.

EIA RESPONSE TO COMMENT 2

June 13, 2019: EIA emailed Mr. Boss the following response, which contained an attached MS Word file that addresses his comments:


Thu 6/13/2019 5:01 PM

PetroleumSupplyForms

RE: Enterprise Products Operating LLC's Response to EIA Federal Register Notice No. 247

To Childers, Anneceia

Cc PetroleumSupplyForms

Message Enterprise Response to EIA FRN No. 247 due 2-25-2019.docx (42 KB)

Hello Daniel,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see our responses in the new right-most "EIA Response" column in the attached document.

Office of Petroleum and Biofuels Statistics

EIA's responses to Comment 2 are shown in the sixth column of the attached table, below **(page 1 of 3)**:

Weekly		Monthly		Combined	EIA Response
Form #	**Survey Item**	**Form #**	**Survey Item**	**Enterprise Response/Questions**	
All Forms except EIA-809	Change the unit of measurement from thousand barrels to barrels	**All Forms except EIA-809**	Change the unit of measurement from thousand barrels to barrels	• We recommend continuing to report in thousands of barrels to avoid incurring the costs to update our system-based reports to eliminate rounding. • The difference between stocks currently reported in thousands of barrels and whole barrels would likely be immaterial. • The change could also lead to a false perception of precision in the new reports despite those volumes being derived using the same historical procedures including the use of estimates.	• Reporting in thousand barrels works well for large-volume products (e.g. crude oil and gasoline), but EIA is increasingly asked to report data on small-volume products especially in the biofuels area. Reporting in thousand barrels units has the potential to mask some activity because the quantities are too small for individual facilities to report on a weekly or perhaps even monthly basis. EIA expected to provide more complete accounting of small-volume product activity with the change of reporting units to barrels. EIA resource constraints require a delay in implementation of reporting data in barrels. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement and EIA may pursue reporting in barrels in a future survey clearance.
EIA-800, Weekly Refinery Report	• Add new rows, under the column headings for Input; Production; and Ending Stocks, to separately report unfinished oils, other biofuel and renewable fuel (excluding ethanol), hydrocarbon gas liquids (excluding propane), and total refinery olefins. Ethane, normal butane, isobutane, and natural gasoline will be reported as a single category under hydrocarbon gas liquids.	**EIA-810, Monthly Refinery Report**		• It appears that the scope of the EIA-800 report has changed from *Refineries and Fractionators* to *Refineries* only based on the change in the report name and the purpose section included in the form's instructions. The purpose states that this form "is used to collect data on the operations of *petroleum refineries*." We believe this is a good change because it promotes consistency with the EIA-810 monthly report which only includes refineries. • We would like to confirm that NGL fractionators, propylene splitters, isomerization plants, dehydrogenization plants, olefins plants, octane enhancement plants and other non-petroleum refineries are not required to complete the EIA-800 report. • If non-petroleum refining facilities are required to complete the report, a more detailed purpose and a broader definition of the types of facilities and commodities/products to be reported would be helpful to ensure accuracy and completeness. • Our fractionators are pipeline connected to our storage terminals and have very limited on-site, dedicated storage for holding stocks (bullet tanks with 1,000 to 5,000 barrels capacity). The stocks used as mixed NGL feed (y-grade) or output from our fractionators (purity NGL products are already reported on EIA-805 and EIA-815. This differs from refineries which have large capacity tankage on-site to hold crude oil and refined products stocks. • Because many of the ending stocks produced from non-petroleum refineries (such as NGLs from y-grade and olefins from NGLs) are held in terminals in a separate location from the facility, we believe that including such volumes in the weekly report could lead to double-counting. • If the intent of this change is to narrow the focus exclusively on petroleum refineries to essentially "mass balance" refinery inputs, outputs and ending stocks, we believe that this is a helpful change that reduces confusion and promotes consistency with the EIA-810 monthly report.	• EIA proposed a new Form EIA-806 "Weekly natural gas liquids report" designed to collect weekly production and stocks of natural gas liquids (NGL) from operators of natural gas processing plants and stocks of NGL from fractionators. EIA plans to eventually replace production and stocks data currently reported on Form EIA-800 "Weekly Refinery and Fractionator Report" with data reported on Form EIA-806, but development and implementation of Form EIA-806 are delayed due to EIA resource constraints. Therefore, EIA will continue the current practice of collecting production of propane and ending stocks of propane and total NGL on Form EIA-800. EIA will update the version of Form EIA-800 and associated instructions submitted for clearance through the Office of Management and Budget (OMB) to show that operators of NGL fractionators should continue to report along with operators of refineries.
EIA-803 Weekly Crude Oil Stocks Report	• In Part 3, add separate reporting of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract. Separate reporting of crude oil stocks at Cushing, Oklahoma that are deliverable under NYMEX contract provides improved market transparency.	**EIA-813 Monthly Crude Oil Report**	• In Part 4, add collection of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract. Separate reporting of crude oil stocks at Cushing, Oklahoma that are deliverable under NYMEX contract provides improved market transparency.	• We recommend not making this change. • Inventory owners in Cushing maintain stocks of various crude grades. The individual grades often do not meet the NYMEX specification on a stand-alone basis but can be blended with other grades to meet NYMEX specifications. • We believe that this level of reporting could be misleading because companies blend to meet the NYMEX specification when contractually required to do so or when the NYMEX specification grade earns a premium. Reporting a low volume of NYMEX specification grade crude oil does not mean that it could not be created on short notice by blending the readily available crude grades. • A snapshot once per week will be volatile because holding component grades individually provides the product owner with more economic optionality and physical flexibility. Owners often decide to hold grades until there is a need or incentive to blend crude grades to meet the NYMEX specification. • The amount of crude that ultimately goes to delivery under the NYMEX futures contract is most often inconsequential to overall reported stocks at Cushing. We believe an analysis of historical physical deliveries under the NYMEX futures contract would show that this information would provide little value, if any. • Collecting the proposed additional data would be unduly burdensome relative to the value this information provides.	• EIA withdraws from consideration the requirement to report separate crude oil stocks deliverable under the NYMEX futures contract. Comments received in response to the proposed data collection show that reporting would require significant resources and would most likely produce data with limited utility for promoting market transparency.

EIA's Response to Comment 2 (page 2 of 3)

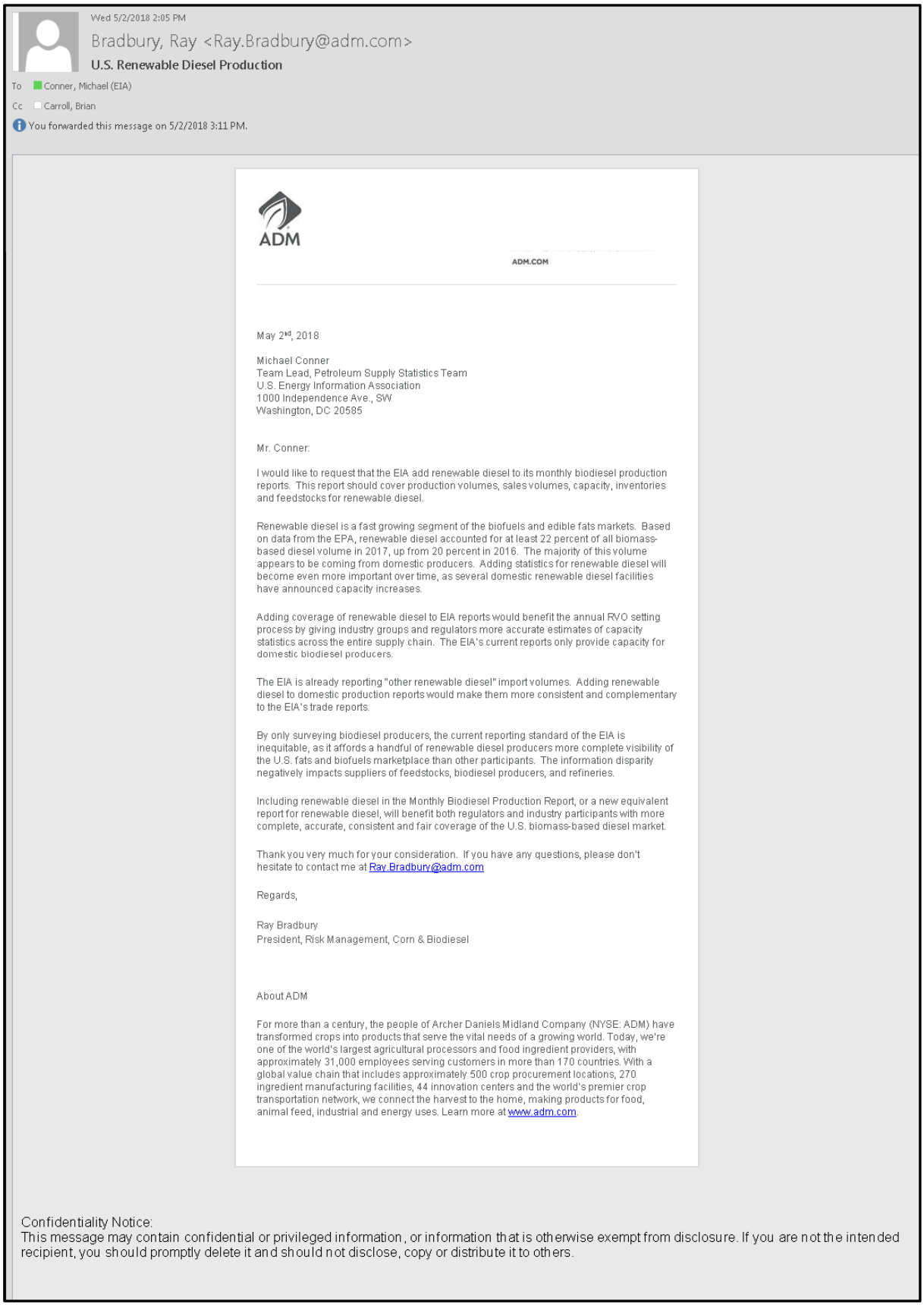
EIA-805, Weekly Bulk Terminal Report	• Add a question in Part 3 Terminal Activity to report ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane. o This change allows EIA to accurately determine the availability of propane that is ready for distribution and delivery to the market and compare it to propane that requires fractionation or other processing before it can be delivered.	**EIA-815, Monthly Bulk Terminal Report**	• Add a question in Part 3 to report ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane. This change will help to clarify availability of propane that is ready for distribution and delivery to the market and propane that requires fractionation or other processing before it can be delivered.	• We believe reporting propane separately from propane contained in a mix would be a valuable metric on a monthly basis only. • A weekly report would be highly volatile due to our approximately 1.3 million barrels per day of fractionation capacity and approximately 6 million barrels per day of capacity industry-wide. Weekly reporting would provide little value due to the significant variations in the data based on fractionation operations (e.g. run-time and down-time) from week to week. • Reporting accurate weekly data of propane separately from propane stored as a mix would be unduly burdensome, time consuming and costly. A monthly report of the requested data should provide sufficient and far more reliable information. • We understand that consumer grade and export grade propane are to be reported together. Despite the request to report the combined volume, we recommend not making a distinction between commercial grade propane and export grade propane because export grade propane meets consumer grade propane specifications and there is more than sufficient capacity to convert consumer grade propane to export grade propane. Enterprise views the two grades as fungible.	• EIA surveys include a long-standing requirement for operators of natural gas liquids (NGL) storage to report weekly and monthly stocks of propane equal to the sum of barrels of commercial-grade (fractionated) propane and barrels of propane contained in unfractionated (mixed) NGL. EIA survey instructions call for propane barrels contained in unfractionated NGL storage to be determined based on chemical analysis. The only new requirement is for companies to separately report barrels of commercial-grade (fractionated) propane and propane barrels contained in NGL mix (unfractionated propane). These are the same quantities that are currently summed when companies report weekly and monthly propane stocks. EIA proposed separate reporting of fractionated propane and propane stored as a component of mixed NGL primarily to inform propane market participants of availability of fractionated propane available for delivery and propane stored as a component of NGL mix that requires fractionation before it can be delivered. EIA believes that NGL storage operators know which of their tanks or caverns contain commercial-grade (fractionated) propane and are able to measure the quantities of commercial-grade propane stored in order to report both weekly and monthly stock quantities on EIA surveys with a degree of accuracy that will produce useful regional and national totals. EIA recognizes that reporting barrels of propane held as a component of mixed NGL introduces additional uncertainty because the quantity depends on both measurement of total mixed NGL inventory and chemical analysis showing the percent of total mixed NGL that is propane, but the same uncertainties and requirements also exist in current data. Regardless of the uncertainties, industry and EIA have demonstrated the ability to report regional and U.S. propane stocks (including commercial-grade propane and the propane component of NGL mix) that provide information to promote market transparency, support business decisions, and inform emergency planning activities. EIA resource constraints require a delay in implementation of reporting ending stocks of consumer grade and export grade propane separately from propane stored as a mix of natural gas liquids until a later survey clearance cycle. EIA survey forms proposed for clearance in August 2019 will continue the current reporting requirement and EIA may pursue this reporting change in a future survey clearance.

EIA's Response to Comment 2 (page 3 of 3)

			• In Part 3 Terminal Activity, In Part 3 Terminal Activity, reconfigure the collection of normal butane and isobutane stocks to allow for the reporting of stocks of refinery-grade butane as either normal butane or isobutane.	• We recommend continuing to report RGB as a mixed product. • The relationship between RGB and normal butane is similar to the relationship between mixed NGLs and propane. • The composition of RGB varies including components of normal butane, natural gasoline and isobutane, among others. RGB is purchased as a mix, comingled with other RGB streams and ultimately processed into its component parts in downstream facilities. Because of frequent changes in composition, individual component volumes would need to be estimated based on historical information and upon making certain assumptions which will vary by data reporter, resulting in potentially significant inaccuracies. • We believe the proposed new reporting requirement would add little value to the determination of stocks by component. We believe available data should be reported by respondents and assumptions should be left to the users of the reported data. • Breaking down RGB into its purity product components would be very difficult, as well as unduly burdensome, time consuming and costly.	• EIA will continue the current practice of reporting all refinery-grade butane as one inventory quantity without additional product details.
			• EIA proposes to add a new section, Part 4 Petrochemical Plant Stocks of Natural Gas Liquids, to collect reporting of the stocks of ethane, propane, normal butane, isobutene, and natural gasoline natural gas liquids (NGL) held at petrochemical plants, EIA–815.	• We believe this is a good change which will provide higher visibility into available stocks of propane held at petrochemical plants. • The volumes of these stocks can be material and could be used to satisfy winter heating demand when incentivized by market prices.	• EIA intends to proceed to expand the scope of Form EIA-805, "Weekly Bulk Terminal Report," and Form EIA-815, "Monthly Bulk Terminal Report." effective with data for September 2019. The current scope of Form EIA-805 and Form EIA-815 includes bulk terminal storage and blending activity at commercial terminals with storage capacity not less than 50,000 barrels and smaller commercial terminals that receive products by pipeline, tanker, or barge. The expanded scope will include storage of natural gas liquids (ethane, propane, normal butane, isobutane, and natural gasoline) held in end-user (i.e., non-commercial) storage facilities with capacity not less than 50,000 barrels and in smaller end-user storage facilities that receive natural gas liquids by pipeline, tanker, or barge. End-user storage facilities include storage capacity at petrochemical plants.
		EIA-816, Monthly Natural Gas Liquids Report (Ctrl)	• Add a new Part 5 to collect monthly volumes of outlet residue gas separated out by methane, ethane, propane, nitrogen, and NGLs. The addition of data on inlet and residue natural gas improves EIA estimates of the reduction of natural gas supply due to NGL extraction. This data also improves market assessments by providing a measure of ethane and other NGL quantities that remain in natural gas after processing as well as providing an indicator of the heat content of marketed natural gas.	• We recommend providing outlet residue gas in total, not broken out by component. • Outlet residue gas by component (methane, ethane, propane and nitrogen) would be difficult to provide in cases where a gas analysis is currently not available. This reporting would require a material capital investment for the installation of additional measurement equipment and would likely increase the use of third parties for measurement services, thus increasing our costs and costs to the industry as a whole. • Many of our plants operate as closed systems while others have comingled inlet and outlet streams. Developing methods to allocate these volumes would be extremely difficult, as well as unduly burdensome, time consuming and costly.	• EIA withdraws from further consideration for 2019 the requirement to report volumes of outlet residue gas with product details for methane, ethane, propane, nitrogen, and NGLs. EIA likely will propose to collect outlet residue gas quantities from natural gas processing plants in a future survey clearance, but component details remain to be determined.
			• Add a new Part 6 Isomerization Activity to collect volumes on the input of normal butane used for production of isobutane in Section 6.1.	• We recommend not reporting this activity. • Due to the various compositions and frequent changes of mixed butanes used as feed for the isomerization facilities, we would need to develop an allocation methodology and make assumptions that could lead to significant and misleading inaccuracies in reported volumes.	• EIA withdraws from further consideration the proposal to separately collect isomerization plant input of normal butane sourced from refineries and natural gas processing plants.
			• Section 6.1a will separately collect the volumes of normal butane sourced from natural gas processing plants and refineries. • Form instructions: Report the volume of butane being converted by an isomerization process into isobutane by source.	• We recommend not reporting this activity. • We believe it would be impossible without material capital investments for us to distinguish isomerization feedstocks between gas plant-sourced and refinery-sourced due to the nature in which the feedstock is supplied. Gas plant and refinery sourced volumes are comingled during transportation of mixed products from their origin locations, comingled in the storage of mixed products, fractionated from a common stream into purity products and comingled again in the storage of purity products, in addition to multiple blending activities that occur upstream of the isomerization plant. • In rare circumstances where this data could be distinguished, the reporting of this information would be unduly burdensome, very costly and time consuming. • The concerns related to isomerization feedstocks in the item immediately shown above this item apply to this item as well.	• EIA withdraws from further consideration the proposal to separately collect isomerization plant input of normal butane sourced from refineries and natural gas processing plants.

COMMENT 3

May 2, 2018: Ray Bradbury of Archer Daniels Midland sent us comments regarding our proposed form changes.



Wed 5/2/2018 2:05 PM

Bradbury, Ray <Ray.Bradbury@adm.com>

U.S. Renewable Diesel Production

To Conner, Michael (EIA)

Cc Carroll, Brian

You forwarded this message on 5/2/2018 3:11 PM.

ADM

ADM.COM

May 2nd, 2018

Michael Conner
Team Lead, Petroleum Supply Statistics Team
U.S. Energy Information Association
1000 Independence Ave., SW
Washington, DC 20585

Mr. Conner:

I would like to request that the EIA add renewable diesel to its monthly biodiesel production reports. This report should cover production volumes, sales volumes, capacity, inventories and feedstocks for renewable diesel.

Renewable diesel is a fast growing segment of the biofuels and edible fats markets. Based on data from the EPA, renewable diesel accounted for at least 22 percent of all biomass-based diesel volume in 2017, up from 20 percent in 2016. The majority of this volume appears to be coming from domestic producers. Adding statistics for renewable diesel will become even more important over time, as several domestic renewable diesel facilities have announced capacity increases.

Adding coverage of renewable diesel to EIA reports would benefit the annual RVO setting process by giving industry groups and regulators more accurate estimates of capacity statistics across the entire supply chain. The EIA's current reports only provide capacity for domestic biodiesel producers.

The EIA is already reporting "other renewable diesel" import volumes. Adding renewable diesel to domestic production reports would make them more consistent and complementary to the EIA's trade reports.

By only surveying biodiesel producers, the current reporting standard of the EIA is inequitable, as it affords a handful of renewable diesel producers more complete visibility of the U.S. fats and biofuels marketplace than other participants. The information disparity negatively impacts suppliers of feedstocks, biodiesel producers, and refineries.

Including renewable diesel in the Monthly Biodiesel Production Report, or a new equivalent report for renewable diesel, will benefit both regulators and industry participants with more complete, accurate, consistent and fair coverage of the U.S. biomass-based diesel market.

Thank you very much for your consideration. If you have any questions, please don't hesitate to contact me at Ray.Bradbury@adm.com

Regards,

Ray Bradbury
President, Risk Management, Corn & Biodiesel

About ADM

For more than a century, the people of Archer Daniels Midland Company (NYSE: ADM) have transformed crops into products that serve the vital needs of a growing world. Today, we're one of the world's largest agricultural processors and food ingredient providers, with approximately 31,000 employees serving customers in more than 170 countries. With a global value chain that includes approximately 500 crop procurement locations, 270 ingredient manufacturing facilities, 44 innovation centers and the world's premier crop transportation network, we connect the harvest to the home, making products for food, animal feed, industrial and energy uses. Learn more at www.adm.com.

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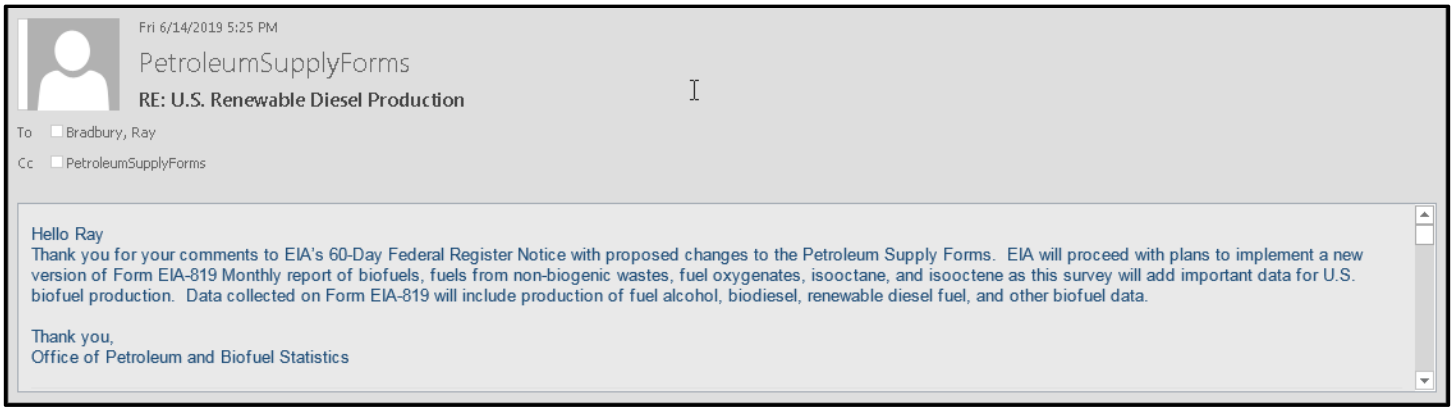
This message may contain confidential or privileged information, or information that is otherwise exempt from disclosure. If you are not the intended recipient, you should promptly delete it and should not disclose, copy or distribute it to others.

EIA RESPONSE TO COMMENT 3

June 14, 2019: EIA emailed Mr. Bradbury the following response:



Fri 6/14/2019 5:25 PM

PetroleumSupplyForms

RE: U.S. Renewable Diesel Production

To Bradbury, Ray

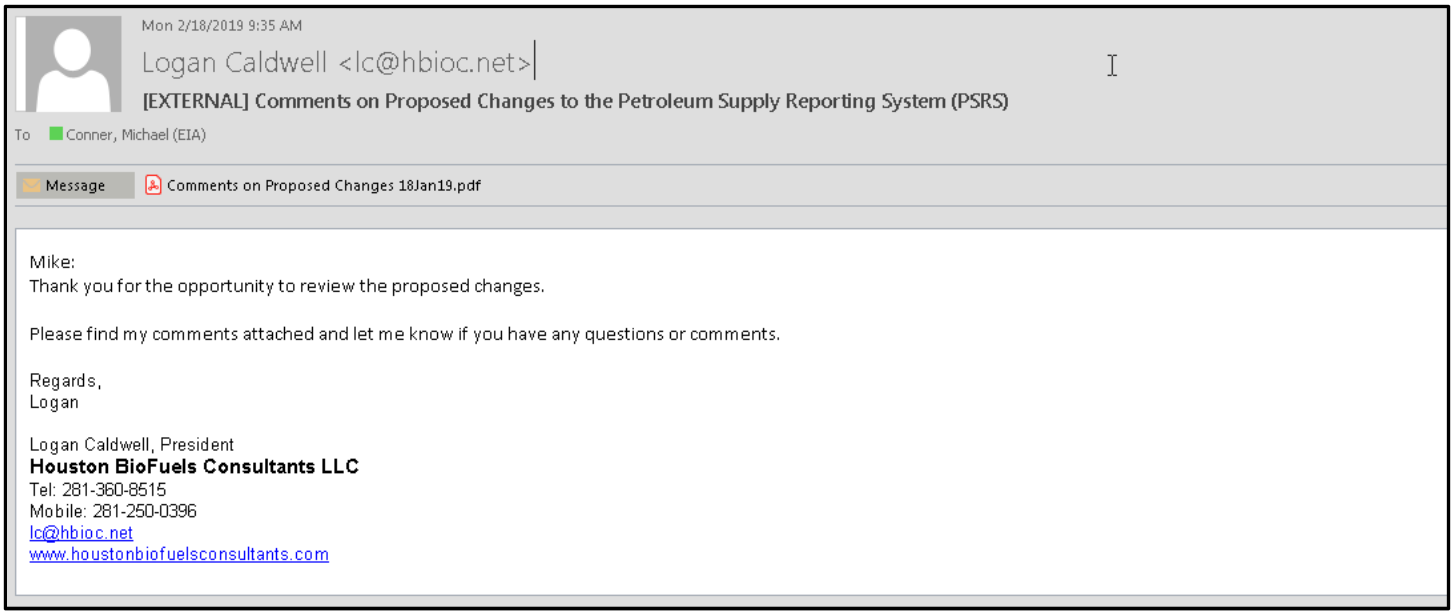
Cc PetroleumSupplyForms

Hello Ray
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. EIA will proceed with plans to implement a new version of Form EIA-819 Monthly report of biofuels, fuels from non-biogenic wastes, fuel oxygenates, isooctane, and isooctene as this survey will add important data for U.S. biofuel production. Data collected on Form EIA-819 will include production of fuel alcohol, biodiesel, renewable diesel fuel, and other biofuel data.

Thank you,
Office of Petroleum and Biofuel Statistics

COMMENT 4

February 18, 2019: Logan Caldwell of Houston BioFuels Consultants sent us comments regarding our proposed form changes.



Mon 2/18/2019 9:35 AM

Logan Caldwell <lc@hbioc.net>

[EXTERNAL] Comments on Proposed Changes to the Petroleum Supply Reporting System (PSRS)

To Conner, Michael (EIA)

Message | Comments on Proposed Changes 18Jan19.pdf

Mike:
Thank you for the opportunity to review the proposed changes.

Please find my comments attached and let me know if you have any questions or comments.

Regards,
Logan

Logan Caldwell, President
Houston BioFuels Consultants LLC
Tel: 281-360-8515
Mobile: 281-250-0396
lc@hbioc.net
www.houstonbiofuelsconsultants.com

ATTACHMENT TO COMMENT 4 (page 1 of 3)

Date: February 18, 2019

Subject: Comments on Proposed Changes to the Petroleum Supply Reporting System (PSRS) published on December 27, 2018 in a Federal Register Notice (FRN)

To: Michael Conner, EIA

From: Logan Caldwell, Houston BioFuels Consultants, LLC

I appreciate the plans of the EIA to update the reports in the Petroleum Supply Reporting System. Based on my review of the proposed changes in the draft reports and instructions, on the following pages, please find my comments. Please let me know if you have any questions.

Logan Caldwell, President

Houston BioFuels Consultants, LLC

Kingwood, Texas

E800 and E810: Weekly and Monthly Refinery Reports

1. Recommend keeping "Conventional Blendstock for Oxygenate Blending (CBOB)" as a separate product category in the "Motor Gasoline Blending Components" section. Please do not combine CBOB with GTAB and finished gasoline without ethanol. Combining will reduce transparency and create market uncertainty. Please keep CBOB a separate category just as RBOB is a separate category in the proposed revisions, and is currently. Both CBOB and RBOB are well defined products in the industry. The proposal to combine CBOB with GTAB and E0 would result in a lower level of informational content compared to the current report.
2. Also, as detailed with comments for the E819 report, a separate product category explicitly for E15, is requested.
3. Suggest a column for shipment by truck only as this would overwhelmingly be finished products destined for retail and commercial fleet outlets and be another means of measuring product demand. The current practice of estimating demand indirectly by difference between production, imports, exports and inventory change results in a volatile data series given the time lags between production moving from the USGC to other regions, uncertainty about classification of imports and export cargos as gasoline and other issues. Measuring product demand at the terminals would be a helpful addition for the market and policy makers.

E817 Monthly Tanker and Barge Movements Report

Since there is no separate report for rail movement, thus please add a section to this report for rail movement of ethanol so that the ethanol in rail cars located outside the perimeter of an ethanol production facility is reported by the title-holder of the ethanol. This will allow the EIA to report the volume of ethanol in railcars as part of its Monthly ethanol inventory, preferably shown as a separate line item. The current system of having terminals report ethanol "in-transit thereto" the terminal is poorly adhered to because of the uncertainty of the ultimate destination of the ethanol in railcars. It is estimated that the ethanol inventory in railcars at times exceeds the ethanol volume reported in the EIA current ethanol inventory survey, with the result being that the current survey and report are inaccurate and misleading to the market.

E809 Weekly Oxygenate Report

1. I support shifting the units to gallons from thousands of barrels. Given how much smaller ethanol production facilities are in terms of volume versus oil refineries, this is a positive move and will result in more accurate information.
2. Production reporting: Support simplification of production to be reported such that all production is reported regardless of whether denatured or undenatured.
3. Part 3, Oxygenate Activity, regarding exclusion of production for nonfuel use. Suggest making an exception and requiring that production of ethanol for export, regardless of its ultimate intended use be included in production unless none of the other ethanol production was manufactured for fuel use. This caveat would mean that ethanol facilities that only produce for beverage and industrial purposes would not need to report production volumes for export so long as the facility did not produce fuel ethanol. Without this suggestion, ethanol production may be understated and be misleading to market participants.

