SSDA
SERVICE STATION DEALERS OF AMERICA AND ALLIED TRADES

SSDA News

Service Station Dealers of America and Allied Trades

VOLUME 38, ISSUE 2 — FEBRUARY, 2024

INSIDE THIS ISSUE:

Estate Tax Repeal Efforts

By Roy Littlefield

Recently, Representatives Randy Feenstra (R-IA) and Sanford Bishop (D-GA) introduced the Death Tax Repeal Act companion bill in the House with over 160 original cosponsors.

This number of original cosponsors already eclipses the total cosponsors from last Congress.

SSDA-AT is looking forward and gearing up for a major tax reform bill next year which will certainly address the estate tax.

SSDA-AT will be continuing to promote both the House and Senate bills in order to build as much momentum as possible moving towards the next tax reform effort in 2025.

SSDA-AT and 157 other groups have already signaled support for the legislation.

Repealing the estate tax remains a top priority for SSDA-AT.

REPEAL THE DEATH TAX

Net Driven: Building a Successful Website

By: McKensie Curnow of Net Driven

Building your own website has become increasingly simple and inexpensive in recent years. Though easy and accessible, DIY websites do not guarantee a website that works well or leaves a lasting impression for your business and your audience.

Your website is a reflection of you and your business, so you're obviously going to want to build a strong, professional, and positive presence to attract customers. Taking the risk of building a website on your own is taking the risk of losing potential leads and damaging your business's reputation – we never get a second chance to make a first impression!

When you invest in a professional web design team, such as our team here at Net Driven, you're not only investing in the visual appearance and accessibility of your website, you also invest in expert advice, techniques, and best practices to create the best possible user experience. Spending less money and trying to do it on your own may seem like the easy way out, but let's dive into why it's important to give your business the professional auto service website design it deserves.

COMMON MISTAKES MADE BY INEXPERIENCED DESIGNERS

Poor Structure & Navigation

A website should be attractive, accessible, and easy to navigate; all in all, user-friendliness is vital. A site's content should be understandable and full of useful information without being cluttered. In today's day and age, people like quick and simple. If they can't find what they need without gaining a headache, they're going to leave your site and find a frustration-free one instead. At Net Driven, we know how to organize automotive websites in a way that makes sense for both the business owner and their potential customers.

Lack of SEO

If no one can find your website, what's the point in making the effort of creating one? Many rookie designers forget the importance of SEO, or Search Engine Optimization.

As a certified Google Partner, our team highly knowledgeable of automotive SEO and works hard to make sure your site gets found.

Missing CTA

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NET DRIVEN

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Your website is one of the most powerful marketing tools for your business.

Not only does your website have the power to bring in new customers, it also helps current customers remain loyal if they find what they're looking for with minimal frustrations.

One of the main components of a great website is a clear CTA, or call-to-action.

A CTA is what converts website visitors into customers by driving them to purchase your good or service. If your website is missing a clear CTA, you'll lose sales and customers.

At Net Driven, our team ensures that every website offers conversion-focused responsive web design.

Using Free or Low-Cost Templates

Rookie designers are likely to use a free or low-cost template for their website.

While this may seem like an easy solution, it will make your website look generic and unconnected to your brand.

Your business is unique, your website should be, too. Our designers take the time to ensure each one of our automotive websites are exclusive to the client and capture the individuality of their business. As with any service or good, you get what you pay for.

Your money buys value, which in turn, will actually build your business's bank account in the long run.

Your company's website is no exception. If you want to leave a lasting, positive impression of your brand, leave website design to the professionals.

Still not convinced?

Check out our portfolio of the finest responsive web design in the automotive industry.

For further details, visit our solutions and packages pages.

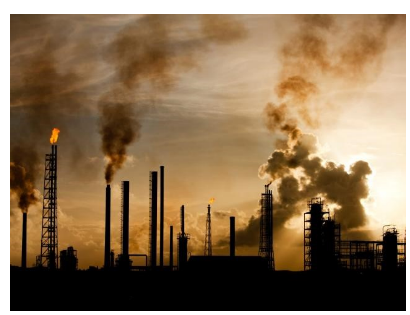
US Production at Record Levels Despite Drop in Active Rigs

Efficient output, strong oil prices and vigorous investment have contributed to oil production rates that have remained at or near record highs since October despite a 30% reduction in the number of active domestic oil drilling rigs since previous records were set in 2020.

Other factors contributing to US oil production increases include advances in fracking technology and horizontal drilling, along with the use of AI to optimize exploration efforts.

