

113TH CONGRESS
2D SESSION

S. 2762

To prevent future propane shortages, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2014

Mr. FRANKEN (for himself, Mr. PORTMAN, and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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) INTERSTATE COMMERCE.—The term “inter-
4 state commerce” has the meaning given the term in
5 section 2 of the Natural Gas Act (15 U.S.C. 717a).

6 (4) PROPANE PIPELINE.—The term “propane
7 pipeline” means a pipeline used to transport propane
8 in interstate commerce.

9 (5) SECRETARY.—The term “Secretary” means
10 the Secretary of Energy.

11 **SEC. 3. INFORMATION COLLECTION.**

12 (a) IN GENERAL.—The Administrator shall publish,
13 to the maximum extent practicable and consistent with
14 confidentiality requirements, data on—

15 (1) propane storage, including—

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

19 (i) data at the State level; and

20 (ii) data from the collective storage
21 facilities at market hubs, including storage
22 facilities in and around Mont Belvieu,
23 Texas, Conway, Kansas, and any future
24 market hubs of significant regional scope;
25 and

1 (B) weekly data to separately account for
2 non-fuel propylene and propane for PADD 3
3 and other regions if the Administrator deter-
4 mines that inclusion of the nonfuel propylene
5 supply data significantly distorts propane sup-
6 ply and pricing data, and the Administrator de-
7 termines it is feasible to collect separate data
8 on nonfuel propylene and propane; and

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

14 (b) BIENNIAL WORKING AND NET AVAILABLE
15 STORAGE CAPACITY REPORT.—The Administrator shall
16 publish data on—

17 (1) storage at—

18 (A) major market centers, including the re-
19 gions around Conway, Kansas and Mont
20 Belvieu, Texas; and

21 (B) to the extent practicable based on ex-
22 isting surveys and consistent with confiden-
23 tiality requirements, the regions reported in the
24 weekly and monthly inventory data under sub-
25 section (a); and

1 (2) pipeline fill requirements and pipeline oper-
2 ational storage capacity.

3 (c) WOOD PILOT.—The Administrator shall work
4 with the States participating in SHOPP to develop a pro-
5 gram comparable to SHOPP to collect data on wood pel-
6 lets, firewood, and other biomass.

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

8 (a) IN GENERAL.—The Secretary shall lead Federal
9 and State emergency response efforts with respect to pro-
10 pane supply emergencies in any State or region of the
11 United States that are characterized, as determined by the
12 Secretary, by—

13 (1) sudden increases in consumer prices for
14 propane; or

15 (2) propane supply shortages that threaten pub-
16 lic safety or livestock safety.

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

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

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

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

4 (A) before an emergency; and

5 (B) when the Secretary determines that an
6 emergency has occurred;

7 (4) establish a plan for coordinated response to
8 an emergency by Federal and State agencies; and

9 (5) establish criteria to determine when the
10 emergency has ended.

11 (c) ACTIONS.—An emergency response carried out
12 under this section may include—

13 (1) actions to protect consumers from unfair
14 pricing;

15 (2) actions to expedite the distribution of pro-
16 pane through available transportation modes, includ-
17 ing provisions—

18 (A) to exempt motor carriers of propane
19 from hours-of-service restrictions;

20 (B) to prioritize propane shipments by rail;
21 and

22 (C) to prioritize propane shipments over
23 other shipments in batched pipelines;

24 (3) expedited release of energy assistance funds;
25 and

1 (4) other actions to relieve price spikes and
2 supply shortages.

3 (d) EFFECT.—Nothing in this section limits any ex-
4 isting authority of any Federal agency.

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

6 (a) FUNCTIONS OF PROPANE EDUCATION AND RE-
7 SEARCH COUNCIL.—Section 5(f) of the Propane Edu-
8 cation and Research Act of 1996 (15 U.S.C. 6404(f)) is
9 amended in the first sentence by inserting “to train pro-
10 pane distributors and consumers in strategies to mitigate
11 negative effects of future propane price spikes,” after “to
12 enhance consumer and employee safety and training,”.

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

20 **SEC. 6. REGIONAL PROPANE RESERVE.**

21 (a) STUDY.—Not later than 180 days after the date
22 of enactment of this Act, the Secretary shall conduct a
23 study to determine the effectiveness and feasibility of es-
24 tablishing 1 or more propane storage facilities, to be oper-
25 ated separately from the Strategic Petroleum Reserve es-

1 tablished under part B of title I of the Energy Policy and
2 Conservation Act (42 U.S.C. 6231 et seq.).

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

6 (1) the proposed acquisition of storage and re-
7 lated facilities or storage services for, including—

8 (A) the potential use of storage facilities
9 not currently in use; and

10 (B) a determination of the combination of
11 primary, secondary, and tertiary storage facili-
12 ties that will be used;

13 (2) the proposed acquisition of propane for
14 storage;

15 (3) the proposed methods of disposition of pro-
16 pane;

17 (4) the estimated costs of establishment, main-
18 tenance, and operation;

19 (5) the efforts the Secretary will make—

20 (A) to minimize any potential need for fu-
21 ture drawdowns; and

22 (B) to ensure that distributors and import-
23 ers are not discouraged from maintaining and
24 increasing supplies of propane;

1 (6) the proposed actions to ensure the quality
2 of the propane; and

3 (7) the proposed accounts and funding struc-
4 tures required for acquisition of propane and pro-
5 pane storage facilities.

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

8 Section 1614(a) of the Food, Conservation, and En-
9 ergy Act of 2008 (7 U.S.C. 8789(a)) is amended by insert-
10 ing “, including facilities for propane that is used for dry-
11 ing and heating” before the period at the end.

12 **SEC. 8. STUDY OF JURISDICTION.**

13 Not later than 1 year after the date of enactment
14 of this Act, the Comptroller General of the United States
15 shall complete a study of facilities appurtenant to propane
16 pipelines (such as terminals and storage facilities) that are
17 not subject to the jurisdiction of the Commission (as of
18 the date on which the study commences) to determine—

19 (1) whether the nonjurisdictional nature of the
20 facilities is injurious to shippers or consumers; and

21 (2)(A) whether the facilities can be placed
22 under the jurisdiction of the Commission; or

1 (B) if not, whether changes in law to place the
2 facilities under the jurisdiction of the Commission
3 are in the public interest.

○