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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

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A BILL

To prevent future propane shortages, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Propane Supply and Security Act of 2014''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Energy Information Administration.

(2) COMMISSION.—The term ''Commission'' means the Federal Energy Regulatory Commission.

(3) INTERSTATE COMMERCE.—The term ''interstate commerce'' has the meaning given the term in section 2 of the Natural Gas Act (15 U.S.C. 717a).

(4) PROPANE PIPELINE.—The term ''propane pipeline'' means a pipeline used to transport propane in interstate commerce.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 3. INFORMATION COLLECTION.

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

(1) propane storage, including—

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

(i) data at the State level; and

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

(B) weekly data to separately account for non-fuel propylene and propane for PADD 3 and other regions if the Administrator determines that inclusion of the nonfuel propylene supply data significantly distorts propane supply and pricing data, and the Administrator determines it is feasible to collect separate data on nonfuel propylene and propane; and

(2) propane markets, including pricing data for residential customers in States that voluntarily choose to participate in the State Heating Oil and Propane Program (SHOPP) of the Energy Information Administration.

(b) BIANNUAL WORKING AND NET AVAILABLE STORAGE CAPACITY REPORT.—The Administrator shall publish data on—

(1) storage at—

(A) major market centers, including the regions around Conway, Kansas and Mont Belvieu, Texas; and

(B) to the extent practicable based on existing surveys and consistent with confidentiality requirements, the regions reported in the weekly and monthly inventory data under subsection (a); and

(2) pipeline fill requirements and pipeline operational storage capacity.

(c) WOOD PILOT.—The Administrator shall work with the States participating in SHOPP to develop a program comparable to SHOPP to collect data on wood pellets, firewood, and other biomass.

SEC. 4. COORDINATED RESPONSE TO EMERGENCIES.

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

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

(2) propane supply shortages that threaten public safety or livestock safety.

(b) DUTIES.—In carrying out subsection (a), the Secretary shall—

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

(2) establish a system for forecasting and tracking the availability of propane, with an emphasis on predicting supply shortages;

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

(A) before an emergency; and

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

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

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

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

(1) actions to protect consumers from unfair pricing;

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

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

(B) to prioritize propane shipments by rail; and

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

(3) expedited release of energy assistance funds; and

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

(d) EFFECT.—Nothing in this section limits any existing authority of any Federal agency.

SEC. 5. DEFINITION OF CONSUMER PROPANE PRICES.

(a) FUNCTIONS OF PROPANE EDUCATION AND RESEARCH COUNCIL.—Section 5(f) of the Propane Education and Research Act of 1996 (15 U.S.C. 6404(f)) is amended in the first sentence by inserting ''to train propane distributors and consumers in strategies to mitigate negative effects of future propane price spikes,'' after ''to enhance consumer and employee safety and training,''.

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

SEC. 6. REGIONAL PROPANE RESERVE.

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

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

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

(1) the proposed acquisition of storage and related facilities or storage services for, including—

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

(B) a determination of the combination of primary, secondary, and tertiary storage facilities that will be used;

(2) the proposed acquisition of propane for storage;

(3) the proposed methods of disposition of propane;

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

(5) the efforts the Secretary will make—

(A) to minimize any potential need for future drawdowns; and

(B) to ensure that distributors and importers are not discouraged from maintaining and increasing supplies of propane;

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

(7) the proposed accounts and funding structures required for acquisition of propane and propane storage facilities.

SEC. 7. STORAGE FACILITY LOANS FOR PROPANE STORAGE.

Section 1614(a) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8789(a)) is amended by inserting ‘‘, including facilities for propane that is used for drying and heating’’ before the period at the end.

SEC. 8. STUDY OF JURISDICTION.

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

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

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

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

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