

113TH CONGRESS  
2D SESSION

# H. R. 5469

To prevent future propane shortages, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 2014

Mr. LATTA introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To prevent future propane shortages, 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 “Propane Supply and  
5       Security Act of 2014”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) ADMINISTRATOR.—The term “Adminis-  
9       trator” means the Administrator of the Energy In-  
10      formation Administration.

1           (2) COMMISSION.—The term “Commission”  
2           means the Federal Energy Regulatory Commission.

3           (3) PROPANE PIPELINE.—The term “propane  
4           pipeline” means a pipeline regulated under chapter  
5           601 of title 49, United States Code, that is used to  
6           transport propane.

7           (4) SECRETARY.—The term “Secretary” means  
8           the Secretary of Energy.

9   **SEC. 3. INFORMATION COLLECTION.**

10          (a) IN GENERAL.—The Administrator, in coordina-  
11          tion with other Federal and State officials, as appropriate,  
12          shall publish to the maximum extent practicable and con-  
13          sistent with confidentiality requirements, data on—

14               (1) propane storage, including—

15                       (A) weekly inventory disaggregated below  
16                       the level of the Petroleum Administration for  
17                       Defense Districts (PADD) including—

18                               (i) data at the State and local level;

19                               and

20                               (ii) aggregate data at market hubs  
21                               around Conway, Kansas, Mont Bellvieu,  
22                               Texas, and any other market hubs of sig-  
23                               nificant regional scope; and

24                       (B) weekly data to separately account for  
25                       non-fuel propylene and propane for PADD 3

1           and other regions if the Administrator deter-  
2           mines that inclusion of the nonfuel propylene  
3           supply data significantly distorts propane sup-  
4           ply and pricing data, and the Administrator de-  
5           termines it is feasible to collect separate data  
6           and nonfuel propylene and propane; and

7           (2) propane markets, including pricing data, for  
8           residential customers in States that voluntarily  
9           choose to participate in the State Heating Oil and  
10          Propane Program (SHOPP) of the Energy Informa-  
11          tion Administration.

12          (b) BIENNIAL WORKING AND NET AVAILABLE  
13          STORAGE CAPACITY REPORT.—The Administrator shall  
14          publish data on storage at—

15               (1) major market centers, including the regions  
16               around Conway, Kansas and Mont Bellvieu, Texas;  
17               and

18               (2) to the extent practicable based on existing  
19               surveys and consistent with confidentiality require-  
20               ments, the regions reported in the weekly and  
21               monthly inventory data under subsection (a).

22          **SEC. 4. COORDINATED RESPONSE TO EMERGENCIES.**

23               (a) IN GENERAL.—The Secretary shall lead and co-  
24               ordinate Federal and State emergency response efforts  
25               with respect to propane supply emergencies in any State

1 or region of the United States that are characterized, as  
2 determined by the Secretary, by—

3 (1) sudden increases in consumer prices for  
4 propane; or

5 (2) propane supply shortages that threaten pub-  
6 lic safety or livestock safety.

7 (b) DUTIES.—In carrying out subsection (a), the Sec-  
8 retary shall—

9 (1) establish criteria to determine when an  
10 emergency response action would be triggered;

11 (2) establish a system for forecasting and track-  
12 ing the availability of propane, with an emphasis on  
13 predicting supply shortages;

14 (3) establish a system for alerting other Federal  
15 agencies, States, industry groups, and appropriate  
16 stakeholders of the crisis—

17 (A) before an emergency; and

18 (B) when the Secretary determines that an  
19 emergency has occurred;

20 (4) establish a plan for coordinated response to  
21 an emergency by Federal and State agencies using  
22 their existing authorities; and

23 (5) establish criteria to determine when the  
24 emergency has ended.

1 (c) ACTIONS.—An emergency response carried out  
2 under this section may include actions by Federal and  
3 State agencies using their existing authorities—

4 (1) to protect consumers from unfair pricing;

5 (2) to expedite the distribution of propane  
6 through available transportation modes, including  
7 provisions—

8 (A) to exempt motor carriers of propane  
9 from hours-of-service restrictions;

10 (B) to prioritize propane shipments by rail;

11 (C) to exempt vessels carrying propane  
12 from United States-flag ship requirements  
13 under the Jones Act; and

14 (D) for actions by the Commission to  
15 prioritize propane shipments over other ship-  
16 ments in batched pipelines; and

17 (3) expedited release of energy assistance funds.

