

107TH CONGRESS  
1ST SESSION

# H. R. 245

To provide for the establishment of a Natural Gas Reserve.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. HALL of Ohio (for himself and Mr. SANDERS) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To provide for the establishment of a Natural Gas Reserve.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Natural Gas Reserve  
5 Act of 2001”.

6 **SEC. 2. NATURAL GAS RESERVE.**

7       Title I of the Energy Policy and Conservation Act  
8 is amended by—

9               (1) redesignating part E as part F;

10              (2) redesignating section 191 as section 198;

11              and

1           (3) inserting after part D the following new  
2 part E:

3           “PART E—NATURAL GAS RESERVE

4                   “ESTABLISHMENT

5           “SEC. 191. (a) AUTHORITY.—Notwithstanding any  
6 other provision of this Act, the Secretary may establish,  
7 maintain, and operate a Natural Gas Reserve. The Re-  
8 serve established under this part is not a component of  
9 the Strategic Petroleum Reserve established under part B  
10 of this title.

11          “(b) DEFINITION.—For the purposes of this part, the  
12 term ‘natural gas’ has the meaning given that term in sec-  
13 tion 2(1) of the Natural Gas Policy Act of 1978 (15  
14 U.S.C. 3301(1)).

15                   “AUTHORITY

16          “SEC. 192. To the extent necessary or appropriate  
17 to carry out this part, the Secretary may—

18               “(1) purchase, contract for, lease, or otherwise  
19 acquire, in whole or in part, storage and related fa-  
20 cilities, and storage services;

21               “(2) use, lease, maintain, sell, or otherwise dis-  
22 pose of storage and related facilities acquired under  
23 this part;

24               “(3) acquire by purchase, exchange (including  
25 exchange of petroleum products from the Strategic  
26 Petroleum Reserve or received as royalty from Fed-

1       eral lands), lease, or otherwise, natural gas for stor-  
2       age in the Natural Gas Reserve;

3           “(4) store natural gas in facilities not owned by  
4       the United States; and

5           “(5) sell, exchange, or otherwise dispose of nat-  
6       ural gas from the Natural Gas Reserve, including to  
7       maintain the quality or quantity of the natural gas  
8       in the Reserve or to maintain the operational capa-  
9       bility of the Reserve.

10           “CONDITIONS FOR RELEASE; PLAN

11       “SEC. 193. (a) FINDING.—The Secretary may sell  
12       products from the Natural Gas Reserve upon a finding  
13       that there is a natural gas supply shortage.

14       “(b) RELEASE OF NATURAL GAS.—After consulta-  
15       tion with the natural gas industry, the Secretary shall de-  
16       termine procedures governing the release of natural gas  
17       from the Natural Gas Reserve. The procedures shall pro-  
18       vide that—

19           “(1) the Secretary may—

20           “(A) sell natural gas from the Reserve  
21       through a competitive process; or

22           “(B) enter into exchange agreements de-  
23       scribed in section 192(3);

24           “(2) in all such sales or exchanges, the Sec-  
25       retary shall receive revenue or its equivalent that  
26       provides the Department with fair market value;

1           “(3) at no time may the natural gas be sold or  
2           exchanged resulting in a loss of revenue or value to  
3           the United States; and

4           “(4) the Secretary shall only sell or dispose of  
5           the natural gas in the Reserve to entities custom-  
6           arily engaged in the sale and distribution of natural  
7           gas.

8           “(c) PLAN.—Within 45 days after the date of the en-  
9           actment of this section, the Secretary shall transmit to  
10          the Congress a plan describing—

11           “(1) the acquisition of storage and related fa-  
12           cilities or storage services for the Natural Gas Re-  
13           serve, including the potential use of storage facilities  
14           not currently in use;

15           “(2) the acquisition of natural gas for storage  
16           in the Natural Gas Reserve;

17           “(3) the anticipated methods of disposition of  
18           natural gas from the Natural Gas Reserve;

19           “(4) the estimated costs of establishment, main-  
20           tenance, and operation of the Natural Gas Reserve;

21           “(5) efforts the Department will take to mini-  
22           mize any potential need for future drawdowns and  
23           ensure that distributors and importers are not dis-  
24           couraged from maintaining and increasing supplies;  
25           and

1 “(6) actions to ensure quality of the natural gas  
2 in the Natural Gas Reserve.

3 “NATURAL GAS RESERVE ACCOUNT

4 “SEC. 194. (a) ESTABLISHMENT.—Upon a decision  
5 of the Secretary of Energy to establish a Natural Gas Re-  
6 serve under this part, the Secretary of the Treasury shall  
7 establish in the Treasury of the United States an account  
8 known as the ‘Natural Gas Reserve Account’ (referred to  
9 in this section as the ‘Account’).

10 “(b) DEPOSITS.—The Secretary of the Treasury shall  
11 deposit in the Account any amounts appropriated to the  
12 Account and any receipts from the sale, exchange, or other  
13 disposition of natural gas from the Natural Gas Reserve.

14 “(c) AVAILABILITY.—The Secretary of Energy may  
15 obligate amounts in the Account to carry out activities  
16 under this part without the need for further appropriation,  
17 and amounts available to the Secretary of Energy for obli-  
18 gation under this section shall remain available without  
19 fiscal year limitation.

20 “EXEMPTIONS

21 “SEC. 195. An action taken under this part is not  
22 subject to the rulemaking requirements of section 523 of  
23 this Act, section 501 of the Department of Energy Organi-  
24 zation Act, or section 553 of title 5, United States Code.”.

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