ATTACHMENT TO COMMENT 4 (page 3 of 3)

E819 Monthly Biofuels, Fuel Oxygenates and Motor Gasoline Blending Components Report

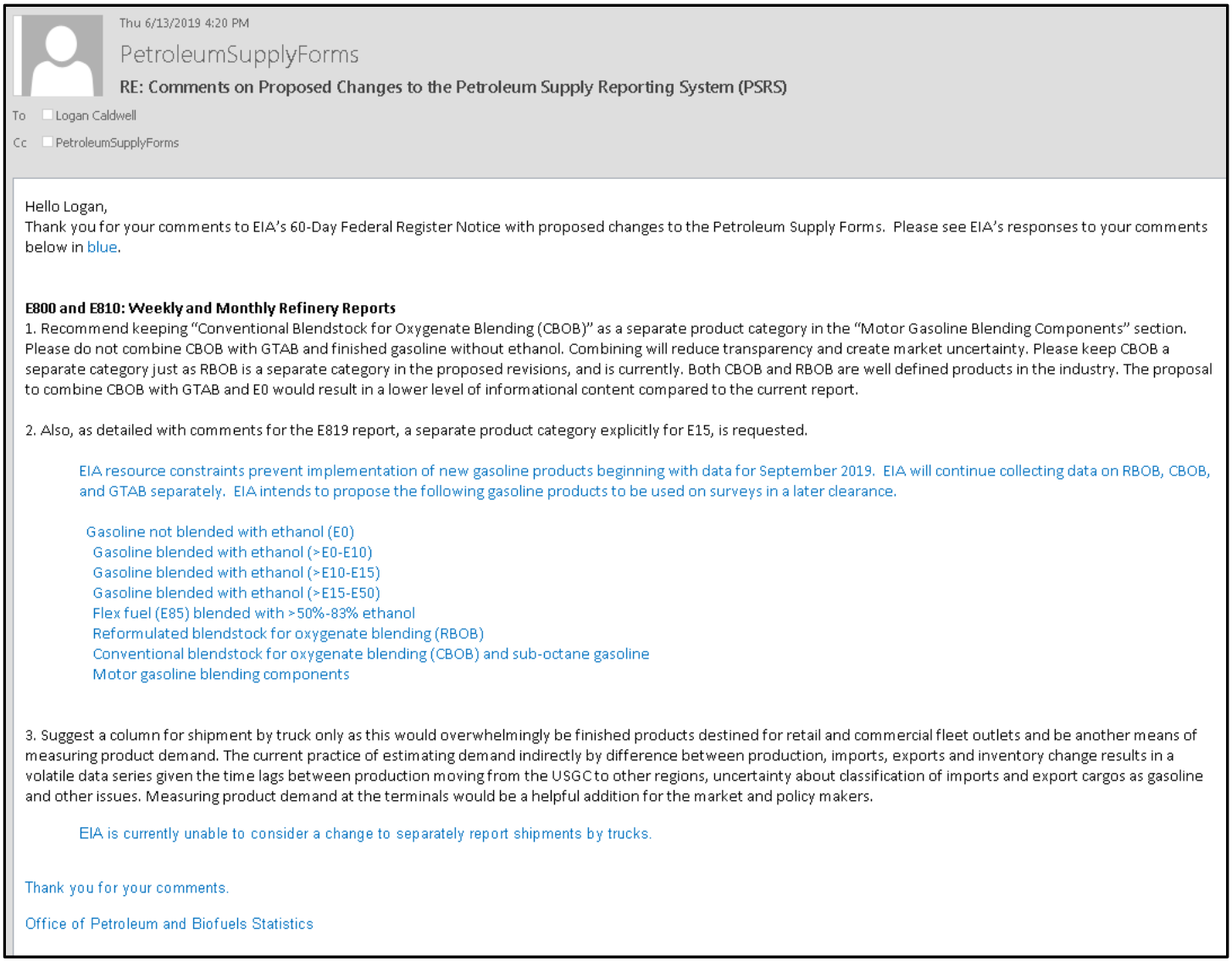
1. Support reporting operable capacity each month rather than annually. It will provide more market transparency.
2. Suggest making the definition of ethanol production to be reported identical for both E809 and E819 reports. I think the definition in E809 is better because it reduces uncertainty of the volume reported. See my comments for handling ethanol production for export in the E809 comments as these comments apply here as well.
3. Support units of gallons.
4. Part 4, Just as suggestion for E800 and 810 reports, suggest CBOB be shown as a separate motor fuel from other gasolines (E0 in this instance)
5. Part 4, support showing RBOB separately so that the volume of higher level ethanol blends in RFG regions of the country are reported, unlike with current surveys.
6. Part 4, Please define "other fuel alcohol", product code 238. Does this include undenatured ethanol?
7. While it is assumed that most of the volume reported as "Midblend gasoline with ethanol (>E10-E50)", product code 172, is E15, given the public policy importance of E15, it would help policy makers and the market to have a separate product line and code for blends of E15 (>E10 –E15).
8. Part 4, suggest a column for shipment by truck only for product codes 171, 172 and 149 as this would overwhelmingly be finished fuel products destined for retail and commercial fleet outlets and be another means of measuring product demand.
9. Part 9, it is recommended that in the definition of units available for corn and grain sorghum feedstock measurement, the moisture content be specified and the standard weight. The USDA definitions for a bushel of corn, for example could be used, which is that one standard bushel of shelled corn weighs 56 pounds at 15.5%wt. H2O maximum. For consistency, the definitions should match exactly the USDA unit definitions.
10. Part 8, pertaining to Renewable Diesel: There is some confusion about the definition of renewable diesel because the current definition on the EIA web site states that it is an "advanced biofuel," a term that has many meanings. This qualifier means the RD produced from palm oil and used as renewable diesel in the U.S., and that has generated an EPA RFS D6 RIN, is not included in the EIA definition of renewable diesel.

    The definition in the current general EIA website glossary states: *"Renewable diesel fuel (other): Diesel fuel and diesel fuel blending components produced from renewable sources that are coprocessed with petroleum feedstocks and meet requirements of advanced biofuels. Note: This category "other" pertains to the petroleum supply data system."*

    Please review and revise as needed so that all renewable diesel is counted as production, inventory, imports and exports, etc. consider in the instructions for the surveys, pointing to where the definition of product codes can be found. It is suggested that the qualifier "and meets requirements of advanced biofuels" be removed.

EIA RESPONSE TO COMMENT 4

June 13, 2019: EIA emailed Mr. Caldwell the following response:



Thu 6/13/2019 4:20 PM

PetroleumSupplyForms

RE: Comments on Proposed Changes to the Petroleum Supply Reporting System (PSRS)

To Logan Caldwell

Cc PetroleumSupplyForms

Hello Logan,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

E800 and E810: Weekly and Monthly Refinery Reports

1. Recommend keeping "Conventional Blendstock for Oxygenate Blending (CBOB)" as a separate product category in the "Motor Gasoline Blending Components" section. Please do not combine CBOB with GTAB and finished gasoline without ethanol. Combining will reduce transparency and create market uncertainty. Please keep CBOB a separate category just as RBOB is a separate category in the proposed revisions, and is currently. Both CBOB and RBOB are well defined products in the industry. The proposal to combine CBOB with GTAB and E0 would result in a lower level of informational content compared to the current report.

2. Also, as detailed with comments for the E819 report, a separate product category explicitly for E15, is requested.

EIA resource constraints prevent implementation of new gasoline products beginning with data for September 2019. EIA will continue collecting data on RBOB, CBOB, and GTAB separately. EIA intends to propose the following gasoline products to be used on surveys in a later clearance.

Gasoline not blended with ethanol (E0)
Gasoline blended with ethanol (>E0-E10)
Gasoline blended with ethanol (>E10-E15)
Gasoline blended with ethanol (>E15-E50)
Flex fuel (E85) blended with >50%-83% ethanol
Reformulated blendstock for oxygenate blending (RBOB)
Conventional blendstock for oxygenate blending (CBOB) and sub-octane gasoline
Motor gasoline blending components

3. Suggest a column for shipment by truck only as this would overwhelmingly be finished products destined for retail and commercial fleet outlets and be another means of measuring product demand. The current practice of estimating demand indirectly by difference between production, imports, exports and inventory change results in a volatile data series given the time lags between production moving from the USGC to other regions, uncertainty about classification of imports and export cargos as gasoline and other issues. Measuring product demand at the terminals would be a helpful addition for the market and policy makers.

EIA is currently unable to consider a change to separately report shipments by trucks.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 5

January 16, 2019: Brian Carroll of Archer Daniels Midland sent us comments regarding our proposed form changes.

Wed 1/16/2019 4:11 PM

Carroll, Brian <Brian.Carroll@adm.com>

[EXTERNAL] RE: EIA proposed survey changes affecting biofuels

To Farber-DeAnda, Mindi; Conner, Michael (EIA)

Michael,

I have shared with a number of interest parties across ADM, and all parties has shared their support and enthusiasm for the suggested changes. This is especially true for the proposed changes to the EIA-819 survey to include a more complete picture production and of feedstock use of biofuels. We feel strongly that this is a worthwhile endeavor. One point I would make is to please run a spell check on these forms. For example, on page 5 of the EIA-819 form "**Agrictulture** and forestry products" should read "**Agriculture** and forestry products".

Further comments on the EIA-819 form in red:

(a) The proposed collection of information is necessary for the proper performance of agency functions, including whether the information will have a practical utility;
We agree that the proposed data collection is necessary and proper and has practical utility in terms of supporting efficient markets.

(b) EIA's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used, is accurate;
We do not view the changes as adding any burden to our business than what had previously been in place.

From: Farber-DeAnda, Mindi [mailto:Mindi.Farber-DeAnda@eia.gov]
Sent: Tuesday, January 08, 2019 11:08 AM
To: Hanson, Steven <Steven.Hanson@eia.gov>
Cc: Conner, Michael (EIA) <Michael.Conner@eia.gov>
Subject: [EXTERNAL] EIA proposed survey changes affecting biofuels
Importance: High

Dear EIA biofuel stakeholders,

On December 27, 2018, a Federal Register Notice (FRN) was published announcing proposed survey changes to the Petroleum Supply Reporting System (PSRS). These changes enhance collection and reporting of biofuels a number of ways:

- EIA-819 *Monthly Oxygenate Report* will be expanded to incorporate EIA-22M *Monthly Biodiesel Production Report* to harmonize data collection activities across the biofuels industry and address data gaps. The new EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* will:
  - Include advanced biofuel producers who are not reporting on current EIA surveys, such as producers of renewable diesel, biojet, and cellulosic ethanol
  - Increase the number of biofuel product types to enhance the resolution among biofuels, for example, provide a distinction between conventional corn starch ethanol and cellulosic ethanol
  - Collect consistent feedstock and fuel use data from all biofuel producers
  - Use gallons instead of thousand barrels as the unit of measure
- EIA-810 *Monthly Refinery Report* and EIA-815 *Monthly Bulk Terminal and Blender Report* will include more biofuel types (and product codes)
- EIA-805 *Weekly Bulk Terminal and Blender Report* will include an "other biofuels" category
- No changes are proposed to EIA-809 Weekly Oxygenate Report

Only those stakeholders who signed up on EIA PSRS listservs received the FRN email alert (see below). As a result, biofuel stakeholders may be unaware of the proposed changes and deadlines associated with the FRN comment period. Please refer to the alert below for more information and send any written comments to Mike Conner (Michael.Conner@eia.gov) by February 25, 2019.

> **Petroleum Supply Survey Form Changes Proposed for 2019**
>
> A Federal Register Notice (FRN) was published on December 27, 2018 regarding proposed changes to the Petroleum Supply Reporting System (PSRS). The PSRS consists of six weekly surveys that make up the Weekly Petroleum Supply Reporting System (WPSRS), eight monthly surveys, and one annual survey. The surveys collect data on petroleum refinery operations, blending, biofuels production, natural gas liquids production, inventory levels, imports, inter-regional movements, and storage capacity for crude oil, petroleum products, and biofuels.
>
> The FRN and all of the Petroleum Supply forms and instructions included in notice.
> https://www.eia.gov/survey/frn/petroleum/FRN-60-Day-Supply-December-27-2018.pdf
> https://www.eia.gov/survey/notice/petsupply2019.php?src=email
>
> Please review the proposed changes described in the FRN and send your comments to Michael Conner at Michael.Conner@eia.gov before February 25, 2019. We welcome any comments and feedback regarding the proposed changes and look forward to hearing from you.

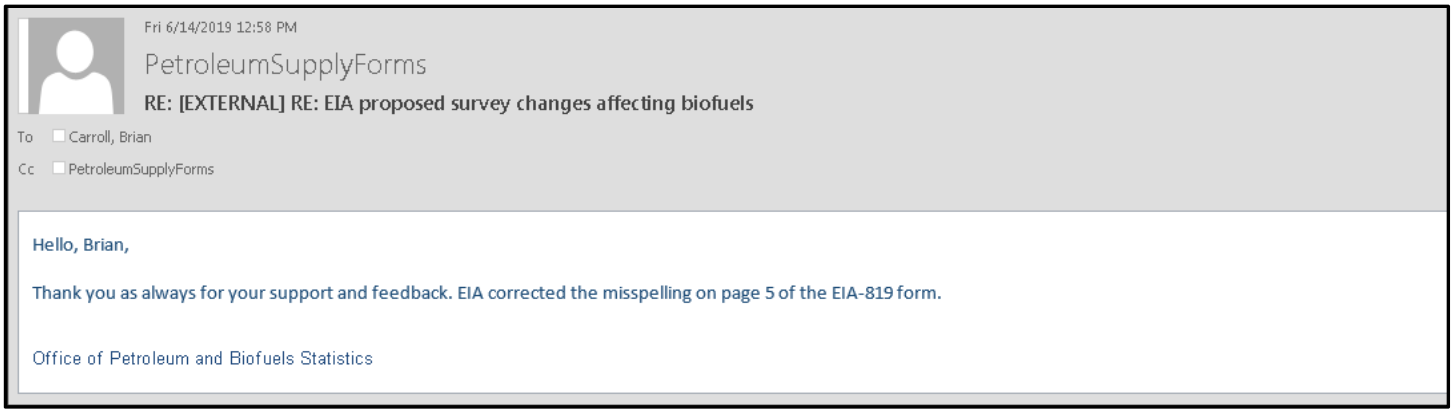
Thank you for your interest in EIA's survey collection efforts.

Mindi

Mindi Farber-DeAnda
Team Lead, Biofuels & Emerging Technologies
Office of Petroleum, Natural Gas, & Biofuels Analysis
U.S. Energy Information Administration
mindi.farber-deanda@eia.gov
202-586-6419 w
202-425-9971 c

EIA RESPONSE TO COMMENT 5

June 14, 2019: EIA emailed Mr. Carroll the following response:



Fri 6/14/2019 12:58 PM

PetroleumSupplyForms

RE: [EXTERNAL] RE: EIA proposed survey changes affecting biofuels

To Carroll, Brian

Cc PetroleumSupplyForms

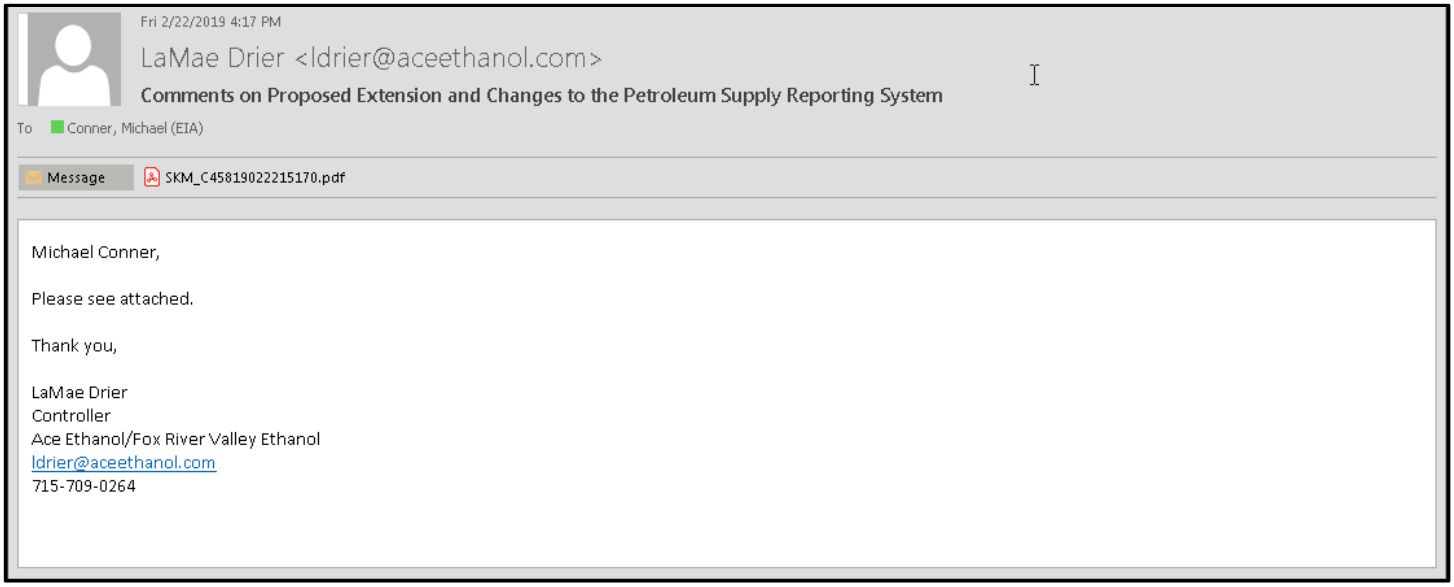
Hello, Brian,

Thank you as always for your support and feedback. EIA corrected the misspelling on page 5 of the EIA-819 form.

Office of Petroleum and Biofuels Statistics

COMMENT 6

February 22, 2019: LaMae Drier Ace Ethanol/Fox River Valley Ethanol sent us comments regarding our proposed form changes.



Fri 2/22/2019 4:17 PM

LaMae Drier <ldrier@aceethanol.com>

Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Message SKM_C45819022215170.pdf

Michael Conner,

Please see attached.

Thank you,

LaMae Drier
Controller
Ace Ethanol/Fox River Valley Ethanol
ldrier@aceethanol.com
715-709-0264

ATTACHMENT TO COMMENT 6 (page 1 of 3)

Ace Ethanol LLC

815 W Maple St, Stanley, WI 54768
Main Phone: 715-644-2909
Admin Fax: 715-709-0290
Commodities Fax: 715-644-2707

February 22, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL

michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

Ace Ethanol LLC is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We operate two ethanol plants capable of producing 115 million gallons of fuel ethanol per year. Our facilities also produce valuable coproducts. The operation of our plants generate direct employment for 100 full-time and 1 part-time personnel. We provide a reliable value-added market for local farmers, purchasing 39 million bushels of corn from an estimated 350 growers on an annual basis.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

ATTACHMENT TO COMMENT 6 (page 2 of 3)

815 W Maple St, Stanley, WI 54768
Main Phone: 715-644-2909
Admin Fax: 715-709-0290
Commodities Fax: 715-644-2707

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically more lengthy and detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to

ATTACHMENT TO COMMENT 6 (page 3 of 3)

Ace Ethanol LLC

815 W Maple St, Stanley, WI 54768
Main Phone: 715-644-2909
Admin Fax: 715-709-0290
Commodities Fax: 715-644-2707

provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact us at 715-709-0264 or ldrier@aceethanol.com should you have questions.

Sincerely,

LaMae Drier

Controller

EIA RESPONSE TO COMMENT 6

June 13, 2019: EIA emailed Ms. Drier the following response:

Thu 6/13/2019 1:47 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To LaMae Drier

You forwarded this message on 6/13/2019 3:50 PM.

Hello,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA plans to seek approval from the Office of Management and Budget to report weekly exports of ethanol in the future.

Content of Proposed Form EIA-819.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

EIA designed the new Form EIA-819 to improve consistency of biofuel production, biofuel blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently covered by any EIA survey. While there may be a limited number of cases where the same person will complete Form EIA-819 across multiple products, the main purpose of the new survey was to assure that consistent and comparable data were collected across all products. In practice, EIA will use a web portal to collect data on Form EIA-819. EIA will design the portal with one or more initial and one-time screening questions to determine what sections of the form will be completed for any plant. After responding one time to the screening questions, the person completing the report will only see sections of the new Form EIA-819 applicable to each plant.

EIA coordinated with National Agricultural Statistics Service (NASS) to coordinate ethanol feedstock data collection and avoid unnecessary duplication. EIA and NASS agreed that it was necessary for both agencies to collect corn consumed as feedstock for production of fuel ethanol. EIA requires the data for a comprehensive accounting of feedstock consumption across all types of biofuels. NASS requires corn feedstock data as a starting point for their assessment of co-products production at ethanol plants. EIA and NASS agreed that EIA should focus on feedstock consumption and biofuel production while NASS should continue to focus on feedstock consumption and ethanol co-products production. NASS will discontinue collecting sorghum and wheat consumed for ethanol production. EIA will collect sorghum and wheat consumption for ethanol production and share the data with NASS. EIA and NASS will continue their current report release schedules with the NASS Grain Crushings and Coproducts Production released approximately 32 days after the end of the report month and EIA releasing biofuel feedstock data approximately 60 days after the end of each report month. In order to avoid possible confusion from having two numbers for biofuel feedstock consumption, NASS will replace their feedstock quantities with the EIA feedstock quantities after the EIA data are released each month. EIA and NASS will enter into a data sharing agreement to facilitate data validation and other analyses.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 7

February 25, 2019: Alex H. Gilden of American Petroleum Institute (API) sent us comments regarding our proposed form changes.

Mon 2/25/2019 4:44 PM

Alex H. Gilden <GildenA@api.org>

[EXTERNAL] API Consolidated Feedback - EIA FRN 2019

To Conner, Michael (EIA)

Cc Maria M. Coronado; Adebukola T. Adeiya; Hazem Arafa

You forwarded this message on 4/3/2019 11:26 AM.

Message | API Consolidated Feedback - EIA FRN 2019.pdf | mg_info.txt

Michael,

Good afternoon. Please see the attached consolidated feedback document in response to the FRN regarding proposed changes to the PSRS issued on 12/27/18.

Please let us know if you have any further questions or concerns here. We look forward to continuing the conversation.

Regards,
AG

Alex H. Gilden
Economic Analyst
American Petroleum Institute
200 Massachusetts Ave, NW
Washington, DC 20001
(202) 682-8546 Office
(301) 448-0570 Mobile
GildenA@api.org

ATTACHMENT TO COMMENT 7 (page 1 of 7)

February 25th, 2019

Mr. Michael Connor
U.S. Department of Energy
Energy Information Administration
Forrestal Building
1000 Independence Avenue SW
Washington, DC 20585

Dear. Mr. Connor,

The American Petroleum Institute (API) wishes to respectfully submit comments in response to the Federal Register Notice issued on December 27th, 2018 [FR Doc. 2018-28062]. In the December 27 notice, the Energy Information Administration (EIA) requested industry comments on its proposal for a three-year extension with changes for the Petroleum Supply Reporting System (PSRS). Proposed changes stand to affect the six weekly surveys: *EIA–800 Weekly Refinery and Fractionator Report, EIA–802 Weekly Product Pipeline Report, EIA–803 Weekly Crude Oil Stocks Report, EIA– 804 Weekly Imports Report, EIA–805 Weekly Bulk Terminal and Blender Report, EIA–809 Weekly Oxygenate Report*, the eight monthly surveys: *EIA–810 Monthly Refinery Report, EIA–812 Monthly Product Pipeline Report, EIA–813 Monthly Crude Oil Report, EIA–814 Monthly Imports Report, EIA–815 Monthly Bulk Terminal and Blender Report, EIA–816 Monthly Natural Gas Plant Liquids Report, EIA– 817 Monthly Tanker and Barge Movement Report, EIA–819 Monthly Biofuel and Fuel Oxygenate Report,* as well as the annual *EIA–820 Annual Refinery Report*.

API is the only national trade association representing all facets of the natural gas and oil industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 47 million Americans. Given that API survey participants ("respondents"), who are both members and non-members, account for a large portion of the companies that are responsible for gathering and reporting data to EIA, we appreciate the opportunity to comment on EIA's proposal on their behalf.

As an extensive user of EIA data, API supports EIA's goal of providing access to high quality, granular data in order to increase market efficiency, transparency, and enhance analysis. API recognizes that EIA's proposed changes aim to benefit the industry, government, policymakers, consumers, and other stakeholders. While it is important for EIA to take steps to improve its data collection and reporting efforts, it is also imperative for the EIA and the oil and natural gas industry to work together to ensure that the changes implemented promote principles of feasibility, availability, accuracy and data quality, while minimizing potential added costs and burden.

API respectfully submits a list of feedback below–where some items need to be addressed to make the proposed survey revisions workable and to garner the support of API and the industry.

Overall Feedback to EIA's Proposals:

API received varied feedback – where a few respondents indicated that they have the ability to accommodate some of the EIA's proposed form changes and deemed the change to be beneficial, many respondents pointed out that some of the new requirements added to the survey will be challenging, if not impossible, to provide in an accurate and timely manner. Details of these feedback are enumerated in this document.

EIA estimates that there are no additional costs to respondents associated with the proposed changes other than additional burden hours, which are estimated at approximately $15.4 million annually. One common feedback resonating across the respondents is the EIA form changes entail additional burdens and substantial costs to the companies. Aside from the additional cost associated with burden hours, filling out the revised forms and providing new data increases the burden on the respondents in significant ways:

1. Form changes typically require modifications in the reporting tools used by respondents to report data. Updates are required to the companies' database design, accounting process, operation systems, and reporting systems. This effort could range from large to significantly large costs, depending on the company.
2. EIA's expanded survey collection also increases follow up QC required from respondents and substantially increases the probability of typographical errors resulting from manually processing forms. Third-party services would not only incur an enormous monetary cost, but also additional burden in data validation and estimation.
3. In order to comply with the new reporting requirements, re-training of personnel or increased manpower may be necessary for some companies to meet the new mandates with the deadline of submission remaining the same, ultimately increases the companies' operations costs.
4. Additional costs from hardware expenditures for measurement apparatuses are also expected (e.g. gas analysis equipment).

According to the respondents, some instructions are not clear and rendered their review difficult. In addition, respondents felt that the reasons given to collect the new data were not widely explained except for the purpose of providing improved market transparency.

In previous iterations of an FRN regarding PSRS proposed changes, the EIA had a higher profile FRN release with in-person workshops for respondents, information sessions such as conference calls and webinars. This is a welcome opportunity that respondents prefer prior to FRN to allow for better and open communication between EIA and the industry. The timing of the FRN release was not ideal since it occurred during the holiday season. This increased the risk that key personnel were out of the office and, in turn, caused delays at the start of the review process as well as in coordinating the review with other business segments.

When reviewing the feedback from the industry, API recommends that EIA re-evaluate the additional costs and burden the proposed changes would impose on the respondents relative to the perceived benefit of the expanded survey collection before finalizing the proposed changes. Should EIA proceed with the proposed changes, respondents request sufficient lead time before implementation. Given the multitude of new requirements, appropriate lead time and planning are needed for initial startup of the expanded survey. Furthermore, the planning for manpower allocation and expenses for the necessary changes may not have been included in companies' current budgets.

Specific Feedback on Proposed Changes Impacting Multiple Forms

1. **Change unit of measurements across all forms (except EIA-809) from thousand barrels to whole barrels.**

   The majority of respondents indicated the continuation of reporting volume in thousands of barrels should remain sufficient as it relates to companies' assets. The cost incurred by companies to update their reporting system (e.g. the need for IT resources to update numerous queries and reports conversions) far outweighs the benefit in reporting in whole barrels. Additionally, some respondents cited the difference between the thousands of barrels and whole barrels as miniscule and may even lead to a false perception of precision in the new reports despite those volumes being derived using the same historical procedures including the use of estimates. The burden of this change could exponentially increase for those respondents individually and manually processing forms. This also increases the risk of data entry errors.

2. **Reduce the number of separate finished motor gasoline products from nine to six and reorganize motor fuel categories to track ethanol blending for Forms EIA–800, EIA–802, EIA–804, EIA–805, EIA–810, EIA–812, EIA–814, EIA–815, EIA–817.**

   Instructions regarding the reclassification of finished motor gasoline products are not clear. More precise instructions, accurate definitions and descriptions of newly reclassified products, and an FAQ document would be useful for the respondents to accurately fill out the survey forms. Detailed instructions and descriptions increase the accuracy of data submitted to EIA. Having the association of old product to the new proposed product may also be useful.

   Some product descriptions differ between the weekly and monthly forms which leads to confusion and potential misreporting of data. For example, product code 170 between Form-805 and Form-815 differs.

EIA-805 weekly form	Conventional Blendstock for Oxygenate Blending (CBOB) and Gasoline not Blended with Ethanol (E0)	170
EIA-815 monthly form	Gasoline Not Blended with Ethanol (E0)	170

   Suggestions were made for formatting of text to differentiate between parent and child products (e.g. making text bold or increasing column indentions); which would make it easier on the respondent to fill out the forms.

3. **Changes in reporting of stocks-in-transit for Forms EIA-802, EIA-803, EIA-805, EIA-810, EIA-812, EIA-813, EIA-815.**

   The proposed reporting requirement directs respondents to report stocks held on site and in transit by water and rail separately instead of the current instruction to report as a consolidated volume. Respondents indicate some inherent difficulties in trying to get in-transit stocks data from some terminal locations. Reporting stocks-in-transit remains a challenge to many respondents having to rely on third parties. Deliveries of stocks are not straightforward and more often changes in delivery schedules contribute to inconsistencies of data reported. Some of the challenges respondents often face are below:

   - Insurance certifications or pre-approved trainings are prerequisites for offloading of product stocks to terminal. If these are not presented at the time of deliveries, a site will not accept the product deliveries.
   - Respondents do not receive advanced notice from a truck or inventory owner that a truck is on the way, the amount of product, or which product it is planning to load/offload.
   - Depending on storage capacities at the time of deliveries, stocks deliveries may not be accepted in the terminal. This is largely impacted when delivery schedules are interrupted for some reason like inclement weather or missing permits.

- Timing or delivery schedules that are not met present a problem to receiving terminals, like in the case of water vessels where notification given to the terminal in advance of a barge or ship arriving to load or offload product varies significantly at times, where expected delivery time may not be met.

Because of these uncertainties, companies are often compelled to employ speculation or estimation of stocks-in-transit to terminals to meet the reporting deadline by EIA. This increases the chances of reporting inaccurate or unreliable data. QC inquiries received by respondents increase and becomes more complicated to process and reconcile (e.g. explaining the build or draw in product inventories). Reconciling stocks data between weekly forms and monthly forms can be taxing for the companies.

Having strict and streamlined reporting instructions is extremely crucial to help ease some of the challenges cited. Some companies suggested stocks in transit by rail or barge are far better reported by the transportation companies who have first-hand information of product stocks in transit and where and when the exact delivery will happen. Since respondents are not provided advance notice of when a ship is leaving port and headed to a terminal – which can change during transit based on market conditions and commercial opportunities – data accuracy is at risk. Terminal operators claim to accurately report product stocks which have gone through the terminal meter and are in its current inventory.

Specific Feedback by Forms

1. **Changes for Form EIA-800 Weekly Refinery Report**

I. Changing name of Form EIA-800 from *Weekly Refineries and Fractionators Reports* to *Weekly Refineries Reports*–excluding fractionators.

Respondents request a confirmation from EIA that only refineries are required to fill out the EIA-800 weekly form. Respondents recognize this as a good change that promotes consistency with the EIA-810 monthly refinery report which only includes refineries.

If NGL fractionators, propylene splitters, isomerization plants, dehydrogenization plants, olefins plants, octane enhancement plants and other non-petroleum refineries are no longer required to complete the EIA-800 weekly report, is there a plan of collecting NGL fractionators data in another weekly survey?

If this was not the intent, a broader definition of the types of facilities and commodities/products to be reported would be helpful to ensure accuracy in reporting.

II. Adding new rows, under the column headings for Input; Production; and Ending Stocks, to separately report unfinished oils, other biofuel and renewable fuel (excluding ethanol), hydrocarbon gas liquids (excluding propane), and total refinery olefins. Ethane, normal butane, isobutane, and natural gasoline will be reported as a single category under hydrocarbon gas liquids

This new requirement presents some difficulties in reporting data accurately and on time. Some fractionators contain pipelines connected to storage terminals and have very limited storage for holding stocks. These stocks used as mixed NGL feed or other NGL products are already reported on the EIA-805 and EIA-815. These storage units differ from refineries which have large capacity tankage on-site to hold crude oil and refined products stocks. Ending stocks produced from these non-petroleum refineries are held in terminals in a separate location. Including such volumes in the weekly report could lead to double-counting. This lengthens the QC data validation process required from respondents and, in turn, increases the burden on the respondents.

