

# DEFENSE LOGISTICS AGENCY

*Established 1961*



## Fuel Standard Pricing

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THE NATION'S LOGISTICS COMBAT SUPPORT AGENCY



- A Word About the Defense Working Capital Fund (DWCF)
- The Nature of Fuel Pricing
- Standard Price Overview and Features
- Standard Price Components
- Standard Price “Mythbusters”
- Contact Us

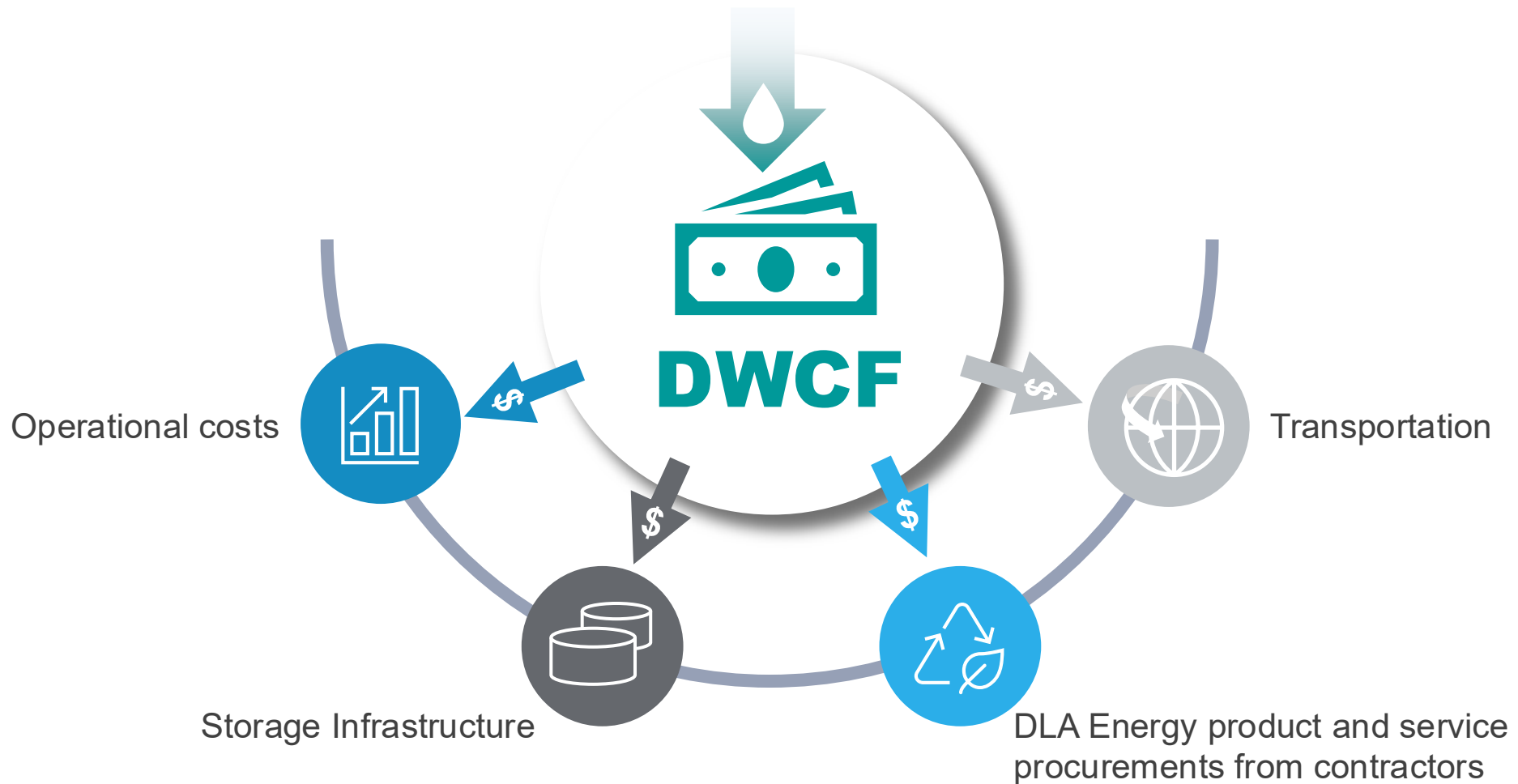


- The Defense Logistics Agency is funded by a revolving fund known as the Defense Working Capital Fund
  - “DWCF” for short
  - As opposed to appropriated funds
- DLA funds product purchases and services within our mission. For Fuel that includes:
  - Fuel Products
  - Sustainment, Repair & Modernization of fuel facilities
  - Transportation of Fuel
  - Terminal Operations
- DLA sells products to the Services to account for our expenses and replenish the fund



