

111TH CONGRESS  
1ST SESSION

# S. 967

To amend the Energy Policy and Conservation Act to create a petroleum product reserve, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 4, 2009

Mr. BINGAMAN introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Energy Policy and Conservation Act to create a petroleum product reserve, and for other purposes.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Strategic Petroleum  
5       Reserve Modernization Act of 2009”.

6       **SEC. 2. PETROLEUM PRODUCT RESERVE.**

7       (a) STRATEGIC PETROLEUM RESERVE.—Section  
8       154(a) of the Energy Policy and Conservation Act (42  
9       U.S.C. 6234(a)) is amended by striking “1 billion barrels  
10       of petroleum products” and inserting “1,000,000,000 bar-

1 rels of petroleum products (including at least 30,000,000  
2 barrels of refined petroleum products)”.

3 (b) PLAN.—Title I of the Energy Policy and Con-  
4 servation Act is amended by inserting after section 154  
5 (42 U.S.C. 6234) the following:

6 **“SEC. 155. PLAN.**

7 “Not later than 180 days after the date of enactment  
8 of this section, the Secretary shall submit to the President  
9 and, if the President approves, to Congress, a plan to in-  
10 clude refined petroleum products in the Strategic Petro-  
11 leum Reserve, including a description of—

12 “(1) the disposition of refined petroleum prod-  
13 ucts that shall be stored in the Reserve, which shall  
14 be selected—

15 “(A) to alleviate shortages that might be  
16 expected to result from hurricanes, earth-  
17 quakes, or other acts of nature; and

18 “(B) to minimize the number of different  
19 kinds of refined petroleum products that shall  
20 be stored;

21 “(2) the method of acquisition of refined petro-  
22 leum products for storage in the Reserve, which  
23 shall—

1           “(A) be intended to minimize both the cost  
2           and market disruption associated with the ac-  
3           quisition; and

4           “(B) include—

5                 “(i) an analysis of the option of ex-  
6                 changing crude oil from the Reserve for re-  
7                 fined petroleum products; and

8                 “(ii) the anticipated time requirement  
9                 for building the inventory of refined petro-  
10                leum products;

11           “(3) storage facility options for the storage of  
12           refined petroleum products, including the anticipated  
13           location of existing or new facilities;

14           “(4) the estimated costs of establishment, main-  
15           tenance, and operation of the refined petroleum  
16           product component of the Reserve;

17           “(5) efforts the Department will take to ensure  
18           that distributors and importers are not discouraged  
19           from maintaining and increasing supplies of refined  
20           petroleum products; and

21           “(6) actions that will be taken to ensure quality  
22           of refined petroleum products in the Reserve, includ-  
23           ing the rotation of products stored.”.

1 (c) DRAWDOWN AND SALE.—Section 161 of the En-  
 2 ergy Policy and Conservation Act (42 U.S.C. 6241) is  
 3 amended—

4 (1) by striking subsection (d) and inserting the  
 5 following:

6 “(d) LIMITATION ON DRAWDOWN AND SALE.—

7 “(1) IN GENERAL.—The drawdown and sale of  
 8 petroleum products from the Strategic Petroleum  
 9 Reserve may not be made unless the Secretary de-  
 10 termines that—

11 “(A) the drawdown and sale are required  
 12 by—

13 “(i) a severe energy market supply  
 14 interruption; or

15 “(ii) obligations of the United States  
 16 under the international energy program; or

17 “(B) in the case of the refined petroleum  
 18 product component of the Reserve, a sale of re-  
 19 fined petroleum products will mitigate the im-  
 20 pacts of weather-related events or other acts of  
 21 nature that have resulted in a severe energy  
 22 market disruption.

23 “(2) SEVERE ENERGY MARKET DISRUPTION.—

24 For purpose of this subsection, a severe energy mar-

1       ket supply disruption shall be considered to exist if  
2       the Secretary determines that—

3               “(A) an emergency situation exists and  
4               there is a disruption in global oil markets of  
5               significant scope and duration;

6               “(B) a severe increase in the price of pe-  
7               troleum products has resulted, or is likely to re-  
8               sult, from the emergency situation; and

9               “(C) the price increase is likely to cause a  
10              major adverse impact on the national econ-  
11              omy.”; and

12              (2) in subsections (h)(1) and (i), by striking  
13              “President” each place it appears and inserting  
14              “Secretary”.

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