2. **EIA-803 Weekly Crude Oil Stocks Report / EIA-813 Monthly Crude Oil Report**

   I. Adding separate reporting of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract.

   This new survey requirement is not feasible according to the majority of respondents. Inventory owners in Cushing maintain stocks of various crude grades. The individual grades often do not meet the NYMEX specification on a stand-alone basis but can be blended with other grades to meet those specifications. The proposed change is misleading because companies could blend to meet the NYMEX specification when contractually required to do so, or when the NYMEX grade is incentivized. Reporting a low volume of NYMEX specification grade crude oil at one point does not mean that it could not be created on short notice by blending to proper specification.

   For the EIA-803 weekly survey collection, this presents a more volatile weekly reported volume. Some respondents holding more separate crude grade components will have an unfair advantage over those only containing NYMEX specs.

   Aside from the substantial additional cost of complying with this proposal, the amount of crude that ultimately goes to delivery under the NYMEX futures contract is most often inconsequential to overall reported Cushing stocks. This collection will likely provide little value and expose respondents to risk. This new reporting requirement would be unduly burdensome relative to the value this information provides

   Additionally, some respondents have expressed that their crude oil holdings are not classified as delivery points under the NYMEX contract, as such crude products are not tracked whether they meet the NYMEX Specifications or not. Respondents only track whether or not products meet the specifications as identified in pertinent Tariffs.

3. **EIA-805, Weekly Bulk Terminal Report / EIA-815, Monthly Bulk Terminal Report**

   I. Reporting ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane.

   Respondents believe reporting propane separately from propane contained in a mix would be a valuable metric on a monthly basis only. Reporting separately in the weekly report would be highly volatile due to respondents' varying degrees of fractionation capacity. Weekly reporting would provide little value due to the significant variations in the data based on varying fractionation operations by week. Reporting accurate weekly data of propane separately from propane stored as a mix would be unduly burdensome, time consuming, and costly. A monthly report of the requested data, while still a burden, should provide sufficient and reliable information that would contribute to increased market transparency.

   For the consumer-grade propane and export-grade propane, product 626, respondents recommend using a more general term such as 'Commercial Grade Propane'. Reporting distinct product names consumer-grade and export-grade as one number would create more confusion since the difference between the two grades is very subtle.

   II. Reconfigure the collection of normal butane and isobutane stocks to allow for the reporting of stocks of refinery-grade butane as either normal butane or isobutane.

   Respondents recommend continuing to report RGB as a mixed product. The composition of RGB varies, often including components of normal butane, natural gasoline and isobutane; among others. RGB is purchased as a mix, co-mingled with other RGB streams and ultimately processed into its component parts in downstream facilities. Because of frequent changes in the composition, individual component

volumes would need to be estimated on a case-by-case basis, resulting in potentially significant inaccuracies. Additionally, breaking down RGB into its individual components would be very difficult, time consuming and costly.

It is believed that this new reporting requirement would add little value to the determination of stocks by component. The current and more general stock count should continue to be reported and assumptions should be left to the users of the reported data.

III. New Requirements regarding NGL feedstocks and related products
Please refer to Section #1 point II for details.

4. EIA-816, Monthly Natural Gas Liquids Report

I. Add a new Part 5 to collect monthly volumes of outlet residue gas separated out by methane, ethane, propane, nitrogen, and NGLs. The addition of data on inlet and residue natural gas improves EIA estimates of the reduction of natural gas supply due to NGL extraction. This data also improves market assessments by providing a measure of ethane and other NGL quantities that remain in natural gas after processing as well as providing an indicator of the heat content of marketed natural gas.

Respondents concur that collecting outlet residue gas is beneficial; however, they recommend providing it in consolidated volume, not broken out by component.

Outlet residue gas by component (methane, ethane, propane and nitrogen) would be difficult to provide in cases where a gas analysis is currently not available – respondents indicated that only larger plants may have this equipment. This reporting would require a material capital investment for the installation of additional measurement equipment for each plant location or would likely increase the use of third parties for measurement services, thus increasing costs to the industry as a whole. The use of third parties for measurement data may prove challenging during QC inquiries to respondents by EIA. Many plants operate as closed systems, while others have comingled inlet and outlet streams. Developing methods to allocate these volumes would be extremely difficult, as well as unduly burdensome, time consuming, and costly.

II. Add a new Part 6 Isomerization Activity to collect volumes on the input of normal butane used for production of isobutane in Section 6.1.

Due to the various compositions and frequent changes of mixed butanes used as feed for the isomerization facilities, respondents would need to develop an allocation methodology and make assumptions that could lead to significant and misleading inaccuracies in reported volumes.

III. Section 6.1a will separately collect the volumes of normal butane sourced from natural gas processing plants and refineries.

Respondents indicated that it would be impossible without material capital investments to distinguish isomerization feedstocks between gas plant-sourced and refinery-sourced due to the nature in which the feedstock is supplied. Gas plant and refinery-sourced volumes are co-mingled during the transportation of mixed products from their origin locations. These products are co-mingled in the storage of mixed products, fractionated from a common stream into purity products and co-mingled again in the storage of purity products. Additionally, multiple blending activities occur upstream of the isomerization plant. In rare circumstances where this data could be distinguished, the reporting of this information would be unduly burdensome, very costly, and time consuming. The concerns related to isomerization feedstocks in the item immediately shown above this item apply to this item as well.

ATTACHMENT TO COMMENT 7 (page 7 of 7)

Summary

On behalf of the industry, API respectfully submits feedback gathered from both members and non-members of API who worked diligently in reviewing EIA's proposed form changes. Thank you for the opportunity to comment on the proposed changes to EIA's PSRS reporting structure. While much of the FRN feedback is positive and emphasizes EIA's necessary steps to have timely and highly specific surveys, many respondents have identified difficulties that will make the proposed changes exceedingly burdensome and costly to comply with. We would also like EIA to recognize that, while the proposed changes will impose a burden on larger, integrated companies in the industry, the increased burden for smaller, privately-held companies could be significant given that they typically do not have large accounting and regulatory staff. For this reason, this effort should be closely examined in the context of the broader DOE review emphasizing fair regulatory efforts. As always, API is looking forward to working with EIA in its efforts to improving its data collection processes.

Respectfully submitted,

Hazem Arafa
Director, Statistics
American Petroleum Institute
200 Massachusetts Avenue, NW,
Washington, D.C. 20001
Tel: (202) 682-8000

EIA RESPONSE TO COMMENT 7 (page 1 of 4)

June 13, 2019: EIA emailed Mr. Gilden the following response:

Thu 6/13/2019 4:11 PM

PetroleumSupplyForms

RE: API Consolidated Feedback - EIA FRN 2019

To Alex H. Gilden

Cc Maria M. Coronado; Adebukola T. Adeiya; Hazem Arafa; PetroleumSupplyForms

Hello,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Specific Feedback on Proposed Changes Impacting Multiple Forms

1. Change unit of measurements across all forms (except EIA-809) from thousand barrels to whole barrels.
The majority of respondents indicated the continuation of reporting volume in thousands of barrels should remain sufficient as it relates to companies' assets. The cost incurred by companies to update their reporting system (e.g. the need for IT resources to update numerous queries and reports conversions) far outweighs the benefit in reporting in whole barrels. Additionally, some respondents cited the difference between the thousands of barrels and whole barrels as miniscule and may even lead to a false perception of precision in the new reports despite those volumes being derived using the same historical procedures including the use of estimates. The burden of this change could exponentially increase for those respondents individually and manually processing forms. This also increases the risk of data entry errors.

Reporting in thousand barrels works well for large-volume products (e.g. crude oil and gasoline), but EIA is increasingly asked to report data on small-volume products especially in the biofuels area. Reporting in thousand barrels units has the potential to mask some activity because the quantities are too small for individual facilities to report on a weekly or perhaps even monthly basis. EIA expects to provide more complete accounting of small-volume product activity with the change of reporting units to barrels. Given the focus on small-volume products, EIA will consider keeping reporting units of thousand barrels on Form EIA-803 Weekly Crude Oil Report and Form EIA-813 Monthly Crude Oil Report. EIA recognizes that reporting in barrels does not provide meaningful increased precision to reported data.

EIA resource constraints require a delay in implementation of reporting data in barrels. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement and EIA will pursue reporting in barrels in a future survey clearance.

2. **Reduce the number of separate finished motor gasoline products from nine to six and reorganize motor fuel categories to track ethanol blending for Forms EIA–800, EIA–802, EIA–804, EIA–805, EIA–810, EIA–812, EIA–814, EIA–815, EIA–817.**
Instructions regarding the reclassification of finished motor gasoline products are not clear. More precise instructions, accurate definitions and descriptions of newly reclassified products, and an FAQ document would be useful for the respondents to accurately fill out the survey forms. Detailed instructions and descriptions increase the accuracy of data submitted to EIA. Having the association of old product to the new proposed product may also be useful.

We agree that complete, clear, accurate, and precise instructions and definitions together with well-designed survey instruments are essential for reporting companies to provide responses to EIA surveys that are as timely and accurate as possible. We value technical input from industry and data users as we develop survey materials for the EIA petroleum supply reporting system. However, survey materials must be general enough to cover the broad range of feedstocks and products that are processed, produced, stored, blended, imported, exported, transported, and delivered to customers by operators in the petroleum, biofuels, and natural gas liquids industries. Given the complexity and variety of products and activities tracked by the EIA petroleum supply reporting system, it is inevitable that situations and questions will arise that require interpretation of EIA reporting instructions. For example, EIA classifies products according to a combination of properties and intended use. This means that a company may need to report barrels with the same or similar properties under different EIA product classifications because the intended use of the barrels was different (e.g. fuel oil and refinery feedstock). EIA staff are available to work with companies to answer questions and provide assistance in responding to surveys.

3. Changes in reporting of stocks-in-transit for Forms EIA-802, EIA-803, EIA-805, EIA-810, EIA-812, EIA-813, EIA-815.
The proposed reporting requirement directs respondents to report stocks held on site and in transit by water and rail separately instead of the current instruction to report as a consolidated volume. Respondents indicate some inherent difficulties in trying to get in-transit stocks data from some terminal locations. Reporting stocks-in-transit remains a challenge to many respondents having to rely on third parties. Deliveries of stocks are not straightforward and more often changes in delivery schedules contribute to inconsistencies of data reported. Some of the challenges respondents often face are below:
- Insurance certifications or pre-approved trainings are prerequisites for offloading of product stocks to terminal. If these are not presented at the time of deliveries, a site will not accept the product deliveries.
- Respondents do not receive advanced notice from a truck or inventory owner that a truck is on the way, the amount of product, or which product it is planning to load/offload.
- Depending on storage capacities at the time of deliveries, stocks deliveries may not be accepted in the terminal. This is largely impacted when delivery schedules are interrupted for some reason like inclement weather or missing permits.
- Timing or delivery schedules that are not met present a problem to receiving terminals, like in the case of water vessels where notification given to the terminal in advance of a barge or ship arriving to load or offload product varies significantly at times, where expected delivery time may not be met.

Because of these uncertainties, companies are often compelled to employ speculation or estimation of stocks-in-transit to terminals to meet the reporting deadline by EIA. This increases the chances of reporting inaccurate or unreliable data. QC inquiries received by respondents increase and becomes more complicated to process and reconcile (e.g. explaining the build or draw in product inventories). Reconciling stocks data between weekly forms and monthly forms can be taxing for the companies.

Having strict and streamlined reporting instructions is extremely crucial to help ease some of the challenges cited. Some companies suggested stocks in transit by rail or barge are far better reported by the transportation companies who have first-hand information of product stocks in transit and where and when the exact delivery will happen. Since respondents are not provided advance notice of when a ship is leaving port and headed to a terminal – which can change during transit based on market conditions and commercial opportunities – data accuracy is at risk. Terminal operators claim to accurately report product stocks which have gone through the terminal meter and are in its current inventory.

EIA surveys include a long-standing requirement for operators of refineries, storage terminals, and other facilities to report barrels in transit by tanker, barge, rail, and truck as ending stocks at destination facilities. Barrels held in pipelines (pipeline fill) and tanks used for pipeline operations are reported as stocks to EIA by pipeline operators.

EIA needs to track barrels in transit to avoid reporting spurious stock changes that will, in the absence of reported stocks in transit, introduce errors and uncertainties in U.S. and regional volumetric balance data for petroleum, biofuels, and hydrocarbon gas liquids. For example, barrels of fuel oil loaded on a barge near the end of a report month must continue to be included as inventory in EIA data while the barrels are in transit to avoid having the barrels add to demand measured as product supplied in the month when they were loaded on the barge and then subtract from demand measured as product supplied in the month when the barrels were added to stocks at a destination terminal.

EIA recognizes the difficulties experienced by companies when reporting stocks in transit at destination facilities and the uncertainties and potential for errors that are introduced in U.S. and regional data. EIA proposed survey changes asking companies to report separate stocks in transit and stocks held on site in order to simplify reporting and provide EIA with data to assess the current state of stocks in transit reporting and work toward improvements.

The current EIA practice of asking companies to combine stocks in transit with stocks held on site introduces unnecessary complexities, especially on surveys that require companies to report volumetric balance data for refineries (Form EIA-810), product storage terminals (Form EIA-815) and biofuel plants (proposed Form EIA-819). Volumetric balance data typically require companies to report volumes to show the following volumetric balance.

stocks beginning of month (including barrels in transit) + receipts - input + production - shipments - use and loss - stocks end of month (including barrels in transit) = zero.

Reporting according to the current requirement not only requires companies to include stocks in transit, but also requires them to adjust monthly receipt quantities to include barrels in transit in order to maintain the volumetric balance. When barrels are actually received in the following month, then those barrels must be subtracted from receipts reported to EIA to maintain the balance in the following month.

The EIA proposal to require separate reporting of stocks on site and stocks in transit simplifies reporting because the volumetric balance will be entirely based on barrels held on site at the beginning and end of each report period. The added requirement to adjust receipts across report periods is eliminated.

The current practice of reporting combined stocks on site and stocks in transit makes it essentially impossible for EIA to identify companies that are and are not reporting stocks in transit and to assess quality of data. Collecting separate data for stocks held on site and stocks in transit will provide enhanced visibility into the data, allow EIA to identify likely errors, work with companies to improve data, and inform work to improve survey methods for collecting stocks in transit data. In the near term, separate data on stocks in transit is expected to reduce the number of follow-up calls from EIA to reporting companies because EIA will be able to answer questions without follow-up through analysis of the more detailed stocks data. In the longer term, EIA will use the data for analyses aimed at improving survey forms and instructions and possibly making other methodology changes to improve tracking stocks in transit and seek ways to reduce reporting burden.

EIA resource constraints require a delay in implementation of separate reporting of stocks on site and stocks in transit on all surveys except the EIA-819, until a later survey clearance cycle. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement to combine stocks held on site and stocks in transit.

Specific Feedback by Forms

1. Changes for Form EIA-800 Weekly Refinery Report

I. Changing name of Form EIA-800 from Weekly Refineries and Fractionators Reports to Weekly Refineries Reports–excluding fractionators.

Respondents request a confirmation from EIA that only refineries are required to fill out the EIA-800 weekly form. Respondents recognize this as a good change that promotes consistency with the EIA-810 monthly refinery report which only includes refineries.
If NGL fractionators, propylene splitters, isomerization plants, dehydrogenization plants, olefins plants, octane enhancement plants and other non-petroleum refineries are no longer required to complete the EIA-800 weekly report, is there a plan of collecting NGL fractionators data in another weekly survey?
If this was not the intent, a broader definition of the types of facilities and commodities/products to be reported would be helpful to ensure accuracy in reporting.

EIA proposed a new Form EIA-806 "Weekly natural gas liquids report" designed to collect weekly production and stocks of natural gas liquids (NGL) from operators of natural gas processing plants and stocks of NGL from fractionators. EIA plans to eventually replace production and stocks data currently reported on Form EIA-800 "Weekly Refinery and Fractionator Report" with data reported on Form EIA-806, but development and implementation of Form EIA-806 are delayed due to EIA resource constraints. Therefore, EIA will continue the current practice of collecting production of propane and ending stocks of propane and total NGL on Form EIA-800. EIA will update the version of Form EIA-800 and associated instructions submitted for clearance through the Office of Management and Budget (OMB) to show that operators of NGL fractionators should continue to report along with operators of refineries.

II. Adding new rows, under the column headings for Input; Production; and Ending Stocks, to separately report unfinished oils, other biofuel and renewable fuel (excluding ethanol), hydrocarbon gas liquids (excluding propane), and total refinery olefins. Ethane, normal butane, isobutane, and natural gasoline will be reported as a single category under hydrocarbon gas liquids

This new requirement presents some difficulties in reporting data accurately and on time. Some fractionators contain pipelines connected to storage terminals and have very limited storage for holding stocks. These stocks used as mixed NGL feed or other NGL products are already reported on the EIA-805 and EIA-815. These storage units differ from refineries which have large capacity tankage on-site to hold crude oil and refined products stocks. Ending stocks produced from these non-petroleum refineries are held in terminals in a separate location. Including such volumes in the weekly report could lead to double-counting. This lengthens the QC data validation process required from respondents and, in turn, increases the burden on the respondents.

EIA reporting instructions call for reporting stocks on a custody basis. EIA survey instructions ask operators of natural gas liquids (NGL) fractionators to report barrels held in custody at their plants at the end of each report period. Barrels held in terminals, pipelines, or other facilities are reported by operators of those facilities, and not by operators of NGL fractionators. The goal is to account for all of the in-scope barrels and avoid double-counting barrels. EIA writes survey instructions at a somewhat general level to describe the data we intend to collect. It is necessary for EIA survey instructions to leave some details for interpretation by reporting companies because it is impossible for EIA to write instructions to specifically address every operating, measurement, and accounting practice used by operators in the petroleum, natural gas liquids, and biofuels industries.

2. EIA-803 Weekly Crude Oil Stocks Report / EIA-813 Monthly Crude Oil Report

I. Adding separate reporting of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract.
This new survey requirement is not feasible according to the majority of respondents. Inventory owners in Cushing maintain stocks of various crude grades. The individual grades often do not meet the NYMEX specification on a stand-alone basis but can be blended with other grades to meet those specifications. The proposed change is misleading because companies could blend to meet the NYMEX specification when contractually required to do so, or when the NYMEX grade is incentivized. Reporting a low volume of NYMEX specification grade crude oil at one point does not mean that it could not be created on short notice by blending to proper specification.
For the EIA-803 weekly survey collection, this presents a more volatile weekly reported volume. Some respondents holding more separate crude grade components will have an unfair advantage over those only containing NYMEX specs.
Aside from the substantial additional cost of complying with this proposal, the amount of crude that ultimately goes to delivery under the NYMEX futures contract is most often inconsequential to overall reported Cushing stocks. This collection will likely provide little value and expose respondents to risk. This new reporting requirement would be unduly burdensome relative to the value this information provides
Additionally, some respondents have expressed that their crude oil holdings are not classified as delivery points under the NYMEX contract, as such crude products are not tracked whether they meet the NYMEX Specifications or not. Respondents only track whether or not products meet the specifications as identified in pertinent Tariffs.

EIA withdraws from further consideration the requirement to report separate crude oil stocks deliverable under the NYMEX futures contract. Comments received in response to the proposed data collection show that reporting would require significant resources and would most likely produce data with limited utility for promoting market transparency.

EIA RESPONSE TO COMMENT 7 (page 3 of 4)

3. EIA-805, Weekly Bulk Terminal Report / EIA-815, Monthly Bulk Terminal Report
I. Reporting ending stocks of consumer and export grade propane separately from propane stored as part of a mix of natural gas liquids and propane that does not meet specifications for either consumer or export grade propane.

Respondents believe reporting propane separately from propane contained in a mix would be a valuable metric on a monthly basis only. Reporting separately in the weekly report would be highly volatile due to respondents' varying degrees of fractionation capacity. Weekly reporting would provide little value due to the significant variations in the data based on varying fractionation operations by week. Reporting accurate weekly data of propane separately from propane stored as a mix would be unduly burdensome, time consuming, and costly. A monthly report of the requested data, while still a burden, should provide sufficient and reliable information that would contribute to increased market transparency.
For the consumer-grade propane and export-grade propane, product 626, respondents recommend using a more general term such as 'Commercial Grade Propane'. Reporting distinct product names consumer-grade and export-grade as one number would create more confusion since the difference between the two grades is very subtle.

> EIA surveys include a long-standing requirement for operators of natural gas liquids (NGL) storage to report weekly and monthly stocks of propane equal to the sum of barrels of commercial-grade (fractionated) propane and barrels of propane contained in unfractionated (mixed) NGL. EIA survey instructions call for propane barrels contained in unfractionated NGL storage to be determined based on chemical analysis. The only new requirement is for companies to separately report barrels of commercial-grade (fractionated) propane and propane barrels contained in NGL mix (unfractionated propane). These are the same quantities that are currently summed when companies report weekly and monthly propane stocks. EIA proposed separate reporting of fractionated propane and propane stored as a component of mixed NGL primarily to inform propane market participants of availability of fractionated propane available for delivery and propane stored as a component of NGL mix that requires fractionation before it can be delivered. EIA believes that NGL storage operators know which of their tanks or caverns contain commercial-grade (fractionated) propane and are able to measure the quantities of commercial-grade propane stored in order to report both weekly and monthly stock quantities on EIA surveys with a degree of accuracy that will produce useful regional and national totals. EIA recognizes that reporting barrels of propane held as a component of mixed NGL introduces additional uncertainty because the quantity depends on both measurement of total mixed NGL inventory and chemical analysis showing the percent of total mixed NGL that is propane, but the same uncertainties and requirements also exist in current data. Regardless of the uncertainties, industry and EIA have demonstrated the ability to report regional and U.S. propane stocks (including commercial-grade propane and the propane component of NGL mix) that provide information to promote market transparency, support business decisions, and inform emergency planning activities.

II. Reconfigure the collection of normal butane and isobutane stocks to allow for the reporting of stocks of refinery-grade butane as either normal butane or isobutane.
Respondents recommend continuing to report RGB as a mixed product. The composition of RGB varies, often including components of normal butane, natural gasoline and isobutane; among others. RGB is purchased as a mix, co-mingled with other RGB streams and ultimately processed into its component parts in downstream facilities. Because of frequent changes in the composition, individual component
volumes would need to be estimated on a case-by-case basis, resulting in potentially significant inaccuracies. Additionally, breaking down RGB into its individual components would be very difficult, time consuming and costly.
It is believed that this new reporting requirement would add little value to the determination of stocks by component. The current and more general stock count should continue to be reported and assumptions should be left to the users of the reported data.

> EIA will continue the current practice of reporting all refinery-grade butane as one inventory quantity without additional product details.

4. EIA-816, Monthly Natural Gas Liquids Report
I. Add a new Part 5 to collect monthly volumes of outlet residue gas separated out by methane, ethane, propane, nitrogen, and NGLs. The addition of data on inlet and residue natural gas improves EIA estimates of the reduction of natural gas supply due to NGL extraction. This data also improves market assessments by providing a measure of ethane and other NGL quantities that remain in natural gas after processing as well as providing an indicator of the heat content of marketed natural gas.
Respondents concur that collecting outlet residue gas is beneficial; however, they recommend providing
it in consolidated volume, not broken out by component.
Outlet residue gas by component (methane, ethane, propane and nitrogen) would be difficult to provide in cases where a gas analysis is currently not available – respondents indicated that only larger plants may have this equipment. This reporting would require a material capital investment for the installation of additional measurement equipment for each plant location or would likely increase the use of third parties for measurement services, thus increasing costs to the industry as a whole. The use of third parties for measurement data may prove challenging during QC inquiries to respondents by EIA. Many plants operate as closed systems, while others have comingled inlet and outlet streams. Developing methods to allocate these volumes would be extremely difficult, as well as unduly burdensome, time consuming, and costly.

> EIA withdraws from further consideration for 2019 the requirement to report volumes of outlet residue gas with product details for methane, ethane, propane, nitrogen, and NGLs. EIA likely will propose to collect outlet residue gas quantities from natural gas processing plants in a future survey clearance, but component details remain to be determined.

II. Add a new Part 6 Isomerization Activity to collect volumes on the input of normal butane used for production of isobutane in Section 6.1.
Due to the various compositions and frequent changes of mixed butanes used as feed for the isomerization facilities, respondents would need to develop an allocation methodology and make assumptions that could lead to significant and misleading inaccuracies in reported volumes.

> EIA withdraws from further consideration the proposal to separately collect isomerization plant input of normal butane sourced from refineries and natural gas processing plants.

III. Section 6.1a will separately collect the volumes of normal butane sourced from natural gas processing plants and refineries.
Respondents indicated that it would be impossible without material capital investments to distinguish isomerization feedstocks between gas plant-sourced and refinery-sourced due to the nature in which the feedstock is supplied. Gas plant and refinery-sourced volumes are co-mingled during the transportation of mixed products from their origin locations. These products are co-mingled in the storage of mixed products, fractionated from a common stream into purity products and co-mingled again in the storage of purity products. Additionally, multiple blending activities occur upstream of the isomerization plant. In rare circumstances where this data could be distinguished, the reporting of this information would be unduly burdensome, very costly, and time consuming. The concerns related to isomerization feedstocks in the item immediately shown above this item apply to this item as well.

> EIA withdraws from further consideration the proposal to separately collect isomerization plant input of normal butane sourced from refineries and natural gas processing plants.

Summary
On behalf of the industry, API respectfully submits feedback gathered from both members and non-members of API who worked diligently in reviewing EIA's proposed form changes. Thank you for the opportunity to comment on the proposed changes to EIA's PSRS reporting structure. While much of the FRN feedback is positive and emphasizes EIA's necessary steps to have timely and highly specific surveys, many respondents have identified difficulties that will make the proposed changes exceedingly burdensome and costly to comply with. We would also like EIA to recognize that, while the proposed changes will impose a burden on larger, integrated companies in the industry, the increased burden for smaller, privately-held companies could be significant given that they typically do not have large accounting and regulatory staff. For this reason, this effort should be closely examined in the context of the broader DOE review emphasizing fair regulatory efforts. As always, API is looking forward to working with EIA in its efforts to improving its data collection processes.

EIA RESPONSE TO COMMENT 7 (page 4 of 4)

Summary
On behalf of the industry, API respectfully submits feedback gathered from both members and non-members of API who worked diligently in reviewing EIA's proposed form changes. Thank you for the opportunity to comment on the proposed changes to EIA's PSRS reporting structure. While much of the FRN feedback is positive and emphasizes EIA's necessary steps to have timely and highly specific surveys, many respondents have identified difficulties that will make the proposed changes exceedingly burdensome and costly to comply with. We would also like EIA to recognize that, while the proposed changes will impose a burden on larger, integrated companies in the industry, the increased burden for smaller, privately-held companies could be significant given that they typically do not have large accounting and regulatory staff. For this reason, this effort should be closely examined in the context of the broader DOE review emphasizing fair regulatory efforts. As always, API is looking forward to working with EIA in its efforts to improving its data collection processes.

EIA appreciates and values industry review and comments on survey changes as well as ongoing consultations relating to data requirements, statistical methodology, and reporting burden. EIA seeks to achieve fairness across companies of different sizes and with relatively more or fewer resources by designing survey reporting requirements that companies are able to satisfy with measured or derived quantities that are commonly tracked by all operators as a regular part of their petroleum, biofuel, and natural gas liquids supply activities. To the extent possible and with input from industry and other experts, EIA seeks to avoid creating reporting requirements that require measurement, analysis, or other steps (with the possible exception of calculations performed with existing data) that exist only to provide data in response to EIA surveys.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 8

February 22, 2019: Lana Gojmerac of Trans Canada sent us comments regarding our proposed form changes.

Fri 2/22/2019 4:52 PM

Lana Gojmerac <lana_gojmerac@transcanada.com>

[EXTERNAL] RE: EIA Reporting changes

To Piedra, Carla (CONTR); Conner, Michael (EIA)

Cc Jane Sheikh-Yassin; Cathy Gough

You replied to this message on 2/22/2019 5:02 PM.

Hello Michael & Carla,

I have had a chance to look at the proposed EIA 803 & 813 forms.

TransCanada is able to provide all of the information that is pertinent to our operations except:

EIA-803 – Part 3

Stocks held in tank farms at Cushing, OK deliverable under NYMEX contract
Stocks held in tank farms at Cushing, OK that are not deliverable under NYMEX contract

EIA-813 – Part 4

Stocks deliverable under NYMEX contract
Other stocks that are not deliverable under NYMEX contract

Any information about stock deliverable or not deliverable under NYMEX contract is information that is not privy to TransCanada.

Please contact me if you have any questions.

