



PAUL R. LePAGE
 GOVERNOR

ANGELA MONROE
 ACTING DIRECTOR
 GOVERNOR'S ENERGY OFFICE

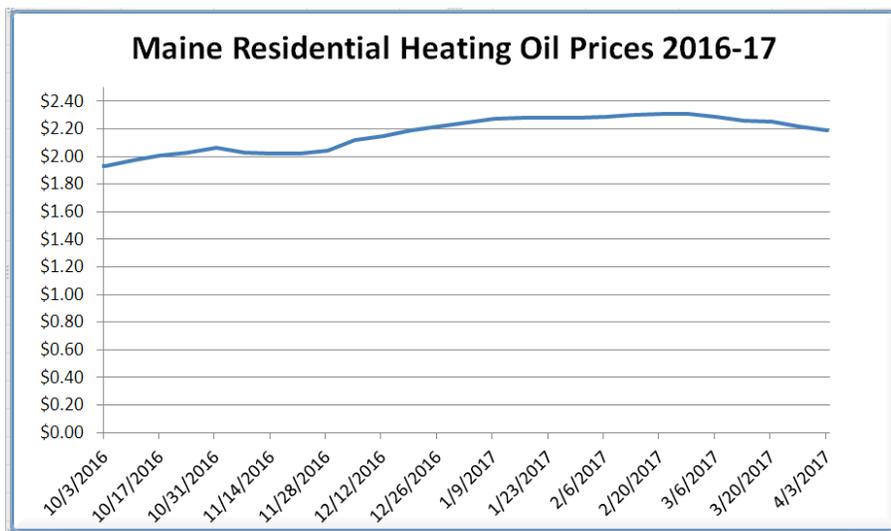
**For Immediate Release
 April 13, 2017**

**Contact: Lisa Smith
 (207) 624-7445
lisa.j.smith@maine.gov**

The Heating Season In Review

Augusta, Maine – The Governor’s Energy Office (GEO) conducted its weekly heating fuel price survey on Monday, April 10, 2017, and found the current statewide average cash price for No. 2 heating oil was **\$2.17 per gallon**, a decline of nine cents from mid-March. The average statewide kerosene price (\$2.72 per gallon) has declined as well, down seven cents over the same time period. Propane prices have dropped the most, down twelve cents a gallon over the last few weeks to \$2.43 per gallon.

Heating fuel prices, like crude oil, remained relatively low this season, although they were somewhat higher than last year’s decade-low prices. Statewide prices ranged from well under \$2.00 per gallon to a high of \$2.30; the average heating season price, statewide, was \$2.17 per gallon.



Source: Governor’s Energy Office

The table below compares average heating season prices for both oil and propane for the last six years. While up from last year, heating fuel prices remained much lower than they were from 2011-2015.

| Maine Heating Season Average Heating Oil and Propane Prices (price per gallon) 2011-2017 | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Heating Season | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 |
| Heating Oil | \$2.17 | \$1.86 | \$2.85 | \$3.70 | \$3.67 | \$3.67 |
| Propane | \$2.41 | \$2.19 | \$2.75 | \$3.10 | \$2.73 | \$3.13 |

Source: Maine GEO

Last November, OPEC (Organization of Petroleum Exporting Countries) members agreed to curtail oil production, which did exert some upward pressure on global crude oil prices; however, North American shale oil production continues to be strong, thereby providing a check to OPEC's actions to limit supply. These market dynamics have moderated oil price increases, but Mainers did pay approximately 16% more for heating oil this year than last year.

Propane prices are affected by different market signals than heating oil. The U.S. now produces the lowest cost propane available in the global market, and, as a result, significant amounts of propane are exported. This has prevented downward pressure on prices, and, at peak heating season demand, supplies are not as plentiful domestically as they were last year. So, propane prices were 10% higher this heating season.

