

**Strategic Petroleum Reserve
Proposed Appropriation Language**

For Department of Energy expenses necessary for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), *\$280,969,000*, to remain available until expended.

Explanation of Changes

The FY 2024 Request reflects increases for the Strategic Petroleum Reserve (SPR) Cavern Integrity Program, Maintenance Program, Major Maintenance Program to include additional funding for the West Hackberry Physical Security Program, Data Systems, and Cybersecurity. There is a minor decrease in the Physical Security Program activities. These activities will protect and enhance the SPR in fulfilling its mission as a national security asset; protecting American consumers from petroleum supply events; and meeting international obligations. The Request also funds the Northeast Gasoline Supply Reserve.

Public Law Authorizations

Public Law 109-58, "Energy Policy Act of 2005"
Bipartisan Budget Act of 2015 (P.L. 114-74, Section 403)
Bipartisan Budget Act of 2018 (P.L. 115-123)
Energy Policy and Conservation Act, P.L. 94-163, as amended, Section 151

**Strategic Petroleum Reserve
(\$K)**

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted
219,000	207,175	280,969	+73,794

Overview

The Strategic Petroleum Reserve (SPR) protects the U.S. economy from disruptions in critical petroleum supplies and meets United States (U.S.) obligations under the International Energy Program (Energy Policy and Conservation Act, P.L. 94-163, as amended, Section 151). The SPR benefits the U.S. by providing an insurance policy against potential interruptions in U.S. petroleum supplies, whether originating from domestic or international supply disruptions, natural disasters, sabotage, or acts of terrorism. The SPR also provides limited capability to lease excess storage space to outside entities.

The Northeast Gasoline Supply Reserve (NGSR) was administratively established in 2014 as part of the SPR to ease regional shortages resulting from sudden/unexpected supply interruptions (e.g., Superstorm Sandy). The NGSR consists of 1 million barrels of gasoline blendstock stored in leased commercial storage terminals located in Maine, Massachusetts, and New Jersey.

Highlights and Major Changes in the FY 2024 Budget Request

The SPR Program will pursue the following major activities in FY 2024:

- Equipment and facility maintenance to sustain drawdown capability.
- Major Maintenance to West Hackberry Physical Security Program.
- Security Program and maintenance of security related infrastructure items.
- Storage cavern wellbore diagnostic and remediation activities using 1 workover rig and crew that includes 10 cavern wellbore workovers. This includes Mechanical Integrity Testing required for cavern wells, and repair actions when wells fail to meet standards during the 5-year state-required testing cycle.

FY 2024 funding includes the utilization of one rig and workover rig crew to perform 10 cavern wellbore workovers within the Cavern Integrity Program, compared to 4 cavern well workovers that were planned in FY 2023. Additional funding is included to the Major Maintenance Program for upgrades to the West Hackberry Physical Security Program to be following DOE Order 473.3A and the SPR Level III Criteria. Besides the work being done at the West Hackberry site, an additional 6 Major Maintenance construction projects are planned as compared to 0 planned in FY 2023. An increase to the Maintenance Program supports preventive and corrective maintenance to equipment and infrastructure for Drawdown Readiness in a safe, timely, and environmentally compliant manner and in performing Congressionally mandated crude oil sales. With a decrease to the Security Program, the West Hackberry site retains capable and adequate effectiveness in providing a deterrence and response posture to adversarial threats.

Cybersecurity: DOE is engaged in three categories of cybersecurity -related activities: protecting the DOE enterprise from a range of cybersecurity threats that can adversely impact mission capabilities; bolstering the U.S. Government’s capabilities to address cybersecurity threats; and improving cybersecurity in the electric power subsector and the oil and natural gas subsector. The cybersecurity crosscut supports central coordination of the strategic and operational aspects of cybersecurity and facilitates cooperative efforts such as the Joint Cybersecurity Coordination Center for incident response and the implementation of Department-wide Identity Credential and Access Management.

	Cybersecurity	Total
Facilities Development and Operations	4,177	4,177

**Strategic Petroleum Reserve
Funding by Congressional Control
(\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Strategic Petroleum Reserve					
Facilities Development and Operations Management	168,525	163,444	233,897	+70,453	+43.1%
Northeast Gasoline Supply Reserve	22,000	15,080	16,280	+1,200	+8.0%
Total, Strategic Petroleum Reserve	219,000	207,175	280,969	+73,794	+35.6%
Federal FTEs	126	126	126	0	

**Future Years Energy Program (FYEP)
(\$K)**

	FY 2024 Request	FY 2025	FY 2026	FY 2027	FY 2028
Strategic Petroleum Reserve	280,969	287,000	294,000	301,000	308,000

Outyear Priorities and Assumptions

In the FY 2012 Consolidated Appropriations Act (P.L. 112-74), Congress directed the Department to include a future-years energy program (FYEP) in subsequent requests that reflects the proposed appropriations for five years. This FYEP shows outyear funding for each account for FY 2025 - FY 2028. The outyear funding levels use the growth rates in outyear account totals published in the FY 2024 President’s Budget for both the 050 and non-050 accounts. Actual future budget request levels will be determined as part of the annual budget process.

SPR priorities in the outyears include the following:

- FY 2024 - FY 2028: Continue ongoing efforts to protect the U.S. economy from disruptions in critical petroleum supplies and meet United States (U.S.) obligations under the International Energy Program.
- FY 2024 – FY 2026: Perform required upgrades to the West Hackberry Physical Security Program.
- FY 2024 – FY 2028: Continue a robust Major Maintenance Program to ensure SPR infrastructure is performing optimally.
- FY 2024 – FY 2028: Continue modernization of SPR infrastructure for release and fill missions.
- FY 2024 – FY 2028: Continue ongoing NGSR commercial storage leases.

Strategic Petroleum Reserve

Overview

The Strategic Petroleum Reserve (SPR) protects the U.S. economy from disruptions in critical petroleum supplies or demand and meets U.S. obligations under the International Energy Program (Energy Policy and Conservation Act, P.L. 94-163, as amended, Section 151). The SPR benefits the U.S. by providing an insurance policy against potential interruptions in U.S. petroleum supplies or demand whether originating from domestic and international supply disruptions, natural disasters, sabotage, and acts of terrorism.

The SPR has 372 million barrels of crude oil inventory (as of December 31, 2022) stored in underground cavern storage, providing the U.S. with multiple geostrategic benefits, and bolstering the world's collective energy security system. A release of petroleum from the SPR can mitigate the potential economic damage of an actual disruption in international or domestic petroleum supplies and the accompanying price increases. The SPR avails the U.S. with international emergency assistance through its participation in the International Energy Agency (IEA) energy supply security initiatives. IEA members are required to maintain 90 days' worth of net petroleum import protection in government-owned and/or commercial stocks and have a commitment to participate with other stockholding nations in a coordinated release of stocks in the event of a major supply disruption. While the U.S. is a net exporter of crude oil and all petroleum products as defined by the IEA, the inventory of 372 million barrels of crude oil as of December 31, 2022, would provide about 116 days of 2022 net crude oil import protection (based on net crude oil imports of 3.204 million barrels per day as reported in the U.S. Energy Information Administration's Petroleum Supply Monthly with Data Through August 2022). The SPR has a maximum drawdown capability of over 4 million barrels per day, which could be made available in the event of an IEA collective action. The United States percentage share of an IEA collective action release is 42.4%, as of August 2022.

To accomplish its mission and address the challenges outlined above, the SPR program is organized into two subprograms: 1) Facilities Development and Operations and 2) Management. The Facilities Development and Operations subprogram funds all requirements associated with developing and maintaining facilities for the storage of petroleum, operations activities associated with placing petroleum into storage and operational readiness initiatives associated with drawing down and distributing the inventory within 13 days' notice in the event of an emergency. The Management subprogram funds personnel and administrative expenses related to maintaining the Project Management Office (New Orleans, LA) and the Program Office (Washington, DC), as well as contract services required to support management and technical analysis of program initiatives and issues.

Highlights of the FY 2024 Budget Request

Additional funding is included to the Major Maintenance Program for upgrades to the West Hackberry Physical Security Program. Continuing oil sale activities increase equipment usage and run times and require consistent preventive, predictive and corrective maintenance to prevent or address equipment failures.

Cavern Integrity

The Casing Inspection and Cavern Remediation Program was developed in 2010 to remediate the anomalies in cavern wellbore casings. This is necessary to maintain the required level of operational and drawdown/fill capability. Cavern remediation and diagnostic workovers anticipate and remediate cavern wellbore failures that cause caverns to be removed from service, and in preventing potential environmental releases.

Maintenance and Major Maintenance

Maintenance of SPR equipment and facilities supports drawdown/fill readiness in a safe and environmentally compliant manner. Increased infrastructure use due to legislatively directed, multi-year crude oil sales require additional Maintenance and Major Maintenance activities to sustain operational readiness.

Major changes in FY 2024 include additional funding is included to the Major Maintenance Program for upgrades to the West Hackberry Physical Security Program to be following DOE Order 473.3A and the SPR Level III Criteria. Besides the work being done at the West Hackberry site, an additional 6 Major Maintenance construction projects are planned as compared to 0 planned in FY 2023. Increased maintenance activities in preventive and corrective maintenance, to equipment and facility infrastructure. The Cavern Integrity Program will perform 10 cavern wellbore workovers. With a minor decrease to the Security Program, the SPR retains capable and adequate effectiveness in providing a deterrence and response posture to adversarial threats.

**Strategic Petroleum Reserve
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Strategic Petroleum Reserve					
Facilities Development and Operations	168,525	163,444	233,897	+70,453	+43.1%
Management	28,475	28,651	30,792	+2,141	+7.5%
Northeast Gasoline Supply Reserve	22,000	15,080	16,280	+1,200	+8.0%
Total, Strategic Petroleum Reserve	219,000	207,175	280,969	+73,794	+35.6%
Federal FTEs	126	126	126	0	

**Strategic Petroleum Reserve
Explanation of Major Changes (\$K)**

FY 2024 Request vs FY 2023 Enacted

Facilities Development and Operations: The Request reflects increases to the Cavern Integrity Program (+\$6,328); the Maintenance Program (+\$7,529); Major Maintenance Program (+\$52,623); and replacements for support systems projects and contractor service support (+\$4,451). It reflects decreases to the Physical Security Program for SPR sites (-\$478).	+70,453
Management: The Request reflects an increase for salaries and benefits escalation, travel, rent to others, and technical support services.	+2,141
Northeast Gasoline Supply Reserve: The FY 2024 Budget Request reflects continuing support for the commercial gasoline storage leases.	+1,200
<hr/> Total, Strategic Petroleum Reserve	<hr/> +\$73,794

Strategic Petroleum Reserve Facilities Development and Operations

Description

The Facilities Development and Operations subprogram funds activities to maintain the SPR's operational readiness capability for successful drawdowns/fills and operate the sites in a safe, secure, and environmentally acceptable manner. Despite a significant reduction in U.S. reliance on imported petroleum, with significant global reserves in regions of the world subject to political unrest, the U.S. economy remains vulnerable to price increases/decreases related to petroleum supply/demand disruptions. The SPR's stockpile of petroleum products and spare capacity diminishes these vulnerabilities to the effects of supply/demand disruptions.