Thanks!
Lana

Lana Gojmerac
Liquids Volumetric Accounting
lana_gojmerac@transcanada.com

450 – 1 St. SW
Calgary, AB
Canada T2P 5H1

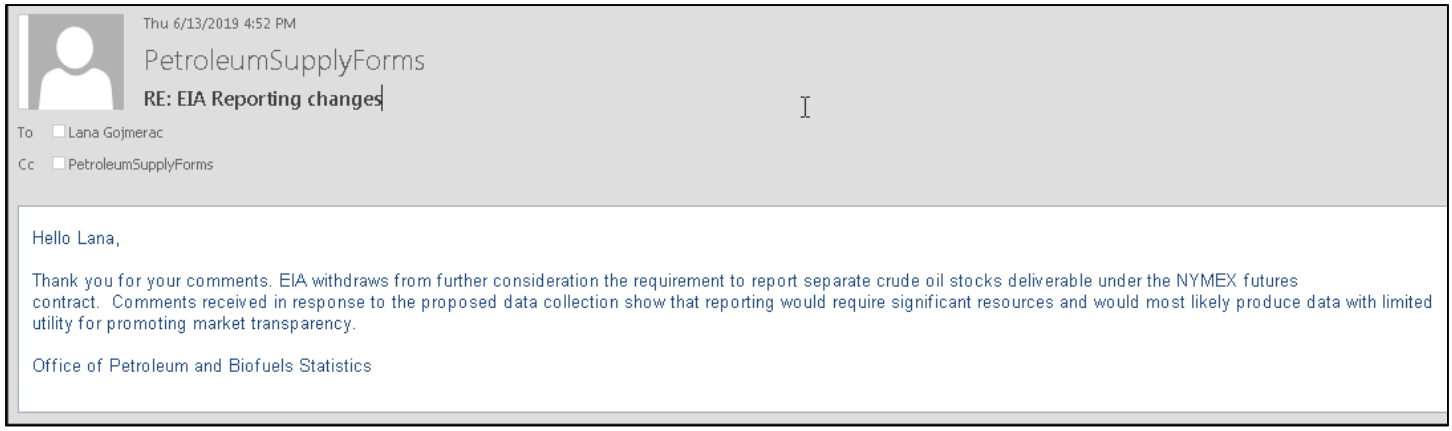
Tel: 587.933.0937

TransCanada

TransCanada.com
LinkedIn | Twitter | Facebook | Blog | YouTube

EIA RESPONSE TO COMMENT 8

June 13, 2019: EIA emailed Ms. Gojmerac the following response:



Thu 6/13/2019 4:52 PM

PetroleumSupplyForms

RE: EIA Reporting changes

To Lana Gojmerac

Cc PetroleumSupplyForms

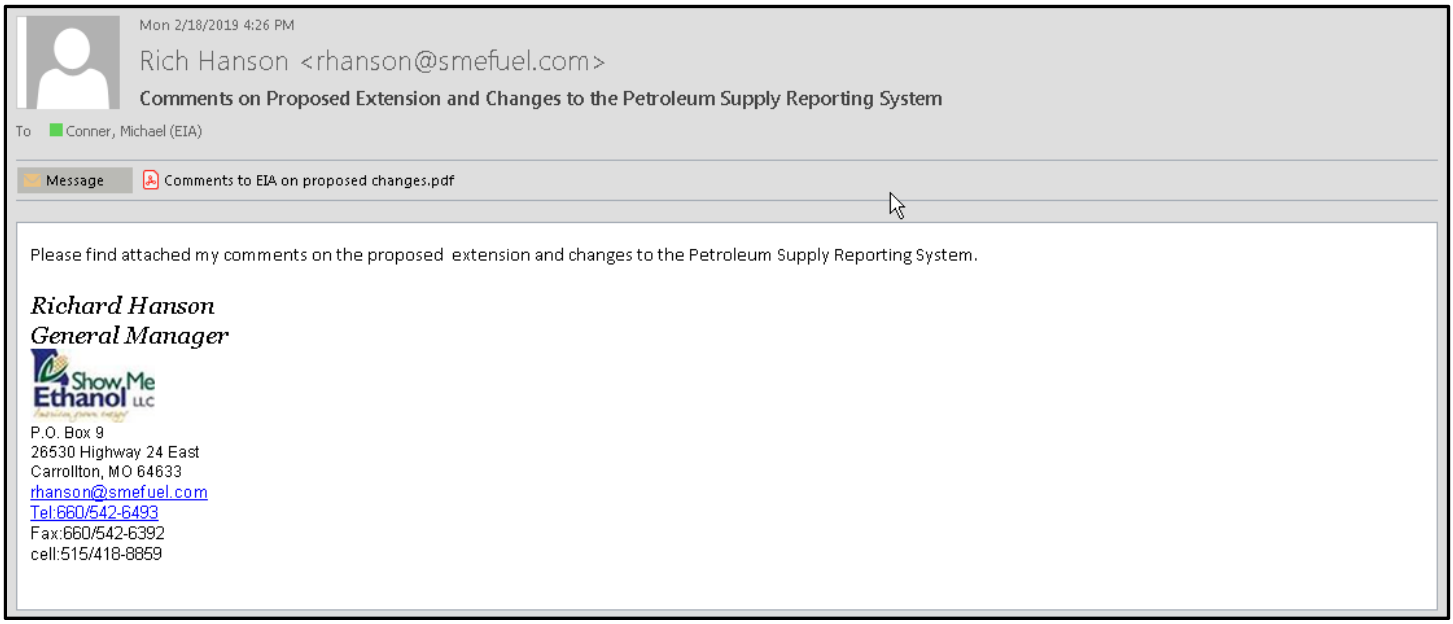
Hello Lana,

Thank you for your comments. EIA withdraws from further consideration the requirement to report separate crude oil stocks deliverable under the NYMEX futures contract. Comments received in response to the proposed data collection show that reporting would require significant resources and would most likely produce data with limited utility for promoting market transparency.

Office of Petroleum and Biofuels Statistics

COMMENT 9

February 18, 2019: Richard Hanson of ShowMe Ethanol sent us comments regarding our proposed form changes.



Mon 2/18/2019 4:26 PM

Rich Hanson <rhanson@smefuel.com>

Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Message | Comments to EIA on proposed changes.pdf

Please find attached my comments on the proposed extension and changes to the Petroleum Supply Reporting System.

Richard Hanson
General Manager
Show Me Ethanol LLC
P.O. Box 9
26530 Highway 24 East
Carrollton, MO 64633
rhanson@smefuel.com
Tel:660/542-6493
Fax:660/542-6392
cell:515/418-8859

ATTACHMENT TO COMMENT 9 (page 1 of 3)

Show Me Ethanol LLC
American grown energy

26530 Highway 24 East
P.O. Box 9
Carrollton, MO 64633

Phone: 660-542-6493
Fax: 660-542-6392
www.smefuel.com

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL

michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

Show Me Ethanol, LLC is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We operate a single ethanol plant capable of producing nearly 70 million gallons of fuel ethanol per year. Our facility also produces valuable coproducts. The operation of our plant generateddirect employment for 42 full-time personnel. We provide a reliable value-added market for local farmers, purchasing 23.8 million bushels of corn from an estimated 200 growers on an annual basis.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically more lengthy and detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to

provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact us at (660)542-6493 should you have questions.

Sincerely,

Richard Hanson
General Manager

EIA RESPONSE TO COMMENT 9

June 13, 2019: EIA emailed Mr. Hanson the following response:

Thu 6/13/2019 2:11 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Rich Hanson

Hello Rich,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.

Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA plans to seek approval from the Office of Management and Budget to report weekly exports of ethanol in the future.

Content of Proposed Form EIA-819.

In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

EIA designed the new Form EIA-819 to improve consistency of biofuel production, biofuel blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently covered by any EIA survey. While there may be a limited number of cases where the same person will complete Form EIA-819 across multiple products, the main purpose of the new survey was to assure that consistent and comparable data were collected across all products. In practice, EIA will use a web portal to collect data on Form EIA-819. EIA will design the portal with one or more initial and one-time screening questions to determine what sections of the form will be completed for any plant. After responding one time to the screening questions, the person completing the report will only see sections of the new Form EIA-819 applicable to each plant.

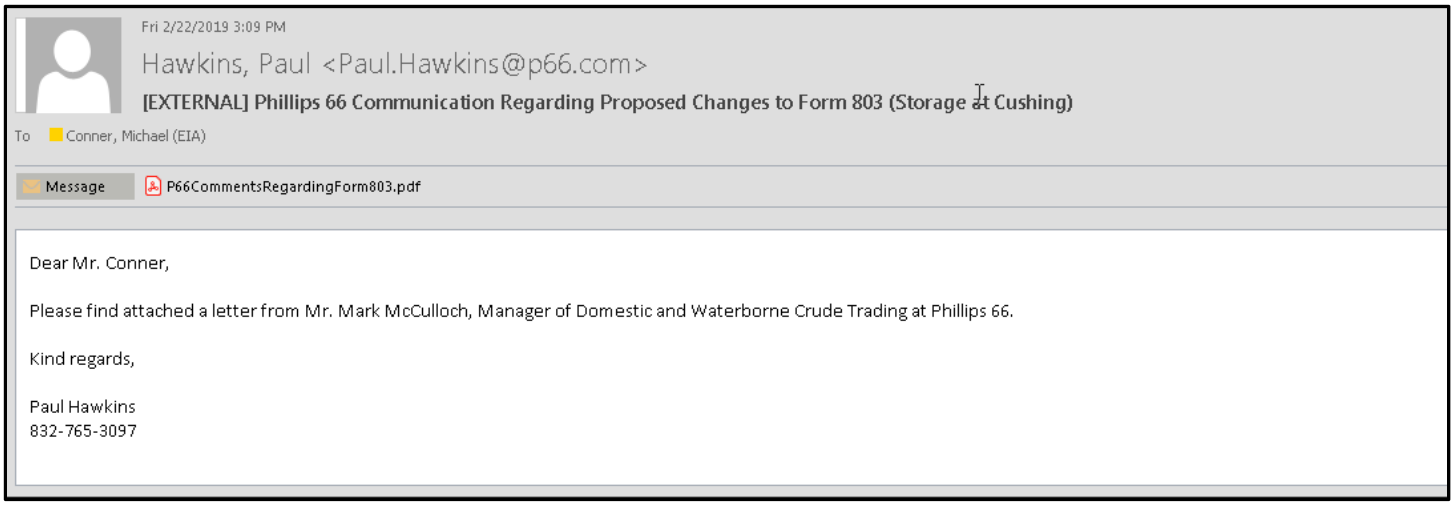
EIA coordinated with National Agricultural Statistics Service (NASS) to coordinate ethanol feedstock data collection and avoid unnecessary duplication. EIA and NASS agreed that it was necessary for both agencies to collect corn consumed as feedstock for production of fuel ethanol. EIA requires the data for a comprehensive accounting of feedstock consumption across all types of biofuels. NASS requires corn feedstock data as a starting point for their assessment of co-products production at ethanol plants. EIA and NASS agreed that EIA should focus on feedstock consumption and biofuel production while NASS should continue to focus on feedstock consumption and ethanol co-products production. NASS will discontinue collecting sorghum and wheat consumed for ethanol production. EIA will collect sorghum and wheat consumption for ethanol production and share the data with NASS. EIA and NASS will continue their current report release schedules with the NASS Grain Crushings and Coproducts Production released approximately 32 days after the end of the report month and EIA releasing biofuel feedstock data approximately 60 days after the end of each report month. In order to avoid possible confusion from having two numbers for biofuel feedstock consumption, NASS will replace their feedstock quantities with the EIA feedstock quantities after the EIA data are released each month. EIA and NASS will enter into a data sharing agreement to facilitate data validation and other analyses.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 10

February 22, 2019: Paul Hawkins of Phillips 66 sent us comments regarding our proposed form changes.



Fri 2/22/2019 3:09 PM

Hawkins, Paul <Paul.Hawkins@p66.com>

[EXTERNAL] Phillips 66 Communication Regarding Proposed Changes to Form 803 (Storage at Cushing)

To Conner, Michael (EIA)

Message P66CommentsRegardingForm803.pdf

Dear Mr. Conner,

Please find attached a letter from Mr. Mark McCulloch, Manager of Domestic and Waterborne Crude Trading at Phillips 66.

Kind regards,

Paul Hawkins
832-765-3097

ATTACHMENT TO COMMENT 10 (page 1 of 2)

Mark McCulloch
Manager, Domestic Crude and Waterborne Trading

Phillips 66 Company
2331 CityWest Blvd.
Houston, TX 77042
Phone: 832.765.3084

February 21, 2019

Via Email

Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585
Email: *michael.conner@eia.gov*

Re: Comments regarding EIA's proposed changes to the Petroleum Supply Reporting System, EIA Form – 803, Storage at Cushing

Dear Mr. Conner,

Phillips 66 Company is writing in response to the notice published by the EIA on December 27, 2018, regarding certain proposed modifications to the Petroleum Supply Reporting System, specifically EIA Form – 803, Part 3 as follows: "*add separate reporting of crude oil stocks held in tank farms at Cushing, Oklahoma as either deliverable under NYMEX contract or not deliverable under NYMEX contract. Separate reporting of crude oil stocks at Cushing, Oklahoma that are deliverable under NYMEX contract provides improved market transparency.*" We respectfully disagree that separate reporting of crude oil stocks at Cushing, Oklahoma would provide improved market transparency. As a major U.S. refiner and shipper of crude oil, we wish to express the following concerns:

- Having tankage at Cushing, OK naturally comes at a cost. Constantly submitting how much crude oil inventory is deliverable under NYMEX contracts or not would cause shippers to reveal highly sensitive confidential information which could materially increase their costs.
- While we may technically have NYMEX deliverable crude oil in storage at Cushing, it could well be destined for consumption at our refineries or for export. Therefore, requiring participants to reveal how much crude oil is "deliverable" at Cushing under NYMEX contracts or not would not necessarily present an accurate picture and indeed, could be easily misconstrued. The potential for confusion could well overshadow whatever the EIA may have been trying to achieve with this change.
- A significant volume of Domestic Sweet Crude Oil stored at Cushing is created from blending. As a result, the weekly "deliverable inventory" at Cushing under NYMEX contracts or not is likely to swing wildly from week to week. Thus, the reported information could be quite misleading in times of low inventory.
- We are not aware of any other futures contracts which are required to have their deliverable stock regularly publicized. We are unsure why this would be appropriate solely as regards Cushing contracts and would request further justification.

We would welcome the opportunity to discuss this further. Please contact Paul Hawkins at (832) 765-3097 or Paul.Hawkins@p66.com if you have any questions.

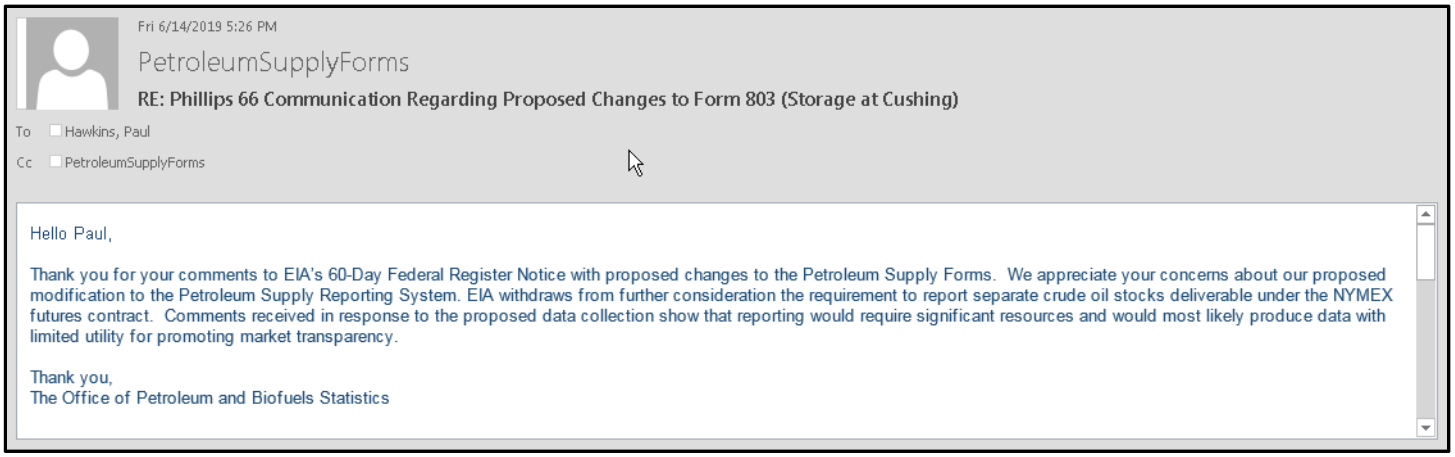
ATTACHMENT TO COMMENT 10 (page 2 of 2)

Yours truly,

Mark McCulloch
Manager, Domestic Crude and Waterborne Trading

EIA RESPONSE TO COMMENT 10

June 14, 2019: EIA emailed Mr. Hawkins the following response:



Fri 6/14/2019 5:26 PM

PetroleumSupplyForms

RE: Phillips 66 Communication Regarding Proposed Changes to Form 803 (Storage at Cushing)

To Hawkins, Paul

Cc PetroleumSupplyForms

Hello Paul,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. We appreciate your concerns about our proposed modification to the Petroleum Supply Reporting System. EIA withdraws from further consideration the requirement to report separate crude oil stocks deliverable under the NYMEX futures contract. Comments received in response to the proposed data collection show that reporting would require significant resources and would most likely produce data with limited utility for promoting market transparency.

Thank you,
The Office of Petroleum and Biofuels Statistics

COMMENT 11

February 23, 2019: Chris Highsmith of Harvestone Commodities sent us comments regarding our proposed form changes.

Sat 2/23/2019 11:33 AM

Chris Highsmith <chrish@harvestonegroup.com>

Petroleum Supply Reporting System - Comments

To Conner, Michael (EIA)

You forwarded this message on 2/25/2019 8:11 AM.

Mike,

Hope all is well. Please find below my comments to the proposed survey changes specifically regarding ethanol supply and storage. Some are repetitive across reports and I tried to put what I believe to be the most important comments right up front.

EIA-809:

- Part 3
  - **Exclusions from both production and stocks should be more clearly defined and significantly limited wherever possible.**
    - EIA is making the poor assumption that producers know the end use of undenatured product for export which is generally not the case. This leads to misclassification as "industrial". I see this a lot on the Census coding on product I have personally handled somewhere in the chain.
    - With exports representing over 10% of total production many months it is best for all production/stocks to be included unless they can be clearly defined as:
      - Beverage - easily identifiable due to TTB tax regulations. No one would produce or declare this without receiving the value for it.
      - Specially Denatured Alcohol (nonfuel for use in things like ink). Coded differently for this reason.
      - Industrial use domestically only. The reason it is cleaner to differentiate this way is because no fuel will be shipped undenatured for domestic consumption while that is not the case for exports. Most times if the product is for use in the surfactant market for example the producer will know the end use.
    - Producers cannot differentiate "industrial" or "nonfuel" easily by spec when product is being exported.
      - International markets do not require fuel to be denatured in many cases, including Brazil which is one of the large markets.
      - Export grades are often blended in the port with other undenatured grades to produce fuel specs from what may otherwise be considered nonfuel specs.
        - This could cause a "reclassification" of a barrel previously reported as nonfuel downstream. EIA would not capture this because it does not include the addition of denaturant downstream.
      - For most exports there are at minimum 4 parties involved in the process. Hopefully the EIA can see how things might get lost in translation in this chain. I am going to have similar comments on the EIA-805 about leaving it up to the tank holder to determine end use.
        - Producer – no idea of end use
        - Marketer/Trader – Handles logistics to the port
        - FOB seller – Holds segregated tank space in the port
        - FOB buyer - Handles ocean freight and destination sales
        - Destination buyer – Often STILL not the end user, simply the company with supply chain in delivered market
        - Foreign Trader
        - End User
    - Majority of plants surveyed here primarily produce fuel. Any ambiguity on exclusions only provides a loophole for misreporting, unintentional or otherwise.
  - New combined code for denatured and undenatured does not match the codes from monthly reports (141 vs 190)
    - Will this at all impact data continuity for any existing data sets EIA publishes?

EIA-819

- Part 3
  - Noticed that capacity will be reported monthly. Will this increase the frequency of updates for capacity data to the public? Definitions are very clear here! Good job
- Part 4
  - Same comments on exclusions as I have for EIA-809.
    - This is creating significant noise in the reporting already. Less ambiguity is required on defining fuel. Ultimately the supply chain is the same and both impact stocks/price so should be included. Attempting to split "industrial" and "nonfuel" provides avenue for intentional misreporting or simply more mistakes.
    - This report is splitting out code 195 for "Conventional Ethanol", code 221 for "Advanced Ethanol", and code 197 for "Cellulosic ethanol"
      - These sound a lot like EPA definitions under the RFS program? Primary issue here is that EPA requires 2% denaturant for anything to be considered "renewable fuel" under the program. This may be a point of confusion and potentially needs either more clarity or a different naming convention.
  - Section titled Fuel alcohol (excluding denaturants where applicable)
    - Assuming these are essentially all undenatured except for biobutanol. Seems like the parenthesis could be moved to the biobutanol line for clarity.
    - Should be further stressed that this is all undenatured production
  - Codes inconsistent with EIA-809 and EIA-817 for fuel ethanol
    - 141 vs 190
  - In Input and Production for Denaturant and Product blending section of the instructions there is a typo where it moves between gallons and barrels in the example
    - "Then report production from denaturant and product blending and shipments equal to 5,000 barrels of flex fuel (E85)."

COMMENT 11 (page 2 of 2)

Sat 2/23/2019 11:33 AM

Chris Highsmith <chrish@harvestonegroup.com>

Petroleum Supply Reporting System - Comments

To Conner, Michael (EIA)

You forwarded this message on 2/25/2019 8:11 AM.

- Part 9
  - Feedstock reporting seems duplicative vs the data already submitted to USDA in grain crushings report
    - This will present another area where government reporting between agencies wont tie out.
    - Categories are too broad for ethanol.

EIA-805

- Part 3
  - This report still misses transload facilities with no tanks.
  - Terminal Production from blending denaturant and ethanol
    - Coded as 141, same as combined denatured/undenatured in the EIA-809. This is somewhat confusing on how it will be handled on the back end by EIA.
    - Does this mean imported undenatured blended with denaturant in the port terminal will now be classified as "production"
      - This feels like double counting the import if so.
      - If not reclassification is likely a better term than production in this case

EIA-815

- Same question on terminal "production" of ethanol from undenatured/denaturant
- This report misses rail terminal facilities with no tanks, some big ones exist handling unit trains directly to truck
  - This creates significant disappearance in supply chain
  - May be creating more noise than "in-transit" issue EIA has been attempting to remedy
  - DC is heavily served this way via Alexandria terminal (unit site with no tanks)

EIA-817

- Fuel ethanol is coded as 141 in this report which is inconsistent with the EIA-819 coding scheme where Denatured Fuel Ethanol is still listed as 190

Please feel free to call or email with additional questions/concerns.

All the Best,

Christopher Highsmith, Research & Trade

HARVESTONE COMMODITIES

+1.615.716.1023 | chrish@harvestonegroup.com
840 Crescent Centre Drive, Suite 540 Franklin, TN 37067

EIA RESPONSE TO COMMENT 11 (page 1 of 3)

June 14, 2019: EIA emailed Mr. Highsmith the following response:

Fri 6/14/2019 5:29 PM

PetroleumSupplyForms

RE: Petroleum Supply Reporting System - Comments

To Chris Highsmith

Cc PetroleumSupplyForms

Hello Chris,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Office of Petroleum and Biofuels Statistics

From: Chris Highsmith [mailto:chrish@harvestonegroup.com]
Sent: Saturday, February 23, 2019 11:33 AM
To: Conner, Michael (EIA) <Michael.Conner@eia.gov>
Subject: Petroleum Supply Reporting System - Comments

Mike,

Hope all is well. Please find below my comments to the proposed survey changes specifically regarding ethanol supply and storage. Some are repetitive across reports and I tried to put what I believe to be the most important comments right up front.

EIA-809:

- Part 3
  - **Exclusions from both production and stocks should be more clearly defined and significantly limited wherever possible.**

    EIA interest in ethanol is limited to the contribution of ethanol to fuel supplies and excludes ethanol intended for use in industrial applications. EIA survey forms and instructions reflect the limited scope of interest in ethanol, but we recognize there are limitations in the ability of producers to determine the intended use of ethanol for fuel or nonfuel applications. We welcome specific suggestions concerning definitions and other language for survey materials that will help producers to identify ethanol volumes intended for fuel and nonfuel applications.
    - EIA is making the poor assumption that producers know the end use of undenatured product for export which is generally not the case. This leads to misclassification as "industrial". I see this a lot on the Census coding on product I have personally handled somewhere in the chain.

      EIA assumes that ethanol producers face a significant challenge when classifying ethanol for export as being for fuel or nonfuel applications. EIA uses data from the U.S. Census Bureau as the source for ethanol and other export quantities. Ethanol export quantities reported by EIA include denatured and undenatured ethanol reported by Census for both fuel and "other" (i.e. nonfuel) applications. EIA exports of ethanol include quantities reported using Schedule B codes 2207.10.6010, 2207.10.6090, 2207.20.0010, and 2207.20.0090 accounting for all non-beverage ethanol exports. EIA reports ethanol exports on this basis precisely because our analysis shows that ethanol exports identified as being for "other" (i.e. nonfuel) applications were very likely reported as production to EIA (i.e. producers identified the barrels as being for fuel use when reporting to EIA but then exporters identified the same barrels as not for fuel use when reporting exports). This is a known practical limitation of data accuracy.

    - With exports representing over 10% of total production many months it is best for all production/stocks to be included unless they can be clearly defined as:
      - Beverage - easily identifiable due to TTB tax regulations. No one would produce or declare this without receiving the value for it.
      - Specially Denatured Alcohol (nonfuel for use in things like ink). Coded differently for this reason.
      - Industrial use domestically only. The reason it is cleaner to differentiate this way is because no fuel will be shipped undenatured for domestic consumption while that is not the case for exports. Most times if the product is for use in the surfactant market for example the producer will know the end use.

      EIA agrees that beverage alcohol is readily identifiable by producers and is unlikely to be reported as production to EIA. The more challenging distinction is when producers are asked to report production of ethanol for fuel use and exclude ethanol produced for industrial applications. EIA assumes that ethanol barrels denatured with natural gasoline or petroleum fuels are almost certainly intended for fuel markets and are therefore of interest to EIA. EIA further assumes that barrels denatured with nonfuel products are almost certainly intended for non-fuel applications and can readily be excluded by producers when reporting to EIA. The main area of uncertainty about end-use of ethanol barrels arises when there are shipments of undenatured ethanol barrels from U.S. producers.
    - Producers cannot differentiate "industrial" or "nonfuel" easily by spec when product is being exported.
      - International markets do not require fuel to be denatured in many cases, including Brazil which is one of the large markets.
      - Export grades are often blended in the port with other undenatured grades to produce fuel specs from what may otherwise be considered nonfuel specs.
        - This could cause a "reclassification" of a barrel previously reported as nonfuel downstream. EIA would not capture this because it does not include the addition of denaturant downstream.
      - For most exports there are at minimum 4 parties involved in the process. Hopefully the EIA can see how things might get lost in translation in this chain. I am going to have similar comments on the EIA-805 about leaving it up to the tank holder to determine end use.
        - Producer – no idea of end use
        - Marketer/Trader – Handles logistics to the port
        - FOB seller – Holds segregated tank space in the port
        - FOB buyer - Handles ocean freight and destination sales
        - Destination buyer – Often STILL not the end user, simply the company with supply chain in delivered market
        - Foreign Trader
        - End User

    EIA data show that about 6 percent of U.S. fuel ethanol production reported on Form EIA-819 during 2018 was undenatured. EIA lacks data to track disposition of those specific barrels, but we believe exports were the most likely disposition for undenatured fuel ethanol barrels produced. It is also possible that some undenatured ethanol barrels were shipped by water for U.S. domestic consumption to be denatured downstream at U.S. petroleum products terminals. EIA data show a small fraction of the undenatured ethanol barrels produced were blended with natural gasoline or petroleum fuels as denaturant at U.S. petroleum products terminals. This leaves the vast majority of the undenatured barrels of ethanol available to be exported. U.S. total ethanol barrels exported in 2018 significantly exceeded undenatured ethanol produced, but undenatured ethanol barrels exported compared reasonably well with undenatured ethanol barrels exported during 2018 leaving barrels of undenatured ethanol unaccounted for (i.e. potential overstatement of ethanol supplies due to producers including industrial alcohol as fuel ethanol production) less than 1 percent of U.S. fuel ethanol production reported by EIA. This suggests that fuel ethanol producers have been reasonably successful at excluding barrels of industrial alcohol when reporting to EIA. At the very least, the available data fail to show evidence to support the conclusion that there is widespread misclassification of industrial alcohol barrels as fuel ethanol production in EIA data reported on the current version of Form EIA-819 that includes requirements similar to those proposed for the new version of Form EIA-819 with respect to reporting production of ethanol intended for fuel use and excluding ethanol intended for nonfuel applications.

EIA RESPONSE TO COMMENT 11 (page 2 of 3)

Fri 6/14/2019 5:29 PM

PetroleumSupplyForms

RE: Petroleum Supply Reporting System - Comments

To Chris Highsmith

Cc PetroleumSupplyForms

- Majority of plants surveyed here primarily produce fuel. Any ambiguity on exclusions only provides a loophole for misreporting, unintentional or otherwise.
  EIA assumes that ethanol producers face a significant challenge when classifying ethanol for export as being for fuel or nonfuel applications. EIA uses data from the U.S. Census Bureau as the source for ethanol and other export quantities. Ethanol export quantities reported by EIA include denatured and undenatured ethanol reported by Census for both fuel and "other" (i.e., nonfuel) applications. EIA exports of ethanol include quantities reported using Schedule B codes 2207.10.6010, 2207.10.6090, 2207.20.0010, and 2207.20.0090 accounting for all non-beverage ethanol exports. EIA reports ethanol exports on this basis precisely because our analysis shows that ethanol exports identified as being for "other" (i.e., nonfuel) applications were very likely reported as production to EIA (i.e., producers identified the barrels as being for fuel use when reporting to EIA but then exporters identified the same barrels as not for fuel use when reporting exports). This is a known practical limitation of data accuracy.

- New combined code for denatured and undenatured does not match the codes from monthly reports (141 vs 190)
  - Will this at all impact data continuity for any existing data sets EIA publishes?
    Operators of fuel ethanol producing plants report separate production of denatured and undenatured ethanol. This reporting practice was implemented as a way to clarify that ethanol producers should report production of both denatured and undenatured ethanol intended for fuel use. Form EIA-819 has been extensively redesigned for 2019 in order to better capture ethanol produced and changes to ethanol volume supplied due to denaturant and fuel blending operations. For statistical purposes, the distinction between denatured and undenatured ethanol is of limited interest downstream of ethanol producing plants because all barrels of ethanol recorded in the petroleum supply chain can be reasonably assumed to be for fuel rather than industrial use. EIA surveys need to allow for collecting data on ethanol volume changes due to denaturant blending at terminals, but separate reporting of denatured and undenatured ethanol is unnecessary.

EIA-819

- Part 3
  - Noticed that capacity will be reported monthly. Will this increase the frequency of updates for capacity data to the public? Definitions are very clear here! Good job
    Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items close to January 2020.

- Part 4
  - Same comments on exclusions as I have for EIA-809.
    - This is creating significant noise in the reporting already. Less ambiguity is required on defining fuel. Ultimately the supply chain is the same and both impact stocks/price so should be included. Attempting to split "industrial" and "nonfuel" provides avenue for intentional misreporting or simply more mistakes.
      Please see responses provided above to EIA-809 comments.
    - This report is splitting out code 195 for "Conventional Ethanol", code 221 for "Advanced Ethanol", and code 197 for "Cellulosic ethanol"
      - These sound a lot like EPA definitions under the RFS program? Primary issue here is that EPA requires 2% denaturant for anything to be considered "renewable fuel" under the program. This may be a point of confusion and potentially needs either more clarity or a different naming convention.
        Classification of ethanol as conventional, advanced, or cellulosic will be determined based on the combination of production process and feedstock consumed. EIA believes the production process and feedstock will be known to ethanol producers at the time ethanol is produced and prior to blending denaturant. We will clarify this point in product definitions.
  - Section titled Fuel alcohol (excluding denaturants where applicable)
    - Assuming these are essentially all undenatured except for biobutanol. Seems like the parenthesis could be moved to the biobutanol line for clarity.
    - Should be further stressed that this is all undenatured production
      Removed the "where applicable" in Part 4 to help emphasize that denaturants should be excluded.
  - Codes inconsistent with EIA-809 and EIA-817 for fuel ethanol
    - 141 vs 190

    EIA limits the requirement for separate reporting of denatured and undenatured fuel alcohol to Form EIA-819 as a way to track volumes produced from biomass and non-biomass waste and the volumetric increase due to blending denaturants. EIA uses Form EIA-817 to track inter-PADD tanker and barge movements of fuel alcohol and other products. There is no requirement to track blending activity on Form EIA-817 and so there is no need for separate reporting of denatured and undenatured fuel alcohol.
  - In Input and Production for Denaturant and Product blending section of the instructions there is a typo where it moves between gallons and barrels in the example
    - "Then report production from denaturant and product blending and shipments equal to 5,000 barrels of flex fuel (E85)."
      Thank you, EIA will correct the instructions.
- Part 9
  - Feedstock reporting seems duplicative vs the data already submitted to USDA in grain crushings report
    - This will present another area where government reporting between agencies wont tie out.
    - Categories are too broad for ethanol.