US Oil Production Predicted to Maintain Record Pace in 2024

US oil production is likely to continue its record pace as 2024 progresses, says Art Hogan, chief market strategist at B. Riley Wealth. Factors affecting exports of US oil, natural gas and natural gas liquids include energy security considerations, demand dynamics and the EU's plan to stop using Russian energy by 2027, according to a Rigzone market watcher.



Williams to Acquire Gas Storage Facilities from Hartree for $1.95B, Rig Zone

Williams is buying from Hartree Partners LP six underground natural gas storage facilities with transport links in the states of Louisiana and Mississippi for $1.95 billion.

The companies expect to close the agreement, which involves 115 billion cubic feet (Bcf) of storage capacity, this January subject to customary conditions.

Under the deal, New York City-based Hartree is also divesting to Williams 230 miles of gas pipelines and "30 pipeline interconnects to attractive markets, including LNG markets, and connections to Transco, the nation's largest natural gas transmission pipeline", Williams said in a recent press release.

Two of the storage facilities, Pine Prairie and Southern Pines, directly serve Williams' Transcontinental Pipeline (Transco) and "are well positioned for expansions", Williams said. Transco is a 10,000-mile gas transmission system between south Texas and New York supplying the Appalachia, Gulf Coast and Mid-Continent regions. Williams says the pipeline carries about 15 percent of the United States' natural gas.

Williams, headquartered in Tulsa city, operates 33,000 miles of pipelines in total, which it says account for a third of the transported gas in the US.

"This premier natural gas storage platform on the Gulf Coast fits squarely within our strategy to own and operate the best assets connected to the best markets to serve growing demand driven by LNG exports and power generation", Williams president and chief executive Alan Armstrong said in a statement. "These assets better position Williams' natural gas storage operations to serve Gulf Coast LNG demand and growing electrification loads from data centers along the Transco corridor.

"Importantly, this storage will also allow us to provide value to customers in markets with growing renewables adoption as daily peaks for natural gas increases the need for storage".

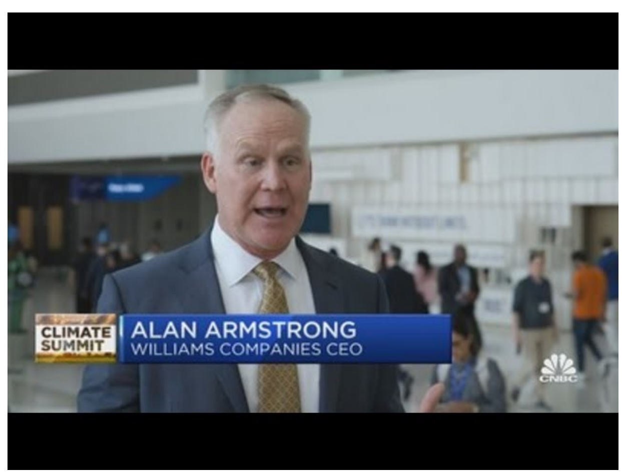
Three of the five coastal states bordering the Gulf of Mexico, or the Gulf Coast states, were among the top five natural gas consumers last year according to the country's Energy Information Administration. Texas accounted for 15.1 percent of the national total consumption 2022 at 4.88 trillion cubic feet (Tcf). Louisiana, last year's third biggest natural gas consumer, consumed 1.96 Tcf. Florida, at fifth, consumed 1.62 Tcf.

Armstrong also noted, "Since 2010, U.S. demand for natural gas has grown by 56 percent while gas storage capacity has only increased 12 percent".

"We expect the increasing demand for high deliverability storage to drive significant earnings growth across these assets".

The acquisitions include four salt domes with a combined capacity of 92 Bcf and two depleted reservoirs with a combined capacity of 23 Bcf. The six storage facilities can be injected with up to five Bcf of gas daily on an aggregated average, while their combined withdrawal capacity is 7.9 Bcf per day, "among the highest of any natural gas storage platform in the United States", Williams said.

"The acquisition price represents an approximate 10x estimated 2024 EBITDA [earnings before income tax, depreciation and amortization] multiple", the media release stated.



Oil's Global Glut Threatens to Drag Prices Lower This Year, BNN

Supply is back in the driver's seat for global oil markets.

At issue is rising crude production from non-OPEC+ nations including the US, which could outstrip global demand that's still growing but at a slower pace. The oil cartel's response has been to pledge deeper output cuts, but traders are skeptical they'll be sufficiently implemented to fully eliminate a surplus.