The SPR's underground storage caverns require maintenance to assure their storage capability and integrity. Surface and sub-surface infrastructure and systems that must be maintained to meet operational readiness requirements have been identified and are funded in this subprogram.

**Facilities Development and Operations
Funding**

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
Facilities Development and Operations \$163,444,000	\$233,897,000	+\$70,453,000
Casing Inspections and Remediations \$27,840,000	Casing Inspections and Remediations \$34,168,000	Casing Inspections and Remediations +\$6,328,000
<ul style="list-style-type: none"> Funding level supports 1 cavern workover rig and leased crew to execute 11 cavern wellbore diagnostic workovers. 	<ul style="list-style-type: none"> Funding level supports 1 cavern workover rig and leased crew to execute 10 cavern wellbore diagnostic workovers. 	<ul style="list-style-type: none"> The increase compared to FY 2023 allows for an increase of an additional 6 cavern wellbore diagnostic workover utilizing one leased rig and crew for cavern integrity operations to insure drawdown capability.
Major Maintenance \$3,838,000	Major Maintenance \$56,461, 000	Major Maintenance +\$52,623,000
<ul style="list-style-type: none"> Continue approach to repair, replace, or upgrade equipment including Security, Environmental, Safety & Health (ESH), Drawdown and Non-Drawdown critical systems. 	<ul style="list-style-type: none"> Continue approach to repair, replace, or upgrade equipment including Security, Environmental, Safety & Health (ESH), Drawdown and Non-Drawdown critical systems. 	<ul style="list-style-type: none"> Additional funding will support upgrades to the West Hackberry Physical Security Program to be following DOE Order 473.3A and the SPR Level III Criteria. Besides the work being done at the West Hackberry site, an additional 6 Major Maintenance construction projects are planned as compared to 0 planned in FY 2023. Continue approach to repair, replace, or upgrade equipment including Security, ESH, Drawdown and Non-Drawdown critical systems.
Maintenance \$28,061,000	Maintenance \$35,590,000	Maintenance +\$7,529,000
<ul style="list-style-type: none"> Provides preventive/corrective/predictive maintenance of the SPR equipment and facilities to support drawdown readiness in a safe and environmentally compliant manner. 	<ul style="list-style-type: none"> Provides preventive/corrective/predictive maintenance of the SPR equipment and facilities to support drawdown readiness in a safe and environmentally compliant manner. 	<ul style="list-style-type: none"> The increase supports additional materials and services for maintenance of pumps, motors, valves, and actuators of drawdown/fill critical equipment while maintaining an acceptable level of risk of equipment failures which could affect drawdown/fill operations.
Security \$23,073,000	Security \$22,595,000	Security -\$478,000
<ul style="list-style-type: none"> Protect and defend personnel, property and resources against assault, sabotage, vandalism, theft, trespass, and compromise of sensitive as well as classified information. 	<ul style="list-style-type: none"> Protect and defend personnel, property and resources against assault, sabotage, vandalism, theft, trespass, and compromise of sensitive as well as classified information. 	<ul style="list-style-type: none"> The minor decrease for replacement of security equipment will not hamper the Security Program to provide for a safe and secure workplace to meet DOE and Federal requirements for the protection of resources and information and ensuring drawdown readiness.

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
<p>Data Systems & Support \$80,632,000</p> <ul style="list-style-type: none"> Data Systems to support the mission of drawdown readiness, processing, sale, and receipt of goods (oil), communications, reporting, providing protection from malware and computer viruses, and all other activity associated with the use of data and information systems. Compliance requirements for Fire Protection, DOT 5-year Navigable Waterway Inspection, RMIAP (Cybersecurity), Multi-Factor Authentication and Piping Assurance Program. 	<p>Data Systems & Support \$85,083,000</p> <ul style="list-style-type: none"> Data Systems to support the mission of drawdown readiness, processing, sale, and receipt of goods (oil), communications, reporting, providing protection from malware and computer viruses, and all other activity associated with the use of data and information systems. Compliance requirements for Fire Protection, DOT 5-year Navigable Waterway Inspection, RMIAP (Cybersecurity), Multi-Factor Authentication and Piping Assurance Program. 	<p>Data Systems & Support +\$4,451,000</p> <ul style="list-style-type: none"> Funding level reflects an increase for replacement of life-cycle site operations equipment, data system server hardware and software upgrades, Risk Management Approach Implementation Plan (Cybersecurity), technical services support activities to include Engineering, Quality Assurance, Property Management, Procurement, Safety & Health, and Financial Management.

**Northeast Gasoline Supply Reserve
Funding**

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
Northeast Gasoline Reserve \$15,080,000	Northeast Gasoline Reserve \$16,280,000	Northeast Gasoline Reserve +\$1,200,000
<ul style="list-style-type: none"> The NGSR consists of 1 million barrels of gasoline blendstock stored in leased commercial storage terminals located in Maine, Massachusetts, and New Jersey. 	<ul style="list-style-type: none"> The NGSR awarded contracts have a 1-year Base Period with three, 1-year Option Periods 	<ul style="list-style-type: none"> Funding increase reflects the next option year of the current commercial leases.

**Strategic Petroleum Reserve
Capital Summary¹ (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Capital Operating Expenses Summary (including MIE)					
Capital Equipment > \$500K (including MIE)	4,209	0	49,337	+49,337	+100.0%
Plant Projects (GPP >\$10M)	0	0	0	0	0.0%
Total, Capital Operating Expenses	4,209	0	49,337	+49,337	+100.0%
Capital Equipment > \$500K (including MIE)					
Total Non-MIE Capital Equipment (>\$500K)	4,209	0	49,337	+49,337	+100.0%
Total, Capital Equipment (including MIE)	4,209	0	49,337	+49,337	+100.0%
Plant Projects (GPP - Total Estimated Cost >\$10M)					
Total, Plant Projects (GPP – Total Estimated Cost)	0	0	0	0	0.0%
Total, Capital Summary	4,209	0	49,337	+49,337	+100.0%

¹ This list of projects is illustrative and can be adjusted based on operational requirements, priorities, and/or funding.

Strategic Petroleum Reserve Management

Overview

Management provides funding for the salaries and related requirements of the Headquarters federal workforce responsible for providing programmatic policy, planning and oversight, to include strategic project planning, budget formulation and financial management, operations, engineering, safety, security, and technical analysis of programmatic activity of the SPR. The additional Federal workforce of the SPR Project Management Office directs program execution and establishes technical performance standards as well as scope, cost, and schedule milestones for the Management and Operations contractor.

Highlights of the FY 2024 Budget Request

The Federal staff remains at 126 FTEs with additional technical support contractors. Travel is for operational field support and oversight, including site and vendor visits. Other related expenses include field building leases and telecommunications activities.

**Management
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Program Direction Summary					
Washington Headquarters					
Salaries and Benefits	5,729	5,844	6,090	+246	+4.2%
Travel	130	120	130	+10	+8.3%
Support Services	2,109	1,619	2,000	+381	+23.5%
Other Related Expenses	1,032	1,917	1,949	+32	+1.7%
Total, Washington Headquarters	9,000	9,500	10,169	+669	+7.0%
Strategic Petroleum Reserve Project Management Office					
Salaries and Benefits	15,552	15,940	16,993	+1,053	+6.6%
Travel	565	575	600	+25	+4.3%
Support Services	665	715	725	+10	+1.4%
Other Related Expenses	2,693	1,921	2,305	+384	+20.0%
Total, SPR Project Management Office	19,475	19,151	20,623	+1,472	+7.7%
Total Management					
Salaries and Benefits	21,281	21,784	23,083	+1,299	+6.0%
Travel	695	695	730	+35	+5.0%
Support Services	2,774	2,334	2,725	+391	+16.8%
Other Related Expenses	3,725	3,838	4,254	+416	+10.8%
Total, Management	28,475	28,651	30,792	+2,141	+7.5%
Federal FTEs	126	126	126	0	

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Support Services					
Technical Support					
Economic & Environmental Analysis	570	570	600	+30	+5.3%
Total, Technical Support	570	570	600	+30	+5.3%
Management Support					
Training and OPM Recruitment	150	150	150	0	0.0%
Technical Support	2,054	1,614	1,975	+361	+22.4%
Total Management Support	2,204	1,764	2,125	+361	+20.5%
Total, Support Services	2,774	2,334	2,725	+391	+16.8%
Other Related Expenses					
Rent to Others	661	719	720	+1	+0.1%
Communications, Utilities, Misc.	73	119	150	+31	+26.1%
Other Services	2,491	2,350	2,659	+309	+13.1%
Supplies and Materials	50	50	75	+25	+50.0%
Equipment	450	600	650	+50	+8.3%
Total, Other Related Expenses	3,725	3,838	4,254	+416	+10.8%

**Management
Funding**

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
Management \$28,651,000	\$30,792,000	+\$2,141,000
Salaries and Benefits \$21,784,000	\$23,083,000	+\$1,299,000
<ul style="list-style-type: none"> The funding supports salaries and benefits for 126 FTEs and associated costs required to provide overall direction and execution of the SPR. The SPR mission is carried out by a workforce composed largely of M&O contractors, although there are a variety of functions that are inherently governmental (i.e., program management, contract administration, budget formulation, and interagency/international coordination) that require a dedicated Federal workforce. 	<ul style="list-style-type: none"> The funding supports salaries and benefits for 126 FTEs and associated costs required to provide overall direction and execution of the SPR. The SPR mission is carried out by a workforce composed largely of M&O contractors, although there are a variety of functions that are inherently governmental (i.e., program management, contract administration, budget formulation, and interagency/international coordination) that require a dedicated Federal workforce. 	<ul style="list-style-type: none"> Increase reflects escalation in costs.
Travel \$695,000	\$730,000	+\$35,000
<ul style="list-style-type: none"> Provides travel to assure capability to achieve Level 1 Performance criteria for drawdown and distribution of the Reserve. 	<ul style="list-style-type: none"> Provides travel to assure capability to achieve Level 1 Performance criteria for drawdown and distribution of the Reserve. 	<ul style="list-style-type: none"> Minor increase in travel supports travel required to ensure the reserve is drawdown ready.
Support Services \$2,334,000	\$2,725,000	+\$391,000
<ul style="list-style-type: none"> Activities support project-planning efforts to maintain technical, mission essential support capabilities. 	<ul style="list-style-type: none"> Activities support project-planning efforts to maintain technical, mission essential support capabilities. 	<ul style="list-style-type: none"> Increase reflects project-planning efforts for technical analysis which support programmatic planning and capability requirements.
Other Related Expenses \$3,838,000	\$4,254,000	+\$416,000
<ul style="list-style-type: none"> Provides teleconferencing capabilities between sites; field site building leases; analytical support services and materials; Information Technology (IT) hardware and software materials and services support. 	<ul style="list-style-type: none"> Provides teleconferencing capabilities between sites; field site building leases; analytical support services and materials; Information Technology (IT) hardware and software materials and services support. 	<ul style="list-style-type: none"> Increase reflects increases for the cost of field site building leases, Program Office Working Capital Fund, IT hardware and software materials.