  EIA and the National Agricultural Statistics Service (NASS) have a plan to assure there will be only one U.S. government dataset for ethanol feedstock for any given month. NASS will continue to collect corn consumed for ethanol feedstock and report the quantity in their grain crushing report approximately 30 days after the end of each monthly report period. NASS will discontinue collecting feedstocks other than corn consumed for ethanol production. EIA will collect feedstocks consumed for all biofuels (fuel alcohol, biodiesel, renewable diesel, and other renewable fuels) on Form EIA-819 and report quantities approximately 60 days after the end of each monthly report period. NASS will replace their corn feedstock consumption quantity with the EIA quantity after EIA data are released. Under this plant, the EIA biofuel feedstock data will be the historical data of record.

EIA RESPONSE TO COMMENT 11 (page 3 of 3)

Fri 6/14/2019 5:29 PM

PetroleumSupplyForms

RE: Petroleum Supply Reporting System - Comments

To Chris Highsmith

Cc PetroleumSupplyForms

It is true that both EIA and NASS will collect the quantity of corn consumed for ethanol production, but this is necessary in order for both agencies to accomplish the purposes of their respective reports. NASS requires corn feedstock consumption in order to assess production of co-products relative to corn consumed. EIA requires corn feedstock consumption in order to assess fuel alcohol consumption relative to corn consumed.

EIA-805

- Part 3
  - This report still misses transload facilities with no tanks.
    EIA reporting instructions call for destination storage operators to report barrels of inventory in transit. Reporting barrels at trans-load facilities would result in double counting barrels in transit.
  - Terminal Production from blending denaturant and ethanol
    - Coded as 141, same as combined denatured/undenatured in the EIA-809. This is somewhat confusing on how it will be handled on the back end by EIA.
      EIA collects terminal production of fuel ethanol from denaturant blending to account for the volumetric increase of ethanol supply due to denaturant blending and the corresponding decrease. Operators of fuel ethanol producing plants report separate production of denatured and undenatured ethanol. This reporting practice was implemented as a way to clarify that ethanol producers should report production of both denatured and undenatured ethanol intended for fuel use. Form EIA-819 has been extensively redesigned for 2019 in order to better capture ethanol produced and changes to ethanol volume supplied due to denaturant and fuel blending operations. For statistical purposes, the distinction between denatured and undenatured ethanol is of limited interest downstream of ethanol producing plants because all barrels of ethanol recorded in the petroleum supply chain can be reasonably assumed to be for fuel rather than industrial use. EIA surveys need to allow for collecting data on ethanol volume changes due to denaturant blending at terminals, but separate reporting of denatured and undenatured ethanol is unnecessary.
    - Does this mean imported undenatured blended with denaturant in the port terminal will now be classified as "production"
      Volumetric increase of fuel ethanol supply due to blending denaturant at a terminal is reported as "production" on Form EIA-805 Weekly Bulk Terminal Report and Form EIA-815 Monthly Bulk Terminal Report. When reported in U.S. and regional totals, a change in fuel ethanol volume due to denaturant blending or fuel blending at petroleum products terminals is reported as a change in net input of fuel ethanol in supply and disposition balance tables. Ethanol blended to produce motor fuel at a producing plant is subtracted from production and added to supply of motor fuel.
      - This feels like double counting the import if so.
        EIA surveys are designed to avoid double counting when reporting is done according to survey instructions.
      - If not reclassification is likely a better term than production in this case.
        EIA survey instructions call for reporting product reclassifications such that barrels of the old product are reported as input and equal barrels of the new product are reported as production. The mechanics of reporting blending activity are the same as reporting reclassification though blending may involve more products and composition changes.

EIA-815

- Same question on terminal "production" of ethanol from undenatured/denaturant
  EIA collects terminal production of fuel ethanol from denaturant blending to account for the volumetric increase of ethanol supply due to denaturant blending and the corresponding decrease.
- This report misses rail terminal facilities with no tanks, some big ones exist handling unit trains directly to truck
  - This creates significant disappearance in supply chain
  - May be creating more noise than "in-transit" issue EIA has been attempting to remedy
  - DC is heavily served this way via Alexandria terminal (unit site with no tanks)

  EIA reporting instructions call for destination storage operators to report barrels of inventory in transit. Reporting barrels at trans-load facilities would result in double counting barrels in transit.

  This may well be true in cases where terminal operators fail to follow EIA survey instructions when reporting stocks in transit. We believe the solution is to work with companies to address reporting errors in stocks (including stocks held on site and stocks in transit) data where they are found. Various alternative methodologies have been considered for capturing stocks in transit data (such as asking carriers to report barrels in their custody), but none of the alternative methodologies have yet been demonstrated to be superior to the current methodology of asking destination terminal operators to report stocks in transit to their sites.

EIA-817

- Fuel ethanol is coded as 141 in this report which is inconsistent with the EIA-819 coding scheme where Denatured Fuel Ethanol is still listed as 190

EIA limits the requirement for separate reporting of denatured and undenatured fuel alcohol to Form EIA-819 as a way to track volumes produced from biomass and non-biomass waste and the volumetric increase due to blending denaturants. EIA uses Form EIA-817 to track inter-PADD tanker and barge movements of fuel alcohol and other products. There is no requirement to track blending activity on Form EIA-817 and so there is no need for separate reporting of denatured and undenatured fuel alcohol.

Please feel free to call or email with additional questions/concerns.

All the Best,

Christopher Highsmith, Research & Trade

HARVESTONE COMMODITIES

+1.615.716.1023 | chrish@harvestonegroup.com
840 Crescent Centre Drive, Suite 540 Franklin, TN 37067

COMMENT 12

February 25, 2019: Tim Hogan of American Fuel & Petrochemical Manufacturers sent us comments regarding our proposed form changes.

Mon 2/25/2019 4:30 PM

Tim Hogan <THogan@afpm.org>

AFPM comments on EIA petroleum forms

To Conner, Michael (EIA)

You replied to this message on 3/18/2019 10:58 AM.

Message AFPM ltr to EIA final.pdf

Attached are AFPM comments on EIA's proposed petroleum forms.

Tim Hogan
Director, Motor Fuels

American
Fuel & Petrochemical
Manufacturers
1800 M Street, NW
Suite 900 North
Washington, DC 20036
202.457.0480 office
202.844.5462 direct
202.457.0486 fax

THogan@afpm.org
Learn more about AFPM at afpm.org

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ATTACHMENT TO COMMENT 12 (page 1 of 2)

Tim Hogan
Director, Motor Fuels

American
Fuel & Petrochemical
Manufacturers

1800 M Street, NW
Suite 900 North
Washington, DC
20036

202.457.0480 office
202.844.5462 direct
202.457.0486 fax
thogan@afpm.org

February 25, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI-25
Washington, DC 20585

Subject: OMB No. 1905–0165; Information Collection Request: Petroleum Supply Reporting System; U.S. Energy Information Administration (EIA), Department of Energy (DOE)

Dear Mr. Conner:

The Energy Information Administration (EIA) proposes changes to surveys in the Weekly Petroleum Supply Reporting System as part of their notice and request for renewal. (83 *Federal Register* 66688, (December 27, 2018)). The American Fuel & Petrochemical Manufacturers ("AFPM") submits these comments in response to this notice. AFPM's members comprise virtually all the nation's refining capacity and will be substantially affected by these reporting changes.

Specifically, AFPM has comments on proposed EIA-810 and EIA-814 forms.

I. EIA Should Use Seven Motor Gasoline Categories

In the notice, EIA proposes to reduce the number of separate finished motor gasoline products from nine to six and reorganize motor fuel categories to track ethanol blending:

- "Gasoline Not Blended with Ethanol (E0)"
- "Gasoline Blended with Ethanol up to E10"
- "Midblend Gasoline with Ethanol > (E10–E50)"
- "Flex Fuel (E85) Blended with 51% to 83% Ethanol"
- "Reformulated Blendstock for Oxygenate Blending (RBOB)"
- "Motor Gasoline Blending Components"

According to the draft instructions for EIA-810 (on page 6), Conventional Blendstock for Oxygenate Blending (CBOB) and Gasoline Not Blended with Ethanol (E0) are reported in one category with EIA Code 170. This should be redefined as only E0 excluding CBOB. The proposed RBOB category should be redefined as RBOB/CBOB. CBOB should not be in same category as finished E0. CBOB should be in the same category as RBOB.

Furthermore, EPA defines all E11-E15 as gasoline. Therefore, there should be a seventh category: E11-E15. Since E11-E15 has a partial EPA Clean Air Act section 211(f)(4) "substantially similar" waiver and E10 has a full EPA substantially similar waiver, they should be reported separately.

It would be inappropriate to report E11-E15, which has a partial substantially similar waiver, in the same category as E16-E50 that does not have a substantially similar waiver.

Based on comments above, AFPM recommends the following seven categories for gasoline:

- E0 (excluding CBOB)
- E1-E10
- E11-E15
- E16-E50
- E51-E83 (E85)
- RBOB/CBOB
- Motor Gasoline Blending Components

II. Revisions to EIA-814

The proposed instructions for EIA-814 (on page 3) do not match the form, as it references "Ed55" while the form includes blends up to E50. The instructions should be revised to conform to the 50/51% distinction for E16-E50 (Midlevel Ethanol Blends) versus E85. Ed55 should be replaced by Ed50 as Ed55 is based on an old definition of E85. E85 had been redefined by ASTM to include ethanol blends as low as 51%.

If you have any questions, please contact me at (202) 457-0480.

Sincerely,

Tim Hogan

Tim Hogan
Director, Motor Fuels

EIA RESPONSE TO COMMENT 12

June 13, 2019: EIA emailed Mr. Hogan the following response:

Thu 6/13/2019 2:19 PM

PetroleumSupplyForms

RE: AFPM comments on EIA petroleum forms

To Tim Hogan

Cc PetroleumSupplyForms

You forwarded this message on 6/13/2019 3:58 PM.

Hello Tim,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

I. EIA Should Use Seven Motor Gasoline Categories
In the notice, EIA proposes to reduce the number of separate finished motor gasoline products from nine to six and reorganize motor fuel categories to track ethanol blending:

- "Gasoline Not Blended with Ethanol (E0)"
- "Gasoline Blended with Ethanol up to E10"
- "Midblend Gasoline with Ethanol > (E10–E50)"
- "Flex Fuel (E85) Blended with 51% to 83% Ethanol"
- "Reformulated Blendstock for Oxygenate Blending (RBOB)"
- "Motor Gasoline Blending Components"

According to the draft instructions for EIA-810 (on page 6), Conventional Blendstock for Oxygenate Blending (CBOB) and Gasoline Not Blended with Ethanol (E0) are reported in one category with EIA Code 170. This should be redefined as only E0 excluding CBOB. The proposed RBOB category should be redefined as RBOB/CBOB. CBOB should not be in same category as finished E0. CBOB should be in the same category as RBOB.

Furthermore, EPA defines all E11-E15 as gasoline. Therefore, there should be a seventh category: E11-E15. Since E11-E15 has a partial EPA Clean Air Act section 211(f)(4) "substantially similar" waiver and E10 has a full EPA substantially similar waiver, they should be reported separately.

It would be inappropriate to report E11-E15, which has a partial substantially similar waiver, in the same category as E16-E50 that does not have a substantially similar waiver. Based on comments above, AFPM recommends the following seven categories for gasoline:

- E0 (excluding CBOB)
- E1-E10
- E11-E15
- E16-E50
- E51-E83 (E85)
- RBOB/CBOB
- Motor Gasoline Blending Components

II. Revisions to EIA-814
The proposed instructions for EIA-814 (on page 3) do not match the form, as it references "Ed55" while the form includes blends up to E50. The instructions should be revised to conform to the 50/51% distinction for E16-E50 (Midlevel Ethanol Blends) versus E85. Ed55 should be replaced by Ed50 as Ed55 is based on an old definition of E85. E85 had been redefined by ASTM to include ethanol blends as low as 51%.

EIA resource constraints prevent implementation of new gasoline products beginning with data for September 2019. EIA intends to propose the following gasoline products to be used on surveys in a future clearance.

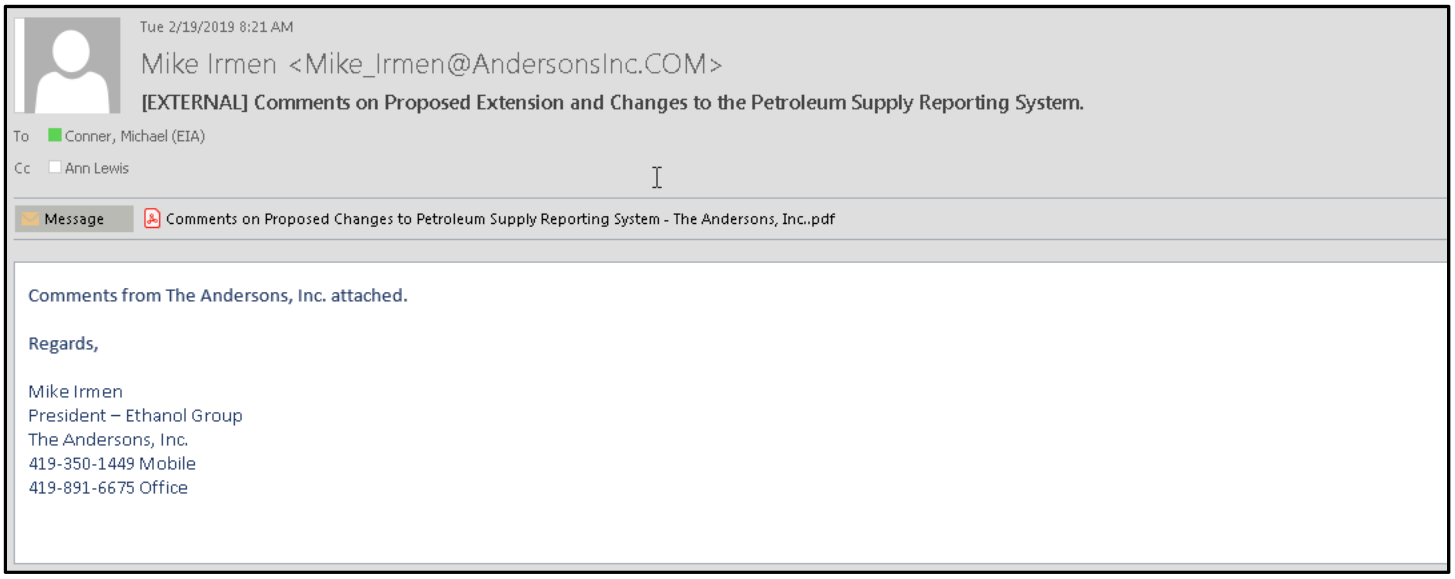
Gasoline not blended with ethanol (E0)
Gasoline blended with ethanol (>E0-E10)
Gasoline blended with ethanol (>E10-E15)
Gasoline blended with ethanol (>E15-E50)
Flex fuel (E85) blended with >50%-83% ethanol
Reformulated blendstock for oxygenate blending (RBOB)
Conventional blendstock for oxygenate blending (CBOB) and sub-octane gasoline
Motor gasoline blending components

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 13

February 19, 2019: Mike Irmen of The Andersons, Inc., sent us comments regarding our proposed form changes.



Tue 2/19/2019 8:21 AM

Mike Irmen <Mike_Irmen@AndersonsInc.COM>

[EXTERNAL] Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System.

To Conner, Michael (EIA)

Cc Ann Lewis

Message Comments on Proposed Changes to Petroleum Supply Reporting System - The Andersons, Inc..pdf

Comments from The Andersons, Inc. attached.

Regards,

Mike Irmen
President – Ethanol Group
The Andersons, Inc.
419-350-1449 Mobile
419-891-6675 Office

ATTACHMENT TO COMMENT 13 (page 1 of 3)

The Andersons, Inc.
P.O. Box 119 • Maumee, Ohio 43537 • 419/893/5050

2/19/2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL

michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

The Andersons, Inc is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We operate Four ethanol plants capable of producing 490 million gallons of fuel ethanol per year and are currently in construction of a fifth plant that will produce another 70 million gallons per year when completed. Our facilities also produce valuable coproducts. The operation of our plants generates direct employment for 300 full-time and 5 part-time personnel. We provide a reliable value-added market for local farmers, purchasing 190 million bushels of corn from an estimated 3,500 growers on an annual basis.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely"

to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact me at 419-891-6675 or mike_irmen@andersonsinc.com should you have questions.

Sincerely,

Mike S. Irmen

President – Ethanol Group

The Andersons, Inc.

EIA RESPONSE TO COMMENT 13

June 13, 2019: EIA emailed Mr. Irmen the following response:

Thu 6/13/2019 2:08 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System.

To Mike Irmen

Hello Mike,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA plans to seek approval from the Office of Management and Budget to report weekly exports of ethanol in the future.

Content of Proposed Form EIA-819.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

EIA designed the new Form EIA-819 to improve consistency of biofuel production, biofuel blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently covered by any EIA survey. While there may be a limited number of cases where the same person will complete Form EIA-819 across multiple products, the main purpose of the new survey was to assure that consistent and comparable data were collected across all products. In practice, EIA will use a web portal to collect data on Form EIA-819. EIA will design the portal with one or more initial and one-time screening questions to determine what sections of the form will be completed for any plant. After responding one time to the screening questions, the person completing the report will only see sections of the new Form EIA-819 applicable to each plant.

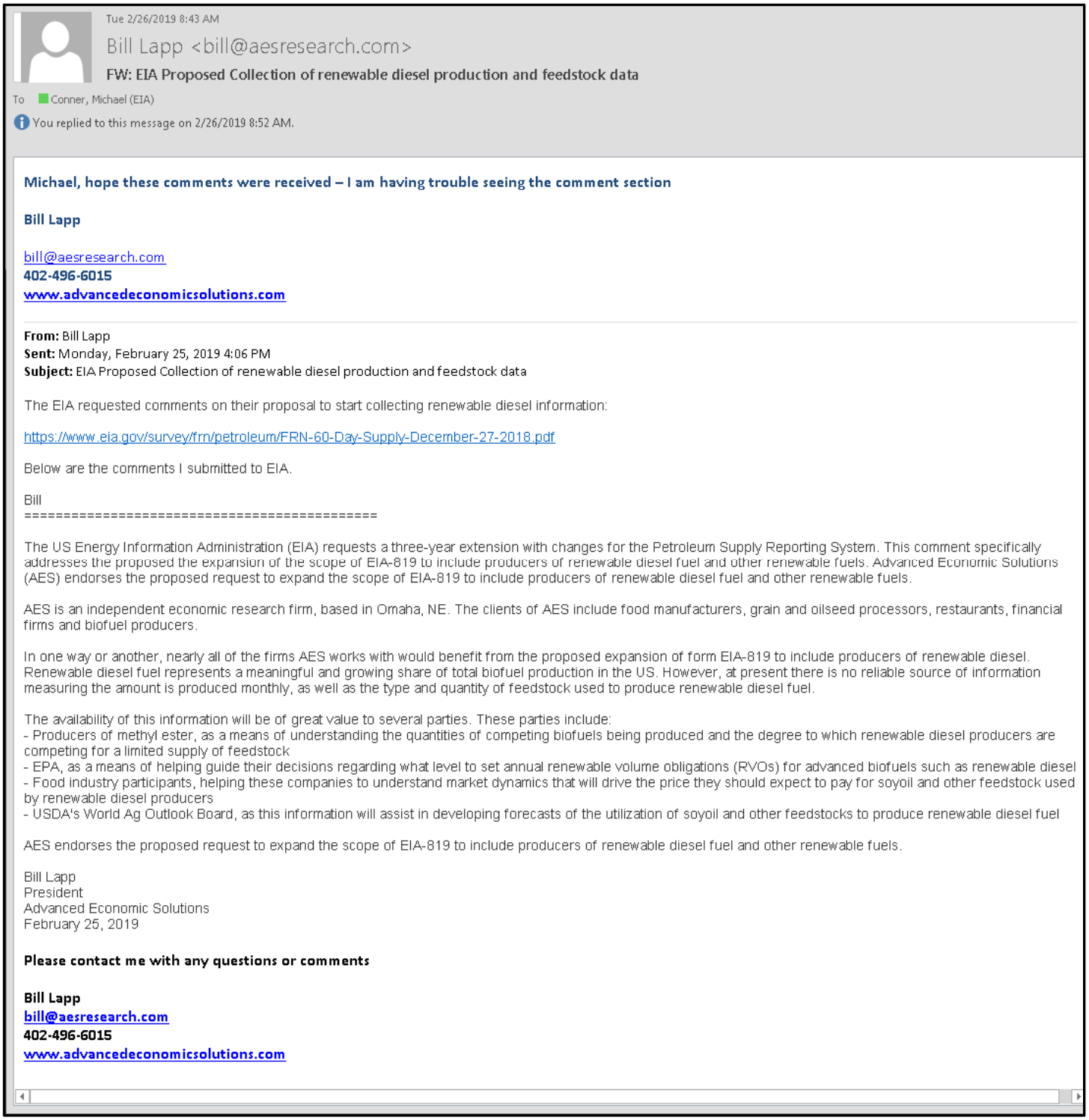
EIA coordinated with National Agricultural Statistics Service (NASS) to coordinate ethanol feedstock data collection and avoid unnecessary duplication. EIA and NASS agreed that it was necessary for both agencies to collect corn consumed as feedstock for production of fuel ethanol. EIA requires the data for a comprehensive accounting of feedstock consumption across all types of biofuels. NASS requires corn feedstock data as a starting point for their assessment of co-products production at ethanol plants. EIA and NASS agreed that EIA should focus on feedstock consumption and biofuel production while NASS should continue to focus on feedstock consumption and ethanol co-products production. NASS will discontinue collecting sorghum and wheat consumed for ethanol production. EIA will collect sorghum and wheat consumption for ethanol production and share the data with NASS. EIA and NASS will continue their current report release schedules with the NASS Grain Crushings and Coproducts Production released approximately 32 days after the end of the report month and EIA releasing biofuel feedstock data approximately 60 days after the end of each report month. In order to avoid possible confusion from having two numbers for biofuel feedstock consumption, NASS will replace their feedstock quantities with the EIA feedstock quantities after the EIA data are released each month. EIA and NASS will enter into a data sharing agreement to facilitate data validation and other analyses.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 14

February 26, 2019: Bill Lapp of Advanced Economic Solutions sent us comments regarding our proposed form changes.



Tue 2/26/2019 8:43 AM

Bill Lapp <bill@aesresearch.com>

FW: EIA Proposed Collection of renewable diesel production and feedstock data

To Conner, Michael (EIA)

You replied to this message on 2/26/2019 8:52 AM.

Michael, hope these comments were received – I am having trouble seeing the comment section

Bill Lapp

bill@aesresearch.com
402-496-6015
www.advancedeconomicsolutions.com

From: Bill Lapp
Sent: Monday, February 25, 2019 4:06 PM
Subject: EIA Proposed Collection of renewable diesel production and feedstock data

The EIA requested comments on their proposal to start collecting renewable diesel information:

https://www.eia.gov/survey/frn/petroleum/FRN-60-Day-Supply-December-27-2018.pdf

Below are the comments I submitted to EIA.

Bill
==========

The US Energy Information Administration (EIA) requests a three-year extension with changes for the Petroleum Supply Reporting System. This comment specifically addresses the proposed the expansion of the scope of EIA-819 to include producers of renewable diesel fuel and other renewable fuels. Advanced Economic Solutions (AES) endorses the proposed request to expand the scope of EIA-819 to include producers of renewable diesel fuel and other renewable fuels.

AES is an independent economic research firm, based in Omaha, NE. The clients of AES include food manufacturers, grain and oilseed processors, restaurants, financial firms and biofuel producers.

In one way or another, nearly all of the firms AES works with would benefit from the proposed expansion of form EIA-819 to include producers of renewable diesel. Renewable diesel fuel represents a meaningful and growing share of total biofuel production in the US. However, at present there is no reliable source of information measuring the amount is produced monthly, as well as the type and quantity of feedstock used to produce renewable diesel fuel.

The availability of this information will be of great value to several parties. These parties include:
- Producers of methyl ester, as a means of understanding the quantities of competing biofuels being produced and the degree to which renewable diesel producers are competing for a limited supply of feedstock
- EPA, as a means of helping guide their decisions regarding what level to set annual renewable volume obligations (RVOs) for advanced biofuels such as renewable diesel
- Food industry participants, helping these companies to understand market dynamics that will drive the price they should expect to pay for soyoil and other feedstock used by renewable diesel producers
- USDA's World Ag Outlook Board, as this information will assist in developing forecasts of the utilization of soyoil and other feedstocks to produce renewable diesel fuel

AES endorses the proposed request to expand the scope of EIA-819 to include producers of renewable diesel fuel and other renewable fuels.

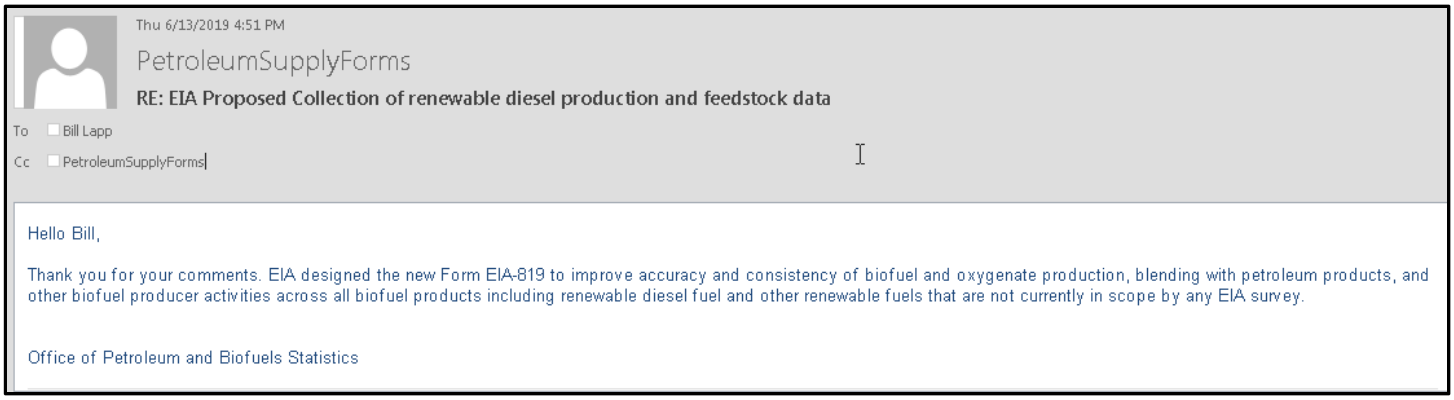
Bill Lapp
President
Advanced Economic Solutions
February 25, 2019

Please contact me with any questions or comments

Bill Lapp
bill@aesresearch.com
402-496-6015
www.advancedeconomicsolutions.com

EIA RESPONSE TO COMMENT 14

June 13, 2019: EIA emailed Mr. Lapp the following response:



Thu 6/13/2019 4:51 PM

PetroleumSupplyForms

RE: EIA Proposed Collection of renewable diesel production and feedstock data

To Bill Lapp

Cc PetroleumSupplyForms

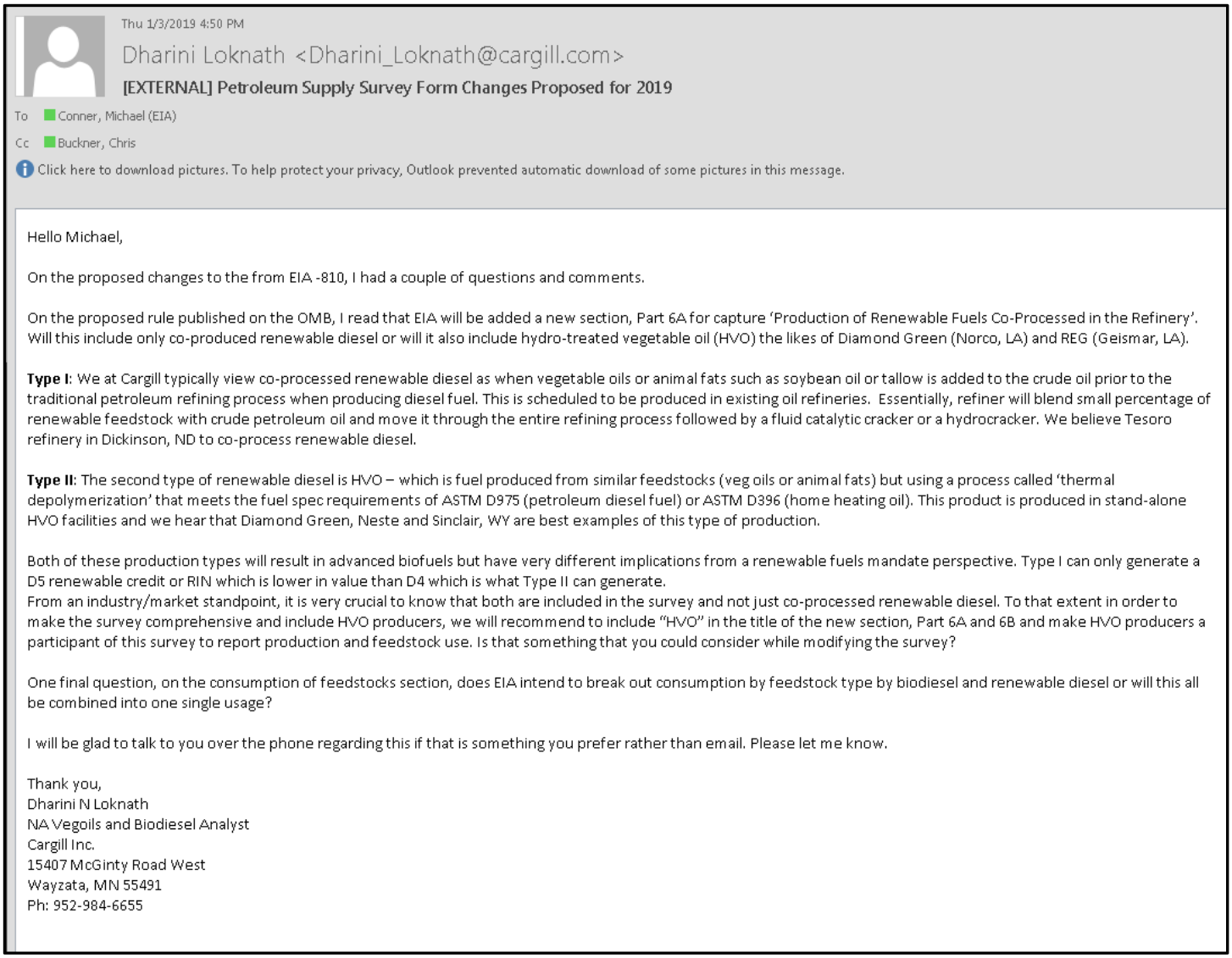
Hello Bill,

Thank you for your comments. EIA designed the new Form EIA-819 to improve accuracy and consistency of biofuel and oxygenate production, blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently in scope by any EIA survey.

Office of Petroleum and Biofuels Statistics

COMMENT 15

January 3, 2019: Dharini Loknath of Cargill Inc. sent us comments regarding our proposed form changes.



Thu 1/3/2019 4:50 PM

Dharini Loknath <Dharini_Loknath@cargill.com>

[EXTERNAL] Petroleum Supply Survey Form Changes Proposed for 2019

To Conner, Michael (EIA)

Cc Buckner, Chris

Click here to download pictures. To help protect your privacy, Outlook prevented automatic download of some pictures in this message.

Hello Michael,

On the proposed changes to the from EIA -810, I had a couple of questions and comments.

