

**Calendar No. 506**

106TH CONGRESS  
2D SESSION

**H. R. 2884**

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**AN ACT**

To extend energy conservation programs under the  
Energy Policy and Conservation Act through fis-  
cal year 2003.

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APRIL 13, 2000

Received; read twice and placed on the calendar

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IN THE SENATE OF THE UNITED STATES

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**AN ACT**

To extend energy conservation programs under the Energy  
Policy and Conservation Act through fiscal year 2003.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. ENERGY POLICY AND CONSERVATION ACT**  
2 **AMENDMENTS.**

3 The Energy Policy and Conservation Act is  
4 amended—

5 (1) by amending section 166 (42 U.S.C. 6246)  
6 to read as follows:

7 “AUTHORIZATION OF APPROPRIATIONS

8 “SEC. 166. There are authorized to be appropriated  
9 for fiscal years 2000 through 2003 such sums as may be  
10 necessary to implement this part.”;

11 (2) in section 181 (42 U.S.C. 6251) by striking  
12 “March 31, 2000” both places it appears and insert-  
13 ing “September 30, 2003”; and

14 (3) in section 281 (42 U.S.C. 6285) by striking  
15 “March 31, 2000” both places it appears and insert-  
16 ing “September 30, 2003”.

17 **SEC. 2. PURCHASE OF OIL FROM MARGINAL WELLS.**

18 (a) PURCHASE OF OIL FROM MARGINAL WELLS.—  
19 Part B of Title I of the Energy Policy and Conservation  
20 Act (42 U.S.C. 6232 et seq.) is amended by adding the  
21 following new section after section 168:

22 “PURCHASE OF OIL FROM MARGINAL WELLS

23 “SEC. 169. (a) IN GENERAL.—From amounts au-  
24 thorized under section 166, in any case in which the price  
25 of oil decreases to an amount less than \$15.00 per barrel  
26 (an amount equal to the annual average well head price

1 per barrel for all domestic crude oil), adjusted for infla-  
 2 tion, the Secretary may purchase oil from a marginal well  
 3 at \$15.00 per barrel, adjusted for inflation.

4 “(b) DEFINITION OF MARGINAL WELL.—The term  
 5 “marginal well” means a well that—

6 “(1) has an average daily production of 15 bar-  
 7 rels or less;

8 “(2) has an average daily production of 25 bar-  
 9 rels or less with produced water accounting for 95  
 10 percent or more of total production; or

11 “(3) produces heavy oil with an API gravity  
 12 less than 20 degrees.”.

13 (b) CONFORMING AMENDMENT.—The table of con-  
 14 tents for the Energy Policy and Conservation Act is  
 15 amended by inserting after the item relating to section  
 16 168 the following:

“Sec. 169. Purchase of oil from marginal wells.”.

17 **SEC. 3. NORTHEAST HOME HEATING OIL RESERVE.**

18 (a) AMENDMENT.—Title I of the Energy Policy and  
 19 Conservation Act is amended by—

20 (1) redesignating part D as part E;

21 (2) redesignating section 181 as section 191;

22 and

23 (3) inserting after part C the following new  
 24 part D:

1   “PART D—NORTHEAST HOME HEATING OIL RESERVE  
2                                   “ESTABLISHMENT

3       “SEC. 181. (a) Notwithstanding any other provision  
4 of this Act, the Secretary may establish, maintain, and  
5 operate in the Northeast a Northeast Home Heating Oil  
6 Reserve. A Reserve established under this part is not a  
7 component of the Strategic Petroleum Reserve established  
8 under part B of this title. A Reserve established under  
9 this part shall contain no more than 2 million barrels of  
10 petroleum distillate.

11       “(b) For the purposes of this part—

12               “(1) the term ‘Northeast’ means the States of  
13 Maine, New Hampshire, Vermont, Massachusetts,  
14 Connecticut, Rhode Island, New York, Pennsylvania,  
15 and New Jersey; and

16               “(2) the term ‘petroleum distillate’ includes  
17 heating oil and diesel fuel.

