

118TH CONGRESS
1ST SESSION

S. _____

To require the Secretary of Energy to conduct a study to determine the feasibility and effectiveness of establishing a national strategic propane reserve.

IN THE SENATE OF THE UNITED STATES

Ms. STABENOW (for herself and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To require the Secretary of Energy to conduct a study to determine the feasibility and effectiveness of establishing a national strategic propane reserve.

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. DEPARTMENT OF ENERGY STUDY ON ESTAB-**
4 **LISHING NATIONAL STRATEGIC PROPANE RE-**
5 **SERVE.**

6 (a) STUDY.—

7 (1) IN GENERAL.—Not later than 180 days
8 after the date of enactment of this Act, the Sec-
9 retary of Energy, in consultation with the Adminis-

1 trator of the Energy Information Administration,
2 shall complete a study to determine the feasibility
3 and effectiveness of establishing a national strategic
4 propane reserve, separate from the Strategic Petro-
5 leum Reserve established under part B of title I of
6 the Energy Policy and Conservation Act (42 U.S.C.
7 6231 et seq.).

8 (2) ELEMENTS.—The study under paragraph
9 (1) shall include—

10 (A) an assessment of the current state of
11 the propane supply chain in the United States
12 to meet current and forecasted consumer de-
13 mands;

14 (B) an assessment of the risks of regional
15 propane supply disruptions, including—

16 (i) past causes of disruptions;

17 (ii) possible causes of disruptions in
18 the future; and

19 (iii) whether disruptions justify the es-
20 tablishment of a national strategic propane
21 reserve;

22 (C) an evaluation of—

23 (i) appropriate and most suitable loca-
24 tions for a strategic propane reserve;

1 (ii) the quantity of propane storage
2 that would be appropriate at each such lo-
3 cation; and

4 (iii) the suitability of existing infra-
5 structure to facilitate transportation and
6 delivery of propane from a strategic pro-
7 pane reserve during a drawdown;

8 (D) an evaluation of the additional infra-
9 structure needed for a strategic propane reserve
10 to function properly;

11 (E) consideration of the means by which a
12 strategic propane reserve would prevent and
13 manage degradation of the propane in storage;

14 (F) an evaluation of appropriate triggers
15 (including price and supply) for making avail-
16 able propane from a strategic reserve;

17 (G) an evaluation of the appropriate man-
18 ner of acquiring propane and propane storage
19 for a strategic reserve, while minimizing market
20 implications, including an assessment of—

21 (i) unutilized and under-utilized stor-
22 age; and

23 (ii) new storage opportunities;

24 (H) an evaluation of the appropriate trans-
25 actions (including direct sales, exchanges, or

1 other options) for delivering propane in a stra-
2 tegic reserve to the market when a release is
3 triggered;

4 (I) an evaluation of likely consumers (in-
5 cluding individuals, agricultural producers, and
6 the Armed Forces) of propane from a strategic
7 reserve, including—

8 (i) identification and categorization of
9 those consumers;

10 (ii) a State-by-State breakdown of
11 propane usage by those consumers; and

12 (iii) an evaluation of the expected im-
13 pacts of a strategic propane reserve on
14 those categories of consumers and States;

15 (J) an evaluation of the market implica-
16 tions of establishing and administering a stra-
17 tegic propane reserve, including an assessment
18 of potential price and supply effects; and

19 (K) identification, preliminary assessment,
20 and evaluation of alternatives to a strategic
21 propane reserve that could provide supply and
22 price relief during regional propane supply dis-
23 ruptions.

24 (3) RECOMMENDATIONS.—In conducting the
25 study under this subsection, the Secretary of Energy

1 shall develop recommendations with respect to each
2 element of the study described in paragraph (2) re-
3 garding—

4 (A) whether a national strategic propane
5 reserve should be established; and

6 (B) if such a reserve should be established,
7 the most practicable method of establishment.

8 (b) PLAN.—Not later than 180 days after the date
9 of completion of the study under subsection (a), the Sec-
10 retary of Energy shall develop a plan for implementing
11 the recommendations developed under paragraph (3) of
12 that subsection.

13 (c) INDUSTRY COORDINATION.—In conducting the
14 study under subsection (a) and developing the plan under
15 subsection (b), the Secretary of Energy is encouraged to
16 coordinate with entities in the propane industry, including
17 representatives from the entire propane supply chain.

18 (d) SUBMISSION TO CONGRESS.—The Secretary of
19 Energy shall submit to the Committee on Energy and
20 Natural Resources of the Senate and the Committee on
21 Energy and Commerce of the House of Representatives
22 a report describing—

23 (1) the study completed under subsection (a);
24 and

25 (2) the plan developed under subsection (b).

1 (e) PROTECTION OF NATIONAL SECURITY INFORMA-
2 TION.—Before submitting the report under subsection (d),
3 or otherwise publishing the study completed under sub-
4 section (a) or the plan developed under subsection (b), the
5 Secretary of Energy shall adopt such procedures with re-
6 spect to confidentiality (including procedures for redaction
7 of information) as the Secretary determines to be nec-
8 essary to ensure the protection of classified information
9 relating to specific vulnerabilities to United States energy
10 security or reliability.