On the proposed rule published on the OMB, I read that EIA will be added a new section, Part 6A for capture 'Production of Renewable Fuels Co-Processed in the Refinery'. Will this include only co-produced renewable diesel or will it also include hydro-treated vegetable oil (HVO) the likes of Diamond Green (Norco, LA) and REG (Geismar, LA).

Type I: We at Cargill typically view co-processed renewable diesel as when vegetable oils or animal fats such as soybean oil or tallow is added to the crude oil prior to the traditional petroleum refining process when producing diesel fuel. This is scheduled to be produced in existing oil refineries. Essentially, refiner will blend small percentage of renewable feedstock with crude petroleum oil and move it through the entire refining process followed by a fluid catalytic cracker or a hydrocracker. We believe Tesoro refinery in Dickinson, ND to co-process renewable diesel.

Type II: The second type of renewable diesel is HVO – which is fuel produced from similar feedstocks (veg oils or animal fats) but using a process called 'thermal depolymerization' that meets the fuel spec requirements of ASTM D975 (petroleum diesel fuel) or ASTM D396 (home heating oil). This product is produced in stand-alone HVO facilities and we hear that Diamond Green, Neste and Sinclair, WY are best examples of this type of production.

Both of these production types will result in advanced biofuels but have very different implications from a renewable fuels mandate perspective. Type I can only generate a D5 renewable credit or RIN which is lower in value than D4 which is what Type II can generate.
From an industry/market standpoint, it is very crucial to know that both are included in the survey and not just co-processed renewable diesel. To that extent in order to make the survey comprehensive and include HVO producers, we will recommend to include "HVO" in the title of the new section, Part 6A and 6B and make HVO producers a participant of this survey to report production and feedstock use. Is that something that you could consider while modifying the survey?

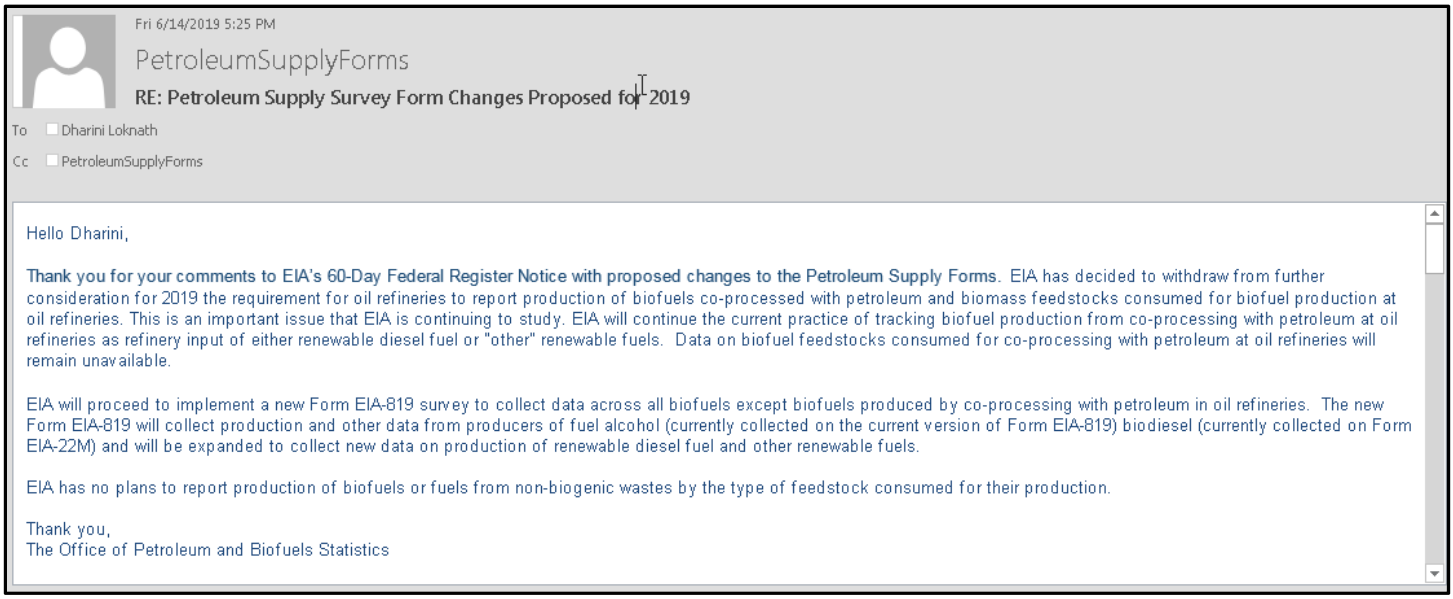
One final question, on the consumption of feedstocks section, does EIA intend to break out consumption by feedstock type by biodiesel and renewable diesel or will this all be combined into one single usage?

I will be glad to talk to you over the phone regarding this if that is something you prefer rather than email. Please let me know.

Thank you,
Dharini N Loknath
NA Vegoils and Biodiesel Analyst
Cargill Inc.
15407 McGinty Road West
Wayzata, MN 55491
Ph: 952-984-6655

EIA RESPONSE TO COMMENT 15

June 14, 2019: EIA emailed Ms. Loknath the following response:



Fri 6/14/2019 5:25 PM

PetroleumSupplyForms

RE: Petroleum Supply Survey Form Changes Proposed for 2019

To Dharini Loknath

Cc PetroleumSupplyForms

Hello Dharini,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. EIA has decided to withdraw from further consideration for 2019 the requirement for oil refineries to report production of biofuels co-processed with petroleum and biomass feedstocks consumed for biofuel production at oil refineries. This is an important issue that EIA is continuing to study. EIA will continue the current practice of tracking biofuel production from co-processing with petroleum at oil refineries as refinery input of either renewable diesel fuel or "other" renewable fuels. Data on biofuel feedstocks consumed for co-processing with petroleum at oil refineries will remain unavailable.

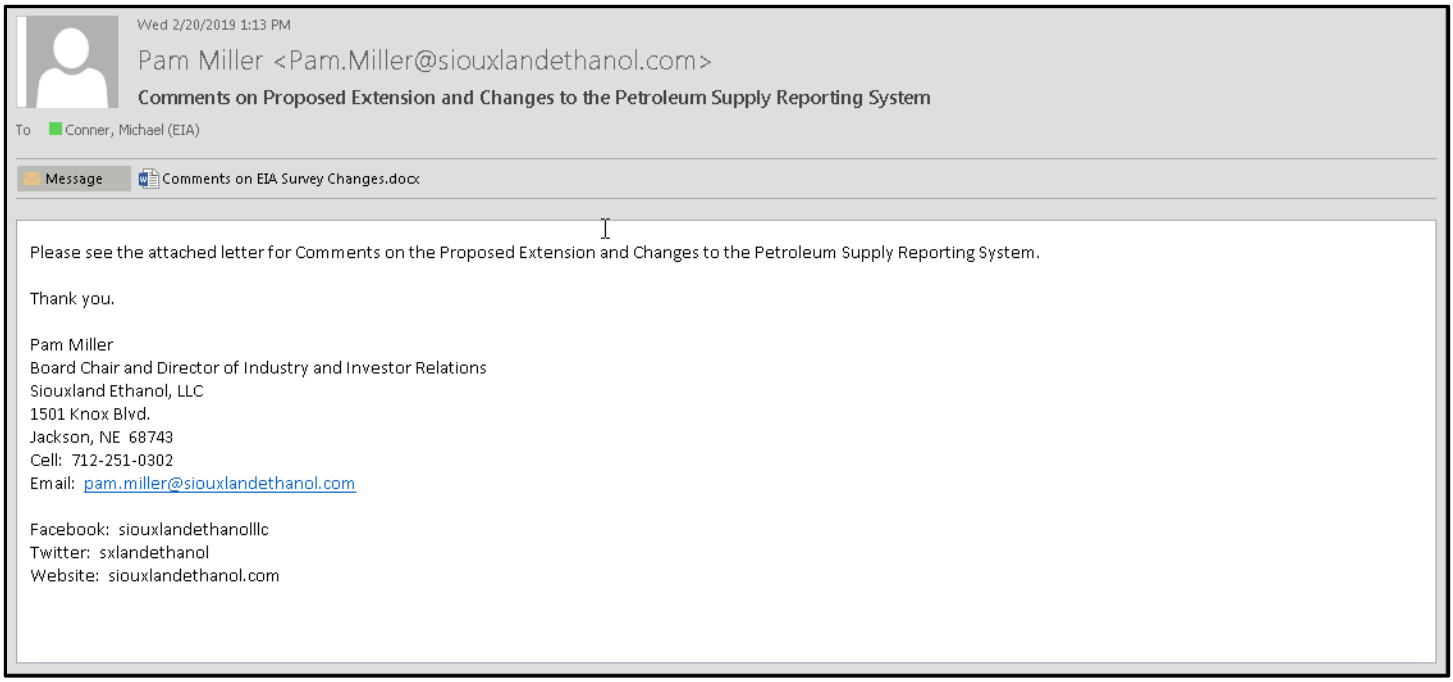
EIA will proceed to implement a new Form EIA-819 survey to collect data across all biofuels except biofuels produced by co-processing with petroleum in oil refineries. The new Form EIA-819 will collect production and other data from producers of fuel alcohol (currently collected on the current version of Form EIA-819) biodiesel (currently collected on Form EIA-22M) and will be expanded to collect new data on production of renewable diesel fuel and other renewable fuels.

EIA has no plans to report production of biofuels or fuels from non-biogenic wastes by the type of feedstock consumed for their production.

Thank you,
The Office of Petroleum and Biofuels Statistics

COMMENT 16

February 20, 2019: Pam Miller of Siouxland Ethanol sent us comments regarding our proposed form changes.



Wed 2/20/2019 1:13 PM

Pam Miller <Pam.Miller@siouxlandethanol.com>

Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Message | Comments on EIA Survey Changes.docx

Please see the attached letter for Comments on the Proposed Extension and Changes to the Petroleum Supply Reporting System.

Thank you.

Pam Miller
Board Chair and Director of Industry and Investor Relations
Siouxland Ethanol, LLC
1501 Knox Blvd.
Jackson, NE 68743
Cell: 712-251-0302
Email: pam.miller@siouxlandethanol.com

Facebook: siouxlandethanolllc
Twitter: sxlandethanol
Website: siouxlandethanol.com

ATTACHMENT TO COMMENT 16 (page 1 of 3)

February 20, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL: michael.conner@eia.gov PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

Siouxland Ethanol is an ethanol plant in Jackson, NE which produces 90 million gallons a year. We also produce valuable co-products including distillers grains and corn oil. The company employs 41 full time personnel, contributing greatly to the local economy in northeast Nebraska. We are concerned with the Reporting System and feel this is an appropriate time to make comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers. Most ethanol plants, such as Siouxland Ethanol, do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically more lengthy and detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact me at 402-632-2676 should you have questions.

Sincerely,

Pam Miller
Board Chair
Siouxland Ethanol, LLC

EIA RESPONSE TO COMMENT 16

June 14, 2019: EIA emailed Ms. Miller the following response:

Fri 6/14/2019 5:23 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Pam Miller

Cc PetroleumSupplyForms

Hello Pam,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA is aware of interest by data users in seeing weekly estimates of U.S. ethanol exports. EIA will consider researching alternatives uses of CBP administrative data for measuring exports.

Content of Proposed Form EIA-819.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

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Thank you for your comments

Office of Petroleum and Biofuels Statistics

COMMENT 17

March 12, 2019: Ted Olszewski of RW Beckett Corporation sent us comments regarding our proposed form changes.

Tue 3/12/2019 9:45 AM

Olszewski, Ted <tolszewski@beckettcorp.com>

Question on EIA Definitions

To Conner, Michael (EIA)

Cc Bohan, John

Hello Michael:

We have recently become aware of the recently proposed changes to the Petroleum Supply Reporting System. In particular the new categories for some of the reports. We have identified the new categories (in blue text below) along with the closest definition (in black text) we could find in the EIA Glossary Section. For several of the categories (highlighted in yellow) we could not identify an existing definition.

Can you please confirm whether we have identified the correct definitions below and let us know what the definitions are for the remaining (highlighted in yellow) terms?

Thank you for your help. We reference several EIA reports and want to make sure we interpret them correctly.

The new categories per below (from the EIA website) with the definitions from the Glossary Section we have found are:

1. biodiesel: **Biodiesel:** A fuel typically made from soybean, canola, or other vegetable oils; animal fats; and recycled grease. It can serve as a substitute for petroleum-derived diesel or distillate fuel. For EIA reporting, it is a fuel composed of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of ASTM (American Society for Testing materials) D 6751.
2. renewable diesel fuel: **Renewable diesel fuel (other):** Diesel fuel and diesel fuel blending components produced from renewable sources that are coprocessed with petroleum feedstocks and meet requirements of advanced biofuels. **Note:** This category "other" pertains to the petroleum supply data system.
3. renewable heating oil: There is no definition. Can you provide one?
4. renewable jet fuel: There is no definition. Can you provide one?
5. renewable naphtha and gasoline: There is no definition. Can you provide one?
6. other renewable fuels: **Renewable fuels (other):** Fuels and fuel blending components, except biomass-based diesel fuel, renewable diesel fuel, and fuel ethanol, produced from renewable biomass. **Note:** This category "other" pertains to the petroleum supply data system and intermediate products: There is no definition. Can you provide one?

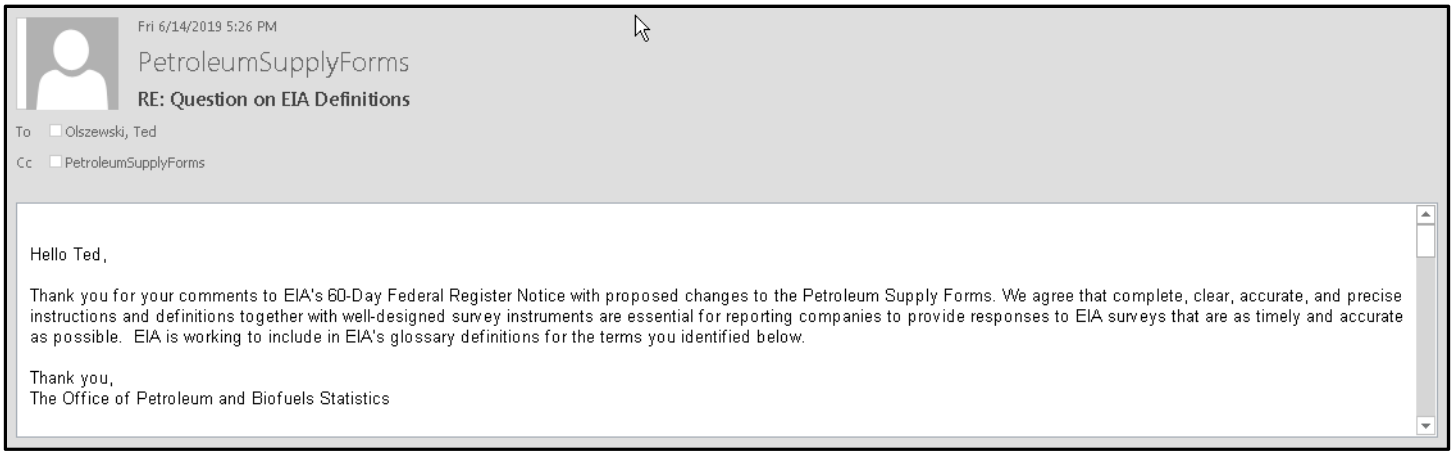
Regards,

Ted

Ted Olszewski – Compliance Engineer
RW Beckett Corporation
38251 Center Ridge Road
North Ridgeville, OH 44039
(Ph) 440-353-6320
tolszewski@beckettcorp.com

EIA RESPONSE TO COMMENT 17

June 14, 2019: EIA emailed Mr. Olszewski the following response:



Fri 6/14/2019 5:26 PM

PetroleumSupplyForms

RE: Question on EIA Definitions

To Olszewski, Ted

Cc PetroleumSupplyForms

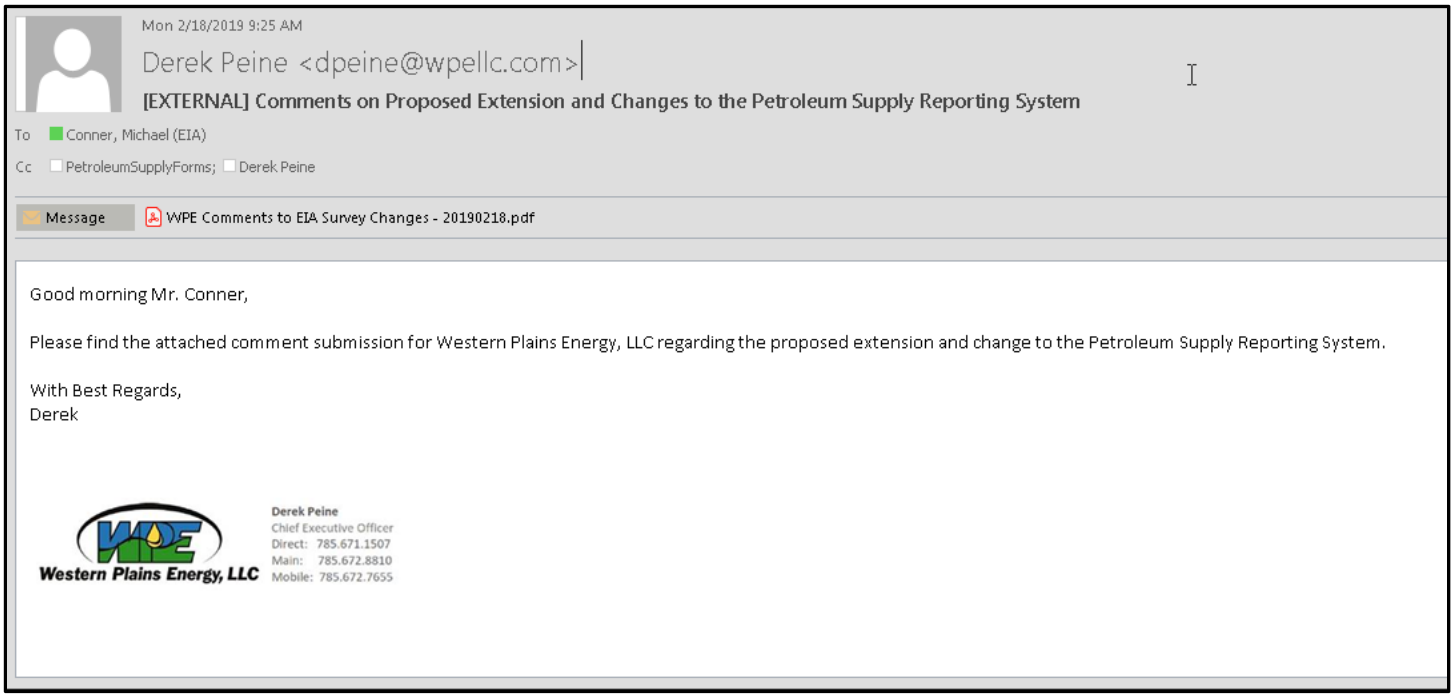
Hello Ted,

Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. We agree that complete, clear, accurate, and precise instructions and definitions together with well-designed survey instruments are essential for reporting companies to provide responses to EIA surveys that are as timely and accurate as possible. EIA is working to include in EIA's glossary definitions for the terms you identified below.

Thank you,
The Office of Petroleum and Biofuels Statistics

COMMENT 18

February 18, 2019: Derek Peine of Western Plains Energy sent us comments regarding our proposed form changes.



Mon 2/18/2019 9:25 AM

Derek Peine <dpeine@wpellc.com>

[EXTERNAL] Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Cc PetroleumSupplyForms; Derek Peine

Message WPE Comments to EIA Survey Changes - 20190218.pdf

Good morning Mr. Conner,

Please find the attached comment submission for Western Plains Energy, LLC regarding the proposed extension and change to the Petroleum Supply Reporting System.

With Best Regards,
Derek

Western Plains Energy, LLC

Derek Peine
Chief Executive Officer
Direct: 785.671.1507
Main: 785.672.8810
Mobile: 785.672.7655

ATTACHMENT TO COMMENT 18 (page 1 of 3)

Western Plains Energy, LLC

February 18, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL

michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

Western Plains Energy, LLC is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We operate an ethanol plant capable of producing 50 million gallons of fuel ethanol per year. Our facility also produces valuable coproducts, such as 350,000 tons per year of wet distiller grains and 12 million pounds per year of distiller oil. The operation of our plant generates direct employment for 44 full-time and 2 part-time personnel. We provide a reliable value-added market for local farmers, purchasing 17.5 million bushels of sorghum and corn from an estimated 800 plus growers in our region on an annual basis.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

3022 County Road 18
Oakley, KS 67748

785.672.8810 office
785.672.2232 fax

ATTACHMENT TO COMMENT 18 (page 2 of 3)

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to

3022 County Road 18
Oakley, KS 67748

785.672.8810 office
785.672.2232 fax

Western Plains Energy, LLC

provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact me at 785.672.8810 should you have questions.

Sincerely,

Derek Peine

CEO, Western Plains Energy, LLC

3022 County Road 18
Oakley, KS 67748

785.672.8810 office
785.672.2232 fax

EIA RESPONSE TO COMMENT 18

June 13, 2019: EIA emailed Mr. Peine the following response:

Thu 6/13/2019 2:14 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Derek Peine

Cc PetroleumSupplyForms

Hello Derek,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA plans to seek approval from the Office of Management and Budget to report weekly exports of ethanol in the future.

Content of Proposed Form EIA-819.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

EIA designed the new Form EIA-819 to improve consistency of biofuel production, biofuel blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently covered by any EIA survey. While there may be a limited number of cases where the same person will complete Form EIA-819 across multiple products, the main purpose of the new survey was to assure that consistent and comparable data were collected across all products. In practice, EIA will use a web portal to collect data on Form EIA-819. EIA will design the portal with one or more initial and one-time screening questions to determine what sections of the form will be completed for any plant. After responding one time to the screening questions, the person completing the report will only see sections of the new Form EIA-819 applicable to each plant.

EIA coordinated with National Agricultural Statistics Service (NASS) to coordinate ethanol feedstock data collection and avoid unnecessary duplication. EIA and NASS agreed that it was necessary for both agencies to collect corn consumed as feedstock for production of fuel ethanol. EIA requires the data for a comprehensive accounting of feedstock consumption across all types of biofuels. NASS requires corn feedstock data as a starting point for their assessment of co-products production at ethanol plants. EIA and NASS agreed that EIA should focus on feedstock consumption and biofuel production while NASS should continue to focus on feedstock consumption and ethanol co-products production. NASS will discontinue collecting sorghum and wheat consumed for ethanol production. EIA will collect sorghum and wheat consumption for ethanol production and share the data with NASS. EIA and NASS will continue their current report release schedules with the NASS Grain Crushings and Coproducts Production released approximately 32 days after the end of the report month and EIA releasing biofuel feedstock data approximately 60 days after the end of each report month. In order to avoid possible confusion from having two numbers for biofuel feedstock consumption, NASS will replace their feedstock quantities with the EIA feedstock quantities after the EIA data are released each month. EIA and NASS will enter into a data sharing agreement to facilitate data validation and other analyses.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 19

February 14, 2019: Kyle Radtke of Phillips 66 sent us comments regarding our proposed form changes.

From: Radtke, Kyle D [mailto:Kyle.D.Radtke@p66.com]
Sent: Thursday, February 14, 2019 11:02 AM
To: Conner, Michael (EIA) <Michael.Conner@eia.gov>
Cc: Alex H. Gilden <GildenA@api.org>
Subject: [EXTERNAL] RE: EIA Petroleum Supply Proposed Form Changes 2019 - Follow Up

Good morning,

This email serves as an official response to the proposed changes for information collection. We understand the reasoning behind each from the product terminal/pipeline and crude perspective, as that what our group primarily manages with respect to the data.

We have a few concerns related to your proposals surrounding the implementation.

1. As our company begins to endeavor on multiple midstream projects, our IT resources may be limited as it relates to transitioning to these new reporting standards. We understand that the final decisions will not occur until June/July 2019, but that is around the time we expect our larger projects to be finalized and begin operations.
2. We believe that reporting the specific barrel count fulfills completeness, but risks reporting small/immaterial amounts. We consider the current reporting in thousand barrels to be sufficient as it relates to our assets.
3. Specifically related to the 815, removing the unfinished oils line means that we will not be reporting on our Junction, CA, asset. In the past, we determined reporting this terminal was necessary in order to understand the activity at our Rodeo refinery shown through the EIA 810 report.
4. Specifically related to the 803 and 813, we would like further clarification if the separation of tank farms and pipelines will remain on the face of the reports or if these will be separated onto a form "a" and a form "b".

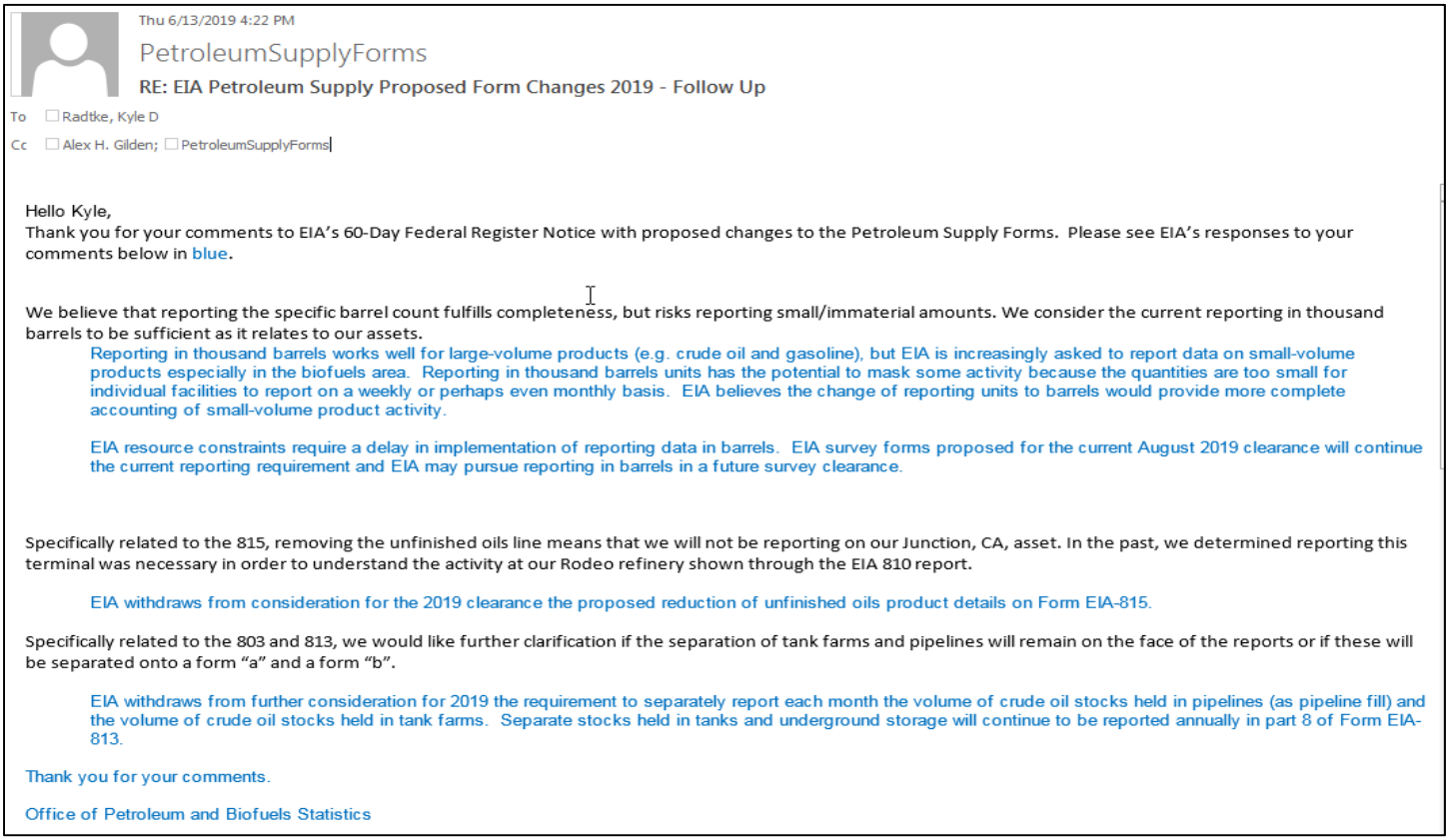
Our first concern is the biggest and doesn't necessarily relate to the content of the reports. I appreciate your time and look forward to hearing from you in the coming weeks.

Regards,

Kyle Radtke
Analyst, Crude/NGL Pipelines & Terminals Accounting
Midstream Financial Services – Phillips 66 Company
O: (+1) 918.977.5766 | F: (+1) 918.977.9859

EIA RESPONSE TO COMMENT 19

June 13, 2019: EIA emailed Mr. Radtke the following response:



Thu 6/13/2019 4:22 PM

PetroleumSupplyForms

RE: EIA Petroleum Supply Proposed Form Changes 2019 - Follow Up

To Radtke, Kyle D

Cc Alex H. Gilden; PetroleumSupplyForms

Hello Kyle,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

We believe that reporting the specific barrel count fulfills completeness, but risks reporting small/immaterial amounts. We consider the current reporting in thousand barrels to be sufficient as it relates to our assets.

Reporting in thousand barrels works well for large-volume products (e.g. crude oil and gasoline), but EIA is increasingly asked to report data on small-volume products especially in the biofuels area. Reporting in thousand barrels units has the potential to mask some activity because the quantities are too small for individual facilities to report on a weekly or perhaps even monthly basis. EIA believes the change of reporting units to barrels would provide more complete accounting of small-volume product activity.

EIA resource constraints require a delay in implementation of reporting data in barrels. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement and EIA may pursue reporting in barrels in a future survey clearance.

Specifically related to the 815, removing the unfinished oils line means that we will not be reporting on our Junction, CA, asset. In the past, we determined reporting this terminal was necessary in order to understand the activity at our Rodeo refinery shown through the EIA 810 report.

EIA withdraws from consideration for the 2019 clearance the proposed reduction of unfinished oils product details on Form EIA-815.

Specifically related to the 803 and 813, we would like further clarification if the separation of tank farms and pipelines will remain on the face of the reports or if these will be separated onto a form "a" and a form "b".

