

Strategic Petroleum Reserves (\$K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
\$213,390	\$213,390	\$206,325	-\$7,065

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.), \$206,325,000 to remain available until expended.

Mission

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.

Overview

SPR's underground storage caverns require maintenance to assure their storage capability and integrity. Ongoing oil sale activities increase equipment usage and run times and require consistent preventive, predictive and corrective maintenance to prevent or address equipment or structural failures.

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.

Summary Funding Table by Budget Control Strategic Petroleum Reserves (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Strategic Petroleum Reserves					
Facilities Development & Operations	183,771	185,662	178,498	-7,164	-4%
Management	29,619	27,728	27,827	+99	0%
Total, Office of Strategic Petroleum Reserves	213,390	213,390	206,325	-7,065	-3%

Facilities Development and Operations

Overview

The Strategic Petroleum Reserve (SPR) protects the U.S. economy from disruptions in critical petroleum supplies 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 whether originating from domestic and international supply disruptions, natural disasters, sabotage, or acts of terrorism. By the end of 2024, the SPR had 393 million barrels of crude oil inventory stored in underground cavern storage, providing the U.S. with multiple geostrategic benefits, and bolstering the world's collective energy security system.

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 currently a net exporter of crude oil and all petroleum products as defined by the IEA, the inventory of 393 million barrels of crude oil would provide approximately 161 days of net crude oil import protection (based on net crude oil imports of 2.44 million barrels per day as reported in the U.S. Energy Information Administration's Petroleum Supply Monthly for the 12-month average covering FY 2023). 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 42.3% as of August 2023.

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 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.

Highlights of the FY 2026 Budget Request

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 uses due to legislatively directed, multi-year crude oil sales require additional Maintenance and Major Maintenance activities to sustain operational readiness. It includes the maintenance of infrastructure items that support Physical Security.

Facilities Development and Operations Funding (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Facilities Development & Operations					
Casing Inspections and Remediations	38,108	38,212	36,535	-1,677	-4%
Major Maintenance	7,000	7,202	2,691	-4,511	-63%
Maintenance	31,115	30,200	27,916	-2,284	-8%
Security	23,634	23,641	23,586	-55	0%
Data Systems & Support	83,914	86,407	87,770	+1,363	+2%
Total, Facilities Development & Operations	183,771	185,662	178,498	-7,164	-4%

Explanation of Change for Strategic Petroleum Reserves

- For FY 2025, there is 1 Remediation scheduled with 8 Workovers, while in FY 2026, there are 0 Remediations and 8 Workovers planned based on the Cavern Integrity schedule.
- In FY 2026, the slight reduction in funding available will result in minor reductions to Preventive & Corrective Maintenance, and Maintenance Discrete Projects.

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 2026 Budget Request

The Federal staff estimate is 120 FTEs that includes the anticipated offboarding of staff who elected to participate in the Deferred Resignation Program offered in FY 2025. Headquarters support services estimates are based on expected contract expenses and included anticipation of a new contract award. Other related expenses include travel (for operational field support and oversight, including site and vendor visits), field building leases and telecommunications activities.

Management Funding (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Washington Headquarters					
Salaries and Benefits	5,972	5,972	5,515	-457	-8%
Support Services	1,758	1,758	1,624	-134	-8%
	1,940	1,940	1,792	-148	-8%
Other Related Expenses					
Total, Washington Headquarters	9,670	9,670	8,931	-739	-8%
SPR – Project Management Office					
Salaries and Benefits	16,739	16,648	17,166	+518	+3%
Other Related Expenses	3,210	1,410	1,730	+320	+23%
Total, SPR – Project Management Office	19,949	18,058	18,896	+838	+5%
Total Management					
Salaries and Benefits	22,711	22,620	22,681	+61	0%
Support Services	1,758	1,758	1,624	-134	-8%
Other Related Expenses	5,150	3,350	3,522	+172	+5%
Total, Management	29,619	27,728	27,827	+99	0%
Federal FTEs	120	120	120	0	0%

**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 was cancelled on May 21, 2018, due to lack of current mission need. The LE2 project 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 (BM), Big Hill (BH), West Hackberry (WH), and Bayou Choctaw (BC); 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 have caused the LE2 activities (procurement of long lead material and construction) at West Hackberry to be 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 and BH sites.