The combination has already pushed crude to its first annual decline since 2020 — both Brent and West Texas Intermediate fell over 10% last year — upending expectations of higher prices stemming from a post-pandemic recovery. Complicating the picture further, speculators have tightened their grip on the market, fueling price swings that are sometimes divorced from fundamentals.

Looking ahead "further than a quarter seems very difficult to me" said Trevor Woods, chief investment officer of commodities fund Northern Trace Capital LLC. "This year coming up is a tricky, tricky year." Oil is relying heavily on the Organization of the Petroleum Exporting Countries and allies for support, and a collapse in the group's earlier agreement to curb supply could send prices crashing, he said.

There's weakness coming through in multiple indicators. The Brent futures curve stood in a bearish contango structure for most of December, with contracts for near-term barrels trading at discounts to later ones. And speculators in 2023 were the most bearish they've been on the commodity in more than a decade. Net-long positions held by non-commercial players across the major oil contracts on average stand at the lowest in records dating back to 2011, according to data compiled by Bloomberg.

"The market may have finally moved into 'show-me mode,' which will require some combination of substantial stock draws, stronger grades, structure and margins before buying interest returns," said Vikas Dwivedi, Macquarie Group Ltd.'s global energy strategist.

At least twice in 2023, money managers piled into short positions ahead of OPEC+ meetings and responded to the group's production cut announcements with waves of selling. Their diminishing faith in the cartel's ability to balance the market has been further compounded by the rise of algorithmic trading, which can now account for nearly 80% of the daily trades in oil and increasingly fuels prices swings that are independent of fundamentals. A wave of consolidation among producers is also weakening the futures market's link to physical flows.

Speculators will need some convincing before deciding to turn decisively long on oil in 2024. Commodity hedge funds saw returns slump last year to the lowest since 2019, while raw-material prices logged their first decline in five years, according to Bloomberg indexes. Notably, oil trader Pierre Andurand's eponymous hedge fund was headed for its worst loss on record.

OPEC Versus Shale

OPEC+'s additional 900,000 barrels a day of voluntary supply curbs, agreed to just a few weeks ago, are a sticking point for analysts and traders trying to price in global demand and supply balances. Traders wonder if the group will deliver enough of the cutbacks to rein in the looming surplus.

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Oil's Global Glut Threatens to Drag Prices Lower This Year, BNN

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The cartel faces a "balancing act," said Parsley Ong, head of Asia energy and chemicals research at JPMorgan Chase & Co. It "revolves around the fact that US producers are fundamentally price sensitive. The higher OPEC+ keeps oil prices by reducing production, the more traditional oil producers and US shale production will respond to that and boost supply."

In the US, weekly crude production hit a record 13.3 million barrels a day last month, as drillers from the Permian Basin in West Texas to the Bakken Shale of North Dakota ramped up oil production well beyond what analysts foresaw. And in 2024, output is expected to set a new all-time high, according to the US Energy Information Administration. Brazil and Guyana are also set to boost supplies significantly, contributing to a wave of new crude from the Americas.

Demand Growth

On the demand side, global consumption growth should slow as economic activity weakens, according to the International Energy Agency's latest market outlook. The group forecasts demand will edge up by 1.1 million barrels a day this year.

While that's less than half of 2023's latest estimated growth rate, the figure is still high by historical standards. Consumption is normalizing after the once-in-a-generation disruption caused by the pandemic and in the US, growing expectations of a so-called soft landing are buoying energy demand.

Still, the global picture is uneven with a rapid switch away from oil in some sectors. In China, Asia's top crude importer, the electrification of cars is presenting structural headwinds for oil consumption, weighing on demand growth, said Anthony Yuen, head of energy strategy at Citigroup Inc.

"This is limiting oil's sensitivity toward wider macroeconomic factors," he said. "In the past, economic indicators might directly translate into higher ground transportation and fuel demand," but this relationship now appears to be weakening as electric vehicle uptake increases.