18 (d) EFFECT.—Nothing in this section limits any ex-  
19 isting agency authority of a Federal agency.

20 **SEC. 5. DEFINITION OF CONSUMER PROPANE PRICES.**

21 (a) FUNCTIONS OF PROPANE EDUCATION AND RE-  
22 SEARCH COUNCIL.—Section 5(f) of the Propane Edu-  
23 cation and Research Act of 1996 (15 U.S.C. 6404(f)) is  
24 amended in the first sentence by inserting “to train pro-  
25 pane distributors and consumers in strategies to mitigate

1 negative effects of future propane price spikes,” after “to  
2 enhance consumer and employee safety and training,”.

3 (b) MARKET SURVEY AND CONSUMER PROTECTION  
4 PRICE ANALYSIS.—Section 9(a) of the Propane Education  
5 and Research Act of 1996 (15 U.S.C. 6408(a)) is amend-  
6 ed in the first sentence by striking “only data provided  
7 by the Energy Information Administration” and inserting  
8 “the refiner price to end users of consumer grade propane,  
9 as published by the Energy Information Administration”.

10 **SEC. 6. REGIONAL PROPANE RESERVE STUDY.**

11 (a) STUDY.—Not later than 180 days after the date  
12 of enactment of this Act, the Secretary shall conduct a  
13 study to determine the effectiveness and feasibility of es-  
14 tablishing 1 or more propane storage facilities, to be oper-  
15 ated separately from the Strategic Petroleum Reserve es-  
16 tablished under part B of title I of the Energy Policy and  
17 Conservation Act (42 U.S.C. 6231 et seq.).

18 (b) PLAN.—Following completion of the study under  
19 subsection (a), the Secretary may submit to Congress and  
20 the President a plan describing—

21 (1) the proposed acquisition of storage and re-  
22 lated facilities or storage services, including—

23 (A) the potential use of storage facilities  
24 not currently in use; and

1 (B) a determination of the combination of  
2 primary, secondary, and tertiary storage facili-  
3 ties that will be used;

4 (2) the proposed acquisition of propane for  
5 storage;

6 (3) the proposed methods of disposition of pro-  
7 pane;

8 (4) the estimated costs of establishment, main-  
9 tenance, and operation;

10 (5) the efforts the Secretary will make—

11 (A) to minimize any potential need for fu-  
12 ture drawdowns; and

13 (B) to ensure the distributors and import-  
14 ers are not discouraged from maintaining and  
15 increasing supplies of propane;

16 (6) the proposed actions to ensure the quality  
17 of the propane; and

18 (7) the proposed accounts and funding struc-  
19 tures required for acquisition of propane and pro-  
20 pane storage facilities.

21 **SEC. 7. STORAGE FACILITY LOANS FOR PROPANE STOR-**  
22 **AGE.**

23 Section 1614(a) of the Food, Conservation, and En-  
24 ergy Act of 2008 (7 U.S.C. 8789(a)) is amended by insert-

1 ing “, including facilities for propane that is used for dry-  
2 ing and heating” before the period at the end.

3 **SEC. 8. STUDY OF JURISDICTION.**

4 Not later than 1 year after the date of enactment  
5 of this Act, the Comptroller General of the United States  
6 shall complete a study of facilities appurtenant to propane  
7 pipelines (such as terminals and storage facilities) that are  
8 not subject to the jurisdiction of the Commission (as of  
9 the date on which the study commences) to determine—

10 (1) whether and to what degree the nonjurisdic-  
11 tional nature of the facilities had an impact on the  
12 propane price spike during the winter of 2013 to  
13 2014; or

14 (2) whether findings described in paragraph (1)  
15 demonstrate whether it would be in the public inter-  
16 est to enact a change in law to place such facilities  
17 under the jurisdiction of the Commission.

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