**Strategic Petroleum Reserve
Facilities Maintenance and Repair**

The SPR Program’s Facilities Maintenance and Repair activities are tied to its programmatic missions, goals, and objectives. The Facilities Maintenance and Repair activities funded by this budget and displayed below are intended to halt asset condition degradation.

Costs for Direct-Funded Maintenance and Repair (including Deferred Maintenance Reduction) (\$K)

	FY 2022 Actual Cost	FY 2022 Planned Cost	FY 2023 Planned Cost	FY 2024 Planned Cost
Strategic Petroleum Reserve	34,440	32,113	30,899	88,407
Total, Direct-Funded Maintenance and Repair	34,440	32,113	30,899	88,407

Report on FY 2022 Expenditures for Maintenance and Repair

This report responds to legislative language set forth in Conference Report (H.R. 108-10) accompanying the Consolidated Appropriations Resolution, 2003 (Public Law 108-7) (pages 886-887), which requests the Department of Energy provide an annual year-end report on maintenance expenditures to the Committees on Appropriations. This report compares the actual maintenance expenditures in FY 2022 to the amount planned for FY 2021, including congressionally directed changes.

Total Costs for Maintenance and Repair (\$K)

	FY 2022 Actual Cost	FY 2022 Planned Cost
Strategic Petroleum Reserve	34,440	32,113
Total, Direct-Funded Maintenance and Repair	34,440	32,113

**18-E-001, Strategic Petroleum Reserve (SPR) Modernization
Various locations**

Project Data Sheet is for Design and Construction

1. Summary, Significant Changes, and Schedule and Cost History

Summary

Initially, the SPR Modernization Program was comprised of two projects: the Life Extension Phase II (LE2) project, and the Marine Terminal Distribution Capability Enhancements (MTE) project; however, the MTE project has since been cancelled due to lack of current mission need. The LE2 subprogram will modernize aging SPR infrastructure through systems upgrades and associated equipment replacement to ensure continued ability to meet mission requirements for the next 25 years. LE2 activities were planned to occur at all four SPR storage sites: Bryan Mound, Big Hill, West Hackberry, and Bayou Choctaw, however due to unprecedented external impacts to the program discrete scopes have been removed. Impacts from the pandemic (supply chain disruptions, inflation and workforce challenges) and delays related to emergency sales in 2022, the LE2 activities (procurement of long lead material and construction) at West Hackberry have been suspended. The emergency oil sale delayed the start of the site outage window by 12 plus months and increased the hotel load associated with engineering and construction support. In addition the delay from the emergency oil sales caused additional cost to be incurred by the general contractor at the BM site.

The Energy Security and Infrastructure Modernization (ESIM) Fund was established as the funding source for the SPR Modernization Program. The ESIM fund contains offsetting collections from the sale of SPR crude up to the authorized annual revenue ceiling. These sales are limited to the period of fiscal years 2017 through 2020. However, the final sale in FY 2020 did not occur because of a lack of demand related to the COVID-19 virus. Section 14002 of the CARES Act (P.L. 116-136) provided the Department flexibility to conduct the final sale in FY 2020, FY 2021, or FY 2022. The final sale was ultimately conducted in FY 2021.

Significant Changes

LE2 Project:

The Office of Petroleum Reserves has transitioned from Fossil Energy to Cybersecurity Energy Security and Emergency Response (CESER) in Fiscal Year 2022.

This Construction Project Data Sheet (CPDS) is an update from the Fiscal Year 2023 Congressional Request and does not include a new start for the budget year. Design has been significantly completed and the program (Bryan Mound, Bayou Choctaw, and Big Hill) received a Critical Decision (CD)-2 Approved Project Baseline and CD-3 Approved Start of Construction in June FY 2021. CD-2 Approve Project Baseline and CD-3 Approved Start of Construction in FY 2023 for West Hackberry has been suspended. The Total Project Cost for the project was \$1.42 billion, but is now forecast at \$1.92B due to pandemic increases related cost increases and delays related to emergency sales in 2022. Therefore scope has been deferred Bryan Mound (BM) and Bayou Choctaw (BC) Physical Protect and the Degas Plan module fabrication and installation at BC to allow portions of the project to complete within the \$1.42 B funding level. LE2 construction activities are underway at all SPR sites. The large BC, BM and BC General Construction (GC) contracts have been awarded which address the Key Performance Parameters of the LE2 program. The BM General Contractor (GC) construction on subsystems not impacting drawdown activities continues despite the impact of the emergency oils sales that continued through December 2022, with plans executed to allow the GC to work activities on facility subsystems that do not impact oil movements. The emergency oil sales have delayed the previously scheduled BM site outage by a minimum of 12 months, with a forecasted date of May 1, 2023. The site outages, site unavailable to receive or drawdown oil, are required to facilitate construction activities including replacement of critical equipment. Additionally, staff working on LE2 collaborated with staff from Maintenance and Operations to identify new outage windows for the remaining SPR sites and the Bayou Choctaw outage started February 2023, and Big Hill (BH) in March 2024. At West Hackberry (WH), the LE2 team completed work on the construction laydown area and the subcontractor subsequently demobilized in January 2023.

During July, the Integrated Project Team (IPT) has worked closely with the DOE Office of Project Management (PM-30) team to resolve the few remaining issues and achieved Earned Value Management System (EVMS) Program Certification. In July, CD-3E long-lead procurement activities for the re-scoped sub-project was submitted for approval.

Many external factors (COVID-19 pandemic effects on commodity and labor markets, Presidentially directed emergency oil sales, etc.) required a reassessment of scope for the project, resulting in the decision to reallocate the remaining West Hackberry (WH) \$216M funding to the three (previously baselined) SPR sites.

DOE O 413.3B approved CD-1 for LE2 on December 16, 2016 with a total project cost range of \$750 million to \$1.4 billion does not include the supplemental appropriations that will be requested to fund the descope scopes and the WH sub-project, and a CD-4 completion date range of September 2022 to September 2026. Multiple CD-3X's, acquisition of long lead equipment and site preparatory work, were approved between FY 2017 and FY 2022. A Federal Project Director (FPD) has been assigned to this project and has approved this Construction Project Data Sheet (CPDS).

MTE Project:

The Marine Terminal Distribution Capability Enhancements project scope did not receive Congressional funding authority in fiscal year 2018. On May 21, 2018, the Under Secretary of Energy signed a memorandum approving the cancelation of the Strategic Petroleum Reserve Marine Terminal Distribution Capability Enhancement project. The acting Federal Project Director for the LE2 program is certified at Level I with the application of Level II/III pending.

Life Extension Phase II:

Critical Milestone History

	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018*	10/30/15	09/01/16	12/22/16	3 rd Qtr 2019	3 rd Qtr 2019	3 rd Qtr 2019	4th Qtr 2024
FY 2019*	10/30/15	09/01/16	12/22/16	3 rd Qtr 2019	3 rd Qtr 2019	3 rd Qtr 2019	4th Qtr 2024
FY 2020*	10/30/15	09/01/16	12/22/16	4 th Qtr 2020	4 th Qtr 2020	4 th Qtr 2020	4th Qtr 2024
FY 2021*	10/30/15	09/01/16	12/22/16	2 nd Qtr 2021	2 nd Qtr 2021	2 nd Qtr 2021	4th Qtr 2024**
FY 2022*	10/30/15	09/01/16	12/22/16	3 rd Qtr 2021	2 nd Qtr 2021	3 rd Qtr 2021	4th Qtr 2026**
FY 2023***	10/30/15	09/01/16	12/22/16	3 rd Qtr 2021	2 nd Qtr 2021	3 rd Qtr 2021	4th Qtr 2026**
FY 2024****	10/30/15	09/01/16	12/22/16	3 rd Qtr 2021	2 nd Qtr 2021	3 rd Qtr 2021	Various

CD-0 – Approved Mission Need for a construction project with a conceptual scope and cost range

Conceptual Design Complete – Actual date the conceptual design was completed (if applicable)

CD-1 – Approve Alternative Selection and Cost Range

CD-2 – Approve Performance Baseline

Final Design Complete – Estimated/Actual date the project design will be/was complete(d)

CD-3 – Approve Start of Construction

Deactivation & Decommissioning Complete –Completion of D&D work

CD-4 – Approve Start of Operations or Project Completion

PB – Indicates the Performance Baseline

***Project does not have CD-2 approval and has not been baselined.**

The costs are only estimates and consistent with the high end of the cost ranges.

****CD-4 for three sites is currently estimated FY 2026.**

***** Project has CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill.**

**** Project has CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill. New CD-4 dates for baselined sites: Bryan Mound 4th Qtr FY 2026, Bayou Choctaw 1st Qtr FY 2026, and Big Hill 4th Qtr FY 2026.