CD-1, Approve Alternative Selection and Cost Range, marks the completion of the project definition phase and conceptual design which is an iterative process to define, analyze, and refine project concepts and alternatives along with providing a cost range for the preliminary estimate. CD-1 for LE2 was approved on December 22, 2016, with a total project cost range of \$750 million to \$1.4 billion, but does not reflect the supplemental funding that will be necessary to complete the scope that was deferred at BM, BH, and BC, and to re-start and complete WH. Long Lead Procurement packages (CD-3A-3D) were developed and approved to prepare each site for construction and purchase a total of 65 government furnished property packages which had long lead delivery times.

CD-2/CD-3, *Approve Performance Baseline/Approve Start of Construction/Execution*, was approved on June 17, 2021, for 3 of the 4 LE2 sites: BM, BH, and BC. This milestone marked completion of the preliminary designs and approval of the Performance Baselines, including the total project cost (TPC), scope, schedule, and minimal Key Performance Parameters (KPPs) that must be achieved by CD-4, *Approve Start of Operations or Project Completion*.

The scope identified in CD-2/3 is the scope authorized to be executed with the Energy Security and Infrastructure Modernization fund which was authorized for necessary expenses to carry out the LE2 project.

In May 2023, the Department of Energy Office of Project Management (PM-30) completed an External Independent Review (EIR) to approve a Baseline Change Proposal (BCP) to reallocate the WH subproject funding (\$216 M) to the three baselined sites. The BCP included a new performance baseline, scope deferrals, and a new CD-4 Project Completion date of January 2027. The EIR resulted in six major findings and fourteen findings. One Major Finding was downgraded to a Finding. All major findings have been closed and BCP-01 was approved on December 1, 2023. 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:

This Construction Project Data Sheet (CPDS) is an update from the Fiscal Year 2026 Congressional Request and does not include a new start for the budget year.

The Bayou Choctaw (BC) outage began in April 2023 and construction activities were completed in May 2024. Bayou Choctaw General Contractor (GC) demobilized in June 2024. On March 27, 2025, the Strategic Petroleum Reserve Life Extension Phase 2 (SPR-LE2) Bayou Choctaw subproject CD-4, Approve Start of Operations or Project Completion, presentation was provided to the Project Management Risk Committee (PMRC) by the Federal Project Director (FPD) for review and comment. The approved total project cost (TPC) for the subproject is \$369M; however, final actual costs will be less than \$346M, the PMRC members unanimously endorsed and recommended CD-4 approval for the SPR-LE2 Bayou Choctaw subproject and is pending. The Bryan Mound (BM) outage began in May 2023, with construction coordinated with ongoing oil movements. The Bryan Mound General Contractor is near completion with punch list items remaining. Key Performance Parameters have been met for both the Bayou Choctaw and Bryan Mound subprojects. The Big Hill General Contractor continues to work with a focus on outage work since January 13, 2025, with an outage completion forecasted for May 26, 2026. Additionally at the Big Hill site, upgrades to the physical security systems have been forecasted to be completed by October 31, 2025.

The upper limit for the initial Total Project Cost for the LE2 project was \$1,421,024,391, but the current risk adjusted estimate at complete (EAC) at a P90 confidence level \$1,485 million as of April 2025 by \$64M for the scope of work post BCP-01. These cost increases are contributed to land right-of-way actions that would delay the LE2 schedule an additional 12 months (totaling 17 months), resulting in increased support costs and extended construction duration. External factors have further complicated the timeline. Options under consideration include advancing the Big Hill outage schedule and deferring or descopeing offsite work to mitigate schedule risk against the approved performance baseline.

The Federal Project Director (FPD) was officially selected in February 2024 and received her Project Management Career Development Program (PMCDP) Level II certification in July 2024 and completed a 6-month mentorship with a Level IV FPD in August 2024 to complete the requirements for the Level III FPD. The application was submitted in February 2025 and pending approval for Level III as of June 2025. The DOE LE 2 Team has acquired the consultant services of a Project Management Subject Matter Expert as of August 1, 2024, per the recommendation of the Office of Project Management.

MTE Project:

The Marine Terminal Distribution Capability Enhancements subproject scope did not receive Congressional funding authority in fiscal year 2018. On May 21, 2018, the Under Secretary for Infrastructure signed a memorandum to the Assistant Secretary for Fossil Energy, approving the cancellation of the Strategic Petroleum Reserve Marine Terminal Distribution Capability Enhancement project.

