

**Northeast Home Heating Oil Reserve  
Proposed Appropriation Language**

For necessary expenses for the Northeast Home Heating Oil Reserve storage, operation, and management activities pursuant to the Energy Policy and Conservation Act, [~~\$8,000,000~~]*\$1,600,000*, to remain available until expended.

**Explanation of Changes**

No changes.

**Public Law Authorizations**

- P.L. 109-58, Energy Policy Act of 2005

## Northeast Home Heating Oil Reserve

(\$K)			
FY 2013 Current	FY 2014 Enacted	FY 2014 Current	FY 2015 Request
3,590	8,000	8,000	1,600

### Overview

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. In FY 2011, the NEHHOR Program completed the sale of all 2 million barrels of its high sulfur heating oil inventory located in commercial storage. In FY 2012 NEHHOR converted to a 1 million barrel configuration of Ultra Low Sulfur Diesel (ULSD) stored in the Northeast terminals, to meet new Northeast states' emission standards being instituted. The FY 2014 program will continue operation of the 1 million barrel Reserve of ULSD in Groton, CT and Revere, MA.

### Highlights and Major Changes in the FY 2015 Budget Request

In FY 2015, the Program will continue to focus on oversight, management and quality analysis of the Reserve as well as information technology for sales system support. Commercial storage contracts for 1 million barrels of ULSD expire on September 30, 2015, so the re-solicitation for new commercial contracts will begin in mid-2015. Storage costs are subject to increased market rates which will require the use of \$6 million in prior year balances to supplement new budget authority. Additionally, a change in location of either storage site could increase costs.

### FY 2013 Key Accomplishments

- Actively monitored Northeast heating oil supplies and terminal distribution as part of the assessment of the developing winter situation and the Government's Configuration of emergency stocks in the commercial terminals.
- Transitioned all contractual matters regarding transfer of ownership of the Groton, CT terminal from Hess Corporation to Buckeye Partners, L.P.



## **Northeast Home Heating Oil Reserve**

### **Overview**

In support of the Department of Energy's Strategic Plan's goal of "Transform our Energy Systems: Protecting the nation against interruptions in its critical heating oil supplies," the Northeast Home Heating Oil Reserve (NEHHOR) provides protection from severe heating oil supply disruptions throughout the Northeast. The NEHHOR provides a short-term supplement to the Northeast systems' commercial supply of heating oil in the event of a supply interruption. The heating oil reserve has been designed to augment commercial supplies during an emergency. The Reserve is not designed to displace the private market. It provides a buffer to assist the heating oil industry in mitigating short-term supply interruptions. The Reserve is a valuable component of America's energy readiness efforts, separate from the Strategic Petroleum Reserve.

### **Highlights of the FY 2015 Budget Request**

NEHHOR will solicit new commercial storage contracts in FY 2015.

**Northeast Home Heating Oil Reserve  
Funding (\$K)**

	<b>FY 2013 Current</b>	<b>FY 2014 Enacted</b>	<b>FY 2014 Current</b>	<b>FY 2015 Request</b>	<b>FY 2015 vs FY 2014 Enacted</b>
<b>Northeast Home Heating Oil Reserve</b>					
Commercial Leases	9,090	7,500	7,500	7,600	+100
Information Technology Support	400	400	400	0	-400
Quality Control and Analysis	100	100	100	0	-100
<b>Subtotal, Northeast Home Heating Oil Reserve</b>	<b>9,590</b>	<b>8,000</b>	<b>8,000</b>	<b>7,600</b>	<b>-400</b>
Use of Prior Year Balances	0	0	0	-6,000	-6,000
Discretionary Rescission of Unobligated Balances	-6,000	0	0	0	0
<b>Total, Northeast Home Heating Oil Reserve</b>	<b>3,590</b>	<b>8,000</b>	<b>8,000</b>	<b>1,600</b>	<b>-6,400</b>

**Northeast Home Heating Oil Reserve  
Explanation of Major Changes (\$K)**

<b>FY 2015 vs FY 2014 Enacted</b>
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<b>Northeast Home Heating Oil Reserve:</b> Prior year balances will be used in conjunction with new budget authority to solicit follow-on commercial storage contracts for 1 million barrels of Ultra Low Sulphur Diesel.	<b>-6,400</b>
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<b>Total, Notheast Home Heating Oil Reserve</b>	<b>-6,400</b>
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**Department Of Energy**  
**FY 2015 Congressional Budget**  
**Funding By Appropriation By Site**  
 (\$K)

Northeast Home Heating Oil Reserve Account	FY 2013 Current	FY 2014 Enacted	FY 2015 Request
Washington Headquarters			
Northeast Home Heating Oil Reserve			
Northeast Home Heating Oil Reserve	9,590	8,000	7,600
<b>Total, Washington Headquarters</b>	<b>9,590</b>	<b>8,000</b>	<b>7,600</b>
<b>Total, Northeast Home Heating Oil Reserve Account</b>	<b>9,590</b>	<b>8,000</b>	<b>7,600</b>