

# Section-by-Section of the Buy Low and Sell High Act

## **TITLE I—PETROLEUM RESERVES**

### **Section 101. Economic Petroleum Reserve.**

Permits the Department of Energy (DOE) to create within the Strategic Petroleum Reserve (SPR) an Economic Petroleum Reserve (EPR) of up to 350 million barrels of oil, under which DOE can sell oil when prices exceed \$90 per barrel and purchase oil at prices below \$60 per barrel. Reclassifies 90 million barrels of oil currently in the SPR as being part of the EPR. Permits DOE to begin signing contracts for the delivery of oil into the EPR starting in 2025 or 2026. Part of the proceeds from EPR barrel sales would go to fund state energy programs for electric vehicle supply equipment (EVSE) deployment and other projects that reduce petroleum consumption, medium- and heavy-duty vehicle electrification, and a technical assistance program to increase crude oil throughput rates at refineries in allied Western Hemisphere countries.

### **Section 102. Establishing Strategic Refined Petroleum Product Reserves.**

Creates a network of Strategic Refined Petroleum Product Reserves (SRPPR) across the country to store up to 250 million barrels of domestically-refined gasoline and diesel fuel.<sup>1</sup> To prevent prices from increasing in the short-term, prohibits DOE from purchasing fuel to start filling the SRPPR until 2026. Additionally, prohibits the sale or export of fuel from the SRPPR to China, Russia, Iran, North Korea, any other country under U.S. sanctions, or any entity owned, controlled, or influenced by one of those countries unless DOE certifies that it is in the national security interests of the United States to allow such a sale or export.

### **Section 103. Northeast Home Heating Oil Reserve.**

Strengthens the Northeast Home Heating Oil Reserve (NEHHOR) by quadrupling its size to 4 million barrels of petroleum distillate. Adds export restrictions that would prohibit the export of petroleum distillate to or sale of petroleum distillate to entities owned, controlled, or influenced by China, Russia, Iran, North Korea, or any other country under U.S. sanctions unless DOE certifies that is in the national security interests of the United States to allow such a sale or export.

### **Section 104. SPR Petroleum Account.**

Allows the SPR, SRPPR, and NEHHOR to draw upon the same account for funding.

### **Section 105. Prohibition of Certain Exports.**

Prohibits barrels stored within the SPR from being exported to or sold to entities owned, controlled, or influenced by China, Russia, Iran, North Korea, or any other country under U.S. sanctions unless DOE certifies that it is in the national security interests of the U.S. to allow such a sale or export.

### **Section 106. Strategic Petroleum Reserve Reforms.**

Allows DOE to lease underutilized storage space within the SPR to private companies and mandates the creation of a pilot program for that purpose. Funds collected from private companies will help fund SPR, SRPPR, and NEHHOR activities.

### **Section 107. Strategic Petroleum Reserve Drawdown and Sale.**

Provides DOE increased flexibility to ensure that any statutorily-mandated sales are timed to result in the highest return to the U.S. taxpayer.

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<sup>1</sup> Requires each PADD and sub-PADD to have at least 6 million barrels of combined gasoline and diesel fuel in its reserves. The conditions for releasing fuel from the SPPR are similar to the conditions to release fuel from the Northeast Home Heating Oil Reserve.

**Section 108. DOE Study and Plan for Delivery of Fuel During Pipeline Disruptions.**

Requires DOE to identify how it would deliver petroleum products from the SPR, SRPPR, and NEHHOR in the event of an attack or disruption rendering oil and product pipelines unusable.

**TITLE II—FUEL DEMAND****Section 201. State Energy Transportation Plans.**

Authorizes DOE to provide financial assistance to states to develop state energy transportation plans, which must contain plans to deploy a network of EVSE infrastructure in the state, modernize the state's electric grid to accommodate the demand for power from EVs, and implement other measures to reduce petroleum-based fuel consumption. This section receives \$9 in funding for each barrel sold from the EPR.

**Section 202. Transportation Electrification.**

Amends the Energy Independence and Security Act of 2007 to allow projects facilitating the electrification of the transportation sector, involving ground support equipment at ports, and deploying plug-in electric vehicle charging infrastructure to be eligible for grants from DOE. This grant program for states, local governments, and private entities receives \$2 in funding for each barrel sold from the EPR. Also provides funding for large-scale projects to electrify the transportation sector in a separate grant program, which receives \$3 in funding for each barrel sold from the EPR.

**Section 203. Federal Fleets.**

Mandates increases in the percentage of alternative fueled vehicles acquired for federal agencies' fleets and sets minimum requirements for the percentage of alternative vehicles that must be zero-emission vehicles. Additionally, directs federal agencies to increase alternative fuel consumption and reduce vehicle greenhouse gas emissions.

**TITLE III—FUEL SUPPLY****Section 301. Assistance for Western Hemisphere Refineries.**

Authorizes a new DOE program to increase crude oil throughput rates of oil refineries in allied Western Hemisphere countries by providing financing, materials, and equipment to companies and allied countries in the Western Hemisphere. This program receives \$1 in funding for each barrel sold from the EPR.