

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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WASHINGTON, DC 20515-6143

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<https://oversight.house.gov>

May 26, 2022

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Granholm,

Committee on Oversight and Reform Republicans are conducting oversight of the U.S. Department of Energy's (DOE) recent announcement regarding a long-term replenishment plan for the Strategic Petroleum Reserve (SPR).¹ The Biden Administration has made diminishing domestic energy production a policy priority—causing the price of gasoline to skyrocket. Numerous times throughout the past year, the Biden Administration has released oil from the SPR with the hopes of lowering domestic gas prices.² However, despite these actions, gas prices continue to rise and now stand on average at \$4.60,³ the highest-ever average price since AAA began collecting data in 2000.⁴ Additionally, for the first time ever, gas now costs over \$4.00 dollars per gallon in every single state.⁵

On May 5, 2022, DOE announced a “buyback” process to replenish a fraction of the 180 million emergency barrels that were previously released. The announcement stated, “[t]he future delivery window will be based on anticipated market conditions factoring in when future oil prices and demand are expected to be significantly lower, likely after FY 2023.”⁶ Given continued hikes in both fuel prices and inflation without a noted decrease in demand, we fail to

¹ *DOE Announces Long-Term Buyback Plan Ensuring Continued Availability of Strategic Petroleum Reserve*, DEP'T OF ENERGY (May 5, 2022), <https://www.energy.gov/articles/doe-announces-long-term-buyback-plan-ensuring-continued-availability-strategic-petroleum>.

² David Koenig & Cathy Bussewitz, *What is the Strategic Petroleum Reserve?*, WASH. TIMES (Mar. 31, 2022), <https://www.washingtontimes.com/news/2022/mar/31/what-is-the-strategic-petroleum-reserve/>.

³ *State Gas Price Averages, AAA Gas Prices* (May 19, 2022), <https://gasprices.aaa.com/state-gas-price-averages/>.

⁴ Evan Halper et al., *Gas Prices Reach Record Highs as Biden Calls Inflation Top Priority*, WASH. POST (May 10, 2022), <https://www.washingtonpost.com/business/2022/05/10/gas-prices-are-up-again-putting-biden-fresh-bind/>.

⁵ Bryan Pietsch, *Gas Prices pass \$4 per gallon in very U.S. state for the first time*, WASH. POST (May 18, 2022), <https://www.washingtonpost.com/business/2022/05/18/gas-prices-record-four-dollars/>

⁶ *DOE Announces Long-Term Buyback Plan*, DEP'T OF ENERGY.

see how oil prices will be lower during the proposed buyback timeframe. Now more than ever, the DOE should establish policies that strive to produce more domestic energy instead of using an emergency oil supply in a failed attempt to curb inflation. Unfortunately, by all accounts, this Administration is doing the opposite.⁷ As of May 13, 2022, the stockpile in the SPR was 538 million barrels, which is the lowest amount since 1987.⁸ We request a briefing to better understand how the DOE intends to implement policies that increase domestic energy production while also restoring the SPR to its intended purpose of protecting the United States from global supply disruption.

The SPR was established in 1973 by President Richard Nixon after the Organization of Arab Petroleum Exporting Countries (OPEC) cut off oil supplies to the U.S. and other western nations in response to their support of Israel in the Yom Kippur War.⁹ The SPR was created so the U.S. would have a stockpile of crude oil supply to be used in the case of an emergency.¹⁰ The SPR currently has the capacity to hold 727 million barrels of oil, but after the Biden Administration's announcement that it plans to release 180 million additional barrels over the next six months, the supply will be much lower than the total capacity.¹¹

According to media reports, the International Energy Agency (IEA), an organization that works with governments and industry to shape a secure and sustainable energy future for all,¹² was not consulted in advance of the March announcement to release 180 million barrels.¹³ Group members of the IEA are raising concerns that President Biden is using the SPR in an attempt to combat inflation instead of protecting the U.S. and other IEA countries from a true global supply disruption.¹⁴ Instead of relying on false promises that a release from the SPR will reduce gas prices, the U.S. should enact policies that re-position itself as a major global energy producer.

The American people deserve to know more about DOE's plan to backfill the SPR. The SPR is intended for emergency supply chain disruptions—not as a stop gap to make up for the

⁷ See Lisa Friedman, *Biden Administration Cancels Drilling Sales in Alaska and Gulf of Mexico*, N.Y. TIMES (May 12, 2022).

