

United States Senate

WASHINGTON, DC 20510-4705

October 21, 2022

Joseph DeCarolis
Administrator
U.S. Energy Information Administration
1000 Independence Avenue, SW
Washington, DC 20585

Dear Administrator DeCarolis:

Comprehensive and timely petroleum data is the irreplaceable ingredient for market transparency, efficiency, and confidence. To that end, I write today to request that the EIA use its existing authority to collect, analyze, and disseminate additional detailed and timely data to help ensure the proper functioning of U.S. petroleum markets.

Today's volatile and elevated gasoline, diesel, jet fuel, and other petroleum distillate prices are a tremendous burden on West Coast consumers. I am deeply concerned that today's disproportionately high pump prices in California, Nevada, Oregon, and Washington cannot be fully explained by supply and demand fundamentals. I am particularly frustrated that the price of fuels borne by my constituents has at times increased far out of proportion to other regions of the United States.

Last month's West Coast pump price spike occurred even in the face of decreasing crude oil prices, economist projections of steady or declining future demand, an absence of unanticipated refinery outages, or any changes in relevant taxes or fees. Production data available from the California Energy Commission and the EIA do not show a major reduction in gasoline output, nor is there an indication of a significant decline in the Administration's relevant Weekly West Coast (PADD 5) Percent Utilization of Refinery Operable Capacity report. While the critical OPIS Los Angeles Basis Differential that largely determines the West Coast's retail petroleum prices is not public—even for historical data—an approximation can be calculated from existing EIA data. Such a calculation indicates that the basis differential for spot prices in Los Angeles increased inexplicably in September 2022 to the highest levels ever recorded.

Congress created what would become the EIA to “promote stability in energy prices to the consumer, promote free and open competition in all aspects of the energy field, prevent unreasonable profits within the various segments of the energy industry, and promote free enterprise” (15 U.S.C. 764(b)(5)). To meet that mission, it was given the authority to “collect, evaluate, assemble, and analyze energy information...” (15 U.S.C. 764(b)(9)). Specifically, EIA has extremely broad authority to collect any “information which is relevant to energy resource reserves, energy production, demand, and technology, and related economic and statistical information....” (42 U.S.C. 7135(a)(2)).

Given this authority and responsibility, I urge you to immediately expand coverage of EIA’s petroleum market data collection to include, on a national, regional, state, and energy company basis (while minimizing reporting burdens, shielding proprietary information, and providing reasonable *de minimis* exceptions) and make the following information publicly available:

- The quantity of crude oil and transportation fuel imported and exported.
- The quantity of crude oil and transportation fuel refined, stored, and transported.
- The quantity of crude oil and transportation fuel entering final retail and commercial commerce.
- The quantity of crude oil and transportation fuel purchased and sold at any upstream point between energy companies, including off-exchange bilateral sales and sales between subsidiaries of the same energy company.
- Market price data for the transactions above.
- Submissions of relevant price reporting entities, in particular the critical OPIS daily index that is frequently used for wholesale and retail pricing on the West Coast
- Any other such data, analyses, or evaluations that the Administrator determines is necessary to facilitate transparent and competitive transportation fuel markets, determine adherence to relevant international sanctions, and protect consumers.

In addition, although EIA is not itself a regulatory agency, it is also clearly authorized and should share proprietary information it collects with regulatory and law enforcement agencies (see *Shell Oil Co. v. Department of Energy*, 631 F.2d 231, 233 (3d Cir. 1980), cert. denied, 450 U.S. 1024 (1981)). One Supreme Court Justice described EIA’s investigative powers as reaching “virtually all aspects” of energy-producing companies’ finances (450 U.S. at 1024).

I appreciate and remind you of your responses for the record from your February 7, 2022 Senate confirmation hearing: “I believe collecting more oil and gas supply chain data from industry could increase our understanding of supply and demand and pricing trends in the physical and derivatives oil and gas markets... It is certainly worth considering the collection of additional data by week for additional downstream segments below the refinery level including terminals, wholesalers, and retail levels of the supply chain...”

High and volatile fuel prices are driving inflation, burdening our economies, and are having the effect of transferring millions of dollars from family budgets to surging oil company profits. West Coast consumers need to be confident that the markets are operating efficiently and fairly. To achieve this, I urge the EIA to utilize its existing data collection authority to collect additional detailed and timely data to ensure more transparent and accurately priced petroleum markets.

Sincerely,



Maria Cantwell
United States Senator