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*	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019*	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020*	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021*	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024**
FY 2022*	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024**
FY 2023***	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024**
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025****	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2026****	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD

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

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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.**

****CD-4 for three sites is currently estimated FY 2024; West Hackberry estimated CD-4 is to be determined according to availability of additional funding.**

***** Project had CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill. West Hackberry anticipated CD-2 and CD-3 approvals in 1st Quarter FY 2022.**

****** Project has CD-2 and CD-3 approval for Bryan Mound, Bayou Choctaw, and Big Hill. West Hackberry anticipated CD-2 and CD-3 approvals are TBD. New CD-4 dates for baselined sites: Bryan Mound 1st Qtr. FY 2026, Bayou Choctaw 2nd Qtr. FY 2025, and Big Hill 2nd Qtr. FY 2027**

Critical Milestone History continued

Critical Milestone Big Hill							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	2QFY2027
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	2QFY2027

Critical Milestone Bryan Mound							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2019	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	1QFY2026
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	1QFY2026

Critical Milestone Bayou Choctaw							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024

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FY 2019	10/30/2015	09/01/2016	12/22/2016	3QFY2019	3QFY2019	3QFY2019	4QFY2024
FY 2020	10/30/2015	09/01/2016	12/22/2016	4QFY2020	4QFY2020	4QFY2020	4QFY2024
FY 2021	10/30/2015	09/01/2016	12/22/2016	2QFY2021	2QFY2021	2QFY2021	4QFY2024
FY 2022	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2023	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	4QFY2024
FY 2024	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	TBD
FY 2025	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	3QFY2025
FY 2026	10/30/2015	09/01/2016	12/22/2016	3QFY2021	2QFY2021	3QFY2021	3QFY2025

Critical Milestone History continued

Critical Milestone West Hackberry							
	CD-0	Conceptual Design Complete	CD-1	CD-2	Final Design Complete	CD-3	CD-4
FY 2018	10/30/2015	09/01/2016	12/22/2016	TBD	3QFY2019	TBD	TBD
FY 2019	10/30/2015	09/01/2016	12/22/2016	TBD	3QFY2019	TBD	TBD
FY 2020	10/30/2015	09/01/2016	12/22/2016	TBD	4QFY2020	TBD	TBD
FY 2021	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2022	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2023	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2024	10/30/2015	09/01/2016	12/22/2016	TBD	2QFY2021	TBD	TBD
FY 2025	10/30/15	09/01/16	12/22/16	TBD	2QFY2021	TBD	TBD
FY 2026	10/30/15	09/01/16	12/22/16	TBD	2QFY2021	TBD	TBD

	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					01/15/2021	
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****
FY 2025	\$266,244	\$1,149,530	\$1,415,774	\$5,250	\$0	\$5,250	\$1,421,024
FY 2026	\$266,244	\$1,149,530	\$1,415,774	\$5,250	\$0	\$5,250	\$1,421,024

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 date of CD-2/3 approval for West Hackberry is dependent on receiving additional funding.

*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).

** In the 2019 CPDS submittal the Administration proposed \$1B funding limitation. The maximum range project cost of \$1.4B was approved at CD-1.

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

****Additional funding of \$500M was requested in supplemental funding within FY 2024 to address mandatory drawdown and macroeconomic impacts to the project.

2. Project Scope and Justification

Scope

The Strategic Petroleum Reserve-Life Extension 2 (SPR-LE2) project involves 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 repairing or replacing crude oil transfer systems, raw water systems, brine disposal systems, power distribution and lighting systems, and physical security systems. It also includes building and initially installing a new portable degasification plant at the Bayou Choctaw site.

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

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Various locations**

FY 2026 Congressional Justification

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 for West Hackberry will be finalized when the project was baselined at CD-2.

KPP per subproject			
	Bryan Mound	Big Hill	Bayou Choctaw
KPP-1	Raw water withdrawal rate: 1545 MBD	Raw water withdrawal rate: 1133 MBD	Raw water withdrawal rate: 530 MBD
KPP-2	Sustained Drawdown Rate: 1500 MBD	Sustained Drawdown Rate: 1100 MBD	Sustained Drawdown Rate: 515 MBD
KPP-3	Site fill rate: 225 MBD	Site fill rate: 225 MBD	Site fill rate: 110 MBD

MMBD is Million Barrels per day.