Site	Current Baseline CD-4 Date	Proposed Baseline CD-4 Date	Delta in Months
Bayou Choctaw	2/6/2025	1/25/2025	-0.5
Big Hill	2/28/2025	8/24/2026	18
Bryan Mound	5/23/2025	1/26/2026	7.5

Fiscal Year	Performance Baseline Validation	CD-3A	CD-3B	CD-3C	CD-3D	CD-3E
FY 2017		07/14/17				
FY 2018						
FY 2019			11/20/18	10/25/2019		
FY 2020					01/2021	
FY 2021	6/17/2021*					
FY 2022						TBD

CD-3A – Approve Long-Lead Procurements, Original Scope
CD-3B – Approve Long-Lead Procurements, Revised Scope
CD-3C – Approve Long-Lead Procurements, Revised Scope
CD-3D – Approve Long-Lead Procurements, Revised Scope
CD-3E – Approve Long-Lead Procurements, Revised Scope

* Baseline validation for Bryan Mound, Bayou Choctaw and Big Hill only

Project Cost History

	TEC, Design (\$000)	TEC, Construction (\$000)	TEC, Total (\$000)	OPC Except D&D (\$000)	OPC, D&D (\$000)	OPC, Total (\$000)	TPC (\$000)
FY 2018	\$100,628	\$1,299,372	\$1,400,000	\$6,711	\$0	\$6,711	\$1,406,711
FY 2019	\$199,749*	\$800,251	\$1,000,000**	\$5,250	\$0	\$5,250	\$1,005,250
FY 2020	\$276,383	\$1,163,617***	\$1,440,000***	\$5,250	\$0	\$5,250	\$1,445,250***
FY 2021	\$392,886	\$1,047,114	\$1,440,000	\$5,250	\$0	\$5,250	\$1,445,250
FY 2022	\$392,886	\$1,022,888	\$1,415,774	\$5,250	\$0	\$5,250	\$1,421,024
FY 2023	\$354,657	\$1,061,117	\$1,415,774	\$5,250	\$0	\$5,250	\$1,421,024
FY 2024	\$354,657	\$1,561,117	\$1,915,774	\$5,250	\$0	\$5,250	\$1,921,024****

The costs are only estimates as of July 2022 and consistent with the high end of the cost ranges. No construction funds, except for approved long lead procurement, will be used until the project performance baseline for each sub-project has been validated and CD-3 has been approved. CD-3 was approved in June 2021 for the Bayou Choctaw, Big Hill, and Bryan Mound sites.

*The increase in design cost is due to: 1) competing the design contract instead of using a reach-back contract to the M&O contractor partner; 2) adding fee to competed contract; 3) adding escalation to schedule delay caused by competing design contract; and 4) adding engineering cost associated with additional scope (deleted scope was represented completely in construction cost).

** The maximum range project cost of \$1.4B was approved at CD-1.

*****The initial Project Scope was expanded to include drilling 17 new wells at two sites. The costs for FY 2020 entry were revised to reflect the increase in scope. This scope has since been removed to stay within the \$1.42 B funding limit.**

2. Project Scope and Justification

Scope

The Strategic Petroleum Reserve-Life Extension 2 (SPR-LE2) project involved work at all four SPR storage sites: Bryan Mound, Big Hill, West Hackberry, and Bayou Choctaw. The SPR-LE2 project will be managed as four sub-projects based on site location for baseline development, field execution, and project completion. Completion of the SPR-LE2 project will extend SPR key equipment and infrastructure capabilities for an additional 15-25 years and assure the required drawdown of 4.4 million barrels per day of hydraulic capability is maintained. Actual drawdown rate is highly dependent on cavern/site fill level. The scope at each of the four SPR storage facilities includes modernization of aging SPR infrastructure through systems upgrades and associated equipment replacement including repair or replace crude oil transfer systems, raw water systems, brine disposal systems, power distribution and lighting systems, and physical security systems. The West Hackberry project has been deferred to stay within the current funding level.

Justification

In August 2016, the Department of Energy published a Long-Term Strategic Review (LTSR) of SPR capabilities and infrastructure. The LTSR compared current operational capability to Level 1 Technical and Performance Criteria and identified gaps within the storage site infrastructure and distribution system necessary to provide the design delivery rate of 4.4 million barrels per day if capacity is completely filled, now and for the next 25 years. The results indicated that a significant investment in infrastructure and process equipment is critical to ensure the SPR can maintain readiness, meet mission requirements, and operate in an environmentally responsible manner. The SPR-LE2 Project addresses these requirements. Current surface assets and systems are at or near their original design life of 25 years and early analysis suggests the required Life Extension Program (LEP) could take up to six years to complete. Revitalization of many, but not all, of those assets and systems last occurred from 1995 to 2000 under the first LEP. As these assets continue to age, modernization will be required – either through additional maintenance and/or repair, or outright replacement.

The project is being conducted in accordance with the project management requirements in DOE O 413.3B, Program and Project Management for the Acquisition of Capital Assets.

Key Performance Parameters (KPPs)

The Threshold KPPs represent the minimum acceptable performance that the project must achieve. Achievement of the Threshold KPPs will be a prerequisite for approval of CD-4, Project Completion. The Objective KPPs represent the desired project performance. The preliminary KPPs will be finalized when the project is baselined at CD-2.

Performance Measure	Threshold	Objective
Raw Water Withdrawal Rate	TBD	4.5 MMBD*
Peak Sustained Drawdown Rate	TBD	4.4 MMBD*
Site Fill Rate	TBD	605 MBD**

***At full capacity. MMBD is Million Barrels per day.**

****At full capacity. MBD is Thousand Barrels per day.**

3. Project Cost and Schedule (assumes additional funding of \$500 million requested in supplemental appropriations is approved sometime in early FY 2023)

Financial Schedule (LE2 Project Summary)

	(\$K)		
	Appropriations	Obligations	Costs
Total Estimated Cost (TEC)			
Design			
FY 2015	\$0	\$0	\$0
FY 2016	\$0	\$0	\$0
FY 2017	\$137,215	\$137,215	\$4,159
FY 2018	\$116,377	\$116,377	\$59,036
FY 2019	\$68,480	\$68,480	\$74,893
FY 2020	\$7,760	\$7,760	\$68,487
FY 2021	\$24,825	\$24,825	\$44,039
FY 2022	\$0	\$0	\$47,028
FY 2023	\$0	\$0	\$34,916
FY 2024	\$0	\$0	\$20,395
FY 2025	\$0	\$0	\$1,704
Total, Design a	\$354,657	\$354,657	\$354,657
Construction			
FY 2015	\$0	\$0	\$0
FY 2016	\$0	\$0	\$0
FY 2017	\$27,400	\$27,400	\$0
FY 2018 b	\$338,284	\$338,284	\$483
FY 2019	\$262,459	\$262,459	\$729
FY 2020	\$0	\$0	\$26,076
FY 2021	\$432,974	\$432,974	\$61,857
FY 2022	\$0	\$0	\$249,357
FY 2023	\$500,00	\$500,000	\$500,906
FY 2024	\$0	\$0	\$462,270
FY 2025	\$0	\$0	\$209,440
FY 2026	\$0	\$0	\$49,999
Total, Construction	\$1,561,117	\$1,561,117	\$1,561,117

Financial Schedule (LE 2 Project Summary) continued

	(\$K)		
	Appropriations	Obligations	Costs
TEC			
FY 2015	\$0	\$0	\$0
FY 2016	\$0	\$0	\$0
FY 2017	\$164,615	\$164,615	\$4,159
FY 2018	\$454,661	\$454,661	\$59,519
FY 2019	\$330,939	\$330,939	\$75,622
FY 2020	\$7,760	\$7,760	\$94,563
FY 2021	\$457,799	\$457,799	\$105,896
FY 2022	\$0	\$0	\$296,385
FY 2023	\$500,000	\$500,000	\$535,822
FY 2024	\$0	\$0	\$482,665
FY 2025	\$0	\$0	\$211,144
FY 2026	\$0	\$0	\$49,999
Total, TEC	\$1,915,774	\$1,915,774	\$1,915,774

Other Project
Cost (OPC)

FY 2015 c,d	\$88	\$88	\$88
FY 2016 c,d	\$4,190	\$4,190	\$4,190
FY 2017 d	\$972	\$972	\$699
FY 2018 d	\$0	\$0	\$273
FY 2019	\$0	\$0	\$0
FY 2020	\$0	\$0	\$0
FY 2021	\$0	\$0	\$0
FY 2022	\$0	\$0	\$0
FY 2023	\$0	\$0	\$0
FY 2024	\$0	\$0	\$0
FY 2025	\$0	\$0	\$0
Total, OPC	\$5,250	\$5,250	\$5,250

	(\$K)		
	Appropriations	Obligations	Costs
Total Project Cost (TPC)			
FY 2015	\$88	\$88	\$88
FY 2016	\$4,190	\$4,190	\$4,190
FY 2017 e	\$340,972	\$165,587	\$4,859
FY 2018 f	\$350,000	\$454,661	\$59,792
FY 2019 g, j	\$300,000	\$330,939	\$75,622
FY 2020 h	\$0	\$7,760	\$94,563
FY 2021 i	\$425,774	\$457,799	\$105,896
FY 2022	\$0	\$0	\$296,385
FY 2023 l	\$500,000	\$500,000	\$535,822
FY 2024	\$0	\$0	\$482,665
FY 2025	\$0	\$0	\$211,143
FY 2026	\$0	\$0	\$49,999
Total, TPC d,k	\$1,921,024	\$1,921,024	\$1,921,024

a: DOE and DOE support labor; M&O project support

b: Bayou Choctaw CD-3A Degas Plant

c: Includes costs for Office of Project Management

d: Funding requirements are included in the Facilities Appropriation 089X0218.

e: FY 2017 Omnibus authorized oil sales target of \$340,000,000 (Appropriation). Actual proceeds were \$323,195,827.

f: FY 2018 Omnibus authorized oil sales target of \$350,000,000 (Appropriation). Actual proceeds were \$347,828,624

g: FY 2019 Omnibus authorized oil sales target of \$300,000,000 (Appropriation). Actual proceeds were \$299,999,961

h: FY 2020 Omnibus authorized oil sales target of \$450,000,000 (Appropriation). Sales postponed and authorized completion no later than FY 2022 as part of the CARES Act (P.L. 116-136).

i: FY 2021 Omnibus authorized oil sales target of \$450,000,000 (Appropriation). Actual proceeds were \$499,999,980

j: Includes costs for Office of Project Management EIR which will be funded from the DOE Contingency within LE 2 funds

k: The Total Project Cost (TPC) of \$1.4B was approved at CD-1, and final scope will be established at CD-2. The TPC for obligations and costs is the total of funds from Facilities Appropriation and funding received through the sale of SPR crude oil.

L: Scope was cut to stay within the \$1.42 B.

