President Joe Biden has ordered that one million barrels of oil be released every day for six months from the Strategic Petroleum Reserve, a US government complex that stores oil at different sites to be used in emergencies. It is the largest release ever from the country’s stockpile, and the intention is to lower gas prices.

What is happening?
The cost of a gallon of gasoline in the US has soared in 2022. In March, the average cost hit a record high of $4.33. In California, the state with the highest gas prices, fuel reached an average price of $5.91 per gallon. The price was as high as $7 a gallon in Los Angeles. In Alabama, gas prices have jumped by $1.40 since last year. Nationwide, families could spend an extra $2,000 this year to pay for the fuel they need. The Strategic Petroleum Reserve was created in 1975, partly to provide protection against this type of price increase.

What is the goal of the announcement?
Biden hopes that by sending more oil into the marketplace, gas will cost less at the pump. Studies show that when there is a large supply of a product, such as gasoline, the price decreases. Lowering prices is especially important for people who spend a large portion of their income on gas.

Why are prices so high?
Economic experts say the Russian invasion of Ukraine, which began on February 24, is the top reason for the rapid rise in gas prices. Russia is a major producer of oil, but less is available due to the sanctions (penalties) that nations around the world have imposed. As a result, gas prices in the US jumped by almost 20% in the first two weeks of the war. Since 2021, gas prices have also increased as pandemic restrictions were lifted and people resumed their regular activities.

What will happen next?
The release of the extra oil could provide short-term relief by modestly decreasing the price of gas at the pump. Experts predict the price of fuel will remain higher than usual until the war ends.