

# Chart of the Week #2022-36

## Running on Empty: U.S. Strategic Petroleum Reserve Now at Historic Lows

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Washington, DC

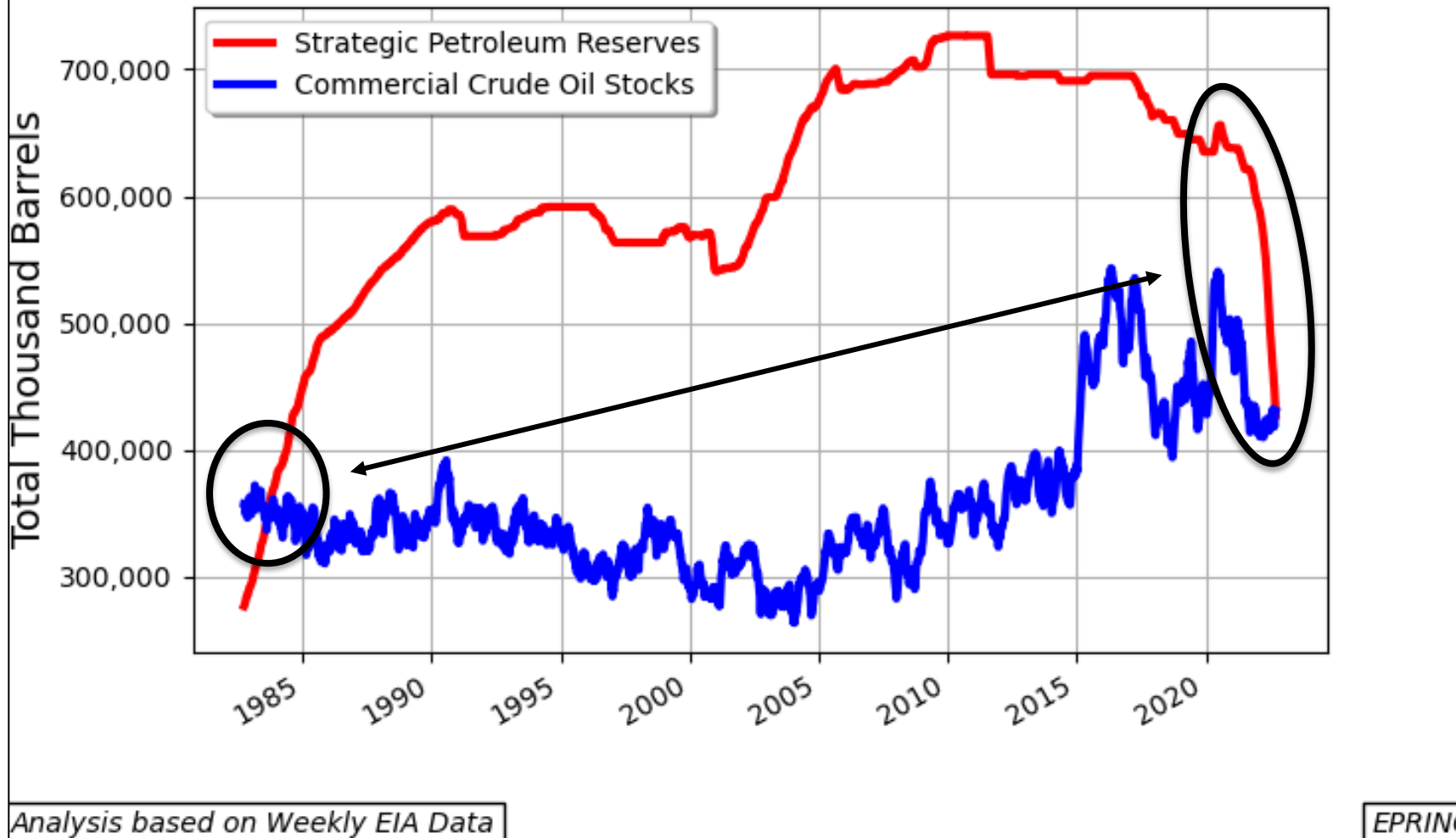


Source: Bryan Mound SPR  
Adrees Latif  
Reuters

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U.S. Commercial and Strategic Reserve Crude Oil Inventories:  
09/16/1982 to 09/16/2022



Analysis based on Weekly EIA Data

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Beginning on November 23, 2021, the Biden administration has authorized releases from the U.S. Strategic Petroleum Reserve (SPR).

Unlike previous releases done for extreme emergency purposes, these releases are the first time that they have been made solely for high retail fuels price relief.