Despite higher prices statewide, Mainers experienced lower heating fuel prices than the rest of New England. The chart below includes average prices for all New England states, for both propane and heating oil.

| New England Season Average Prices Per Gallon for Heating Oil and Propane 2016-2017 | | | | | | |
|--|--------|---------------|-------------|--------------|---------------|---------|
| State | Maine | New Hampshire | Connecticut | Rhode Island | Massachusetts | Vermont |
| Heating Oil | \$2.17 | \$2.35 | \$2.66 | \$2.61 | \$2.57 | \$2.27 |
| Propane | \$2.41 | \$3.37 | \$2.86 | \$3.49 | \$2.98 | \$3.52 |

Source: EIA and GEO

In addition to higher prices, heating demand (Heating Degree Days, or HDD) was also a little higher this year (4.8% higher) than last year's very mild winter (see table below). Despite this, the 2016-17 heating season was 12% milder than the 2013-14 and 2014-15 heating seasons.

| Heating Degree Days, Population Weighted, ME 2013-2017 | | | | | | | |
|--|---------|----------|----------|---------|----------|-------|-------|
| | October | November | December | January | February | March | Total |
| 2013-2014 | 502 | 918 | 1391 | 1467 | 1306 | 1332 | 6916 |
| 2014-2015 | 454 | 932 | 1101 | 1547 | 1592 | 1272 | 6898 |
| 2015-2016 | 612 | 790 | 975 | 1299 | 1151 | 1011 | 5838 |
| 2016-2017 | 464 | 769 | 1278 | 1243 | 1152 | 1217 | 6123 |

Source: National Climatic Data Center

The following table compares the prices between various heating fuels, and converts these prices to a common heating unit value (dollars per million Btu).

Comparison of Heating Fuel Prices per Million Btu¹

| <i>Fuel Price (in dollars)</i> | <i>Fuel Price (dollars per million Btu)</i> |
|--|---|
| Cord Wood (\$250/cord) | \$11.36 |
| Natural Gas (\$1.46/therm) | \$14.63 |
| Heating Oil (\$2.17/gallon) | \$15.65 |
| Wood Pellets (\$261/ton) | \$15.82 |
| Kerosene (\$2.72/gallon) | \$20.15 |
| Propane (\$2.43/gallon) | \$26.61 |
| Electricity (baseboard) (15-18 cents/kwh) | \$43.94-\$52.75 |

Fuel prices are only part of the calculation when determining which fuel will save you more money over the course of a heating season. The type of heating system, as well as its efficiency, is also an important factor in determining final costs. The Energy Office has a calculator on its web site that allows consumers to explore these fuel options further, as well as compare efficiencies of heating systems most closely matching their own system. Heating costs vary considerably from home to home. The home heating calculator can assist homeowners in finding the best heating option for their home, location, lifestyle, and budget <http://www.maine.gov/energy/index.html>. Efficiency Maine also has a calculator on its website that can help consumers evaluate their heating options <http://www.energymaine.com/at-home/home-energy-savings-program/heating-cost-comparison/>

As of April 10, 2017

| Heating Oil | Statewide | Southwest | Central | Eastern | Western | Northern |
|--------------------|------------------|------------------|----------------|----------------|----------------|-----------------|
| Average | 2.17 | 2.14 | 2.20 | 2.20 | 2.11 | 2.28 |
| High | 2.41 | 2.40 | 2.30 | 2.41 | 2.28 | 2.30 |
| Low | 1.95 | 1.96 | 1.96 | 1.96 | 1.95 | 2.18 |
| Kerosene | 2.72 | 2.75 | 2.74 | 2.70 | 2.64 | 2.77 |
| Propane | 2.43 | 2.48 | 2.33 | 2.38 | 2.46 | 2.54 |

The price for heating oil is a statewide average; prices in a given geographic region of the state may be considerably higher or lower than this average. This week, within the Energy Office sample, the highest heating oil price found was \$2.41, and the lowest heating oil price found was \$1.95. Also, **the statewide average price for propane is based on consumption of at least 900 gallons a year.** Households using propane just for cooking or hot water generally pay a higher per gallon price. The table above provides current Maine cash prices in dollars rounded to the nearest penny.

¹ Does not factor in the efficiency of the heating system