Financial Schedule – Bryan Mound

(dollars in thousands)

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$14,956	\$874
FY 2018	\$22,289	\$11,676
FY 2019	\$10,480	\$11,699
FY 2020	\$1,940	\$12,747
FY 2021	\$19,996	\$9,125
FY 2022	\$0	\$9,977
FY 2023	\$0	\$7,852
FY 2024	\$0	\$5,711
FY 2025	\$0	\$0
Total, Design	\$69,661	\$69,661
Construction		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$3,400	\$0
FY 2018	\$48,884	\$353
FY 2019	\$50,000	\$0
FY 2020	\$0	\$2,289
FY 2021	\$141,386	\$13,563
FY 2022	\$0	\$74,844
FY 2023	\$172,313	\$112,557
FY 2024	\$0	\$126,221
FY 2025	\$0	\$68,925
FY 2026	\$0	\$17,231
Total, Construction	\$415,983	\$415,983

Financial Schedule – Bryan Mound, continued

	(dollars in thousands)	
	Obligations	Costs
TEC		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$18,356	\$874
FY 2018	\$71,173	\$12,029
FY 2019	\$60,480	\$11,699
FY 2020	\$1,940	\$15,036
FY 2021	\$161,382	\$22,688
FY 2022	\$0	\$84,821
FY 2023	\$172,313	\$120,409
FY 2024	\$0	\$131,932
FY 2025	\$0	\$68,925
FY 2026	\$0	\$17,231
Total, TEC	\$485,644	\$485,644
Other Project Cost (OPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$243	\$175
FY 2018	\$0	\$68
FY 2019	\$0	\$0
FY 2020	\$0	\$0
FY 2021	\$0	\$0
FY 2022	\$0	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, OPC	\$1,313	\$1,313

Financial Schedule – Bryan Mound, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$18,599	\$1,049
FY 2018	\$71,173	\$12,097
FY 2019	\$60,480	\$11,699
FY 2020	\$1,940	\$15,036
FY 2021	\$161,382	\$22,688
FY 2022	\$0	\$84,821
FY 2023	\$172,313	\$120,409
FY 2024	\$0	\$131,932
FY 2025	\$0	\$68,925
FY 2026	\$0	\$17,231
Total, TPC	\$486,957	\$486,957

Financial Schedule – West Hackberry

(dollars in thousands)

Obligations	Costs
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Total Estimated Cost (TEC)

Design

FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$24,801	\$1,072
FY 2018	\$27,043	\$14,861
FY 2019	\$23,000	\$21,382
FY 2020	\$1,940	\$16,889
FY 2021	\$18,524	\$12,622
FY 2022	\$0	\$10,367
FY 2023	\$0	\$9,379
FY 2024	\$0	\$7,032
FY 2025	\$0	\$1,704
Total, Design	\$95,308	\$95,308

Construction

FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$3,000	\$0
FY 2018	\$111,269	\$130
FY 2019	\$99,819	\$710
FY 2020	\$0	\$1,426
FY 2021	(\$16,255)	\$12,394
FY 2022	\$0	\$38,101
FY 2023	\$62,260	\$96,663
FY 2024	\$0	\$70,099
FY 2025	\$0	\$34,344
FY 2026	\$0	\$6,226
Total, Construction	\$260,093	\$260,093

Financial Schedule – West Hackberry, continued

	(dollars in thousands)	
	Obligations	Costs
TEC		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$27,801	\$1,072
FY 2018	\$138,312	\$14,991
FY 2019	\$122,819	\$22,092
FY 2020	\$1,940	\$18,315
FY 2021	\$2,269	\$25,016
FY 2022	\$0	\$48,468
FY 2023	\$62,260	\$106,042
FY 2024	\$0	\$77,131
FY 2025	\$0	\$36,048
FY 2026	\$0	\$6,226
Total, TEC	\$355,401	\$355,401
Other Project Cost (OPC)		
FY 2015	\$22	\$22
FY 2016	\$1,046	\$1,046
FY 2017	\$243	\$174
FY 2018	\$0	\$69
FY 2019	\$0	\$0
FY 2020	\$0	\$0
FY 2021	\$0	\$0
FY 2022	\$0	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, OPC	\$1,311	\$1,311

Financial Schedule – West Hackberry, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	\$22	\$22
FY 2016	\$1,046	\$1,046
FY 2017	\$28,044	\$1,246
FY 2018	\$138,312	\$15,060
FY 2019	\$122,819	\$22,092
FY 2020	\$1,940	\$18,315
FY 2021	\$2,269	\$25,016
FY 2022	\$0	\$48,468
FY 2023	\$62,260	\$106,042
FY 2024	\$0	\$77,131
FY 2025	\$0	\$36,048
FY 2026	\$0	\$6,226
Total, TPC	\$356,712	\$356,712

Financial Schedule – Bayou Choctaw

(dollars in thousands)

Obligations	Costs
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Total Estimated Cost (TEC)

Design

FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$33,074	\$1,003
FY 2018	\$43,111	\$18,600
FY 2019	\$19,000	\$21,981
FY 2020	\$1,940	\$20,941
FY 2021	(\$2,787)	\$9,535
FY 2022	\$0	\$10,595
FY 2023	\$0	\$8,772
FY 2024	\$0	\$2,911
FY 2025	\$0	\$0
Total, Design	\$94,338	\$94,338

Construction

FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$0	\$0
FY 2018	\$127,713	\$0
FY 2019	\$24,820	\$19
FY 2020	\$0	\$5,146
FY 2021	\$106,601	\$20,778
FY 2022	\$0	\$67,800
FY 2023	\$121,956	\$130,303
FY 2024	\$0	\$96,066
FY 2025	\$0	\$48,783
FY 2026	\$0	\$12,195
Total, Construction	\$381,090	\$381,090

Financial Schedule – Bayou Choctaw, continued

(dollars in thousands)		
	Obligations	Costs
TEC		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$33,074	\$1,003
FY 2018	\$170,824	\$18,600
FY 2019	\$43,820	\$22,000
FY 2020	\$1,940	\$26,087
FY 2021	\$103,814	\$30,313
FY 2022	\$0	\$78,395
FY 2023	\$121,956	\$139,075
FY 2024	\$0	\$98,977
FY 2025	\$0	\$48,783
FY 2026	\$0	\$12,195
Total, TEC	\$475,428	\$475,428
Other Project Cost (OPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$243	\$175
FY 2018	\$0	\$68
FY 2019	\$0	\$0
FY 2020	\$0	\$0
FY 2021	\$0	\$0
FY 2022	\$0	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, OPC	\$1,313	\$1,313

Financial Schedule – Bayou Choctaw, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$33,317	\$1,178
FY 2018	\$170,824	\$18,668
FY 2019	\$43,820	\$22,000
FY 2020	\$1,940	\$26,087
FY 2021	\$103,814	\$30,313
FY 2022	\$0	\$78,395
FY 2023	\$121,956	\$139,075
FY 2024	\$0	\$98,977
FY 2025	\$0	\$48,783
FY 2026	\$0	\$12,195
Total, TPC	\$476,741	\$476,741

Financial Schedule – Big Hill

(dollars in thousands)

	Obligations	Costs
Total Estimated Cost (TEC)		
Design		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$64,384	\$1,210
FY 2018	\$23,934	\$13,899
FY 2019	\$16,000	\$19,831
FY 2020	\$1,940	\$17,910
FY 2021	(\$10,908)	\$12,757
FY 2022	\$0	\$16,089
FY 2023	\$0	\$8,913
FY 2024	\$0	\$4,741
FY 2025	\$0	\$0
Total, Design	\$95,350	\$95,350
Construction		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$21,000	\$0
FY 2018	\$50,418	\$0
FY 2019	\$87,820	\$0
FY 2020	\$0	\$17,215
FY 2021	\$201,242	\$15,122
FY 2022	\$0	\$68,612
FY 2023	\$143,471	\$161,383
FY 2024	\$0	\$169,884
FY 2025	\$0	\$57,388
FY 2026	\$0	\$14,347
Total, Construction	\$503,951	\$503,951

Financial Schedule – Big Hill, continued

(dollars in thousands)		
	Obligations	Costs
TEC		
FY 2015	\$0	\$0
FY 2016	\$0	\$0
FY 2017	\$85,384	\$1,210
FY 2018	\$74,352	\$13,899
FY 2019	\$103,820	\$19,831
FY 2020	\$1,940	\$35,125
FY 2021	\$190,334	\$27,879
FY 2022	\$0	\$84,701
FY 2023	\$143,471	\$170,296
FY 2024	\$0	\$174,625
FY 2025	\$0	\$57,388
FY 2026	\$0	\$14,347
Total, TEC	\$599,301	\$599,301
Other Project Cost (OPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$243	\$175
FY 2018	\$0	\$68
FY 2019	\$0	\$0
FY 2020	\$0	\$0
FY 2021	\$0	\$0
FY 2022	\$0	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, OPC	\$1,313	\$1,313

Financial Schedule – Big Hill, continued

(dollars in thousands)

	Obligations	Costs
Total Project Cost (TPC)		
FY 2015	\$22	\$22
FY 2016	\$1,048	\$1,048
FY 2017	\$85,627	\$1,385
FY 2018	\$74,352	\$13,967
FY 2019	\$103,820	\$19,831
FY 2020	\$1,940	\$35,125
FY 2021	\$190,334	\$27,879
FY 2022	\$0	\$84,701
FY 2023	\$143,471	\$170,296
FY 2024	\$0	\$174,625
FY 2025	\$0	\$57,388
FY 2026	\$0	\$14,347
Total, TPC	\$600,614	\$600,614

Details of Project Cost Estimate at High Range at CD-1

(dollars in thousands)

	Current Total Estimate	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	\$354,657	\$354,657	N/A
Contingency	\$0	\$0	N/A
Total, PED	\$354,657	\$354,657	N/A
Land Acquisition	\$0	\$1,733	N/A
Construction			
Site Facilities Construction	\$1,208,210	\$825,905	N/A
Off-Site Facilities	\$12,043	\$9,195	N/A
Drilling/Wellhead/Casings	\$33,831	\$23,877	N/A
Pipeline Construction	\$104,268	\$77,176	N/A
Construction Management	\$58,799	\$41,369	N/A
Project Support	\$50,117	\$35,161	N/A
Contingency	\$93,849	\$46,701	N/A
Total, Construction	\$1,561,117	\$1,059,384	N/A
Total, TEC	\$1,915,774	\$1,415,774	N/A
Contingency, TEC	\$93,849	\$46,701	N/A
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$1,368	\$1,366	N/A
Other OPC Costs	\$3,882	\$3,884	N/A
Start-up	\$0	\$0	N/A
Contingency	\$0	\$0	N/A
Total, OPC except D&D	\$5,250	\$5,250	N/A
D&D			
D&D	\$0	\$0	N/A
Contingency	\$0	\$0	N/A
Total, D&D	\$0	\$0	N/A
Total, OPC	\$5,250	\$5,250	N/A
Contingency, OPC	\$0	\$0	N/A
Total, TPC	\$1,921,024	\$1,421,024	N/A
Total, Contingency	\$93,849	\$46,701	N/A

Note: Project is being funded through the sale of SPR crude oil and not through the normal congressional appropriations process, with the possible exception of \$500 million requested in supplemental funding.