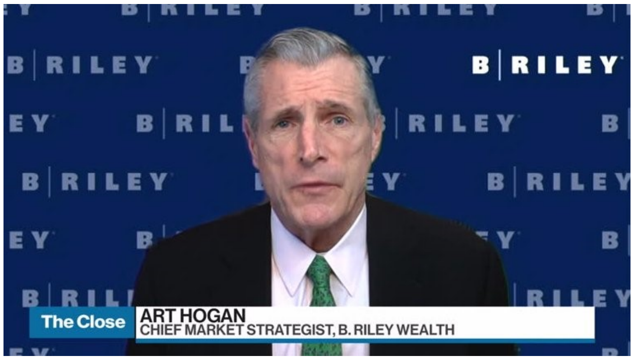
Analysts are, however, mindful of geopolitical risks. Attacks in the Red Sea by Yem--based Houthi militants remain in focus, and Russia is still waging war in Ukraine.

The year's opening week has already seen such risks come to the fore, with multiple attacks in the Red Sea by the Houthis and two of Libya's oil fields, which normally pump about 365,000 barrels a day combined, shut by protesters. That's adding to short-term price fluctuations and more uncertainty.

But ultimately, global producers still have the power to withhold output to meet demand trends, although that will boil down to discipline and intention.

"OPEC+ is interested in maximizing their revenue, so it's in their interest to consider producing more," said Citi's Yuen. "But I think it will depend on how production from non-OPEC sources pans out over next year."

What Themes Will Dominate Global Oil Market in 2024?, RigZone



The major themes that will drive the global oil market in 2024 will coalesce around the ability of oil producers to find a sustainable balance between energy supply and demand.

That's what Art Hogan, Chief Market Strategist at B. Riley Wealth, told Rigzone when asked what themes will dominate the global oil market this year.

"OPEC+ has done an effective job in 2023 of coordinating lower output levels, in an environment of decelerating demand," Hogan said.

"Additionally, Brazil looks set to join the alliance in January 2024 which should increase the cartel's influence," he added.

"At the same time, Saudi Arabia has been getting significant push back on further production cuts from some members like Angola, and the prospect of additional reductions can generate reluctance and pushback," he continued.

The biggest change in the overall supply picture is the record U.S. production that will likely continue to grow will into 2024, Hogan told Rigzone, adding that the biggest change on the demand side has been "the tepid economic growth in China".

"We suspect that the Chinese will be able to stimulate growth by the second half of 2024, helping to offset the current oversupplied global energy market," Hogan said.

The Chief Market Strategists also noted that, "while we have already witnessed geopolitical events in several regions that could either reduce energy supply or raise the risks of supply disruptions, that has not yet come to fruition".

"It may become an issue in 2024 if the Israel - Palestine conflict become less contained to the region," he added.

Hogan told Rigzone that B. Riley Wealth sees "the dynamic supply/demand coming into better balance in the back half of the year".

One of Rigzone's regular market watchers told Rigzone, on the condition of anonymity, that the themes of geopolitics and energy security will "remain at the top of the energy clipboard for 2024 given dual wars in Ukraine and the Middle East, as well as other flashpoints".

"There are also many important elections taking place around the world. All of these macro factors will keep the pressure on energy as a key economic and political theme," the market watcher added.

This market watcher also noted that the energy transition will continue to unfold "with some project genres gathering more momentum than others due to financial and infrastructure constraints".

"Without any major change in infrastructure and permitting in the U.S., renewable energy will face many of the same challenges faced by traditional energy," the watcher added.

"Carbon Capture and Storage is a technology that could see continued momentum while investment in others such as offshore wind becomes much more selective," the watcher continued.

The market watcher also told Rigzone that U.S. oil, natural gas, and NGL exports will continue at a strong pace "due to demand and energy security factors including the goal of the EU to replace Russian energy by 2027".

What Themes Will Dominate Global Oil Market in 2024?, RigZone

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"Maritime constraints in key passages such as the Panama Canal and the Suez Canal will continue to play a large role in trade vectors," the market watcher said.

"These limitations could have ramifications for longer trade to Asia from the U.S. and from the Middle East/Africa to the EU. Currency issues will remain an issue for Russian crude exports in addition to the tightening of sanctions," the watcher added.

The market watcher also noted that consolidation will continue in the upstream, midstream, and downstream energy space.

"It is more challenging to grow businesses organically and acquisitions (using stock) remain a most attractive pathway to building scale and increasing competitive advantage," the watcher said.

Finally, the market watcher told Rigzone that the election in the U.S. will bring issues such as domestic production, Strategic Petroleum Reserve refill, federal lands policy, and regulations to the fore "given the wide gulf separating the two parties".

"However, despite the larger differences in rhetoric, the fact remains that the U.S. role in producing/exporting traditional energy will continue given the fact that record demand and energy security will continue to dominate the economic and national interest," the watcher said.

