



The SPR: Politics and Price Over Protection 8/9/23

The SPR was designed to minimize **economic dislocations** during supply disruptions. Its purpose was not designed to manipulate pump prices. It is a national security investment.

Last year the Administration sold over 200 million barrels of SPR oil at a price of approximately \$95/bbl. The Secretary of Energy promised to start filling the reserve. While there were technical issues on receiving the oil in the short run, they knew they could start to take the oil in November/December. Prices were weak in May/June. They could have (and should have) gone out with offers to buy for delivery starting early winter.

In fact, they did go out and offer to buy 6 million barrels. However, they pulled the sale because prices had risen. Price and politics over protection. The SPR is the corner stone of our energy policy. Yet, we treat it as a stepchild, using it as a pricing tool and not as a strategic national security asset.