

111TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and referred to the Committee on _____

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”.