MBD is Thousand Barrels per day.

3. Project Cost and Schedule

Financial Schedule (LE2 Project Summary)

(\$K)			
	Appropriations	Obligations	Costs
Total Estimated Cost (TEC)			
Design			
FY 2015	N/A	\$0	\$0
FY 2016	N/A	\$0	\$0
FY 2017	N/A	\$137,215	\$4,159
FY 2018	N/A	\$116,377	\$59,036
FY 2019	N/A	\$68,480	\$74,893
FY 2020	N/A	\$7,760	\$68,487
FY 2021	N/A	\$28,315	\$44,039
FY 2022	N/A	(\$75,561)	\$10,367
FY 2023	N/A	\$0	\$4,769
FY 2024	N/A	(\$16,342)	\$494
FY 2025	N/A	\$0	\$0
Total, Design	N/A	\$266,244	\$266,244
a			
Construction			
FY 2015	N/A	\$0	\$0
FY 2016	N/A	\$0	\$0
FY 2017	N/A	\$27,400	\$0
FY 2018	N/A	\$338,284	\$483
b			
FY 2019	N/A	\$262,459	\$729
FY 2020	N/A	\$0	\$26,076
FY 2021	N/A	\$429,483	\$62,973
FY 2022	N/A	\$75,561	\$154,398
FY 2023	N/A	\$0	\$231,372
FY 2024	N/A	\$16,343	\$365,905
FY 2025	N/A	\$0	\$242,312
FY 2026	N/A	\$0	\$65,282
Total, Construction	N/A	\$1,149,530	\$1,149,530

Financial Schedule continued

(\$K)			
	Appropriations	Obligations	Costs
TEC			
FY 2015	N/A	\$0	\$0
FY 2016	N/A	\$0	\$0
FY 2017	N/A	\$164,615	\$4,159
FY 2018	N/A	\$454,661	\$59,519
FY 2019	N/A	\$330,939	\$75,622
FY 2020	N/A	\$7,760	\$94,563
FY 2021	N/A	\$457,798	\$107,012
FY 2022	N/A	\$0	\$164,765
FY 2023	N/A	\$0	\$236,141
FY 2024	N/A	\$0	\$366,399
FY 2025	N/A	\$0	\$242,312
FY 2026	N/A	\$0	\$65,282
Total, TEC	N/A	\$1,415,774	\$1,415,774
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
FY 2026	\$0	\$0	\$0
Total, OPC	\$5,250	\$5,250	\$5,250

(\$K)

Appropriations	Obligations	Costs
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Total Project
Cost (TPC)

FY 2015	\$88	\$88	\$88
FY 2016	\$4,190	\$4,190	\$4,190
FY 2017 e	\$340,972	\$165,587	\$4,858
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	\$457,798	\$107,012
FY 2022	\$0	\$0	\$164,765
FY 2023	\$0	\$0	\$236,141
FY 2024	\$0	\$0	\$366,399
FY 2025	\$0	\$0	\$242,312
FY 2026	\$0	\$0	\$65,282
Total, TPC d, k	\$1,421,024	\$1,421,023	\$1,421,024

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 \$1,421,024,000 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.

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.

Financial Schedule – Bryan Mound

	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	(\$23,540)	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, Design	\$46,121	\$46,121
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	\$14,679
FY 2022	\$23,540	\$66,040
FY 2023	\$0	\$59,310
FY 2024	\$32,880	\$106,605
FY 2025	\$0	\$50,814
FY 2026	\$0	\$0
Total, Construction	\$300,090	\$300,090

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	\$23,804
FY 2022	\$0	\$66,040
FY 2023	\$0	\$59,310
FY 2024	\$32,880	\$106,605
FY 2025	\$0	\$50,814
FY 2026	\$0	\$0
Total, TEC	\$346,211	\$346,211
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	\$23,804
FY 2022	\$0	\$66,040
FY 2023	\$0	\$59,310
FY 2024	\$32,880	\$106,605
FY 2025	\$0	\$50,814
FY 2026	\$0	\$0
Total, TPC	\$347,524	\$347,524

