2014-06-24 01:11:57 EDT

Heating Oil, Propane Marketers Get Contingency Plan for Winter Supply Outage

The U.S. House of Representatives has approved the "Reliable Home Heating Act" by voice vote Monday afternoon, according to the New England Fuel Institute (NEFI).

The bill was introduced by Sens. John Thune (R-S.D.) and Amy Klobuchar (D-Minn.) to help prevent regional supply shortages of home heating fuels.

NEFI was a strong supporter of the legislation and said that it would like to thank Sen. Kelly Ayotte (R-N.H.) for agreeing to cosponsor the bill.

In the event of a shortage of heating oil, propane or natural gas, the bill, S.2086, allows state governors to extend existing 30-day hours-of-service (HOS) waivers up to an additional 60 days without the approval of the Federal Motor Carriers Safety Administration (FMCSA).

These extensions would apply only to the transportation of heating fuels.

It also requires the U.S. Energy Information Administration (EIA) to notify affected state governors when heating oil, propane or natural gas stocks fall below the five-year average for more than three consecutive weeks in a given region.

The final version of the bill includes a section requiring the Secretary of Transportation to report back to Congress within one year on the effect of the legislation on road safety and to provide a detailed review of the waiver process "to ensure clarity and efficiency during emergencies."

Other industry groups including the Petroleum Marketers Association of America (PMAA), the National Propane Gas Association (NPGA) and state and regional associations also supported S.2086. The bill was approved by the Senate on May 22 and now goes to President Obama for his signature.

OPIS notes that the Northeast and Midwest regions were affected by sharp propane and heating oil supply logistics issues earlier this year as demand spiked in response to a temperature plunge.

NEFI said that the House debated Monday evening a commodity trading bill (H.R.4413) opposed by NEFI because it would make it easier for Wall Street groups to challenge important new trading rules in court.

Later this week, the House will take up bills to expedite the approval of natural gas exports (H.R.6); lift nearly all restrictions on domestic oil and gas production (H.R.4899); and make it easier to approve oil and gas pipelines that cross international borders (H.R.3301).

NEFI is reviewing this legislation and additional action may be necessary.