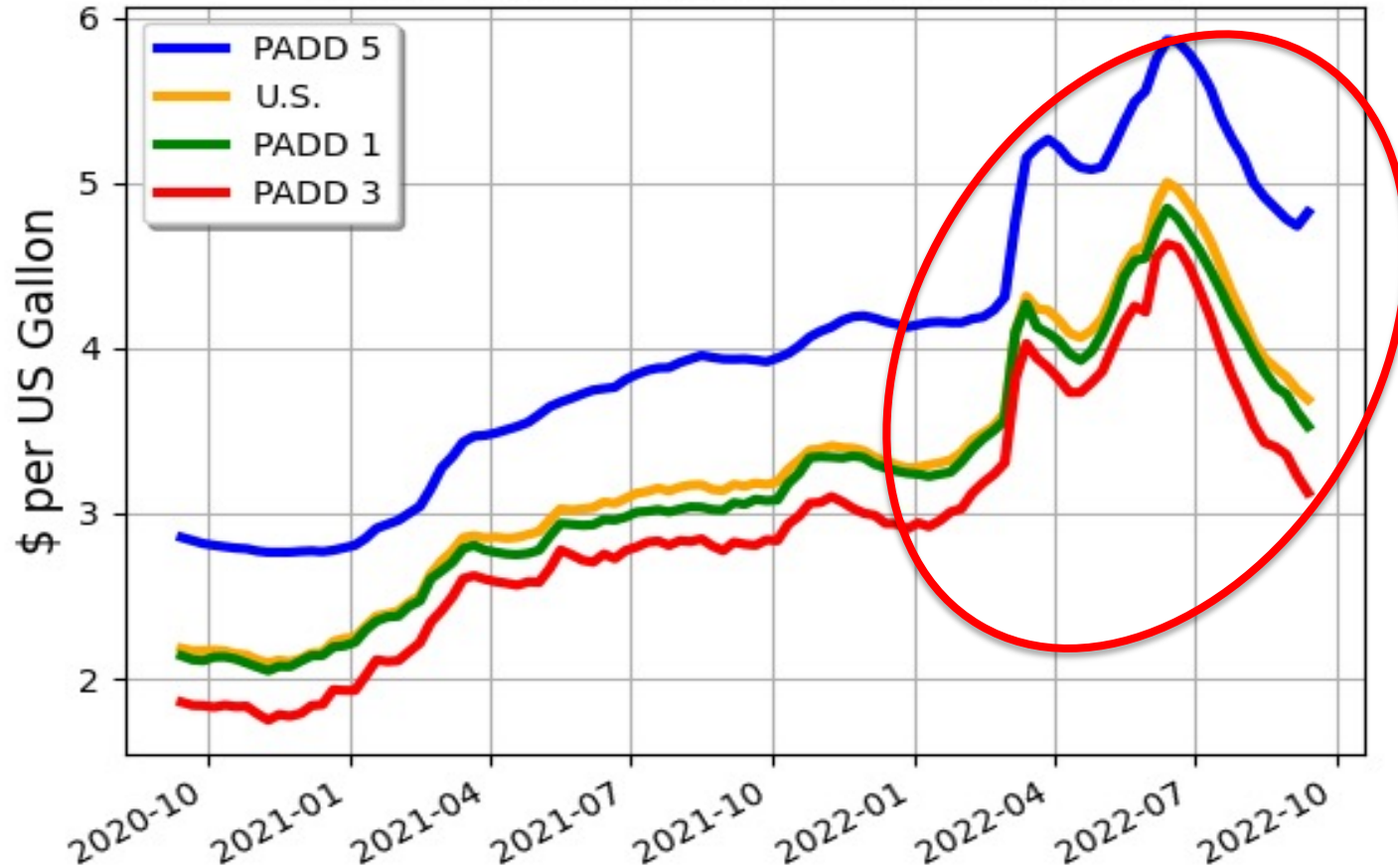
The Biden administration's program is set to expire in November 2022. Over 182 million barrels of crude oil has been released during this initiative, the largest ever since the SPR was established in the late 1970s.

With the latest data U.S. EIA data, U.S SPR stocks are now at 427 million barrels, below the level of U.S. commercial crude oil stocks for the first time since August 1983.

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Weekly Gasoline-Regular Prices for PADD 5, U.S., PADD 1,  
PADD 3: 09/10/2020 to 09/12/2022



**While U.S. Strategic Petroleum Reserve releases have delivered some gasoline price relief, there has also been declining fuels demand in the latter part of 2022.**

Analysis based on EIA Data

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- Over the course of 2021 and 2022, U.S. transportation fuel prices have climbed steeply, rising to levels not seen in a decade. They peaked mid-summer, and have receded to February 2022 levels.
- Aiming to signal policy-based relief, the Biden Administration has announced three sets of releases from the U.S. Strategic Petroleum Reserve (SPR), for a total of 240 million barrels through the end of September 2022. The program is now set to expire at the end of November 2022.
- These actions were taken after the Administration requested both U.S. producers and OPEC+ members to increase crude oil production in order to create price relief.
- Critics asserted that this conflicted with policy, especially in light of the earlier KXL Pipeline cancellation and Federal oil and gas sales suspension.
- The U.S. SPR was established in the 1970s in reaction to oil supply shortages brought on by political instability in producing countries in the Middle East. The action was coordinated by the International Energy Agency (IEA) on behalf of OECD member countries including the U.S.
- The anticipated scenarios for any sort of SPR release were oil supply disruptions brought on by events such as extreme weather, military conflicts, geopolitically motivated embargos, and major oil supply infrastructure accidents. In the current moment, none of these sorts of events are impairing petroleum production, trade, and distribution.
- Furthermore, any sort of release by one country would be done in conjunction with other OECD countries with oversight from the IEA. Only the release authorized on March 2, 2022 is in conjunction with other OECD countries.

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- The market tightness and rising prices ahead of the mid-summer peak are attributable to a variety of market frictions across the petroleum product supply chain.
- The Biden administration's program is set to expire in November 2022. Over 182 million barrels of crude oil has been released during this initiative, the largest ever since the SPR was established in the late 1970s.
- With the latest U.S. EIA data, U.S SPR stocks are now at 427 million barrels, below the level of U.S. commercial crude oil stocks for the first time since August 1983.
- While U.S. SPR releases have delivered some price relief, there has also been declining fuels demand in the latter part of 2022. With lower crude oil prices, some are now calling for policy shifts to slowly begin replenishing the SPR.
- This slide deck is available at: <https://eprinc.org/chart-of-the-week/>
- For more information on this chart, please contact Larry Goldstein ([larryg@eprinc.org](mailto:larryg@eprinc.org)), Lucian Pugliaresi ([loup@eprinc.org](mailto:loup@eprinc.org)), or Max Pyziur ([maxp@eprinc.org](mailto:maxp@eprinc.org)).