Financial Schedule – West Hackberry

	Obligations	Costs
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	\$22,014	\$12,622
FY 2022	\$0	\$10,367
FY 2023	\$0	\$4,769
FY 2024	(\$16,342)	\$494
FY 2025	\$0	\$0
Total, Design	\$82,456	\$82,456
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	(\$19,746)	\$12,394
FY 2022	\$0	\$0
FY 2023	\$0	\$0
FY 2024	(\$179,682)	\$0
FY 2025	\$0	\$0
FY 2026	\$0	\$0
Total, Construction	\$14,660	\$14,660

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	\$2,268	\$25,016
FY 2022	\$0	\$10,367
FY 2023	\$0	\$4,769
FY 2024	(\$196,024)	\$494
FY 2025	\$0	\$0
FY 2026	\$0	\$0
Total, TEC	\$97,116	\$97,116
Other Project Cost (OPC)		
FY 2015	\$22	\$22
FY 2016	\$1,046	\$1,046
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	\$1,311	\$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	\$1,247
FY 2018	\$138,312	\$15,059
FY 2019	\$122,819	\$22,092
FY 2020	\$1,940	\$18,315
FY 2021	\$2,268	\$25,016
FY 2022	\$0	\$10,367
FY 2023	\$0	\$4,769
FY 2024	(\$196,024)	\$494
FY 2025	\$0	\$0
FY 2026	\$0	\$0
Total, TPC	\$98,427	\$98,427

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	(\$22,278)	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, Design	\$72,060	\$72,060

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	\$22,278	\$33,174
FY 2023	\$0	\$114,388
FY 2024	\$13,740	\$89,169
FY 2025	\$0	\$32,478
FY 2026	\$0	\$0
Total, Construction	\$295,152	\$295,152

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	\$33,174
FY 2023	\$0	\$114,388
FY 2024	\$13,740	\$89,169
FY 2025	\$0	\$32,478
FY 2026	\$0	\$0
Total, TEC	\$367,212	\$367,212
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	\$33,174
FY 2023	\$0	\$114,388
FY 2024	\$13,740	\$89,169
FY 2025	\$0	\$32,478
FY 2026	\$0	\$0
Total, TPC	\$368,525	\$368,525

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	(\$29,743)	\$0
FY 2023	\$0	\$0
FY 2024	\$0	\$0
FY 2025	\$0	\$0
Total, Design	\$65,607	\$65,607
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	\$29,743	\$55,183
FY 2023	\$0	\$57,674
FY 2024	\$149,405	\$170,131
FY 2025	\$0	\$159,020
FY 2026	\$0	\$65,283
Total, Construction	\$539,628	\$539,628

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	\$55,183
FY 2023	\$0	\$57,674
FY 2024	\$149,405	\$170,131
FY 2025	\$0	\$159,020
FY 2026	\$0	\$65,283
Total, TEC	\$605,235	\$605,235
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	\$55,183
FY 2023	\$0	\$57,674
FY 2024	\$149,405	\$170,131
FY 2025	\$0	\$159,020
FY 2026	\$0	\$65,283
Total, TPC	\$606,548	\$606,548

Details of Project Cost Estimate

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

FY 2026 Congressional Justification

(dollars in thousands)

Current Total Estimate	Previous Total Estimate	Original Validated Baseline
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Total Estimated Cost (TEC)

Design (PED)

Design	\$266,244	\$266,244	N/A
Contingency	\$0	\$0	N/A
Total, PED	\$266,244	\$266,244	N/A

Land Acquisition	\$0	\$0	N/A
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Construction

Site Facilities Construction	\$804,237	\$1,182,827	N/A
Off-Site Facilities	\$10,000	\$12,044	N/A
Drilling/Wellhead/Casings	\$12,381	\$33,831	N/A
Pipeline Construction	\$110,000	\$104,268	N/A
Construction Management	\$37,628	\$58,799	N/A
Project Support	\$48,284	\$68,286	N/A
Contingency	\$127,000	\$131,118	N/A
Total, Construction	\$1,149,530	\$1,591,172	N/A

Total, TEC	\$1,415,774	\$1,857,416	N/A
Contingency, TEC	\$127,000	\$131,118	N/A

Other Project Cost (OPC)

OPC except D&D

Conceptual Design	\$1,365	\$1,368	N/A
Other OPC Costs	\$3,885	\$3,884	N/A
Start-up	\$0	\$0	N/A
Contingency	\$0	\$0	N/A
Total, OPC except D&D	\$5,250	\$5,252	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	\$5,252	N/A
Contingency, OPC	\$0	\$0	N/A