Details of Project Cost Estimate – Bryan Mound

(dollars in thousands)

	Current Total Estimate - Bryan Mound	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	\$69,661	\$69,661	\$69,661
Contingency	\$0	\$0	\$0
Total, PED	\$69,661	\$69,661	\$69,661
Land Acquisition	\$0	\$0	0
Construction			
Site Facilities Construction	\$353,381	\$200,735	\$200,735
Off-Site Facilities	\$0	\$0	\$0
Drilling/Wellhead/Casings	\$12,422	\$7,640	\$7,640
Pipeline Construction	\$0	\$0	\$0
Construction Management	\$16,709	\$10,277	\$10,277
Project Support	\$15,638	\$9,618	\$9,618
Contingency	\$17,833	\$15,400	\$15,400
Total, Construction	\$415,983	\$243,670	\$243,670
Total, TEC	\$485,644	\$313,331	\$313,331
Contingency, TEC	\$17,833	\$15,400	\$15,400
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$342	\$342	\$342
Other OPC Costs	\$971	\$971	\$971
Start-up	\$0	\$0	\$0
Contingency	\$0	\$0	\$0
Total, OPC except D&D	\$1,313	\$1,313	\$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	\$1,313	\$1,313	\$1,313
Contingency, OPC	\$0	\$0	\$0
Total, TPC	\$486,957	\$314,644	\$314,644
Total, Contingency	\$17,833	\$15,400	\$15,400

Details of Project Cost Estimate – West Hackberry

(dollars in thousands)			
	Current Total Estimate - West Hackberry	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	\$95,308	\$95,308	N/A
Contingency	\$0	\$0	N/A
Total, PED	\$95,308	\$95,308	N/A
Land Acquisition	\$0	\$1,733	N/A
Construction			
Site Facilities Construction	\$214,689	\$160,220	N/A
Off-Site Facilities	\$6,639	\$5,195	N/A
Drilling/Wellhead/Casings	\$14,677	\$11,484	N/A
Pipeline Construction	\$0	\$0	N/A
Construction Management	\$10,298	\$8,058	N/A
Project Support	\$10,022	\$7,842	N/A
Contingency	\$3,768	\$3,300	N/A
Total, Construction	\$260,093	\$196,099	N/A
Total, TEC	\$355,401	\$293,140	N/A
Contingency, TEC	\$3,768	\$3,300	N/A
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$342	\$342	N/A
Other OPC Costs	\$969	\$971	N/A
Start-up	\$0	\$0	N/A
Contingency	\$0	\$0	N/A
Total, OPC except D&D	\$1,311	\$1,313	N/A
D&D			
D&D		N/A	N/A
Contingency		N/A	N/A
Total, D&D	\$0	\$0	N/A
Total, OPC	\$1,311	\$1,313	N/A
Contingency, OPC	\$0	\$0	N/A
Total, TPC	\$356,712	\$294,453	N/A
Total, Contingency	\$3,768	\$3,300	N/A

Details of Project Cost Estimate – Bayou Choctaw

	(dollars in thousands)		
	Current Total Estimate - Bayou Choctaw	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	\$94,338	\$94,338	\$94,338
Contingency	\$0	\$0	\$0
Total, PED	\$94,338	\$94,338	\$94,338
Land Acquisition	\$0	\$0	\$0
Construction			
Site Facilities Construction	\$315,349	\$220,800	\$220,800
Off-Site Facilities	\$0	\$0	\$0
Drilling/Wellhead/Casings	\$6,732	\$4,753	\$4,753
Pipeline Construction	\$0	\$0	\$0
Construction Management	\$14,562	\$10,281	\$10,281
Project Support	\$11,756	\$8,300	\$8,300
Contingency	\$32,691	\$15,000	\$15,000
Total, Construction	\$381,090	\$259,134	\$259,134
Total, TEC	\$475,428	\$353,472	\$353,472
Contingency, TEC	\$32,691	\$15,000	\$15,000
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$342	\$342	\$342
Other OPC Costs	\$971	\$971	\$971
Start-up	\$0	\$0	\$0
Contingency	\$0	\$0	\$0
Total, OPC except D&D	\$1,313	\$1,313	\$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	\$1,313	\$1,313	\$1,313
Contingency, OPC	\$0	\$0	\$0
Total, TPC	\$476,741	\$354,785	\$354,785
Total, Contingency	\$32,691	\$15,000	\$15,000

Details of Project Cost Estimate – Big Hill

(dollars in thousands)

	Current Total Estimate - Big Hill	Previous Total Estimate	Original Validated Baseline
Total Estimated Cost (TEC)			
Design (PED)			
Design	\$95,350	\$95,350	\$95,350
Contingency	\$0	\$0	\$0
Total, PED	\$95,350	\$95,350	\$95,350
Land Acquisition	\$0	\$0	\$0
Construction			
Site Facilities Construction	\$324,791	\$244,150	\$244,150
Off-Site Facilities	\$5,404	\$4,000	\$4,000
Drilling/Wellhead/Casings	\$0	\$0	\$0
Pipeline Construction	\$104,268	\$77,176	\$77,176
Construction Management	\$17,230	\$12,753	\$12,753
Project Support	\$12,701	\$9,401	\$9,401
Contingency	\$39,557	\$13,000	\$13,000
Total, Construction	\$503,951	\$360,480	\$360,480
Total, TEC	\$599,301	\$455,830	\$455,830
Contingency, TEC	\$39,557	\$13,000	\$13,000
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$342	\$342	\$342
Other OPC Costs	\$971	\$971	\$971
Start-up	\$0	\$0	\$0
Contingency	\$0	\$0	\$0
Total, OPC except D&D	\$1,313	\$1,313	\$1,313
D&D			
D&D	N/A	N/A	N/A
Contingency	N/A	N/A	N/A
Total, D&D	N/A	N/A	N/A
Total, OPC	\$1,313	\$1,313	\$1,313
Contingency, OPC	\$0	\$0	\$0
Total, TPC	\$600,614	\$457,143	\$457,143
Total, Contingency	\$39,557	\$13,000	\$13,000

Schedule of Appropriations Requests

Section 404 of the Bipartisan Budget Act of 2015 authorizes drawdown and sale of SPR crude oil over four fiscal years (FY 2017 – FY 2020) to finance SPR modernization. This CPDS reflects the high end of the cost ranges. The Total Project Cost (TPC) of \$1.4B was approved at CD-1, and final scope was completed at CD-2, which occurred in June 2021 for BC, BH, and BM. The intent is to execute SPR modernization within the authorized revenue ceiling proposed in the FY 2020 budget request shown below, with the exception of an additional \$500 million requested in supplemental funding. The table below assumes receipt of the additional funding. Should that not be made available, scope will be reduced to fit within the \$1.4B raised under Section 404 of the Bipartisan Budget Act of 2015, which would limit LE2 work almost exclusively to the Bryan Mound, Big Hill, and Bayou Choctaw SPR sites.

Request	(\$000)												Total	
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025			
FY 2018	TEC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	OPC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
	TPC	\$ -	\$ -	\$ 375,400	\$ 350,000	\$ 174,600	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
FY 2019	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,005,250
FY 2020	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ 450,000 ****	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,440,000
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,445,250
FY 2021	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ 450,000 ****	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,440,000
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,445,250
FY 2022	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ -	\$ 425,774 ****	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,415,774
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ -	\$ 425,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,421,024
FY 2023	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ -	\$ 425,774 ****	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,415,774
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ -	\$ 425,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,421,024
FY 2024	TEC	\$ -	\$ -	\$ 340,000 *	\$ 350,000 **	\$ 300,000 ***	\$ -	\$ 425,774 ****	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,415,774
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ -	\$ 425,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,421,024

* FY 2017 Omnibus authorized oil sales target of \$340,000,000 (Appropriation). Actual proceeds were \$323,195,827.

** FY 2018 Omnibus authorized oil sales target of \$350,000,000 (Appropriation). Actual proceeds were \$347,828,624.

*** FY 2019 Omnibus authorized oil sales target of \$300,000,000 (Appropriation). Actual proceeds were \$299,999,961.

**** FY 2020 Omnibus authorized oil sales target of \$450,000,000 (Appropriation). Sale postponed, and authorized completion changed to no later than FY 2022 as part of the CARES Act (P.L. 116-136).

***** FY 2021 Omnibus authorized oil sales target of \$450,000,000 (Appropriation). Actual proceeds were \$499,999,980.

The appropriation table reflects the approved appropriations for the LE2 Program, however there is still a \$500,000,000 shortfall of program requirements.

4. Related Operations and Maintenance Funding Requirements

Not applicable for PED.

Start of Operation or Beneficial Occupancy (fiscal quarter or date)	Establish at CD-2
Expected Useful Life (number of years)	25
Expected Future Start of D&D of this capital asset (fiscal quarter)	N/A

(Related Funding requirements)

(dollars in thousands)

	Annual Costs		Life Cycle Costs	
	Current Total Estimate	Previous Total Estimate	Current Total Estimate	Previous Total Estimate
Operations		N/A		N/A
Maintenance & Repair		N/A		N/A
Total *		N/A		N/A

* Funding requirements are included in the Facilities Appropriation 089X0218.

5. D&D Information

This project does not require D&D funding.

6. Acquisition Approach

The existing Strategic Petroleum Reserve Management and Operating Contractor did originally procure the Architect-Engineer contractor. With S-3 concurrence in FY 2019, the M&O Contractor is self-performing the remaining A-E scope and will procure all Government Furnished Property and firm fixed priced construction contracts.

SPR Petroleum Account
Proposed Appropriation Language

For the acquisition, transportation, and injection of petroleum products, and for other necessary expenses pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), sections 403 and 404 of the Bipartisan Budget Act of 2015 (42 U.S.C. 6241, 6239 note), section 32204 of the Fixing America's Surface Transportation Act (42 U.S.C. 6241 note), and section 30204 of the Bipartisan Budget Act of 2018 (42 U.S.C. 6241 note).

Public Law Authorizations

Energy Policy and Conservation Act, Public Law 94-163, as amended.

Energy and Water Development and Related Agencies Appropriations Act, 2023.

**SPR Petroleum Account
(\$K)**

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request
\$7,350	\$100	\$0

Overview

The SPR Petroleum Account funds activities related to the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve; test sales of petroleum products from the Reserve; and the drawdown, sale, and delivery of petroleum products from the Reserve.

Highlights and Major Changes in the FY 2024 Budget Request

Sections 403 of the Bipartisan Budget Act of 2015 (P.L. 114-74), Section 30204 of the Bipartisan Budget Act, 2018, (P.L. 115-141) and Section 32204 of the Surface Transportation Reauthorization Act of 2015 (P.L. 114-94) direct non-emergency, multi-year oil sales.