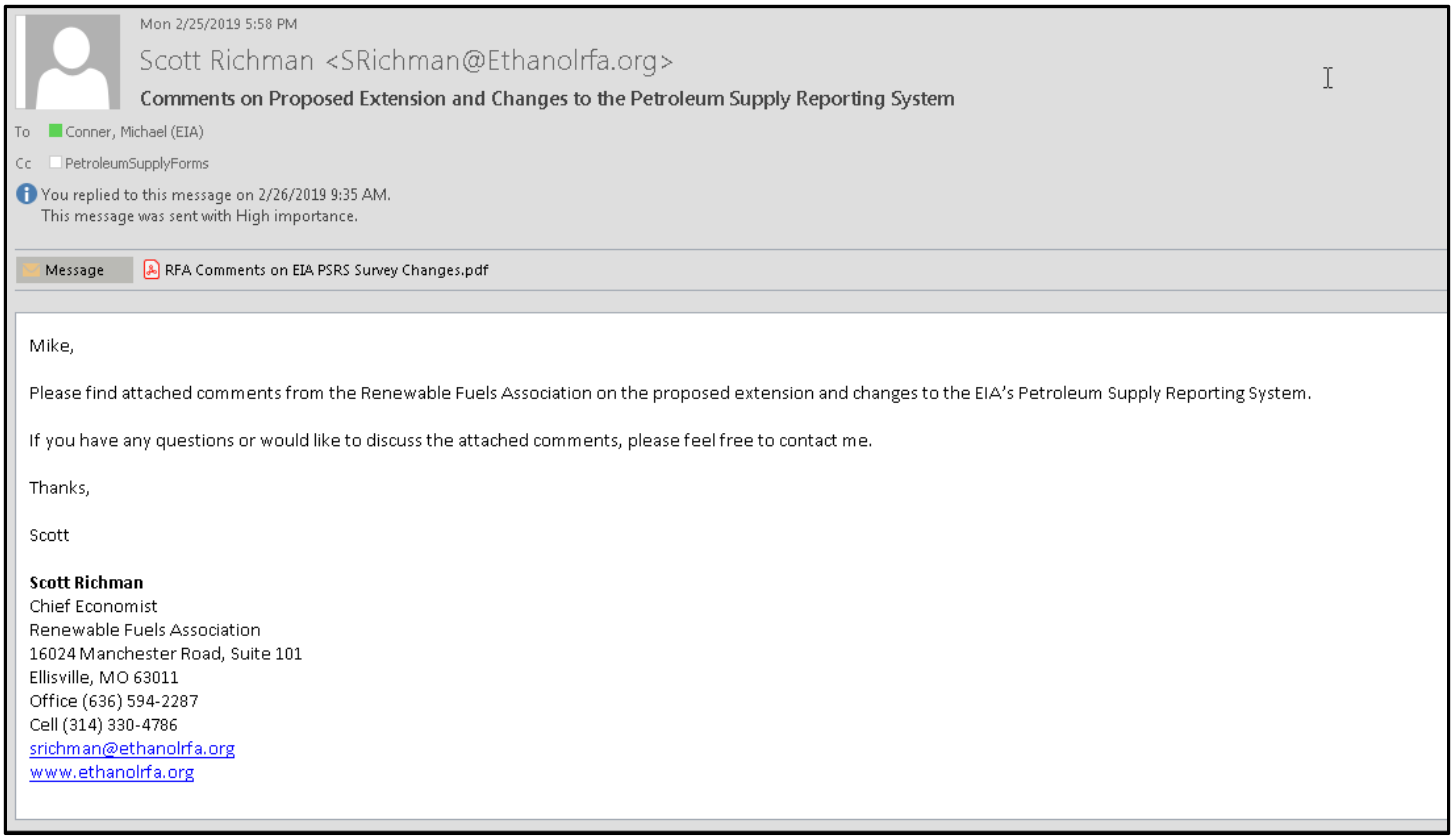
EIA withdraws from further consideration for 2019 the requirement to separately report each month the volume of crude oil stocks held in pipelines (as pipeline fill) and the volume of crude oil stocks held in tank farms. Separate stocks held in tanks and underground storage will continue to be reported annually in part 8 of Form EIA-813.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 20

February 25, 2019: Scott Richman of the Renewable Fuels Association sent us comments regarding our proposed form changes.



Mon 2/25/2019 5:58 PM

Scott Richman <SRichman@Ethanolrfa.org>

Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Cc PetroleumSupplyForms

You replied to this message on 2/26/2019 9:35 AM.
This message was sent with High importance.

Message RFA Comments on EIA PSRS Survey Changes.pdf

Mike,

Please find attached comments from the Renewable Fuels Association on the proposed extension and changes to the EIA's Petroleum Supply Reporting System.

If you have any questions or would like to discuss the attached comments, please feel free to contact me.

Thanks,

Scott

Scott Richman
Chief Economist
Renewable Fuels Association
16024 Manchester Road, Suite 101
Ellisville, MO 63011
Office (636) 594-2287
Cell (314) 330-4786
srichman@ethanolrfa.org
www.ethanolrfa.org

ATTACHMENT TO COMMENT 20 (page 1 of 5)

RFA RENEWABLE FUELS ASSOCIATION

February 25, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave., SW, EI–25
Washington, DC 20585

VIA EMAIL
michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

As the leading trade association for America's ethanol industry, the Renewable Fuels Association (RFA) is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

The RFA supports the objective of the PSRS, as described in the Federal Register notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on renewable fuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

As discussed below, the RFA has three general comments related to the survey changes, as well as additional comments regarding specific items on the forms that ethanol producers would be required to complete.

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports. This will ensure that only the data needed to support the publication of reports or public databases is collected.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are released publicly, allowing more-reliable estimates of domestic consumption to be made.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) to obtain this data from CBP and report it in the WPSR.

Merging of Forms EIA-819 and EIA-22M and Potential Training on New Form

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically more lengthy and detailed. This is due in part to the previous

form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels.

The EIA's Survey Development Team (SDT) conducted a series of interviews related to the merging of the two forms. In a redacted summary of the findings, the SDT stated, "Form EIA-819 participants showed difficulty understanding what information to report under each column heading on Parts 3 & 4 of the proposed Form EIA-819 form. ... Most of their confusion comes from the reporting method required by these columns, which forces respondents to report their undenatured ethanol production in one column, the products used to produce their denatured ethanol in the adjacent column, and their denatured production in another column. ... The cognitive research project found that when participants have a brief explanation of what to report under the columns labels, and how to report that information in these columns, participants were no longer confused by the section layout or column labels."

Further, the SDT found that five of 12 participants were unsure as to what to report for the column "production from renewable feedstocks." The report indicated, "The confusion for this column heading was if they should report denatured or undenatured ethanol production." This is important since ethanol production is one of the most elemental items for which Form EIA-819 is intended to collect data.

Given that an ethanol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), it is questionable what synergies would be gained from combining Form EIA-819 and Form EIA-22M. Accordingly, we would request that the new Form EIA-819 be redesigned so that ethanol producers continue to be surveyed separately from other biofuel producers.

However, if the EIA does not decide to keep the surveys separate, we would ask that in advance of implementing the use of the new merged form the EIA offer training to employees responsible for completing the form at biofuel-producing companies. This is likely to be more effective than only providing a more detailed instruction form. Given the number of companies that produce renewable fuels, it is recommended that the EIA hold two or three webinars prior to implementation in order to accommodate schedules, and that it hold a webinar every year or two to accommodate new employees that become responsible for completing the form. This will ensure that the data that is collected from the survey is as accurate as possible. The RFA would be pleased to discuss with EIA potential cooperation on holding training sessions.

Comments Specific to the Content of Proposed Survey Forms

Forms EIA-809 and EIA-819

- In the instructions for the reporting of ethanol production in proposed Form EIA-809, respondents are told to "[e]xclude from production any ethanol intended for beverage, industrial or other nonfuel use." The instructions for proposed Form EIA-819 similarly say to exclude "cumulative gallons of alcohol intended for use in non-fuel applications." While it is likely workable for respondents to be able to estimate and exclude volumes of beverage-grade alcohol, it might not be possible to exclude industrial alcohol entirely, particularly product destined for export markets. Most ethanol producers sell their output f.o.b. plant and would not know whether undenatured product that is shipped will eventually be used in fuel or industrial applications in the destination country. The resulting uncertainty by plant representatives about how to classify ethanol production could introduce error into the survey, and since export markets now account for 10% of U.S. production, the level of error cannot be assumed to be negligible. For Jan.-Nov. 2018, undenatured alcohol accounted for 46% of total exports.[1] It is recommended that EIA modify the instructions to exclude only beverage alcohol and Specially Denatured Alcohol (for specific industrial uses), and that the EIA conduct further assessment to determine whether recordkeeping would be sufficient to allow the estimation and exclusion of alcohol destined for domestic industrial uses overall. The same comments would apply to the reporting of stocks.
- The product code (141) for fuel ethanol, which combines denatured and undenatured ethanol in the proposed form, does not match the product codes for conventional fuel ethanol excluding denaturant (195) or denatured fuel ethanol (190) in proposed Form EIA-819. If it has not done so already, the EIA should ensure that this does not lead to inconsistency between the weekly and monthly data and should consider whether/to what degree this will create discontinuity with historical data sets.

Form EIA-819

- Within Part 4, the first section is labeled "Fuel alcohol (excluding denaturants where applicable)." The use of the term "where applicable" could introduce an element of arbitrariness into how this section is completed. It appears that the EIA could state clearly that most of the line items in that section should be reported on an undenatured basis, and then note how this should be handled for other line items. Otherwise, the EIA should made clear in row headings and in the instructions where denaturant should be included and excluded. Additionally, the next section within Part 4 is labeled "Denatured fuel alcohol." Given that Part 4 is fundamentally different and more detailed than the previous Form EIA-

[1] Includes HTS codes 2207106010, 2207200010, 2207106090 and 2207200090

819, the EIA should consider whether the inclusion of separate sections for "Fuel alcohol (excluding denaturants where applicable)" and "Denatured fuel alcohol" might introduce the potential for double-counting. (The issue of reporting denatured versus undenatured ethanol volumes was also raised in the comments about training above.)

- As alluded to above, the number of product codes for various forms of fuel alcohol and related products has multiplied in proposed Form EIA-819, and the codes for ethanol do not match the traditional code (141) still used in Form EIA-809. In order to avoid confusion, the EIA should include in its instructions a table listing the new codes and providing definitions/descriptions for each. A logical place for this might be in the section "Input and Production for Denaturant and Product Blending." While the example in that section is helpful, it might be more helpful for EIA to provide an example of a fully completed Part 4 and how it ties into underlying operating data from a hypothetical facility.
- For the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. Accordingly, it is recommended that questions about feedstock usage be excluded from Form EIA-819. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact me at srichman@ethanolrfa.org or (636) 594-2287 should you have questions or wish to discuss these comments more fully.

Sincerely,

Scott Richman
Chief Economist

5

EIA RESPONSE TO COMMENT 20 (page 1 of 2)

June 14, 2019: EIA emailed Mr. Richman the following response:

Fri 6/14/2019 5:35 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Scott Richman

Cc PetroleumSupplyForms

Hello Scott,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSR survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports. This will ensure that only the data needed to support the publication of reports or public databases is collected.

EIA designed the proposed Form EIA-819 to clarify reporting requirements by breaking down reporting into more discrete steps relative to the current Form EIA-819, collect consistent data across all biofuel types, expand the scope of current data collection to include all biofuel types, and ultimately provide data needed to support current and future reports. EIA will initially use data from the new Form EIA-819 to support existing products including Petroleum Supply Monthly (PSM), Petroleum Supply Annual (PSA), and Monthly Biodiesel Production Report. Initially, the only change will be to expand the scope of biofuel production to include production of renewable diesel fuel and other renewable fuels reported in part 8 of the proposed Form EIA-819. Before modifying existing publications and reports, EIA must assess data collected on new report forms and work with reporting companies to assure reporting is consistent with survey instructions and address data anomalies. EIA will work to eventually expand the biofuel report sometime in early 2020.

Reporting of Ethanol Exports on a Weekly Basis
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels ofver the last few years. It can take several weeks before monthly export data are released publicly, allowing more reliable estimates of domestic consumption to be made. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near real-time data from US Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) to obtain this data from CBP and report it on the WPSR.

EIA is aware of interest by data users in seeing weekly estimates of U.S. ethanol exports. EIA will consider researching alternative uses of CBP administrative data for measuring exports.

Merging of Forms EIA-819 and EIA 22M and Potential Training on New Form.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically more lengthy and detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. The EIA's Survey Development Team (SDT) conducted a series of interviews related to the merging of the two forms. In a redacted summary of the findings, the SDT stated, "Form EIA-819 participants showed difficulty understanding what information to report under each column heading on Parts 3 & 4 of the proposed EIA-819 form. ... Most of their confusion comes from the reporting method required by these columns, which forces respondents to report their undenatured ethanol in one column, the products used to produce their denatured ethanol in the adjacent column, and denatured production in another column. ... The cognitive research project found that when participants have a brief explanation of what to report under the columns labels, and how to report that information in these columns, participants were no longer confused by the section layout or column labels." Further, the SDT found that five of twelve participants were unsure as to what to report for the column "production from renewable feedstocks." The report indicated, "The confusion for this column heading was if they should report denatured or undenatured ethanol production." This is important since ethanol production is one of the most elemental items for which Form EIA-819 is intended to collect data. Given that an ethanol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), it is questionable what synergies would be gained from combing Form EIA-819 and Form EIA-22M. Accordingly, we would request that the new Form EIA-819 be redesigned so that ethanol producers continue to be surveyed separately from other biofuel producers. However, if the EIA does not decide to keep the surveys separate, we would ask that in advance of implementing the use of the new merged form the EIA offer training to employees responsible for completing the form at bio-fuel producing companies. This is likely to be more effective than only providing a more detailed instruction form. Given the number of companies that produce renewable fuels, it is recommended that the EIA hold two or three webinars every year or two to accommodate new employees that become responsible for completing the form. This will ensure that the data that is collected form the survey is as accurate as possible. The RFA would be pleased to discuss with EIA potential cooperation on holding training sessions.

Cognitive research on the proposed Form EIA-819 did reveal potential sources of confusion by survey respondents including those pointed out in comments from the Renewable Fuels Association (RFA). In particular, potential sources of confusion included questions about what data EIA intended to collect in the column labeled "production from renewable feedstocks" and the overall length and scope of the form including production of all biofuel products as well as fuel oxygenates. In response, EIA offers the following observations. First, the proposed Form EIA-819 is significantly different from the current Form EIA-819 that producers of fuel ethanol and other biofuels have completed for many years. The new Form EIA-819 was designed to overcome limitations of the current form, in particular the fact that the current form design never adequately addressed the intermediate state of undenatured ethanol produced and then later blended with denaturant. Limitations of the current Form EIA-819 design effectively meant that EIA had to instruct fuel ethanol producers to report shipments of denatured ethanol as production. The new Form EIA-819 separates production steps to allow reporting production of denatured ethanol from renewable feedstocks and ethanol volume changes due to denaturant and other blending activity. The new Form EIA-819 is admittedly visually more complicated than the existing form, but the new form broadly follows the model, modified to accommodate unique features of biofuel production, that EIA has used successfully for decades to track production and blending activity at oil refineries and petroleum products terminals. The length of the new Form EIA-819 is visually intimidating when presented as a paper document as was the case when EIA conducted cognitive interviews. In practice, EIA will implement Form EIA-819 as a webform and possibly other electronic reporting options. There will be an initial one-time screening question to identify the type of plant reporting. After the type of plant is established from the screening question, then survey respondents will only see applicable parts of the survey.

EIA RESPONSE TO COMMENT 20 (page 2 of 2)

Fri 6/14/2019 5:35 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Scott Richman

Cc PetroleumSupplyForms

Comments Specific to the Content of Proposed Survey Forms
Form EIA-809
1. In the instructions for the reporting of ethanol in proposed form EIA-809, respondents are told to "[e]xclude from production any ethanol intended for beverage, industrial or other nonfuel use." The instructions for proposed Form EIA-819 similarly say to exclude "cumulative gallons of alcohol intended for use in non-fuel applications." While it is likely workable for respondents to be able to estimate and exclude volumes of beverage-grade alcohol, it might not be possible to exclude industrial alcohol entirely, particularly product destined for export markets. Most ethanol producers sell their output f.o.b. plant and would not know whether undenatured product that is shipped will eventually be used in fuel or industrial applications in the destination country. The resulting uncertainty by plant will representatives about how to classify ethanol production could introduce error into the survey, and since export markets now account for 10% of US production, the level of error cannot be assumed to be negligible. For Jan-Nov 2018, undenatured alcohol accounted for 46% of total exports (includes HTS codes 2207106010, 2207200010, 2207106090, and 2207200090). It is recommended that EIA modify the instructions to exclude only beverage alcohol and Specially Denatured Alcohol (for specific industrial uses), and that the EIA conduct further assessment to determine whether recordkeeping would be sufficient to allow the estimation and exclusion of alcohol destined for domestic industrial uses overall. The same comments would apply to the reporting of stocks.

> EIA data show that about 6 percent of U.S. fuel ethanol production reported on Form EIA-819 during 2018 was undenatured. EIA lacks data to track disposition of those specific barrels, but we believe exports were the most likely disposition for undenatured fuel ethanol barrels produced. It is also possible that some undenatured ethanol barrels were shipped by water for U.S. domestic consumption to be denatured downstream at U.S. petroleum products terminals. EIA data show a small fraction of the undenatured ethanol barrels produced were blended with natural gasoline or petroleum fuels as denaturant at U.S. petroleum products terminals. This leaves the vast majority of the undenatured barrels of ethanol available to be exported. U.S. total ethanol barrels exported in 2018 significantly exceeded undenatured ethanol produced, but undenatured ethanol barrels exported compared reasonably well with undenatured ethanol barrels exported during 2018 leaving barrels of undenatured ethanol unaccounted for (i.e. potential overstatement of ethanol supplies due to producers including industrial alcohol as fuel ethanol production) less than 1 percent of U.S. fuel ethanol production reported by EIA. This suggests that fuel ethanol producers have been reasonably successful at excluding barrels of industrial alcohol when reporting to EIA. At the very least, the available data fail to show evidence to support the conclusion that there is widespread misclassification of industrial alcohol barrels as fuel ethanol production in EIA data reported on the current version of Form EIA-819 that includes requirements similar to those proposed for the new version of Form EIA-819 with respect to reporting production of ethanol intended for fuel use and excluding ethanol intended for nonfuel applications.

2. The product code (141) for fuel ethanol, which combines denatured and undenatured ethanol in the proposed form, does not match the product codes for conventional fuel ethanol excluding denaturant (195) or denatured fuel ethanol (190) in proposed Form EIA-819. If it has not done so already, the EIA should ensure that this does lead to inconsistency between the weekly and monthly data and should consider whether/to what degree this will create discontinuity with historical data sets.

> EIA collects ethanol and other biofuel data with different levels of detail at different points in the petroleum and biofuels supply chains as needed to satisfy requirements for data quality assessment, analysis, and market information. EIA intends to collect the most biofuel product details at the producer level with fewer biofuel product details collected further downstream at petroleum products terminals. EIA will aggregate data across surveys to produce U.S. and regional totals that are consistent across the petroleum and biofuel supply chain activities tracked by EIA surveys.

Form EIA-819
1. Within Part 4, the first section is labeled "Fuel alcohol (excluding denaturants where applicable)." The use of the term "where applicable" could introduce an an element of arbitrariness into how this section is completed. It appears the EIA could state clearly that most of the line items in that section should be reported ona an undenatured basis, and then note how this should be handled for other line items. Otherwise the EIA should make clear in row headings and in the instructions where dnaturant should be included and excluded. Additionally, the next section within Part 4 is labeled "Denatured fuel alchohol." Given that Part 4 is fundamentally different and more detailed than in the previous Form EIA-819, the EIA should consider whether the inclusion of separate sections for "Fuel alcohol (excluding denaturants where applicable)" and "Denatured fuel alcohol" might introduce teh potential for double-counting. (the issue of reporting denatured versus ethanol volumes was also raised in the comments about training above.)

> EIA agrees that the label "Fuel alcohol (excluding denaturants where applicable)" should be changed to say "Fuel alcohol (excluding denaturants)". It is our intention for all of the barrels reported in the first section of part 4 to be undenatured. The new Form EIA-819 was designed to overcome limitations of the current form, in particular the fact that the current form design never adequately addressed the intermediate state of undenatured ethanol produced and then later blended with denaturant. Limitations of the current Form EIA-819 design effectively meant that EIA had to instruct fuel ethanol producers to report shipments of denatured ethanol as production. The new Form EIA-819 separates production steps to allow reporting production of denatured ethanol from renewable feedstocks and ethanol volume changes due to denaturant and other blending activity. The new survey avoids double counting by allowing plant operators to report input of undenatured ethanol and denaturant (such as natural gasoline) to be reported as input and production of denatured ethanol equal to the sum of undenatured ethanol and denaturant gallons input. As a double check, we have a line for total input and total production where total input must equal total production (i.e. all input must be accounted for by production and there cannot be any production without corresponding input).

2. As alluded to above, the number of product codes for various forms of fuel alcohol and related products has multiplied in proposed Form EIA-819, and the codes for ethanol do not match the traditional code (141) still used in Form EIA-809. In order to avoid confusion, the EIA should include in its instructions a table listing the new codes and providing definitions/descriptions for each. A logical place for this might be in the section "Input and Production for Denaturant and Product Blending." While the example in that section is helpful, it might be more helpful for EIA to provide an example of a fully completed Part 4 and how its ties into underlying operating data from a hypothetical facility.

> EIA agrees that the new Form EIA-819 is a significant departure from the current survey form and there will need to be at least one webinar as well as examples and other training materials to help plant operators provide accurate data. We appreciate the helpful suggestions from the Renewable Fuels Association and we look forward to working with fuel alcohol and other producers to achieve a smooth transition to the new report.

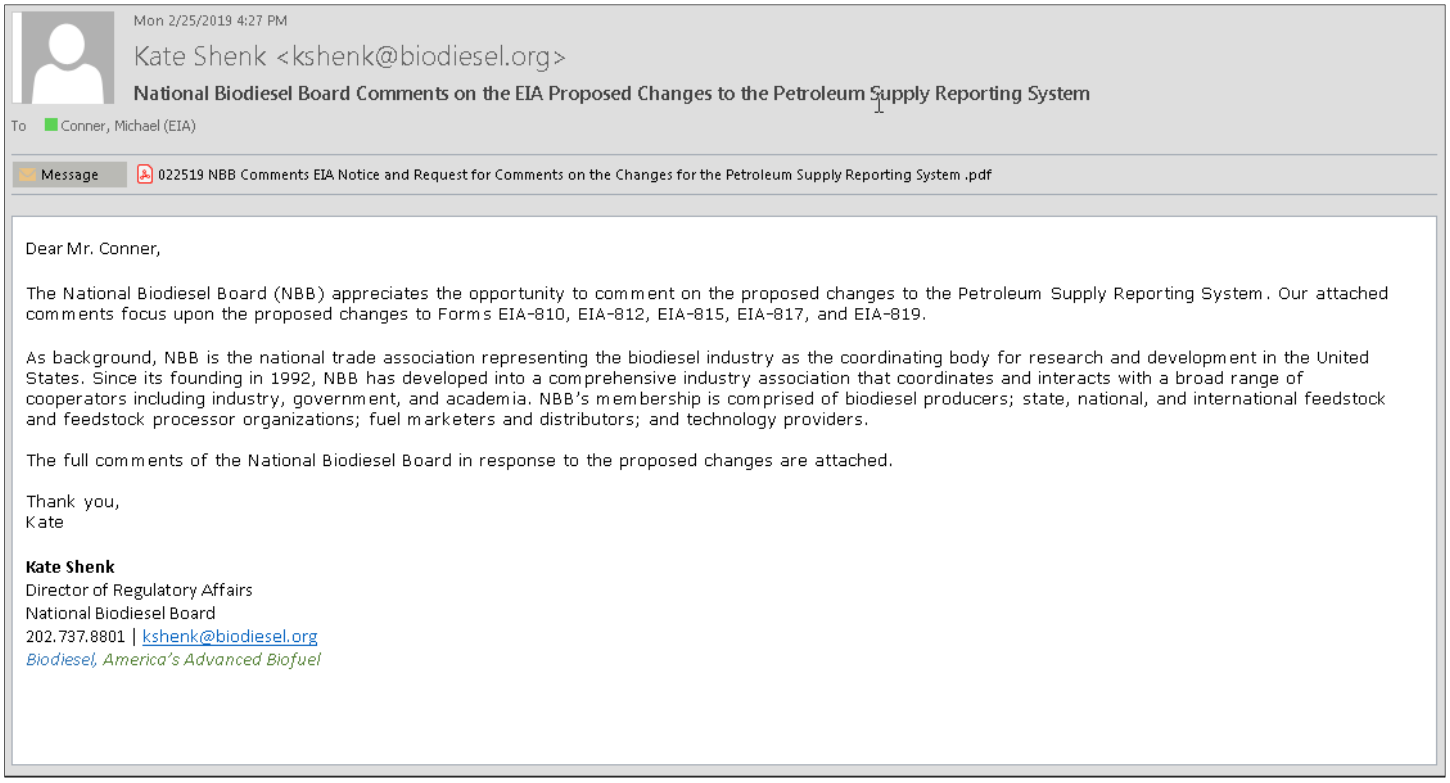
3. For the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with the information the USDA collects for its Grain Crushings and Co-Products Production Report report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. Accordingly, it is recommended that questions about feedback data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

> EIA and the National Agricultural Statistics Service (NASS) have worked together and discussed a plan to assure there will be only one U.S. government dataset for ethanol feedstock for any given month. NASS plans to continue to collect corn consumed for ethanol feedstock and report the quantity in their grain crushing report approximately 30 days after the end of each monthly report period. NASS plans to discontinue collecting feedstocks other than corn consumed for ethanol production. EIA plans to collect feedstocks consumed for all biofuels (fuel alcohol, biodiesel, renewable diesel, and other renewable fuels) on Form EIA-819 and report quantities approximately 60 days after the end of each monthly report period. NASS will plan to replace their corn feedstock consumption quantity with the EIA quantity after EIA data are released. Under this plan, the EIA biofuel feedstock data will be the historical data of record. It is true that both EIA and NASS would collect the quantity of corn consumed for ethanol production, but this is necessary in order for both agencies to accomplish the purposes of their respective reports. NASS requires corn feedstock consumption in order to assess production of co-products relative to corn consumed. EIA requires corn feedstock consumption in order to assess fuel alcohol consumption relative to corn consumed.

Thank you for your comments,
The Office of Petroleum and Biofuels Statistics

COMMENT 21

February 25, 2019: Kate Shenk of the National Biodiesel Board sent us comments regarding our proposed form changes.



Mon 2/25/2019 4:27 PM

Kate Shenk <kshenk@biodiesel.org>

National Biodiesel Board Comments on the EIA Proposed Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Message 022519 NBB Comments EIA Notice and Request for Comments on the Changes for the Petroleum Supply Reporting System .pdf

Dear Mr. Conner,

The National Biodiesel Board (NBB) appreciates the opportunity to comment on the proposed changes to the Petroleum Supply Reporting System. Our attached comments focus upon the proposed changes to Forms EIA-810, EIA-812, EIA-815, EIA-817, and EIA-819.

As background, NBB is the national trade association representing the biodiesel industry as the coordinating body for research and development in the United States. Since its founding in 1992, NBB has developed into a comprehensive industry association that coordinates and interacts with a broad range of cooperators including industry, government, and academia. NBB's membership is comprised of biodiesel producers; state, national, and international feedstock and feedstock processor organizations; fuel marketers and distributors; and technology providers.

The full comments of the National Biodiesel Board in response to the proposed changes are attached.

Thank you,
Kate

Kate Shenk
Director of Regulatory Affairs
National Biodiesel Board
202.737.8801 | kshenk@biodiesel.org
Biodiesel, America's Advanced Biofuel

ATTACHMENT TO COMMENT 21 (page 1 of 3)

National Biodiesel Board
605 Clark Ave.
PO Box 104898
Jefferson City, MO 65110-4898
(800) 841-5849 *phone*

National Biodiesel Board
1331 Pennsylvania Ave., NW
Suite 505
Washington, DC 20004
(888) 246-3437 *phone*
nbb.org | biodiesel.org

February 25, 2019

Michael Connor
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration, Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI-25
Washington, DC 20585
Michael.conner@eia.gov

Re: U.S. Energy Information Administration's Notice and Request for Comments on the Changes for the Petroleum Supply Reporting System (PSRS). 83 Fed. Reg. 66688 (December 27, 2018)

Dear Mr. Conner,

The National Biodiesel Board (NBB) appreciates the opportunity to comment on the Changes for the Petroleum Supply Reporting System (PSRS).[1] The Energy Information Administration (EIA) is seeking to extend its survey of U.S. biodiesel producers for three years to collect information regarding the following Forms: NBB will be providing comment on the proposed changes to Forms EIA-810, EIA-812, EIA-815, EIA-817, and EIA-819.

As background, NBB is the national trade association representing the biodiesel industry as the coordinating body for research and development in the United States. Since its founding in 1992, NBB has developed into a comprehensive industry association that coordinates and interacts with a broad range of cooperators including industry, government, and academia. NBB's membership is comprised of biodiesel producers; state, national, and international feedstock and feedstock processor organizations; fuel marketers and distributors; and technology providers.

Comments

Overall, NBB supports the proposed changes for the Petroleum Supply Reporting System (PSRS). The proposed changes streamline the data being reported and are inclusive of biodiesel, renewable diesel fuel, renewable heating oil, and renewable jet fuel by accurately depicting the biofuels being produced, coprocessed, and consumed. We thank EIA for incorporating NBB's previous feedback regarding Form EIA-22M whereby EIA has proposed the inclusion of renewable diesel, jet fuel, heating oil into the proposed Form EIA-819. NBB requests that EIA continue to update feedstock categories in Form 819 in coordination with EPA's Approved Pathways for Renewable Fuel under the Renewable Fuel Standard (RFS) Program to better allow for more accurate interagency use and reporting.

[1] U.S. Energy Information Administration, Department of Energy, Agency Information Collection Extension, 83 FR 66688 (December 17, 2018) https://www.federalregister.gov/d/2018-28062

Measurements
NBB supports the proposed change for the unit of measurement for thousand barrels to barrels. This change will ensure the robustness of the information collected by the EIA as it will allow small volume products such as E85 motor fuel and biofuels to be tracked relatively easily and will properly capture reportable activity for small-volume products.

Forms
NBB supports the replacement of the current biofuel reporting categories of biomass-based diesel fuel, other renewable diesel fuel, and other renewable fuels in Forms EIA-810, 812, 815, and 817 to the categories biodiesel, renewable diesel fuel, renewable heating oil, renewable jet fuel, renewable naphtha and gasoline, and other renewable fuels and intermediate products. Replacing the current reporting guidelines will clarify the products and improve the utility of U.S. and regional data by collecting data on the specific types of renewable fuels that are increasingly more important.

NBB supports the proposal to combine forms EIA-22M and EIA-819 into a single survey under Form EIA-819 to cover all biofuels, fuel oxygenates, and non-refinery producers of isooctane. To better improve the accuracy of the data being reported, we ask that EIA take the opportunity when combining forms EIA-22M and EIA-819 to clarify and expand the feedstock categories currently found in the EIA-22M form Section 3. Production, Inputs, Stocks and Sales; C. Inputs to Production; a. Feedstocks used in B100 Production and proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels.

Specifically, within the proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels, Vegetable Oils, we ask that EIA clarify corn oil to distillers corn oil and sorghum oil to distillers sorghum oil to better reflect product terminology utilized in the marketplace. In addition, EIA should distinguish the definition of Other feedstocks not elsewhere specified or identified, as it relates to the subcategories listed above in proposed Form EIA-819 Part 9: other agricultural and forestry products, other animal waste oils/fats/greases, other recycled feed and waste, and other vegetable oils.

