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STANDING COMMITTEE ON NATURAL RESOURCES

HOUSE OF COMMONS

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Good Morning.

Members of the Committee on Natural Resources, thank you for giving me the opportunity to appear before you today to provide testimony on the roles and responsibilities of the U.S. Energy Information Administration (EIA). I believe strongly in the value of relevant and credible national energy information in developing national and international energy policies. I am proud that EIA plays a significant role in providing that kind of information.

EIA is the statistical and analytical agency in the U.S. Department of Energy. It was created by federal statute in the late 1970's with a mission to collect, analyze, and disseminate independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding regarding energy and its interaction with the economy and the environment.

EIA is the primary source within the U.S. federal government of energy information and, as firmly established within the law that created EIA, its data, analyses, and forecasts are independent of approval by any other officer or employee of the United States Government.

EIA is headed by an Administrator who is appointed by the President and confirmed by the Senate. The Administrator is the only political appointee at EIA, and the EIA's independence is vested directly in that position. Every nominee for the position of Administrator has been asked during the confirmation process in the

U.S. Senate to commit to upholding EIA's independence—regardless of the party of the President or the leadership of Congress.

My statement will provide an overview of EIA's stakeholders, organizational structure, and data collection and analysis.

A wide range of stakeholders makes use of EIA's energy data and projections, which we generally make public through our website: www.eia.gov. Our 2017 web survey found that the most active users of the website included, interested business and industry, private citizens, and consultants and researchers who, together, made up two-thirds of EIA website customers. Other important users identified themselves in the education, finance, energy sector, and government areas.

EIA data and analyses meet many of the diverse needs of our stakeholders. For example, business, industry, and financial professionals require good information about production, consumption, and prices to develop their own strategies and processes. Policymakers and interested private citizens need contextual information about energy activities and markets, and the opportunity to examine trends that affect their lives. Even consultants and media in business to produce their own energy data and analysis need some of the statistics we produce to provide context and benchmarking for their work.

In fact, although media made up only 2% of our web users, it represents another important channel for disseminating EIA analysis and statistics. Many of our reports, data updates, and forecasts are actively used (and re-used) by trade and public press. By focusing both on statistics and their interpretation in the service of providing context about energy, EIA's work is accessible by a wide range of users, and consequently helps inform a wide variety of interested stakeholders.

EIA is organized to develop and integrate its statistics and forecasting into useful information, disseminate that information effectively to interested stakeholders, and manage its internal operations. To do that, EIA is organized into four offices. The two largest, the Office of Energy Statistics and the Office of Energy Analysis focus on developing statistics and forecasts respectively, and on developing interpretation and analysis of their implications together. The Office of Communications focuses on the dissemination of our products and the Office of Resource and Technology Management manages the budget, procurement, and technology.

I'd like to describe our approach to statistics, forecasting, and analysis in a little more detail.

As an official governmental statistical agency, EIA is dedicated to producing objective energy data that are relevant to market and policy questions. That means maintaining a strong commitment to the principals of official statistics as interpreted in the United States as applied to all federal Statistical Agencies. The significant components of these principals include:

- Producing relevant, objective data,
- Establishing and protecting credibility with data users,
- Maintaining trust with data providers, and
- Clearly operating outside political influence.

EIA has developed its statistical program in the context of U.S. law, with the U.S. Office of Management and Budget implementing standards and guidelines, and EIA implementing these standards and guidelines independently.

Maintaining effective and efficient management systems is an important component of EIA's statistical systems. We have developed a view of a statistical lifecycle for identifying important information, developing efficient strategies to provide useful information, disseminating that information, and evaluating the results. Our approach has been heavily influenced by international practices, and

we've made good use of what we've learned from Statistics Canada, from the U.N.'s Oslo Group work, and International Energy Agency, among others in developing our lifecycle.

In recent years, this has led to increased use of third party data sources including administrative data, close-to-real-time business operating information, and crowdsourced data to bring vital energy context and information to our stakeholders.

The role of official governmental statistics is often to provide timely and accurate information that is difficult to get. For example in the past few years, EIA determined that it needed to introduce a monthly crude oil production survey to keep up with recent U.S. oil production growth. Prior to the EIA survey, crude oil production information had been estimated from state data. When the new survey was released, issues with some of the previously used administrative data became clear and everyone's understanding of crude oil production in the United States improved significantly.

In total, EIA produces approximately 57 surveys and other data collections with regular and irregular cycles ranging from 1 hour to 4 years. They cover a varied landscape of energy facilities, types, and uses. Often, these parts of the overall energy landscape don't seem to have much relation to one another, but we find that a working understanding of the pieces that make up energy in the United

States and focusing on how they fit together brings genuine insight into our work, making all the parts work better.

Another important dimension to EIA's collection of energy data is our effort to look all along the value chain. This is evident from our weekly petroleum stocks report on Wednesday mornings and our natural gas storage report on Thursday mornings, which are known for routinely moving their respective financial markets.

EIA's consumption surveys, which are among our most difficult and expensive, and least regular, are acknowledged to provide information about energy consumption for industry, residents and the commercial sector that is virtually unmatched in the world, and invaluable in understanding their energy use. The changes in commercial and residential consumption patterns in just the last decade are notable. The rapid expansion of distributed, off-grid solar photovoltaic systems for commercial and residential consumers is changing utility planning in some areas.

In addition to energy statistics, EIA prepares a short-term domestic energy outlook examining monthly trends over the next one to two years and domestic and international energy outlooks with annual projections over the next 20-to-25 years. Also, when requested by Congressional Committees or the Administration, EIA develops forecasts and analyses around specific energy issues.

EIA derives tremendous value from both operating as a statistical agency, and having a mission for forecasting and analysis. Each side benefits.

EIA forecasting has access to well-organized, detailed statistics about U.S. energy activity, often having had input to the survey designs. EIA's Reference case analyses and outlooks are developed assuming current laws and policies. This provides a common framework against which policy changes may be transparently assessed through sensitivity cases, using methodologies that are accessible and well documented for EIA's stakeholders.

EIA statistics benefits from being combined with forecasting and analysis as well. Our forecasters are deeply engaged in trying to understand energy activity. As a consequence, their identification of information needs tends to be closer to the cutting edge of new issues. That kind of feedback is invaluable in planning a relevant energy information program.

EIA's place as the recognized source for U.S. energy information over its more than four decades of existence arises directly from the intersection of statistics, analysis, and independence in its mission and operations. The legislation that created EIA's enables it to propose what data is needed to serve its mission, to perform analysis that policymakers and markets rely on, and to solicit stakeholders' views, while maintaining its independence.

Combining statistics and analysis in one governmental organization has worked well for the United States. As you consider a framework for providing Canadian governmental energy information, I would urge you to consider our experience with that combination, and the value it has added for us in our work.

I'm happy to answer any of your questions.