**SPR Petroleum Account
Funding by Congressional Control
(\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
SPR Petroleum Account					
Petroleum Acquisition, Transportation and Drawdown	7,350	100	0	-100	-100%
Total, SPR Petroleum Account	7,350	100	0	-100	-100%
Federal FTEs	0	0	0	0	0

**Future Years Energy Program (FYEP)
(\$K)**

	FY 2024 Request	FY 2025	FY 2026	FY 2027	FY 2028
SPR Petroleum Account	0	0	0	0	0

Outyear Priorities and Assumptions

In the FY 2012 Consolidated Appropriations Act (P.L. 112-74), Congress directed the Department to include a future-years energy program (FYEP) in subsequent requests that reflects the proposed appropriations for five years. This FYEP shows outyear funding for each account for FY 2025 - FY 2028. The outyear funding levels use the growth rates in outyear account totals published in the FY 2024 President’s Budget for both the 050 and non-050 accounts. Actual future budget request levels will be determined as part of the annual budget process.

FY 2024 – FY 2028: Continue ongoing efforts execute emergency sales and exchanges, as necessary, in response to disruptions in U.S. petroleum supplies.

FY 2028: Congressionally mandated sales are resumed through FY 2031.

SPR Petroleum Account

Overview

The SPR Petroleum Account funds activities related to the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve; test sales of petroleum products from the Reserve; and the drawdown, sale, and delivery of petroleum products from the Reserve. SPR Petroleum Account activities can include: 1) the incremental costs of withdrawing oil from the storage caverns and transporting it to the sales point where purchasers take title; 2) petroleum inventory acquisitions and associated transportation costs; 3) U.S. Customs duties; and 4) terminal throughput charges and other related miscellaneous costs.

SPR Oil Acquisition/Transportation/Drawdown

As of December 31, 2022, the SPR crude oil inventory was 372 million barrels. Currently, the Department is undergoing a series of non-emergency, multi-year oil sales pursuant to the Bipartisan Budget Act (BBA) of 2015 (Public Law 114-74), and the Fixing America's Surface Transportation (FAST) Act (Public Law 114-94), the Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018. Drawdown and sales are scheduled as follows:

From FY 2018 through FY 2023 (six consecutive years) – sell 38 million barrels of crude oil, with 10 million barrels to be sold in FY 2023. Proceeds will be deposited into the General Fund of the Treasury (Bipartisan Budget Act 2015, (Public Law 114-74 Section 403) Please note that sales for 2024 and 2025 under this act (20MMB) were cancelled by Consolidated Appropriations Act of 2023 in exchange for \$10.4B in rescissions.

- From FY 2017 through FY 2020 (four consecutive years) – sell the required volumes of SPR inventory to raise up to the authorized revenue ceiling to be deposited into the Energy Security and Infrastructure Modernization Fund (Bipartisan Budget Act, Section 404). In FY 2017, 6.3 million barrels were sold; in FY 2018, 4.7 million barrels were sold, and in FY 2019 4.2 million barrels were sold. Oil sales of 6.6 million barrels scheduled for FY 2020 were postponed until FY 2021 with revenues totaling \$1.4 billion. Section 14002 of the CARES Act (P.L. 116-136) provides the Department flexibility to postpone through Fiscal Year 2022 a sale of crude oil from the Strategic Petroleum Reserve that was originally authorized for FY 2020.
- From FY 2017 through FY 2019 (three consecutive years) – sell 10 million barrels of crude oil in FY 2017, 9 million barrels in FY 2018, and 6 million barrels in FY 2019, for a total of 25 million barrels. Proceeds will be deposited in the General Fund of the Treasury (21st Century Cures Act, Section 5010).
- From FY 2020 through FY 2021, sell 10 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury (Consolidated Appropriations Act, 2018, Section 501).
- In FY 2023 sell 16 million barrels of crude oil in FY 2023. Proceeds will be deposited in the General Fund of the Treasury (Fixing America's Surface Transportation Act, Section 32204).
- From FY 2026 through FY 2027, sell 7 million barrels of crude oil. Proceeds shall be deposited in the General Fund of the Treasury during the fiscal year in which the sale occurs (An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Section 20003).

In FY 2022 sell 30 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury (Bipartisan Budget Act of 2018 (Public Law 115-123).

- In FY 2028, sell 5 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury (America's Water Infrastructure Act of 2018, Section 3009).
- From FY 2028 through FY 2031 (four consecutive years) – sell up to 88 million barrels of crude oil. Proceeds will be deposited in the General Fund of the Treasury and the Secretary of the Treasury shall deposit in the SPR Petroleum Account established under section 167(a) of the Energy Policy and Conservation Act (42 U.S.C. 6247(a) \$43,500,000, to be used to carry out the sale in accordance with section 167 of the Energy Policy and Conservation Act (42 U.S.C. 6247). (Infrastructure Investment and Jobs Act, Section 90002). NOTE: at current prices, these sales would total 87.6 MMB

No New FY 2024 Budget Authority is requested.

**SPR Petroleum Account
Funding (\$K)**

SPR Petroleum Account

Petroleum Acquisition, Transportation and Drawdown
Total, SPR Petroleum Account

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
7,350	100	0	-100	-100%
7,350	100	0	-100	-100%

SPR Petroleum Account

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
SPR Petroleum Account		
Petroleum Acquisition, Transportation and Drawdown \$100	\$0	-\$100
<i>Non-Emergency Drawdown</i> <ul style="list-style-type: none"> • FY 2021 provides for the SPR Petroleum Account to pay for the costs of certain statutorily mandated crude oil sales. 	<ul style="list-style-type: none"> • The remaining balance for the SPR Petroleum Account is to pay for the costs of certain statutorily mandated crude oil sales. 	<ul style="list-style-type: none"> • The remaining balance for the SPR Petroleum Account is to pay for the costs of certain statutorily mandated crude oil sales.

**Naval Petroleum and Oil Shale Reserves
Proposed Appropriation Language**

For Department of Energy expenses necessary to carry out naval petroleum and oil shale reserve activities, *13,010,000* to remain available until expended: *Provided*, That notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

Explanation of Changes

FY 2024 Budget Authority will fund continued NPR-1 environmental assessment and remediation activities.

Public Law Authorizations

- P.L. 94-258, U.S. Naval Petroleum Reserves Production Act of 1977
- P.L. 95-91, U.S. Department of Energy Organization Act of 1977
- P.L. 104-106, The National Defense Authorization Act for Fiscal Year 1996
- P.L. 105-261, The Strom Thurmond National Defense Act for Fiscal Year 1999
- P.L. 109-58, Energy Policy Act of 2005

**Naval Petroleum and Oil Shale Reserves
(\$K)**

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY2024 Request vs FY 2023 Enacted
13,650	13,004	13,010	+6

Overview

The Naval Petroleum and Oil Shale Reserves (NPOSR) program manages five legal agreements that were executed as part of the 1998 sale of Naval Petroleum Reserve 1 (NPR-1) in Elk Hills, California. The legal agreements direct post-sale work, including environmental restoration and remediation, contract closeout, and records disposition. Legal agreements also include payment for post-employment medical and dental benefits to former NPR-1 Management & Operating (M&O) contractor employees. The NPR-1 program continues to work towards closing out the remaining environmental findings at the site, as required by the 2008 agreement between the Department of Energy (DOE) and the California Department of Toxic Substances Control (DTSC).

DOE also operated Naval Petroleum Reserve 3 (NPR-3) and the Rocky Mountain Oilfield Testing Center (RMOTC), co-located near Casper, Wyoming, until its sale in January 2015. DOE retains responsibility for Industrial Landfill number 2 (IND-2) located at NPR-3 until a closure permit is issued by the Wyoming Department of Environmental Quality (WDEQ). Landfill remediation activities were completed in FY 2017 and ground water sampling began in compliance with WDEQ requirements. The period of sampling will be specified by WDEQ but is expected to continue for one to four years. No new FY 2024 Budget Authority is requested for NPR-3.

The program will continue the ongoing activities to attain release from the remaining environmental findings related to the sale of NPR-1. All 131 areas of concern (AOC) have undergone an initial investigation and the program has made recommendations to California’s DTSC for either no further action (NFA) required status, additional field work investigation, or remedial action.

Highlights and Major Changes in the FY 2024 Budget Request

New FY 2024 Budget Authority of \$13,010 million will support continued work with the California DTSC and other stakeholders on the environmental remediation and cultural resource activities in accordance with the 2008 DTSC Corrective Action Consent Agreement to obtain NFA status for all 131 AOCs.

Also included is the payment to former NPR-1 M&O contractor employees for post-employment medical and dental benefits. NPR-3 will continue groundwater sampling activities for the landfill closure with oversight by the Washington, D.C., Headquarters office.

**Naval Petroleum and Oil Shale Reserves
Funding by Congressional Control (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Naval Petroleum and Oil Shale Reserves					
Production Operations	11,650	11,004	11,010	+6	+0.1%
Management	2,000	2,000	2,000	0	0.0%
Total, Naval Petroleum and Oil Shale Reserves	13,650	13,004	13,010	+6	+0.1%
Federal FTEs	4	4	4	0	0.0%

**Future Years Energy Program (FYEP)
(\$K)**

	FY 2024 Request	FY 2025	FY 2026	FY 2027	FY 2028
Naval Petroleum and Oil Shale Reserves	13,010	13,000	14,000	14,000	14,000

Outyear Priorities and Assumptions

In the FY 2012 Consolidated Appropriations Act (P.L. 112-74), Congress directed the Department to include a future-years energy program (FYEP) in subsequent requests that reflects the proposed appropriations for five years. This FYEP shows outyear funding for each account for FY 2025 - FY 2028. The outyear funding levels use the growth rates in outyear account totals published in the FY 2024 President’s Budget for both the 050 and non-050 accounts. Actual future budget request levels will be determined as part of the annual budget process.

NPOSR priorities in the outyears include the following:

- The program will continue the ongoing activities to attain release from the remaining environmental findings related to the sale of NPR-1. All 131 areas of concern (AOC) have undergone an initial investigation and the program has made recommendations to California’s DTSC for either no further action (NFA) required status, additional field work investigation, or remedial action.

**Naval Petroleum and Oil Shale Reserves
Production Operations**

Overview

The NPR-1 program continues to work towards closing out the remaining environmental restoration and remediation activities for 131 AOCs, as required by the 2008 agreement between DOE and California's DTSC. DOE will continue the monitoring and oversight of environmental remediation of the Elk Hills site and the work on records disposition.