"Investment in renewable energy will be more important than ESG per se but the energy transition will require infrastructure and will face some of the same regulatory and legal challenges faced by fossil fuels," the watcher added.

"States will become increasingly important in the buildout of energy portfolios which will continue to vary widely based on the political topography," the watcher continued.

When he was asked what themes will dominate the global oil market this year, Alex Stevens, the Manager of Policy and Communications at the Institute for Energy Research, revealed a list of the "top things" he is watching in 2024.

First on that list is geopolitics, followed by Fed interest rate policy.

"The developing conflict in the Middle East remains a concern for its potential to drive volatility in the oil market," Stevens told Rigzone.

"There seems to be a consensus that the Fed will start cutting rates at some point early in 2024. In general, lower interest rates reduce the cost of financing for businesses, including those in the oil industry," he added.

"This can make it cheaper for oil companies to borrow money for exploration, production, and other activities. As a result, lower interest rates can stimulate investment in the oil sector, leading to increased exploration and production," he continued.

Oil mergers were another topic highlighted by Stevens.

"Democrats are trying to frame the Exxon/Pioneer and the Chevron/Hess deals as some sort of anti-competitive deal that will hurt consumers," he said.

"In many cases, consumers can benefit from firms merging through increased efficiencies and economies of scale," he added.

Stevens also revealed that the electric vehicle (EV) market is something he will be watching this year.

"Not enough attention is being paid to the slowdown of sales in the EV market," he told Rigzone.

"Electric vehicles make up just one percent of vehicles in operation in the United States.

The situation could get worse for electric vehicles in 2024 as fewer models will qualify for the up to $7,500 EV tax credit due to new rules based on the Inflation Reduction Act," he added.

Global oil demand to rise by 2 million bpd in 2024, says WoodMac, Reuters

Global oil demand is expected to increase by almost 2 million barrels a day in 2024, with China accounting for more than 25% of the increase, consultancy Wood Mackenzie said in a report.

WoodMac projected total oil demand of 103.5 million barrels per day for this year.

“Much of the growth in oil demand will be coming in the second half of the year. This will be fuelled by improving economic growth and lower interest rates," Alan Gelder, senior vice president of research at WoodMac, said.

The consultancy said oil supply is expected to lag demand growth as OPEC+ supply cuts slow production growth across 2024, although it said could move into oversupply without output restraint, especially if demand growth is lower than expectations.

Some analysts have predicted weak economic growth will weigh on oil markets and curb demand, keeping prices around $80 a barrel this year, according to a Reuters poll.

Tension in the Middle East, and the associated risk of supply disruption, supported oil prices.

A Reuters survey found OPEC oil output rose in December as increases in Iraq, Angola and Nigeria offset ongoing cuts by Saudi Arabia and other members of the wider OPEC+ alliance to try to support of the market.

Exxon Sues ESG Investors to Stop Climate Proposals on Ballot, BNN

Exxon Mobil Corp. filed a lawsuit against US and Dutch climate activist investors in an effort to remove what it describes as their "extreme agenda" from the ballot at its annual shareholder meetings.

The Texas oil giant is seeking a declaratory judgment from the US District Court in Fort Worth to exclude from its annual meeting this year a proposal to accelerate greenhouse-gas emission cuts submitted by Arjuna Capital LLC and the Amsterdam-based non-profit group Follow This.

Exxon argues that a judgment in its favor would tighten the Securities and Exchange Commission's interpretation of the rules around what proposals get on proxy ballots across corporate America.

Publicly traded companies typically debate the merits of individual proposals with the SEC, which can advise whether they be excluded from the ballot. But critics of the process, including Exxon, claim the SEC's advice can vary widely depending which administration is in office. The number of environmental and social proposals voted on has more than doubled over the past two proxy seasons, according to the SEC.

Follow This and Arjuna Capital have "become shareholders solely to campaign for change through shareholder proposals that are calculated to diminish the company's existing business," Exxon said in the complaint. They "are aided in their efforts by a flawed shareholder proposal and proxy voting process that does not serve investors' interests and has become ripe for abuse."

Exxon's decision to seek legal judgment rather than go through the SEC is highly unusual and marks an aggressive pushback against climate activists who use shareholder voting to influence boardroom strategy. It also comes as the US Supreme Court questions a longstanding legal doctrine known as the "Chevron doctrine" that gives federal agencies wide latitude to interpret unclear mandates from Congress.