To further improve the data collection and accuracy and consistency of biofuel and oxygenate production and blending including blending with petroleum fuels, NBB requests that EIA add the EPA Approved Pathways for Renewable Fuel under the Renewable Fuel Standard (RFS) Program where applicable in proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels.[2]

[2] 40 CFR part 80 subpart M, Renewable Fuel Standard, Table 1 to §80.1426—Applicable D Codes for Each Fuel Pathway for Use in Generating RINs
https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&rgn=div6&view=text&node=40:17.0.1.1.9.13&idno=40

Additionally, we ask that EIA consider continuously updating and/or having a specific feedstock category that would capture newly approved RFS approved pathways for Renewable Fuel. EPA approves fuel pathways on an ad hoc basis and having the ability to properly capture the newly added pathways within the EIA-819 form would provide the agencies, the industry, and the public with more accurate and consistent data.

Conclusion

We appreciate EIA's effort to aggregate industry data to both ensure the robustness of the information collected and minimize the burden on U.S. biodiesel producers. The proposed changes are a step in the right direction to better capture the industries growth.

To help ensured continued value in the future, we ask that EIA work cooperatively with EPA regarding the data collected on feedstocks and pathways to maximize the usability of the data produced and make worthwhile the data being reported from the U.S. biodiesel producers. The expansion and clarification of these categories will provide benefits to EIA, EPA, the industry, and the public in better understanding production and use of these fuels.

Sincerely,

Kurt Kovarik
Vice President, Federal Affairs
National Biodiesel Board (NBB)

EIA RESPONSE TO COMMENT 21

June 14, 2019: EIA emailed Ms. Shenk the following response:

Fri 6/14/2019 5:16 PM

PetroleumSupplyForms

RE: National Biodiesel Board Comments on the EIA Proposed Changes to the Petroleum Supply Reporting System

To Kate Shenk

Cc PetroleumSupplyForms

Hello Kate,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your individual comments below in blue.

Comments
Overall, NBB supports the proposed changes for the Petroleum Supply Reporting System (PSRS). The proposed changes streamline the data being reported and are inclusive of biodiesel, renewable diesel fuel, renewable heating oil, and renewable jet fuel by accurately depicting the biofuels being produced, coprocessed, and consumed. We thank EIA for incorporating NBB's previous feedback regarding Form EIA-22M whereby EIA has proposed the inclusion of renewable diesel, jet fuel, heating oil into the proposed Form EIA-819. NBB requests that EIA continue to update feedstock categories in Form 819 in coordination with EPA's Approved Pathways for Renewable Fuel under the Renewable Fuel Standard (RFS) Program to better allow for more accurate interagency use and reporting.

EIA appreciates comments submitted by the National Biodiesel Board. We will continue to coordinate with the U.S. Environmental Protection Agency (EPA) to seek ways to maximize utility of data collected.

Measurements
NBB supports the proposed change for the unit of measurement for thousand barrels to barrels. This change will ensure the robustness of the information collected by the EIA as it will allow small volume products such as E85 motor fuel and biofuels to be tracked relatively easily and will properly capture reportable activity for small-volume products.

For all surveys except the proposed EIA-819, EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement. Most of the data collected on the proposed EIA-819 will be in gallons.

Forms
NBB supports the replacement of the current biofuel reporting categories of biomass-based diesel fuel, other renewable diesel fuel, and other renewable fuels in Forms EIA-810, 812, 815, and 817 to the categories biodiesel, renewable diesel fuel, renewable heating oil, renewable jet fuel, renewable naphtha and gasoline, and other renewable fuels and intermediate products. Replacing the current reporting guidelines will clarify the products and improve the utility of U.S. and regional data by collecting data on the specific types of renewable fuels that are increasingly more important.

EIA will proceed to implement proposed changes on Form EIA-819 Monthly report of biofuels, fuels from non-biogenic waste, fuel oxygenates, isooctane, and isooctene. EIA is unable to make all of the changes originally proposed to Forms EIA-810, 812, 815, and 817, but will change current biofuel labels as follows.

- There is no change to fuel ethanol.
- Change biomass-based diesel fuel to biodiesel.
- Change "other" renewable diesel fuel to renewable diesel fuel.
- Change "other" renewable fuels to "other" biofuels and fuels from non-biogenic wastes (meaning biofuels and fuels from non-biogenic waste that are not fuel ethanol, biodiesel, or renewable diesel fuel).

NBB supports the proposal to combine forms EIA-22M and EIA-819 into a single survey under Form EIA-819 to cover all biofuels, fuel oxygenates, and non-refinery producers of isooctane. To better improve the accuracy of the data being reported, we ask that EIA take the opportunity when combining forms EIA-22M and EIA-819 to clarify and expand the feedstock categories currently found in the EIA-22M form Section 3. Production, Inputs, Stocks and Sales; C. Inputs to Production; a. Feedstocks used in B100 Production and proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels.

EIA will proceed to implement proposed changes on Form EIA-819 Monthly report of biofuels, fuels from non-biogenic waste, fuel oxygenates, isooctane, and isooctene, and EIA will work with EPA, industry, and other data users to provide clarity regarding feedstocks and other aspects of biofuel reporting.

Specifically, within the proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels, Vegetable Oils, we ask that EIA clarify corn oil to distillers corn oil and sorghum oil to distillers sorghum oil to better reflect product terminology utilized in the marketplace. In addition, EIA should distinguish the definition of Other feedstocks not elsewhere specified or identified, as it relates to the subcategories listed above in proposed Form EIA-819 Part 9: other agricultural and forestry products, other animal waste oils/fats/greases, other recycled feed and waste, and other vegetable oils.

EIA agrees that distillers corn oil and distillers sorghum oil will be used for the feedstock list in part 9 of the new Form EIA-819 for consistency with Environmental Protection Agency (EPA) terminology. The "other feedstocks not elsewhere specified or identified" provides a place for producers to report new feedstocks or small-quantity feedstocks that do not warrant tracking as separate products. EIA will monitor reporting in the "other" feedstock categories to identify cases where volumes increase to the point where a new separate feedstock should be added to the list. Small-volume feedstocks are unlikely to be reportable in EIA statistics at the U.S. or regional level due to possible disclosure of company identifiable information.

To further improve the data collection and accuracy and consistency of biofuel and oxygenate production and blending including blending with petroleum fuels, NBB requests that EIA add the EPA Approved Pathways for Renewable Fuel under the Renewable Fuel Standard (RFS) Program where applicable in proposed Form EIA-819 Part 9. Consumption of Feedstock for production of biofuel and renewable fuels.

EIA selected feedstocks listed in part 9 of Form EIA-819 to provide useful statistical information while balancing reporting burden and maintaining a manageable data collection effort. EIA will continue to assess the feedstocks in part 9 of Form EIA-819, but we believe that the list of feedstocks currently proposed adequately captures statistical data on biofuel feedstocks identified in EPA pathways.

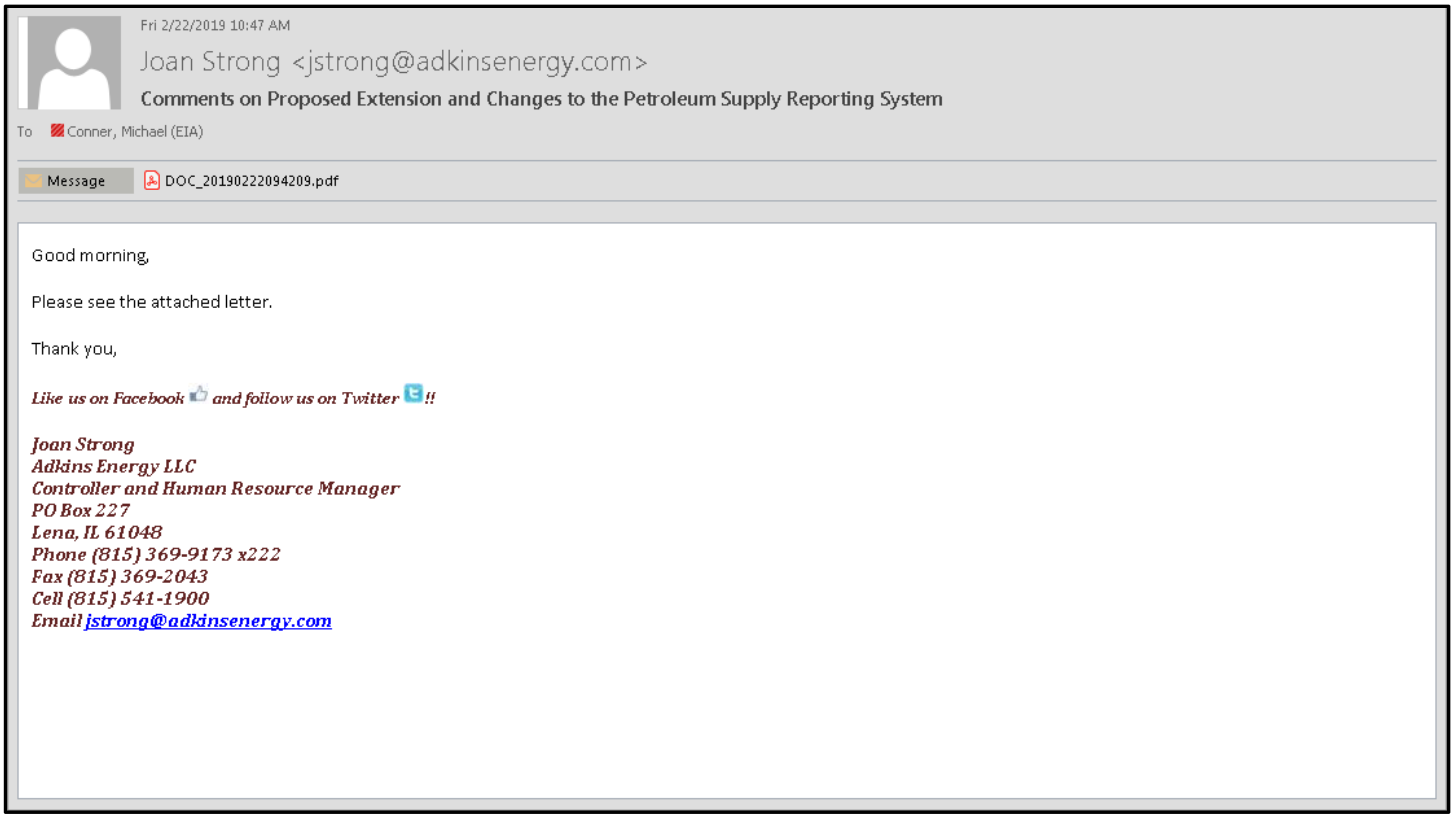
Additionally, we ask that EIA consider continuously updating and/or having a specific feedstock category that would capture newly approved RFS approved pathways for Renewable Fuel. EPA approves fuel pathways on an ad hoc basis and having the ability to properly capture the newly added pathways within the EIA-819 form would provide the agencies, the industry, and the public with more accurate and consistent data.

EIA surveys require periodic approval by the Office of Management and Budget (OMB), usually every 3 years. EIA has the option to seek OMB approval of survey changes more frequently in response to significant regulatory or market developments. EIA will monitor regulatory and market changes affecting fuel products, feedstocks, and other data reported on Form EIA-819 and make changes needed to maintain usefulness and relevance of the data collected and provided to users.

Thank you for your insightful and helpful feedback,
Office of Petroleum and Biofuels Statistics

COMMENT 22

February 22, 2019: Joan Strong of Adkins Energy sent us comments regarding our proposed form changes.



Fri 2/22/2019 10:47 AM

Joan Strong <jstrong@adkinsenergy.com>

Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Conner, Michael (EIA)

Message DOC_20190222094209.pdf

Good morning,

Please see the attached letter.

Thank you,

Like us on Facebook and follow us on Twitter !!

Joan Strong
Adkins Energy LLC
Controller and Human Resource Manager
PO Box 227
Lena, IL 61048
Phone (815) 369-9173 x222
Fax (815) 369-2043
Cell (815) 541-1900
Email jstrong@adkinsenergy.com

ATTACHMENT TO COMMENT 22 (page 1 of 3)

Adkins Energy LLC
P.O. Box 227
4350 W. Galena Road
Lena, IL 61048
Phone: (815) 369-9173
Fax: (815) 369-2043
www.adkinsenergy.com

February 18, 2019

Mr. Michael Conner
Petroleum, Natural Gas, and Biofuels Statistics
U.S. Energy Information Administration
Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW, EI–25
Washington, DC 20585

VIA EMAIL

michael.conner@eia.gov
PetroleumSupplyForms@eia.gov

Re: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System (83 Fed. Reg. 66688; December 27, 2018).

Dear Mr. Conner,

Adkins Energy LLC is pleased to submit the following comments in response to the U.S. Energy Information Administration's (EIA) request for a three-year extension of the Petroleum Supply Reporting System (PSRS) and associated changes.

We operate an ethanol plant capable of producing 68 million gallons of fuel ethanol per year and a biodiesel plant capable of producing 4 million gallons per year. Our facilities also produce valuable coproducts. The operation of our plants generate direct employment for 40 full-time and 2 part-time personnel. We provide a reliable value-added market for local farmers, purchasing 22 million bushels of corn from an estimated 724 growers on an annual basis.

We support the objective of the PSRS, as described in the *Federal Register* notice, to collect data that meets "energy data users' needs for credible, reliable, and timely energy information." At the same time, we believe that the EIA should avoid placing an undue recordkeeping burden on biofuel producers, most of which operate only one or a small number of facilities and do not have an extensive administrative staff, as compared to large petroleum companies participating in the PSRS. Accordingly, these comments are intended to strike a balance between the benefits of the information being sought and the burden of providing it, as well as to ensure that the information being collected is properly disseminated to market participants.

Given this background, the following are our specific comments in response to the EIA's request related to the PSRS.

Reporting of Additional Data Collected

The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the *Weekly Petroleum Status Report* and *Petroleum Supply Monthly*) will be redesigned to disseminate the data collected through the modified surveys.

It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time.

We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

Reporting of Ethanol Exports on a Weekly Basis

Ethanol imports are included in the *Weekly Petroleum Status Report* (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption.

It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly.

We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

Content of Proposed Form EIA-819

In the past, Form EIA-819 *Monthly Oxygenate Report* was brief and generally straightforward. Its replacement, Form EIA-819 *Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report* is dramatically more lengthy and detailed. This is due in part to the previous form being merged with Form EIA-22M *Monthly Biodiesel Production Report* and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable.

Adkins Energy LLC
P.O. Box 227
4350 W. Galena Road
Lena, IL 61048
Phone: (815) 369-9173
Fax: (815) 369-2043
www.adkinsenergy.com

Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its *Grain Crushings and Co-Products Production* report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market.

We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps. We are providing weekly and monthly information, so the reports do create a time burden when spending time filing for USDA and EIA, in addition to other agency reports, such as the US Census Bureau. Employees are spending several hours completing reports for various agencies, so having a report with redundancy essentially takes quality time away from their necessary job duties.

Thank you for the opportunity to comment in advance of making the proposed changes to the PSRS surveys. Please do not hesitate to contact us at (815) 369-9173 should you have questions.

Sincerely,

Joan Strong

Joan Strong

Controller

EIA RESPONSE TO COMMENT 22

June 13, 2019: EIA emailed Ms. Strong the following response:

Thu 6/13/2019 2:04 PM

PetroleumSupplyForms

RE: Comments on Proposed Extension and Changes to the Petroleum Supply Reporting System

To Joan Strong

You forwarded this message on 6/13/2019 3:57 PM.

Hello Joan,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Reporting of Additional Data Collected.
The Federal Register notice and supporting documentation provide detail on the requested changes to the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports the PSRS survey forms. However, no such clarity is provided as to how the periodic market reports published by the EIA (e.g., the Weekly Petroleum Status Report and Petroleum Supply Monthly) will be redesigned to disseminate the data collected through the modified surveys. It is understood that a redesign of the reports would likely be a second phase of the process. This could result in information being collected but not provided to market participants, at least for a period of time. We would request that changes to the PSRS survey not be approved (or at least implemented) until clarity is provided about how the data will be disseminated in EIA reports.

EIA will prepare sample data tables to show how new data will appear on the EIA website. Before modifying existing publications and reports, EIA will assess data collected on new report forms and work with reporting companies to address questions and data anomalies. EIA will maintain current data and release schedules without interruption, and we expect to publish new data items not later than January 2020.

Reporting of Ethanol Exports on a Weekly Basis.
Ethanol imports are included in the Weekly Petroleum Status Report (WPSR), but exports are not. Since the WPSR is the main weekly EIA publication referenced by ethanol market participants, this has created a lack of transparency in supply/demand data available to the market, which has become more problematic as ethanol exports have surged to record levels over the last few years. It can take several weeks before monthly export data are available, along with more-reliable estimates of domestic consumption. It is understood that ethanol exports will not be addressed in the PSRS survey changes. Rather, to provide weekly export statistics, the EIA would need to obtain near-real-time data from U.S. Customs and Border Protection (CBP). This is analogous to what has been done for petroleum products since August 2016, as exports of those products rose significantly. We would like to take this opportunity to strongly urge EIA to seek approval from the Office of Management and Budget (OMB) for obtaining this data from CBP, and then to report it in the WPSR.

EIA plans to seek approval from the Office of Management and Budget to report weekly exports of ethanol in the future.

Content of Proposed Form EIA-819.
In the past, Form EIA-819 Monthly Oxygenate Report was brief and generally straightforward. Its replacement, Form EIA-819 Monthly Biofuels, Fuel Oxygenates, and Motor Gasoline Blending Components Report is dramatically lengthier and more detailed. This is due in part to the previous form being merged with Form EIA-22M Monthly Biodiesel Production Report and expanded to include other types of biofuels. However, a fuel alcohol producer would not need to complete most of the sections of the new form (e.g., those on biodiesel and renewable diesel), making any synergies from combining the surveys questionable. Additionally, for the first time in Form EIA-819, ethanol producers would be asked about feedstock usage. This would be redundant with information the USDA collects for its Grain Crushings and Co-Products Production report. However, unlike the USDA report, the EIA would not collect and report data on coproducts. The EIA has not established that the USDA report is insufficient to provide information that is generally "credible, reliable, and timely" to the market, and any divergence in estimates published by the EIA and USDA could add uncertainty to the market. We would ask that the new Form EIA-819 be redesigned so that fuel alcohol producers continue to be surveyed separately from other biofuel producers and not be asked about feedstock usage. If there is a compelling reason for feedstock data to be collected, this should be articulated, and a plan to shift reporting from the USDA (along with collection and reporting of coproduct data) should be established so that there are no redundancies or gaps.

EIA designed the new Form EIA-819 to improve consistency of biofuel production, biofuel blending with petroleum products, and other biofuel producer activities across all biofuel products including renewable diesel fuel and other renewable fuels that are not currently covered by any EIA survey. While there may be a limited number of cases where the same person will complete Form EIA-819 across multiple products, the main purpose of the new survey was to assure that consistent and comparable data were collected across all products. In practice, EIA will use a web portal to collect data on Form EIA-819. EIA will design the portal with one or more initial and one-time screening questions to determine what sections of the form will be completed for any plant. After responding one time to the screening questions, the person completing the report will only see sections of the new Form EIA-819 applicable to each plant.

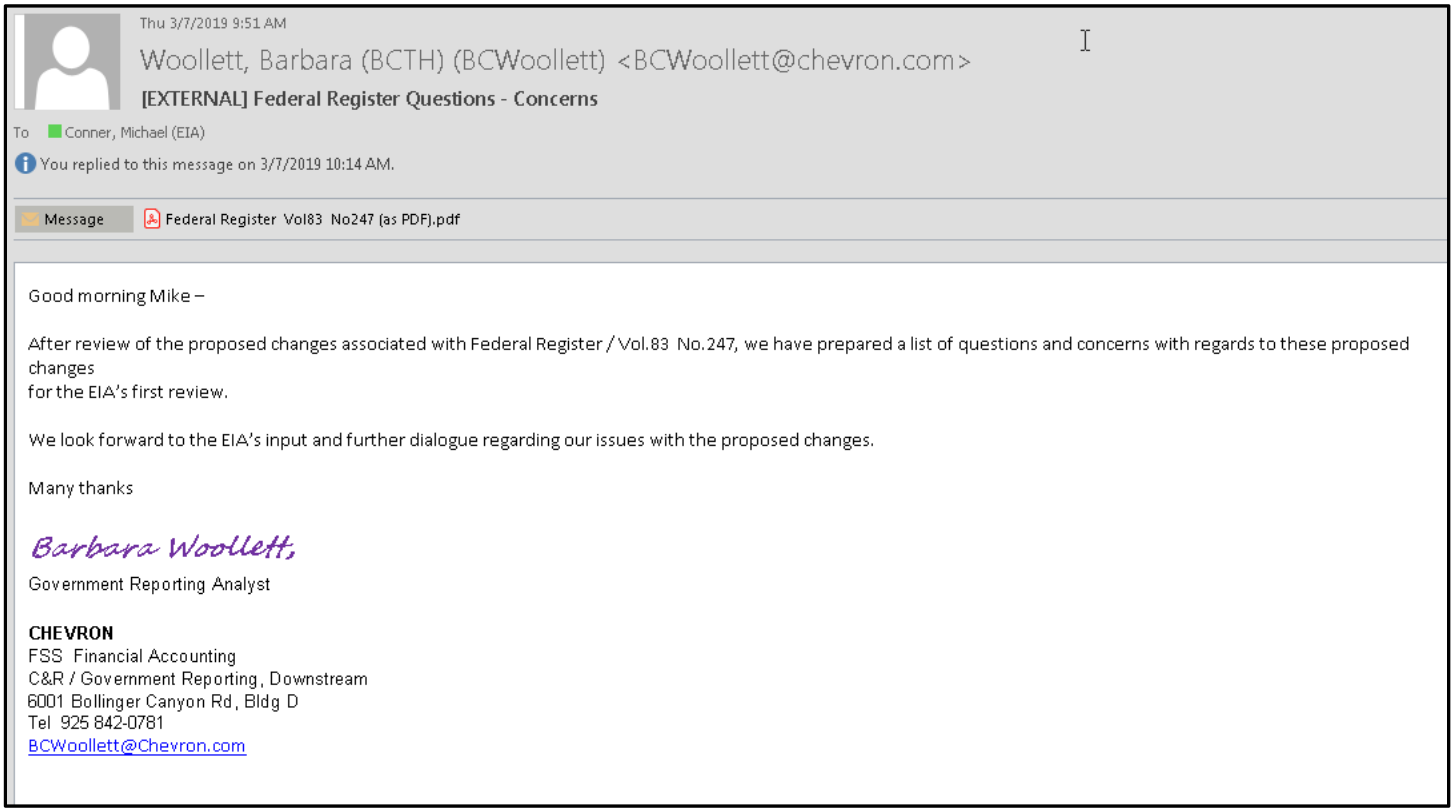
EIA coordinated with National Agricultural Statistics Service (NASS) to coordinate ethanol feedstock data collection and avoid unnecessary duplication. EIA and NASS agreed that it was necessary for both agencies to collect corn consumed as feedstock for production of fuel ethanol. EIA requires the data for a comprehensive accounting of feedstock consumption across all types of biofuels. NASS requires corn feedstock data as a starting point for their assessment of co-products production at ethanol plants. EIA and NASS agreed that EIA should focus on feedstock consumption and biofuel production while NASS should continue to focus on feedstock consumption and ethanol co-products production. NASS will discontinue collecting sorghum and wheat consumed for ethanol production. EIA will collect sorghum and wheat consumption for ethanol production and share the data with NASS. EIA and NASS will continue their current report release schedules with the NASS Grain Crushings and Coproducts Production released approximately 32 days after the end of the report month and EIA releasing biofuel feedstock data approximately 60 days after the end of each report month. In order to avoid possible confusion from having two numbers for biofuel feedstock consumption, NASS will replace their feedstock quantities with the EIA feedstock quantities after the EIA data are released each month. EIA and NASS will enter into a data sharing agreement to facilitate data validation and other analyses.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics

COMMENT 23

March 7, 2019: Barbara Woollett of Chevron sent us comments regarding our proposed form changes.



Thu 3/7/2019 9:51 AM

Woollett, Barbara (BCTH) (BCWoollett) <BCWoollett@chevron.com>

[EXTERNAL] Federal Register Questions - Concerns

To Conner, Michael (EIA)

You replied to this message on 3/7/2019 10:14 AM.

Message | Federal Register Vol83 No247 (as PDF).pdf

Good morning Mike –

After review of the proposed changes associated with Federal Register / Vol.83 No.247, we have prepared a list of questions and concerns with regards to these proposed changes
for the EIA's first review.

We look forward to the EIA's input and further dialogue regarding our issues with the proposed changes.

Many thanks

Barbara Woollett,

Government Reporting Analyst

CHEVRON
FSS Financial Accounting
C&R / Government Reporting, Downstream
6001 Bollinger Canyon Rd, Bldg D
Tel 925 842-0781
BCWoollett@Chevron.com

ATTACHMENT TO COMMENT 23

Thursday, February 28, 2019 3:24 PM

Federal Register / Vol.83 No.247 / OMB No. 1905-0165 Petroleum Supply Reporting System

Wednesday, February 27, 2019
8:49 AM

From: Chevron Government Reporting / Contact: Barbara Woollett /BCWoollett@Chevron.com

Unit of measurement changes from 1,000 barrels to barrels.

Question: Is there a plan for updating PEDRO to accommodate the additional characters since the fields are very width specific? We have concerns that the additional characters will create issues for PRN file upload.

Concerns: Moving out of PEDRO would add manual Excel forms. Due to the size of the reports currently going into PEDRO, the cutover to the Excel format could take considerable time.

Reduced finished mogas categories from nine to six.
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process.

EIA-810 Proposal to replace the three residual fuel oil sulfur categories
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process.

EIA-810 Proposal to replace the three current biofuels categories
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process

EIA-810 Part 5: Can you kindly clarify in more specifics "provide space on the form for refinery operators to reclassify unfinished oils and other products as crude oil, by reporting these products as production of crude oil"? We are trying to ascertain what this would equate to in the current reporting format to understand the impact.

EIA-810 Add collection of stocks, receipts, shipments and fuel uses for all individual hydrocarbon gas liquids
Question: Please define the term HGL and how that is represented in the existing reporting. This would add clarification to the impact of this proposed change.

EIA-815 EIA Proposes to add a new section, Part 4 Petrochemical Plant Stocks of Natural Gas Liquids.
Butane is referred to as part of the new Petrochemical plant. We're currently reporting Butane inventories at multiple terminal locations. Can you clarify if they're "Petrochemical Plants Stocks of Natural Gas Liquids" and because of that they would be reported under the new Part 4; or they're not, and would still be reported under Part 3 "Terminal and Blending Activity"?
We are requesting confirmation from the EIA.

We support the move to provide capacity data on an annual basis. Is it anticipated that the criteria for the data will remain unchanged?

EIA RESPONSE TO COMMENT 23

June 13, 2019: EIA emailed Ms. Woollett the following response:

Thu 6/13/2019 4:16 PM

PetroleumSupplyForms

RE: Federal Register Questions - Concerns

To Woollett, Barbara (BCTH) (BCWoollett)

Cc PetroleumSupplyForms

Hello Barbara,
Thank you for your comments to EIA's 60-Day Federal Register Notice with proposed changes to the Petroleum Supply Forms. Please see EIA's responses to your comments below in blue.

Unit of measurement changes from 1,000 barrels to barrels.
Question: Is there a plan for updating PEDRO to accommodate the additional characters since the fields are very width specific? We have concerns that the additional characters will create issues for PRN file upload.
Concerns: Moving out of PEDRO would add manual Excel forms. Due to the size of the reports currently going into PEDRO, the cutover to the Excel format could take considerable time.

EIA resource constraints require a delay in implementation of reporting data in barrels. EIA survey forms proposed for the current August 2019 clearance will continue the current reporting requirement and the PEDRO submission option. EIA may pursue reporting in barrels in a future survey clearance and will consider the field limitations in PEDRO or any additional submission options in the future.

Reduced finished mogas categories from nine to six.
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process.
EIA-810 Proposal to replace the three residual fuel oil sulfur categories
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process.
EIA-810 Proposal to replace the three current biofuels categories
Concerns: How or if this new grouping would impact codes and structure already set up in our material master and would this impact our historical data. We need more information on how the codes will change to definitively determine the impact to the process

EIA resource constraints prevent implementation of new gasoline products, residual fuel oil sulfur categories, and biofuels categories, beginning with data for September 2019. EIA will likely pursue the changes to these categories in a future survey clearance. New product codes would be provided only where there is an entirely new classification collected. For example, Reformulated blendstock for oxygenate blending (RBOB) would retain product code 118, but a new product code would be created for Gasoline blended with ethanol (>E10-E15).

EIA intends to propose the following gasoline products to be used on surveys in a future clearance.
- Gasoline not blended with ethanol (E0)
- Gasoline blended with ethanol (>E0-E10)
- Gasoline blended with ethanol (>E10-E15)
- Gasoline blended with ethanol (>E15-E50)
- Flex fuel (E85) blended with >50%-83% ethanol
- Reformulated blendstock for oxygenate blending (RBOB)
- Conventional blendstock for oxygenate blending (CBOB) and sub-octane gasoline
- Motor gasoline blending components

EIA-810 Part 5: Can you kindly clarify in more specifics "provide space on the form for refinery operators to reclassify unfinished oils and other products as crude oil, by reporting these products as production of crude oil"? We are trying to ascertain what this would equate to in the current reporting format to understand the impact.

Refiners sometimes add unfinished oils and other non-crude oil barrels to crude oil inventory. In order to report such "reclassifications" according to EIA survey instructions, it is necessary for EIA to allow refiners to report production of crude oil. EIA resource constraints prevent implementation of this change, beginning with data for September 2019. EIA will likely pursue this change in a future survey clearance.

EIA-810 Add collection of stocks, receipts, shipments and fuel uses for all individual hydrocarbon gas liquids
Question: Please define the term HGL and how that is represented in the existing reporting. This would add clarification to the impact of this proposed change.

Hydrocarbon gas liquids (HGL): A group of hydrocarbons including ethane, propane, normal butane, isobutane, and natural gasoline, and their associated olefins, including ethylene, propylene, butylene, and isobutylene. As marketed products, HGL represents all natural gas liquids (NGL) and olefins. EIA reports production of HGL from refineries (liquefied refinery gas, or LRG) and natural gas plants (natural gas plant liquids, or NGPL). Excludes liquefied natural gas (LNG).

EIA resource constraints prevent implementation of the collection of stocks, receipts, and shipments data for individual hydrocarbon gas liquids, beginning with data for September 2019. EIA may pursue this change in a future survey clearance.

EIA-815 EIA Proposes to add a new section, Part 4 Petrochemical Plant Stocks of Natural Gas Liquids.
Butane is referred to as part of the new Petrochemical plant. We're currently reporting Butane inventories at multiple terminal locations. Can you clarify if they're "Petrochemical Plants Stocks of Natural Gas Liquids" and because of that they would be reported under the new Part 4; or they're not, and would still be reported under Part 3 "Terminal and Blending Activity"?

EIA has revised the proposal for the 30-Day FRN. All operators of end-user storage facilities (including storage at petrochemical plants) will report stocks (on site and in transit) of natural gas liquids, but it will be in Part 3 of the EIA-815 form. A new section for these specific operators will not be created. Stocks of refinery olefins will no longer be collected on the EIA-815 and included in the product codes. Your company's butane inventories would continue to be reported in Part 3 of the EIA-815.

We are requesting confirmation from the EIA.
We support the move to provide capacity data on an annual basis. Is it anticipated that the criteria for the data will remain unchanged?

Correct, the criteria for the data will not change, it will just be reported once a year instead of twice.

Thank you for your comments.

Office of Petroleum and Biofuels Statistics