

(3) acquire by purchase, exchange (including exchange of petroleum products from the Strategic Petroleum Reserve or received as royalty from Federal lands), lease, or otherwise, petroleum distillate for storage in the Northeast Home Heating Oil Reserve;

(4) store petroleum distillate in facilities not owned by the United States; and

(5) sell, exchange, or otherwise dispose of petroleum distillate from the Reserve established under this part, including to maintain the quality or quantity of the petroleum distillate in the Reserve or to maintain the operational capability of the Reserve.

(Pub. L. 94-163, title I, §182, as added Pub. L. 106-469, title II, §201(a)(3), Nov. 9, 2000, 114 Stat. 2034.)

§ 6250b. Conditions for release; plan

(a) Finding

The Secretary may sell products from the Reserve only upon a finding by the President that there is a severe energy supply interruption. Such a finding may be made only if he determines that—

(1) a dislocation in the heating oil market has resulted from such interruption; or

(2) a circumstance, other than that described in paragraph (1), exists that constitutes a regional supply shortage of significant scope and duration and that action taken under this section would assist directly and significantly in reducing the adverse impact of such shortage.

(b) Definition

For purposes of this section a “dislocation in the heating oil market” shall be deemed to occur only when—

(1) The price differential between crude oil, as reflected in an industry daily publication such as “Platt’s Oilgram Price Report” or “Oil Daily” and No. 2 heating oil, as reported in the Energy Information Administration’s retail price data for the Northeast, increases by more than 60 percent over its 5-year rolling average for the months of mid-October through March (considered as a heating season average), and continues for 7 consecutive days; and

(2) The price differential continues to increase during the most recent week for which price information is available.

(c) Continuing evaluation

The Secretary shall conduct a continuing evaluation of the residential price data supplied by the Energy Information Administration for the Northeast and data on crude oil prices from published sources.

(d) Release of petroleum distillate

After consultation with the heating oil industry, the Secretary shall determine procedures governing the release of petroleum distillate from the Reserve. The procedures shall provide that—

(1) the Secretary may—

(A) sell petroleum distillate from the Reserve through a competitive process, or

(B) enter into exchange agreements for the petroleum distillate that results¹ in the Sec-

retary receiving a greater volume of petroleum distillate as repayment than the volume provided to the acquirer;

(2) in all such sales or exchanges, the Secretary shall receive revenue or its equivalent in petroleum distillate that provides the Department with fair market value. At no time may the oil be sold or exchanged resulting in a loss of revenue or value to the United States; and

(3) the Secretary shall only sell or dispose of the oil in the Reserve to entities customarily engaged in the sale and distribution of petroleum distillate.

(e) Plan

Within 45 days of November 9, 2000, the Secretary shall transmit to the President and, if the President approves, to the Congress a plan describing—

(1) the acquisition of storage and related facilities or storage services for the Reserve, including the potential use of storage facilities not currently in use;

(2) the acquisition of petroleum distillate for storage in the Reserve;

(3) the anticipated methods of disposition of petroleum distillate from the Reserve;

(4) the estimated costs of establishment, maintenance, and operation of the Reserve;

(5) efforts the Department will take to minimize any potential need for future drawdowns and ensure that distributors and importers are not discouraged from maintaining and increasing supplies to the Northeast; and

(6) actions to ensure quality of the petroleum distillate in the Reserve.

(Pub. L. 94-163, title I, §183, as added Pub. L. 106-469, title II, §201(a)(3), Nov. 9, 2000, 114 Stat. 2035; amended Pub. L. 109-58, title III, §301(d), Aug. 8, 2005, 119 Stat. 684.)

AMENDMENTS

2005—Subsec. (b)(1). Pub. L. 109-58 substituted “by more than 60 percent over its 5-year rolling average for the months of mid-October through March (considered as a heating season average)” for “by more than 60 percent over its 5 year rolling average for the months of mid-October through March”.

§ 6250c. Northeast Home Heating Oil Reserve Account

(a) Establishment

Upon a decision of the Secretary of Energy to establish a Reserve under this part, the Secretary of the Treasury shall establish in the Treasury of the United States an account known as the “Northeast Home Heating Oil Reserve Account” (referred to in this section as the “Account”).

(b) Deposits

the¹ Secretary of the Treasury shall deposit in the Account any amounts appropriated to the Account and any receipts from the sale, exchange, or other disposition of petroleum distillate from the Reserve.

(c) Obligation of amounts

The Secretary of Energy may obligate amounts in the Account to carry out activities

¹ So in original. Probably should be “result”.

¹ So in original. Probably should be capitalized.