From: Rapp, Andrew
Sent: Mon, 14 Jul 2025 21:11:26 +0000
To: Smith, Lem
Subject: Fw: Energy Department Authorizes Strategic Petroleum Reserve Exchange to Support Fuel Supply in Gulf Coast

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To: Rapp, Andrew <andrew.rapp@hq.doe.gov>
Subject: Energy Department Authorizes Strategic Petroleum Reserve Exchange to Support Fuel Supply in Gulf Coast

Press Release
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July 11, 2025

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Energy Department Authorizes Strategic Petroleum Reserve Exchange to Support Fuel Supply in Gulf Coast

WASHINGTON— The U.S. Department of Energy (DOE) today announced the authorization of an exchange from the Strategic Petroleum Reserve (SPR) with ExxonMobil Corporation to address logistical challenges impacting crude oil deliveries to the company's Baton Rouge refinery. U.S. Secretary of Energy Chris Wright authorized this action to help maintain stable regional supply of transportation fuels across Louisiana and the broader Gulf Coast. This action preserves the SPR's operational flexibility and will not impact or delay the Department's ongoing efforts to refill the reserve.

Under the exchange agreement, DOE will provide up to 1 million barrels of crude oil from the SPR. The exchange will support ExxonMobil's restoration of refinery operations that were reduced due to an offshore supply disruption. ExxonMobil will return the borrowed crude along with additional barrels of crude oil for the SPR at no cost to the taxpayer.

The Department remains in close coordination with industry partners to ensure stability in the fuel supply chain during the peak demand season. DOE continues to encourage refiners to prioritize efficient production and delivery of refined fuels, stands ready to support the nation's energy security through the responsible use of strategic resources, and will continue to deliver on President Trump's commitment to protect American energy security by refilling the SPR.

Background:

Sections 159 and 160 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C.A. §§ 6239 and 6240, authorize the Secretary of Energy to exchange SPR petroleum products and to acquire petroleum products by exchange for storage in the SPR. The Secretary of Energy has previously exercised this legal authority to conduct emergency exchanges in response to supply disruptions, including Keystone Pipeline in 2022, and the Calcasieu Ship Channel closures in 2006 and 2000.

An oil supply disruption has led to reduced operations at the Baton Rouge refinery, limiting production of transportation fuels. The exchange is intended to ensure the maximum supply of refined fuel products in the Gulf Coast region while ExxonMobil resolves logistical challenges.

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