Total, TPC	\$1,421,024	\$1,862,668	N/A
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Total, Contingency	\$127,000	\$131,118	N/A
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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	\$46,121	\$46,121	\$69,661
Contingency	\$0	\$0	\$0
Total, PED	\$46,121	\$46,121	\$69,661
Land Acquisition	\$0	\$0	0
Construction			
Site Facilities Construction	\$238,425	\$353,382	\$200,735
Off-Site Facilities	\$0	\$0	\$0
Drilling/Wellhead/Casings	\$8,381	\$12,422	\$7,640
Pipeline Construction	\$0	\$0	\$0
Construction Management	\$11,000	\$16,709	\$10,277
Project Support	\$10,284	\$15,638	\$9,618
Contingency	\$32,000	\$41,372	\$15,400
Total, Construction	\$300,090	\$439,522	\$243,670
Total, TEC	\$346,211	\$485,643	\$313,331
Contingency, TEC	\$32,000	\$41,372	\$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	\$347,524	\$486,956	\$314,644
Total, Contingency	\$32,000	\$41,372	\$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	\$82,456	\$82,456	N/A
Contingency	\$0	\$0	N/A
Total, PED	\$82,456	\$82,456	N/A
Land Acquisition	\$0	\$0	N/A
Construction			
Site Facilities Construction	\$14,660	\$189,305	N/A
Off-Site Facilities	\$0	\$6,639	N/A
Drilling/Wellhead/Casings	\$0	\$14,677	N/A
Pipeline Construction	\$0	\$0	N/A
Construction Management	\$0	\$10,298	N/A
Project Support	\$0	\$10,022	N/A
Contingency	\$0	\$1,466	N/A
Total, Construction	\$14,660	\$232,408	N/A
Total, TEC	\$97,116	\$314,865	N/A
Contingency, TEC	\$0	\$1,466	N/A
Other Project Cost (OPC)			
OPC except D&D			
Conceptual Design	\$340	\$342	N/A
Other OPC Costs	\$971	\$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
Contingency			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	\$98,427	\$316,178	N/A
Total, Contingency	\$0	\$1,466	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	\$72,060	\$72,060	\$94,338
Contingency	\$0	\$0	\$0
Total, PED	\$72,060	\$72,060	\$94,338
Land Acquisition	\$0	\$0	\$0
Construction			
Site Facilities Construction	\$226,152	\$315,349	\$220,800
Off-Site Facilities	\$0	\$0	\$0
Drilling/Wellhead/Casings	\$4,000	\$6,732	\$4,753
Pipeline Construction	\$0	\$0	\$0
Construction Management	\$10,000	\$14,562	\$10,281
Project Support	\$21,000	\$29,925	\$8,300
Contingency	\$34,000	\$25,978	\$15,000
Total, Construction	\$295,152	\$392,546	\$259,134
Total, TEC	\$367,212	\$464,606	\$353,472
Contingency, TEC	\$34,000	\$25,978	\$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	\$368,525	\$465,919	\$354,785
Total, Contingency	\$34,000	\$25,978	\$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	\$65,607	\$65,607	\$95,350
Contingency	\$0	\$0	\$0
Total,PED	\$65,607	\$65,607	\$95,350
Land Acquisition	\$0	\$0	\$0
Construction			
Site Facilities Construction	\$325,000	\$324,791	\$244,150
Off-Site Facilities	\$10,000	\$5,404	\$4,000
Drilling/Wellhead/Casings	\$0	\$0	\$0
Pipeline Construction	\$110,000	\$104,268	\$77,176
Construction Management	\$16,628	\$17,230	\$12,753
Project Support	\$17,000	\$12,701	\$9,401
Contingency	\$61,000	\$62,301	\$13,000
Total, Construction	\$539,628	\$526,694	\$360,480
Total, TEC	\$605,235	\$592,301	\$455,830
Contingency, TEC	\$61,000	\$62,301	\$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	\$606,548	\$593,614	\$457,143
Total, Contingency	\$61,000	\$62,301	\$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 will be established when each subproject is baselined (WH) or re-baselined (BM, BH, or BC). 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 five hundred million dollars 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		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
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*****	\$ -	\$500,000*****	\$ -	\$ -	\$1,915,774
	OPC	\$ 88	\$ 4,190	\$ 972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$5,250
	TPC	\$ 88	\$ 4,190	\$ 340,972	\$ 350,000	\$ 300,000	\$ -	\$ 425,774	\$ -	\$500,000*****	\$ -	\$ -	\$1,921,024
FY 2025	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 2026	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.

