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Additional submitted attachment is included below.

ECONOMIC SYNOPSES

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Why Have a Strategic Petroleum Reserve?

by **Christopher J. Neely**

After the 1973 oil embargo that saw skyrocketing gas prices in the United States, Congress passed the Energy Policy and Conservation Act of 1975, which established the U.S. strategic petroleum reserve (SPR).¹ The Act permits the president to order drawdowns from the SPR in the case of "a severe energy supply interruption."² The SPR has an authorized capacity of 714 million barrels of oil, held in 60 caverns among 4 sites near the U.S. Gulf Coast.³ This essay briefly explains the history and traditional use of the SPR and explores alternative strategies for it.

From 1977 to about 1990, the Department of Energy filled the SPR at varying rates. The quantity of oil in the SPR then waxed and waned until the September 11, 2001, attacks, after which President Bush sought to refill the reserve, with the SPR peaking in January 2010 at 726.6 million barrels (see the figure). There were modest drawdowns in 2016-2021, associated with efforts to ease gas prices after Hurricane Harvey and Congressionally mandated "mandatory sales" to fund the fiscal deficit.⁴ In addition, Congress authorized sales to finance SPR modernization. The table, adapted from Kelly (2023), describes post-2015 SPR releases.⁵

Crude Oil in the U.S. SPR, 1982-2024

Millions of barrels