⁸ Arathy Somashekar, *U.S. Strategic Petroleum Reserve drops to lowest level since 1987*, REUTERS (May 16, 2022), <https://www.reuters.com/markets/commodities/us-strategic-petroleum-reserve-drops-lowest-level-since-1987-2022-05-16/>.

⁹ Amy McKeever, *What is the Strategic Petroleum Reserve?*, NAT'L GEOGRAPHIC (Mar. 16, 2022), <https://www.nationalgeographic.com/environment/article/what-is-the-strategic-petroleum-reserve>.

¹⁰ *Id.*

¹¹ Callie Patteson, *Global Energy Agency 'Embarrassed' by Biden's Oil Reserves Tap: Report*, N.Y. POST (May 9, 2022, 3:56 PM), <https://nypost.com/2022/05/09/energy-agency-embarrassed-by-bidens-oil-reserves-tap-report/>.

¹² *The IEA Works with Governments and Industry to Shape a Secure and Sustainable Energy Future for All*, INT'L ENERGY AGENCY (Nov. 26, 2020), <https://www.iea.org/about/mission>.

¹³ Noah Browning & Dmitry Zhdannikov, *Exclusive: Biden Sidelined Global Energy Partners with Record Emergency Oil Release*, REUTERS (May 9, 2022, 3:06 PM), <https://www.reuters.com/business/energy/exclusive-biden-sidelined-global-energy-partners-with-record-emergency-oil-2022-05-09/>.

¹⁴ *Id.*

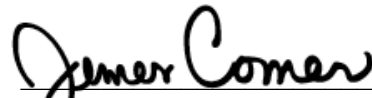
Biden Administration's war on domestic energy. Americans are suffering from record high 8.3 percent inflation including an energy index increase of 30 percent over the last 12 months. Stated differently, a third of the current inflation crisis is directly tied to President Biden's energy policies.¹⁵ The Administration owes the American people answers. In order to ensure that DOE: 1) has a plan in place to refill the supply of the SPR and 2) is working to encourage domestic energy production, we request a staff-level briefing as soon as possible to learn more about the specifics of these plans.

To ask any follow-up, related questions, or to schedule the briefing, please contact the Committee on Oversight and Reform Republican staff at (202) 225-5074. The Committee on Oversight and Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,



Fred Keller
Member of Congress



James Comer
Ranking Member
Committee on Oversight and Reform



Glenn S. Grothman
Ranking Member
Subcommittee on National Security



Michael Cloud
Ranking Member
Subcommittee on Economic and
Consumer Policy



Ralph Norman
Ranking Member
Subcommittee on Environment




Nancy Mace
Ranking Member
Subcommittee on Civil Rights and
Civil Liberties

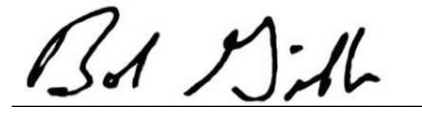
¹⁵ *Consumer Price Index Summary*, U.S. BUREAU OF LAB. STATISTICS,
<https://www.bls.gov/news.release/cpi.nr0.htm>.

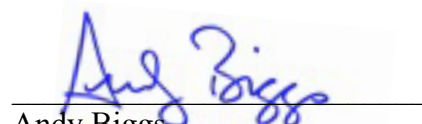
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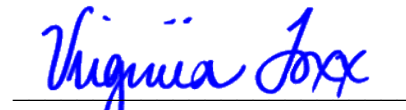
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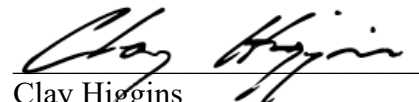

Jim Jordan
Member of Congress

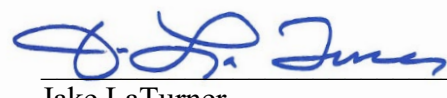

Bob Gibbs
Member of Congress

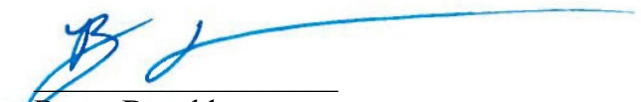

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Virginia A. Foxx
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Clay Higgins
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Jake LaTurner
Member of Congress


Byron Donalds
Member of Congress

cc: The Honorable Carolyn Maloney, Chairwoman
Committee on Oversight and Reform

The Honorable Stephen F. Lynch, Chairman
Subcommittee on National Security

The Honorable Raja Krishnamoorthi, Chairman
Subcommittee on Economic and Consumer Policy

The Honorable Ro Khanna, Chairman
Subcommittee on Environment

The Honorable Jamie Raskin, Chairman
Subcommittee on Civil Rights and Civil Liberties