Read More: Supreme Court Weighs Toppling Ruling That Empowers Agencies

The lawsuit is a "remarkable step," Follow This founder Mark van Baal said in a statement. "ExxonMobil clearly wants to prevent shareholders using their rights. Apparently, the board fears shareholders will vote in favor of emissions reductions targets," he said. Arjuna has "a fundamental right and duty to voice concern over climate risk," said Natasha Lamb, the firm's chief investment officer.

Last month, Follow This and Arjuna submitted a proposal calling for a "further accelerating" of Exxon's emission reduction plans that include Scope 3 emissions, in other words the pollution from customers burning the company's oil and gas. Chief Executive Officer Darren Woods is a vocal critic of Scope 3 emissions accounting, saying it's misleading and doesn't capture overall emission-reduction efforts. A similar proposal last year gained just over 10% of shareholder support, down from 27% in 2022.

Exxon is seeking to have the proposal excluded on two counts: that it interferes with the ordinary course of business, and that shareholders have rejected similar proposals multiple times. Exxon was one of the highest profile targets of the ESG movement, losing a proxy battle against first-time activist Engine No. 1 in 2021, which forced it to replace a quarter of its board with new directors. Engine No. 1 isn't named in the complaint.

Exxon isn't seeking monetary relief from the activist investors.

Proposals by Amsterdam-based non-profit Follow This and Massachusetts-based Arjuna Capital have become a fixture on the ballots of Big Oil's annual meetings, mostly encouraging oil majors to set greenhouse gas emission targets that align with the Paris Agreement. While most proposals have been rejected, support steadily rose from 2015 through 2021 before dropping more recently.

Sunoco to Buy NuStar Energy in $7.3 bln Deal as it Expands Midstream Business, Reuters

Sunoco (SUN.N), opens new tab said it would acquire fuels storage and pipeline operator NuStar Energy (NS.N), opens new tab in a deal valued at about $7.3 billion including debt, as it tries to diversify its core business beyond distribution of motor fuels.

The equity portion of the deal comes up to $2.99 billion, and NuStar's shareholders stand to receive 0.400 of a Sunoco share for each NuStar unit they hold, valuing Sunoco's shares at $23.78. That represents a premium of 31.9% to NuStar's last closing price.

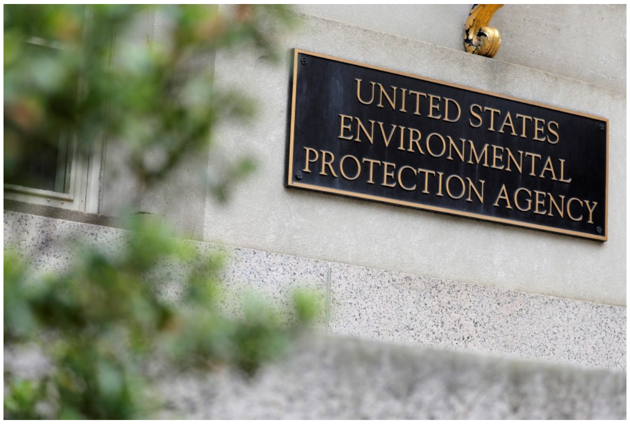
"Having the fuel distribution business helps keep your midstream assets full, and often these assets provide a foundation for additional growth and supply synergies," Sunoco executives said in a call. The deal, which has been approved by both the boards, will give Sunoco access to NuStar's transportation and storage facilities, including a portfolio of about 9,500 miles of pipeline and 63 terminals.

NuStar would provide exposure to crude terminals and pipelines, refined products terminals and pipelines, a large ammonia pipeline, and exposure to the West Coast and Midwest, Fitch analyst Michael Ruggirello said.

Dallas-based Sunoco is an affiliate of U.S. pipeline operator Energy Transfer (ET.N), opens new tab, which is controlled by billionaire Kelcy Warren.

Shares of Sunoco were down 5.1%, while shares of NuStar were up nearly 17%.

EPA Green-Lights Louisiana CCS Permit 'Primacy', Energy Intelligence



The US Environmental Protection Agency (EPA) formally granted the state of Louisiana the authority to issue its own permits for carbon capture and storage (CCS) projects, a move that industry advocates hope will hasten what has become a lengthy backlog of applications.

Louisiana's application for "primacy" to approve permits for Class VI wells, a regulatory category the EPA established for CCS projects, has been pending since September 2021. The agency currently has more than 170 Class VI permit applications in various stages of review, including more than two dozen wells in Louisiana, and that number continues to grow since the passage of the Inflation Reduction Act (IRA) last year catalyzed interest and investment in CCS ventures.