***** FY 2024 Anticipating \$493,000,000 in additional funding to address mandatory drawdown and macroeconomic impacts to the project.

4. Related Operations and Maintenance Funding Requirements

Not applicable for Project Engineering and Design.

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 (A-E) contractor. With S-3 concurrence in FY 2019, the M&O Contractor self-performed the remaining A-E scope and procured all Government Furnished Property and firm fixed priced construction contracts and one time and material contract for drilling two microseismic wells at Bryan Mound and Bayou Choctaw.

SPR Petroleum Account (\$K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
\$100	\$100	\$100	\$0

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.), \$100,000, to remain available until expended.

Mission

Replenish crude oil from emergency drawdown and respond to emergency response directives as needed.

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. Remaining funds in the Petroleum Account will be available to repurchase product as practicable.

Summary Funding Table by Budget Control SPR Petroleum Account (\$K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
			\$	%

SPR Petroleum Account

Petroleum Acquisition, Transportation and Drawdown

100	100	100	0	0
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Total, SPR Petroleum Account

SPR Petroleum Account

Petroleum Acquisition, Transportation and Drawdown

100	100	100	0	0
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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

By the end of 2024, the SPR crude oil inventory was 393 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.

Highlights of the FY 2026 Budget Request

Originally enacted drawdown and sales were scheduled as follows:

- From FY 2018 through FY 2025 (eight 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, Section 403). NOTE: Sales for 2024 and 2025 under this Act (20MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for \$10.4B in recissions (\$74.25/bbl.)
- 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 FY2019 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). 92,678 barrels from the 2019 ESIM sales were allocated to the 21st Century CURES Act.
- 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).
- From FY 2023 through FY 2025 (three consecutive years) – sell 16 million barrels of crude oil in FY 2023, 25 million barrels in FY 2024, and 25 million barrels in FY 2025, for a total of 66 million barrels. Proceeds will be deposited in the General Fund of the Treasury (Fixing America's Surface Transportation Act, Section 32204) and (Bipartisan Budget Act of 2015 P.L 114-74 Section 403) NOTE: Sales for 2024 and 2025 under this Act (50MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for \$10.4B in recissions (\$74.25/bbl.)
- 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).
- From FY 2022 through FY 2027, sell 100 million barrels of crude oil, with 30 million barrels to be sold in FY 2022, 35 million in FY 2026, and 35 million in FY 2027. Proceeds will be deposited in the General Fund of the Treasury (Bipartisan Budget Act of 2018 P.L 115-123, Section 30204). NOTE: Sales for 2026 and 2027 (70MMB) were cancelled by the Consolidated Appropriations Act of 2023 in exchange for \$10.4B in recissions (\$74.25/bbl.)
- 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 87.6 million barrels of crude oil as mandated in the Infrastructure Investment and Jobs Act, P.L. 117-58 90002. 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).
- Sales proceeds from Emergency Oil Sales executed in FY 2022 and FY 2023 are used for oil purchases and/or oil exchanges to replenish the SPR's oil inventory. This effort will help to ensure Drawdown Readiness remains at the forefront of the agency's mission.

SPR Petroleum Account (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
SPR Petroleum Account					
Petroleum Acquisition, Transportation and Drawdown	100	100	100	0	0
Total, SPR Petroleum Account	100	100	100	0	0
SPR Petroleum Account					
Petroleum Acquisition, Transportation and Drawdown	100	100	100	0	0

Explanation of Change for SPR Petroleum Account

No change. This account provides for the costs of certain statutorily mandated crude oil sales.

Naval Petroleum and Oil Shale Reserves (\$K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
\$13,010	\$13,010	\$13,000	-\$10

Proposed Appropriation Language

For Department of Energy expenses necessary to carry out naval petroleum and oil shale reserve activities, \$13,000,000 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.

Mission

The Naval Petroleum and Oil Shale Reserves (NPR) 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 in Natrona County WY until a closure permit is issued by the Wyoming Department of Environmental Quality (WDEQ). No new FY 2026 budget authority is requested for NPR-3.

Overview

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.