18                                   “AUTHORITY

19       “SEC. 182. To the extent necessary or appropriate  
20 to carry out this part, the Secretary may—

21               “(1) purchase, contract for, lease, or otherwise  
22 acquire, in whole or in part, storage and related fa-  
23 cilities, and storage services;

24               “(2) use, lease, maintain, sell, or otherwise dis-  
25 pose of storage and related facilities acquired under  
26 this part;

1           “(3) acquire by purchase, exchange (including  
2           exchange of petroleum product from the Strategic  
3           Petroleum Reserve or received as royalty from Fed-  
4           eral lands), lease, or otherwise, petroleum distillate  
5           for storage in the Northeast Home Heating Oil Re-  
6           serve;

7           “(4) store petroleum distillate in facilities not  
8           owned by the United States;

9           “(5) sell, exchange, or otherwise dispose of pe-  
10          troleum distillate from the Reserve established under  
11          this part; and

12          “(6) notwithstanding paragraph (5), on terms  
13          the Secretary considers reasonable, sell, exchange, or  
14          otherwise dispose of petroleum distillate from the  
15          Reserve established under this part in order to  
16          maintain the quality or quantity of the petroleum  
17          distillate in the Reserve or to maintain the oper-  
18          ational capability of the Reserve.

19                 “CONDITIONS FOR RELEASE; PLAN

20          “SEC. 183. (a) The Secretary may release petroleum  
21          distillate from the Reserve under section 182(5) only in  
22          the event of—

23                 “(1) a severe energy supply disruption;

24                 “(2) a severe price increase; or

25                 “(3) another emergency affecting the North-  
26          east,

1 which the President determines to merit a release from  
2 the Reserve.

3 “(b) Within 45 days of the date of the enactment of  
4 this section, the Secretary shall transmit to the President  
5 and, if the President approves, to the Congress a plan  
6 describing—

7 “(1) the acquisition of storage and related fa-  
8 cilities or storage services for the Reserve;

9 “(2) the acquisition of petroleum distillate for  
10 storage in the Reserve;

11 “(3) the anticipated methods of disposition of  
12 petroleum distillate from the Reserve; and

13 “(4) the estimated costs of establishment, main-  
14 tenance, and operation of the Reserve.

15 The storage of petroleum distillate in a storage facility  
16 that meets existing environmental requirements is not a  
17 ‘major Federal action significantly affecting the quality of  
18 the human environment’ as that term is used in section  
19 102(2)(C) of the National Environmental Policy Act of  
20 1969.

21 “NORTHEAST HOME HEATING OIL RESERVE ACCOUNT

22 “SEC. 184. (a) Upon a decision of the Secretary of  
23 Energy to establish a Reserve under this part, the Sec-  
24 retary of the Treasury shall establish in the Treasury of  
25 the United States an account know as the ‘Northeast

1 Home Heating Oil Reserve Account’ (referred to in this  
2 section as the ‘Account’).

3 “(b) The Secretary of the Treasury shall deposit in  
4 the Account any amounts appropriated to the Account and  
5 any receipts from the sale, exchange, or other disposition  
6 of petroleum distillate from the Reserve.

7 “(c) The Secretary of Energy may obligate amounts  
8 in the Account to carry out activities under this part with-  
9 out the need for further appropriation, and amounts avail-  
10 able to the Secretary of Energy for obligation under this  
11 section shall remain available without fiscal year limita-  
12 tion.

### 13 “EXEMPTIONS

14 “SEC. 185. An action taken under this part—

15 “(1) is not subject to the rulemaking require-  
16 ments of section 523 of this Act, section 501 of the  
17 Department of Energy Organization Act, or section  
18 553 of title 5, United States Code; and

19 “(2) is not subject to laws governing the Fed-  
20 eral procurement of goods and services, including  
21 the Federal Property and Administrative Services  
22 Act of 1949 (including the Competition in Con-  
23 tracting Act) and the Small Business Act.”.

24 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
25 are authorized to be appropriated such sums as may be



1 necessary to carry out part D of title I of the Energy Pol-  
2 icy and Conservation Act.

Passed the House of Representatives April 12, 2000.

Attest:

JEFF TRANDAHL,  
*Clerk.*