A spokesman for the Louisiana Department of Natural Resources (DNR) said that oversight of the permit applications currently under review at the EPA will now shift to the state agency, although the logistics of that handover are still under discussion.

CCS proponents have framed state primacy as a way to get permits approved more quickly. Louisiana joins Wyoming and North Dakota as the only US states to secure Class VI permitting primacy so far.

Texas and West Virginia have also begun the process of applying for primacy, and a handful of other states including Colorado, Ohio, Montana and Arizona have expressed interest as well. Primacy in those states could still be a year or more away, however.

Pelican State Praise

Louisiana Gov. John Bel Edwards applauded the EPA's approval of the state's Class VI permitting primacy while highlighting the state's unique advantages when it comes to CCS development.

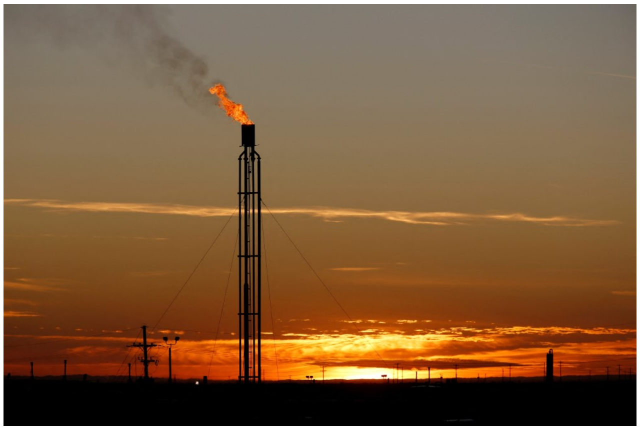
"Louisiana's geology and existing base of industry and pipeline infrastructure position the state to be a major player as a hub for [CCS] projects, enabling industry to shrink its carbon footprint in a global market that is ever more carbon sensitive," the governor said in a press release.

"Finding alternative means of harnessing our traditional fuel sources at the same time we expand our options for alternative fuel sources to the point they are market-ready, available and affordable is probably the great challenge of our generation and some of the most important work we can do for future generations."

US Sen. Bill Cassidy (R-Louisiana) also praised the move, pointing to the economic benefits it would bring to the state.

"This unlocks the next phase of job creation and economic development in Louisiana," Cassidy said. "It also creates a competitive advantage compared to other states while protecting the environment."

U.S. Natgas Output and Demand to Hit Record Highs Again in 2024 – EIA– Energy Now



U.S. natural gas production and demand, as well as liquefied natural gas (LNG) exports, will hit record highs again in 2024, the U.S. Energy Information Administration (EIA) said in its Short Term Energy Outlook (STEO).

The EIA projected dry gas production will rise to 105.04 billion cubic feet per day (bcfd) in 2024 and 106.38 bcfd in 2025 from a record 103.55 bcfd in 2023.

The agency also projected domestic gas consumption would rise from a record 88.90 bcfd in 2023 to 89.89 bcfd in 2024 before easing to 89.66 bcfd in 2025.

If the projections are correct, 2024 would be the first time output rises for four years in a row since 2015, and demand increases for four years in a row since 2016.
The latest projections for 2024 were higher than EIA's December forecast of 104.91 bcfd for supply and 89.62 bcfd for demand.

The shale revolution has boosted the U.S. to the top gas producer spot since 2011, allowing it to become the world's leading LNG exporter in 2023 ahead of former LNG leaders Australia and Qatar.

The agency forecast average U.S. LNG exports would reach 12.36 bcfd in 2024 and 14.43 bcfd in 2025, up from a record 11.84 bcfd in 2023.

The EIA's 2024 LNG export forecast was unchanged from its outlook in December.
The agency projected U.S. coal production would fall from 581.7 million short tons in 2023 to 489.3 million short tons in 2024, the lowest since 1963, and 428.8 million short tons in 2025, the lowest since 1961, as gas and renewable sources of power displace coal-fired plants.

As power producers burn less coal, the EIA projected carbon dioxide emissions from fossil fuels would fall from 4.778 billion metric tons in 2023 to 4.775 billion metric tons in 2024 and 4.698 billion metric tons in 2025.

That compares with 4.580 billion metric tons in 2020, which was the lowest since 1983, as the coronavirus pandemic sapped demand for energy.