Summary Funding Table by Budget Control
 Naval Petroleum and Oil Shale Reserves (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Naval Petroleum and Oil Shale Reserves					
Production Operations	11,010	11,010	11,000	-10	0%
Management	2,000	2,000	2,000	0	0%
Total, Naval Petroleum and Oil Shale Reserves	13,010	13,010	13,000	-10	0%

Production Operations

Overview

Funding will be applied to continued environmental assessment and remediation activity.

Highlights of the FY 2026 Budget Request

The Department is requesting FY 2026 budget authority of \$13 million to fund the remediation work at the NPR-1 site. The NPR-1 program continues to work towards closing out the remaining environmental restoration and remediation activities for 14 remaining 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 clean closure to residential standards of the arsenic contaminated well pad sites (AOC 130) will be used with the remaining funds.

Production Operations Funding (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Production Operations	11,010	11,010	11,000	-10	0%
Total, Production Operations	11,010	11,010	11,000	-10	0%

Explanation of Change for Production Operations

The decrease will have a minimal impact.

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 2026 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.

Management Funding (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Washington Headquarters					
Salaries and Benefits	540	555	555	0	0%
Travel	40	30	30	0	0%
Support Services	420	415	415	0	0%
Other Related Expenses	1,000	1,000	1,000	0	0%
Total, Washington Headquarters	2,000	2,000	2,000	0	0%
NPR – Wyoming					
Salaries and Benefits	0	0	0	0	0%
Travel	0	0	0	0	0%
Support Services	0	0	0	0	0%
Other Related Expenses	0	0	0	0	0%
Total, NPR – Wyoming	0	0	0	0	0%
Total Management					
Salaries and Benefits	540	555	555	0	0%
Travel	40	30	30	0	0%

Support Services	420	415	415	0	0%
Other Related Expenses	1,000	1,000	1,000	0	0%
Total, Management Federal FTEs	2,000	2,000	2,000	0	0%

Support Services

Technical Support					
Environmental, Safety, Security & Health	0	0	0	0	0%
Technical Services	400	400	400	0	0%
Total, Technical Support	400	400	400	0	0%
Management Support					
Business Administration	0	0	0	0	0%
IT Support	20	15	15	0	0%
Total Management Support	20	15	15	0	0%
Total, Support Services	420	415	415	0	0%

Other Related Expenses

Rent to Others	0	0	0	0	0%
Communications, Utilities & Misc.	0	0	0	0	0%
Other Services	1,000	1,000	1,000	0	0%
Operation and Maintenance of Equipment	0	0	0	0	0%
Supplies and Materials	0	0	0	0	0%
Total, Other Related Expenses	1,000	1,000	1,000	0	0%

Northeast Home Heating Oil Reserve (\$K)

FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted
\$7,150	\$7,150	\$3,575	\$-3,575

Proposed Appropriation Language

For Department of Energy expenses necessary for Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act (42 U.S.C. 6201 et seq.), 3,575,000, to remain available until expended: Provided, That notwithstanding section 183 of the Energy Policy and Conservation Act (42 U.S.C. 6250b), the Secretary of Energy shall draw down and sell all barrels of petroleum distillate from the Northeast Home Heating Oil Reserve during fiscal year 2026: Provided, That notwithstanding section 184 of the Energy Policy and Conservation Act (42 U.S.C. 6250c), all proceeds collected from such sale shall be deposited into the general fund of the Treasury during fiscal year 2026: Provided further, That upon the completion of such sale, the Secretary shall carry out the closure of the Northeast Home Heating Oil Reserve.

Mission

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.

Overview

The FY 2026 Request will focus on sunseting commercial leases, oversight, management, and quality analysis of the Reserve in preparation for its sale and closure in FY 2026, as the NEHHOR has never been used for its intended purpose – to provide emergency heating fuel in the Northeast US. The proceeds from such sale will be deposited in the general fund for deficit reduction.

Summary Funding Table by Budget Control Northeast Home Heating Oil Reserve (\$K)

	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	FY 2026 Request vs FY 2025 Enacted	
				\$	%
Northeast Home Heating Oil Reserve					
Northeast Home Heating Oil Reserve	7,150	7,150	3,575	-3,575	-50%
Total, Northeast Home Heating Oil Reserve	7,150	7,150	3,575	-3,575	-50%

Explanation of Change for Northeast Home Heating Oil Reserve

Funding in this account is for NEHHOR operations up and until its closure, as proposed in FY 2026.