The NPR-3 program will continue post-sale activities for the closure of the landfill using prior-year balances. No new FY 2024 Budget Authority is requested for NPR-3.

Highlights of the FY 2024 Budget Request

The Department is requesting new FY 2024 Budget Authority of \$13,010 million to fund the remediation work at the NPR-1 site.

Of the 131 AOCs for which DOE is responsible for environmental cleanup, as of March 2021, 111 AOCs have received NFA certification from California's DTSC. The remaining 20 AOCs that require remediation are larger-scale projects with substantial funding requirements. New FY 2024 Budget Authority of \$13,010 million supports remediation of 3 AOCs.

**Production Operations
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
NPR-1 Closeout	11,650	11,004	11,010	+6	+0.1%
NPR-3 Disposition	0	0	0	0	0.0%
Total, Production Operations	11,650	11,004	11,010	+6	+0.1%

Production Operations
Explanation of Major Changes
(\$K)

FY 2024 Request vs FY 2023 Enacted

NPR-1 Closeout: FY 2024 Budget Authority will finance continued environmental assessment and remediation activity, in accordance with NPR-1 post-sale legal agreements.	+\$6
NPR-3 Disposition: No FY 2024 Budget Authority is requested. NPR-3 ongoing post-sale remediation monitoring activities will continue through NPR-3 closeout in one to four years.	\$0
<hr/>	
Total, Production Operations	+\$6

**Production Operations
Funding**

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
Production and Operations \$11,004,000	\$11,010,000	+\$6,000
NPR-1 Closeout \$11,004,000	\$11,010,000	+\$6,000
<ul style="list-style-type: none"> • Program will continue the ongoing activities to attain release from the remaining environmental findings related to the sale of NPR-1. The FY 2023 Request includes funding that supports remediation of 3 AOCs. 	<ul style="list-style-type: none"> • Program will continue the ongoing activities to attain release from the remaining environmental findings related to the sale of NPR-1. The FY 2024 Request includes funding that supports remediation of 3 AOCs. 	<ul style="list-style-type: none"> • Funding supports the ongoing remediation work at the NPR-1 site.
NPR-3 Disposition \$0	\$0	\$0
<ul style="list-style-type: none"> • Disposition completed; post-sale remediation monitoring activities for the landfill are ongoing. 	<ul style="list-style-type: none"> • Disposition completed; post-sale remediation monitoring activities for the landfill are ongoing. 	<ul style="list-style-type: none"> • No change.

Naval Petroleum and Oil Shale Reserves Management

Overview

Management provides funding for payments to former NPR-1 M&O contractor employees for post-medical and dental benefits, a legal requirement of the 1998 NPR-1 sales agreement. Management also provides the Federal staffing resources and associated costs required to provide overall direction and execution of the NPOSR. There are a variety of inherently governmental functions, such as program management, contract administration, and budget formulation and execution that require a dedicated Federal workforce. NPOSR uses contractor support services and other related expenses to support the field environmental assessment, remediation, and management of the program.

Highlights of the FY 2024 Budget Request

The NPR-1 funding supports Federal staff that provide oversight, monitor environmental clean-up, and manage disposition activities. The sales agreement also includes payments to former NPR-1 M&O contractor employees for post-employment medical and dental benefits.

NPR-3/RMOTC final office closeout was completed December 30, 2015; however, administrative oversight of the landfill closure will continue to be conducted by the Department of Energy Headquarters office. No new FY 2024 Budget Authority is requested for NPR-3.

**Management
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Washington Headquarters					
Salaries and Benefits	530	530	540	+10	+1.9%
Travel	50	50	40	-10	-20.0%
Support Services	420	420	420	0	0.0%
Other Related Expenses	1,000	1,000	1,000	0	0.0%
Total, Washington Headquarters	2,000	2,000	2,000	0	-0.0%
NPR – Wyoming					
Salaries and Benefits	0	0	0	0	0.0%
Travel	0	0	0	0	0.0%
Support Services	0	0	0	0	0.0%
Other Related Expenses	0	0	0	0	0.0%
Total, NPR – Wyoming	0	0	0	0	0.0%
Total Management					
Salaries and Benefits	530	530	540	+10	+1.9%
Travel	50	50	40	-10	-20.0%
Support Services	420	420	420	0	0.0%
Other Related Expenses	1,000	1,000	1,000	0	0.0%
Total, Management	2,000	2,000	2,000	0	-0.0%
Federal FTEs	4	4	4	0	0.0%
Support Services					
Technical Support					
Environmental, Safety, Security & Health	0	0	0	0	0.0%
Technical Services	420	420	420	0	0.0%
Total, Technical Support	420	420	420	0	0.0%
Management Support					
Business Administration	0	0	0	0	0.0%
IT Support	25	25	20	-5	-20.0%
Total Management Support	25	25	20	-5	-20.0%

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Total, Support Services	425	425	420	-5	-1.2%
Other Related Expenses					
Rent to Others	0	0	0	0	0.0%
Communications, Utilities & Misc.	0	0	0	0	0.0%
Other Services	1,000	1,000	1,000	0	0.0%
Operation and Maintenance of Equipment	0	0	0	0	0.0%
Supplies and Materials	0	0	0	0	0.0%
Total, Other Related Expenses	1,000	1,000	1,000	0	0.0%

**Management
Funding**

Activities and Explanation of Changes

FY 2023 Enacted	FY 2024 Request	Explanation of Changes FY 2024 Request vs FY 2023 Enacted
Management \$2,000,000	\$2,000,000	\$0
Salaries and Benefits \$530,000	\$540,000	+\$10,000
<ul style="list-style-type: none"> Continue monitoring activities at NPR-1 (cultural resources mitigation, environmental clean-up, oversight, and audit). 	<ul style="list-style-type: none"> Continue monitoring activities at NPR-1 (cultural resources mitigation, environmental clean-up, oversight, and audit). 	<ul style="list-style-type: none"> The cost of salaries and benefits has increased due to annual escalation.
Travel \$50,000	\$40,000	-\$10,000
<ul style="list-style-type: none"> Federal travel will be required for environmental cleanup at NPR-1. 	<ul style="list-style-type: none"> Federal travel will be required for environmental cleanup at NPR-1. 	<ul style="list-style-type: none"> The cost of travel has decreased due to meetings being held virtually.
Support Services \$420,000	\$420,000	\$0
<ul style="list-style-type: none"> Support Services for environmental clean-up of NPR-1. 	<ul style="list-style-type: none"> Support Services for environmental clean-up of NPR-1. 	<ul style="list-style-type: none"> No change
Other Related Expenses \$1,000,000	\$1,000,000	\$0
<ul style="list-style-type: none"> As in prior years, funding provides for post-employment medical and dental benefits for former M&O contractor employees at NPR 1. 	<ul style="list-style-type: none"> As in prior years, funding provides for post-employment medical and dental benefits for former M&O contractor employees at NPR 1. 	<ul style="list-style-type: none"> No change.

**Northeast Home Heating Oil Reserve
Proposed Appropriation Language**

For necessary expenses for the Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act, [\$0] *\$7,150,000* to remain available until expended.

Explanation of Changes

New budget authority of \$7,150,000 is required in FY 2024 to maintain Northeast Home Heating Oil Reserve storage, operation, and management activities.

Public Law Authorizations

- P.L. 109-58, Energy Policy Act of 2005

Northeast Home Heating Oil Reserve
(\$K)

FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted
6,500	7,000	7,150	+2.14

Overview

The Northeast Home Heating Oil Reserve (NEHHOR) provides a short-term supplement to the Northeast systems' commercial supply of heating oil in the event of a supply interruption. In FY 2012, NEHHOR converted from 2 million barrels of high sulfur heating oil to 1 million barrels of Ultra Low Sulfur Diesel (ULSD) to meet new Northeast states' emission standards. The FY 2024 program will continue operation of the 1 million barrel Reserve. New leased commercial storage contracts went into effect on April 1, 2020, with the final option year extending through March 31, 2024.

Future Years Energy Program (FYEP)
(\$K)

	FY 2024 Request	FY 2025	FY 2026	FY 2027	FY 2028
Northeast Home Heating Oil Reserve	7,150	7,000	7,000	7,000	8,000

Outyear Priorities and Assumptions

In the FY 2012 Consolidated Appropriations Act (P.L. 112-74), Congress directed the Department to include a future-years energy program (FYEP) in subsequent requests that reflects the proposed appropriations for five years. This FYEP shows outyear funding for each account for FY 2025 - FY 2028. The outyear funding levels use the growth rates in outyear account totals published in the FY 2024 President's Budget for both the 050 and non-050 accounts. Actual future budget request levels will be determined as part of the annual budget process.

Northeast Home Heating Oil Reserve priorities in the outyears include the following:

- FY 2024 – FY 2028: Continue ongoing NEHHOR commercial storage leases.
- FY 2024 - FY 2028: Continue ongoing efforts to protect the Northeast region from disruptions in heating oil (Ultra Low Sulfur Diesel) supplies.

Highlights and Major Changes in the FY 2024 Budget Request

FY 2024 will focus on ongoing commercial leases, oversight, management and quality analysis of the Reserve as well as ongoing information technology support for the Reserve's sales system.

**Northeast Home Heating Oil Reserve
Funding by Congressional Control (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Northeast Home Heating Oil Reserve					
Northeast Home Heating Oil Reserve	6,500	7,000	7,150	+150	+2.14%
Total, Northeast Home Heating Oil Reserve	6,500	7,000	7,150	+150	+2.14%
Federal FTEs	0	0	0	0	0

**Northeast Home Heating Oil Reserve
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Northeast Home Heating Oil Reserve					
Commercial Leases	6,000	6,500	6,500	+0	+0%
Information Technology	400	400	500	+100	+25.0%
Support					
Quality Control and Analysis	100	100	150	+50	+50.0%
Total, Northeast Home Heating Oil Reserve	6,500	7,000	7,150	+150	+2.14%

**Northeast Home Heating Oil Reserve
Funding (\$K)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Northeast Home Heating Oil Reserve					
Commercial Leases	6,000	6,500	6,500	0	0.0%
Information Technology Support	400	400	500	+100	+25.0%
Quality Control and Analysis	100	100	150	+50	+50.0%
Total, Northeast Home Heating Oil Reserve	6,500	7,000	7,150	+150	+2.14%

**Northeast Home Heating Oil Reserve
Explanation of Major Changes (\$K)**

FY 2024 Request vs FY 2023 Enacted

Northeast Home Heating Oil Reserve: The Request of \$7,000 will cover full requirements in FY 2023, to include the full cost of leased commercial storage contracts, information technology support costs, and costs for product quality control and analysis.

	+150
Total, Northeast Home Heating Oil Reserve	+150