USA Commercial Crude Oil Inventories Rise, RigZone

U.S. commercial crude oil inventories, excluding those in the Strategic Petroleum Reserve (SPR), increased by 1.3 million barrels from the week ending December 29, 2023, to the week ending January 5, 2024, according to the U.S. Energy Information Administration's (EIA) latest weekly petroleum status report .

The U.S. crude oil stock, not including the SPR, stood at 432.4 million barrels on January 5, 431.1 million barrels on December 29, and 439.6 million barrels on January 6, 2023, the report showed.

Crude oil in the SPR stood at 355.0 million barrels on January 5, 354.4 million barrels on December 29, and 371.6 million barrels on January 6, 2023, the report revealed.

Total petroleum stocks in the U.S. – including crude oil, total motor gasoline, fuel ethanol, kerosene type jet fuel, distillate fuel oil, residual fuel oil, propane/propylene, and other oils – stood at 1.615 billion barrels on January 5, the report outlined. This figure was up 10.1 million barrels week on week and up 16.4 million barrels year on year, the report showed.

"At 432.4 million barrels, U.S. crude oil inventories are about two percent below the five year average for this time of year," the EIA said in its latest weekly petroleum status report.

"Total motor gasoline inventories increased by 8.0 million barrels from last week and are about one percent above the five year average for this time of year. Finished gasoline and blending components inventories increased last week," it added.

"Distillate fuel inventories increased by 6.5 million barrels last week and are about four percent below the five year average for this time of year. Propane/propylene inventories decreased by 3.6 million barrels from last week and are 12 percent above the five year average for this time of year," it continued.

The EIA revealed in the report that U.S. crude oil refinery inputs averaged 16.5 million barrels per day during the week ending January 5. It pointed out that this was 161,000 barrels per day less than the previous week's average.

"Refineries operated at 92.9 percent of their operable capacity last week," the EIA noted in the report.

"Gasoline production increased last week, averaging 9.7 million barrels per day. Distillate fuel production decreased last week, averaging 5.2 million barrels per day," it added.

U.S. crude oil imports averaged 6.2 million barrels per day last week, according to the report, which revealed that this figure decreased by 654,000 barrels per day from the previous week.

"Over the past four weeks, crude oil imports averaged about 6.5 million barrels per day, 8.2 percent more than the same four-week period last year," the EIA said in the report.

USA Commercial Crude Oil Inventories Rise, RigZone

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"Total motor gasoline imports (including both finished gasoline and gasoline blending components) last week averaged 500,000 barrels per day, and distillate fuel imports averaged 274,000 barrels per day," it added.
Total products supplied over the last four-week period averaged 20.2 million barrels a day, the EIA said in the report, adding that this was up by 1.6 percent from the same period last year.
"Over the past four weeks, motor gasoline product supplied averaged 8.5 million barrels a day, up by 3.2 percent from the same period last year," the EIA stated in the report.
"Distillate fuel product supplied averaged 3.5 million barrels a day over the past four weeks, down by 4.2 percent from the same period last year. Jet fuel product supplied was up 3.6 percent compared with the same four-week period last year," it added.
In a report sent to Rigzone prior to the release of the EIA's latest weekly petroleum status report, Macquarie strategists revealed that they were forecasting that U.S. crude inventories would be down 4.3 million barrels for the week ending January 5.
"This compares to a 5.5 million barrel draw for the week ending December 29, with the total U.S. crude balance realizing looser than we had anticipated," the strategists stated in that report.
"That said, products provided the big surprise last week, with extreme builds in gasoline and distillate. Those figures provide yet another reminder that weekly EIA stats are inherently noisy," they added.
"Although we expect continued weakness in product demand as a function of holiday/seasonal effects in this week's data, the magnitude of last week's builds could, in theory, offer potential for firmer product balances than we anticipate," they continued.
"For this week, from refineries, yet again we look for a slight reduction in crude runs (-0.1 million barrels per day) despite a third consecutive strong print last week. Yet, some potential for a further catch-up in refining runs could persist following what had been generally weak performance exiting turnaround season," they went on to state.
The strategists highlighted in the report that, among net imports, they modeled a week on week increase, "with exports nominally sharply lower (-1.5 million barrels per day) and imports also down (-0.9 million barrels per day)".
"From implied domestic supply (prod.+adj.+transfers), we look for a reduction (-0.6 million barrels per day) following a strong print last week," they added.
"Rounding out the picture, we anticipate a modest increase in SPR inventory (+0.6 million barrels) on the week," they continued.

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