# DWCF in Action!

DLA ENERGY sells **Fuel** to customers at standard price or "Cost Plus"



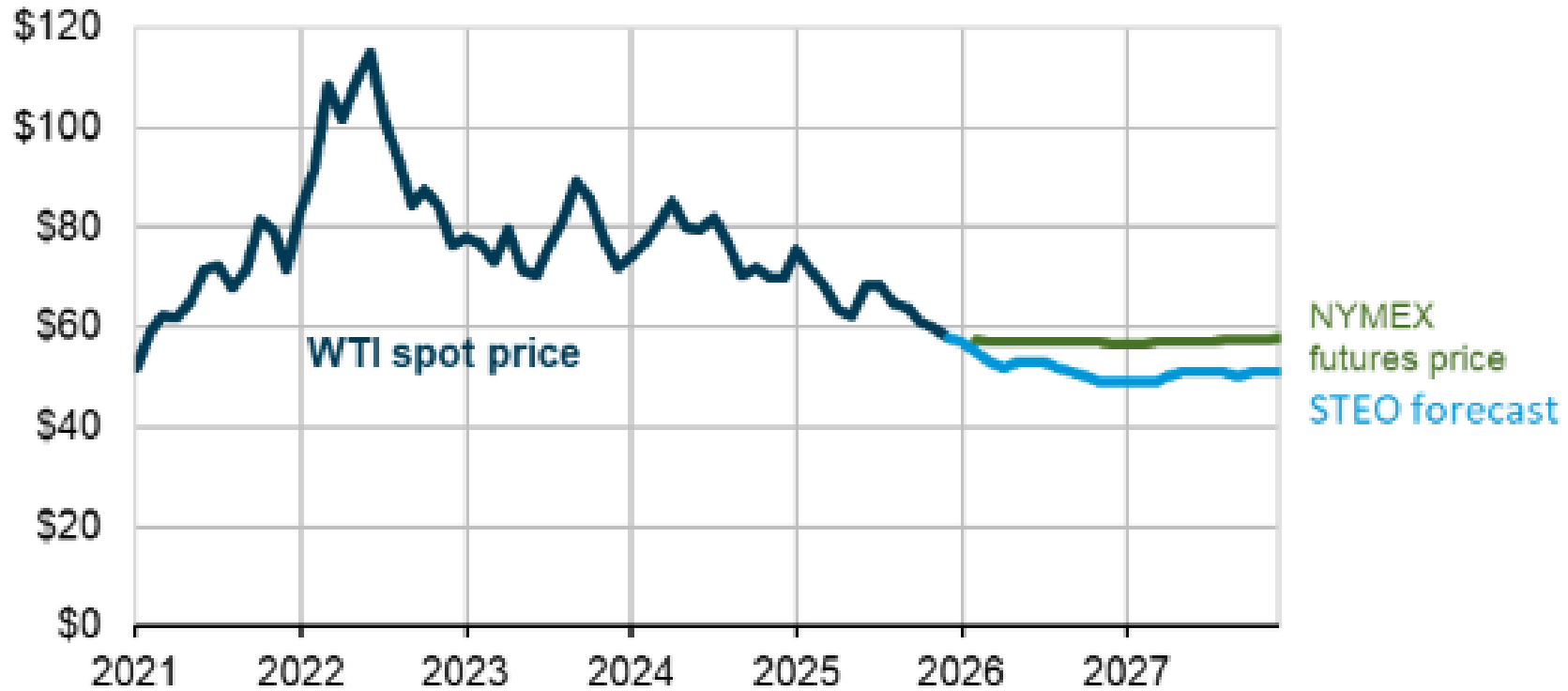


- What is the price of gas today?
  - “It’s \$2.89\* per gallon at my local fill-up”
  - What about tomorrow?
  - How about in September?

*\*Source: AAA National Average, as of February 5, 2026*



West Texas Intermediate (WTI) crude oil price and NYMEX futures price  
dollars per barrel



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2026, Bloomberg, L.P., and LSEG Data

Note: Futures curve is the average settlement price for five trading days ending January 8, 2025.



- What if you had to make your plans for the rest of the year right now?
- How much is my road trip in August going to cost me?
- How far can I take a boat out in July on \$100?
- How many flying hours can my unit afford?
- What do I do if the price rises from global events?
  - Oil Embargo?
  - Conflict in the Middle East?
  - Hurricane hits the refineries?
- Don't Panic!



- The Standard Fuel Price (SFP) is:
  - Charged to most of DLA Energy’s customers
  - Set by the Under Secretary of War (Comptroller) (USW(C)) based on:
    - Economic Assumptions Issued by the Office of Management and Budget (OMB), which include fuel product cost projections
    - Projected non-product cost and cash levels
  - Updated by the USW(C) when needed to maintain solvency or improve readiness levels
  - Stabilizes the Services’ budgets
    - Insulates the Military Services from market volatility during the year of execution
  - Working Capital Fund cash solvency is required by law



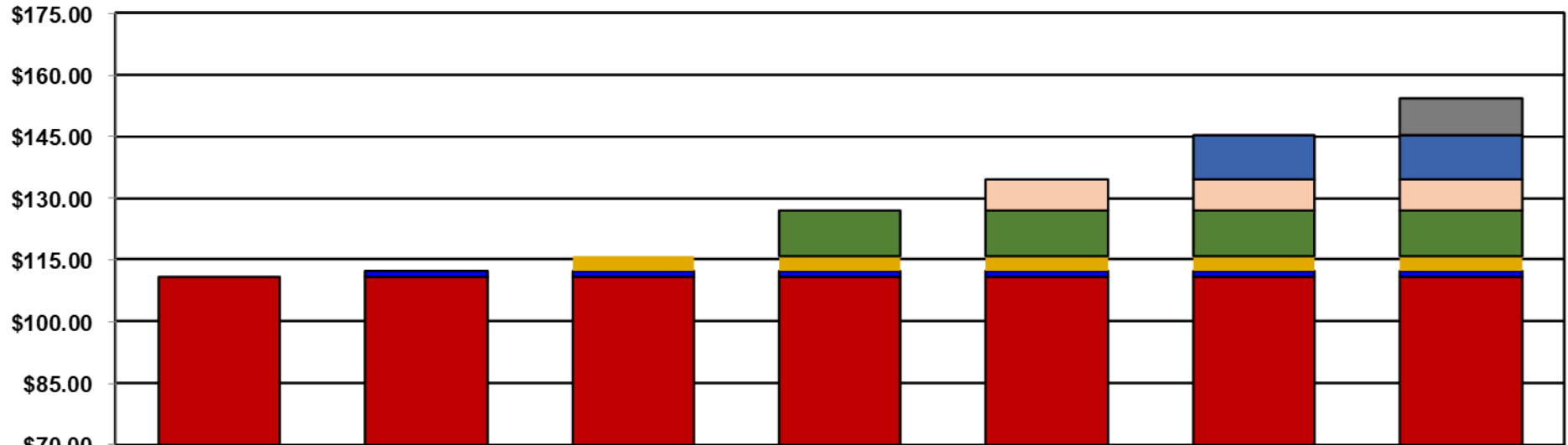
- Price is available for all DoW members
- Other authorized customers pay SFP as well
  - U.S. Coast Guard
  - Foreign Partners w/ACSA
  - Authorized Private Parties in support of DoW
- Other customers pay “cost plus” rates
- Composite costs are spread across fuel types and delivery methods
  - Price varies by DLA’s cost to procure
  - Price varies by delivery method (Intoplane/Bunkers)
  - Price varies if it’s a “non-contract” location



# Petroleum FY 2026 Standard Price Build-Up

**\$154.14 per Barrel (\$3.67 Per Gallon)**

Dollars Per Barrel



	Refined Product	Product Losses	Cost Adjustment	Transportation	Terminal Operations	Operations	SRM
SRM							\$8.98
Operations						\$10.68	\$10.68
Terminal Operations					\$7.30	\$7.30	\$7.30
Transportation				\$11.42	\$11.42	\$11.42	\$11.42
Cost Adjustment			\$3.37	\$3.37	\$3.37	\$3.37	\$3.37
Product Losses		\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Refined Product	\$110.99	\$110.99	\$110.99	\$110.99	\$110.99	\$110.99	\$110.99

**Total**      **\$110.99**      **\$112.39**      **\$115.76**      **\$127.18**      **\$134.48**      **\$145.16**      **\$154.14**

Price based on PB26 sales barrels 79.535M



## Standard Price Myth #1

- **Myth: DLA Energy is making lots of money off of the standard price.**



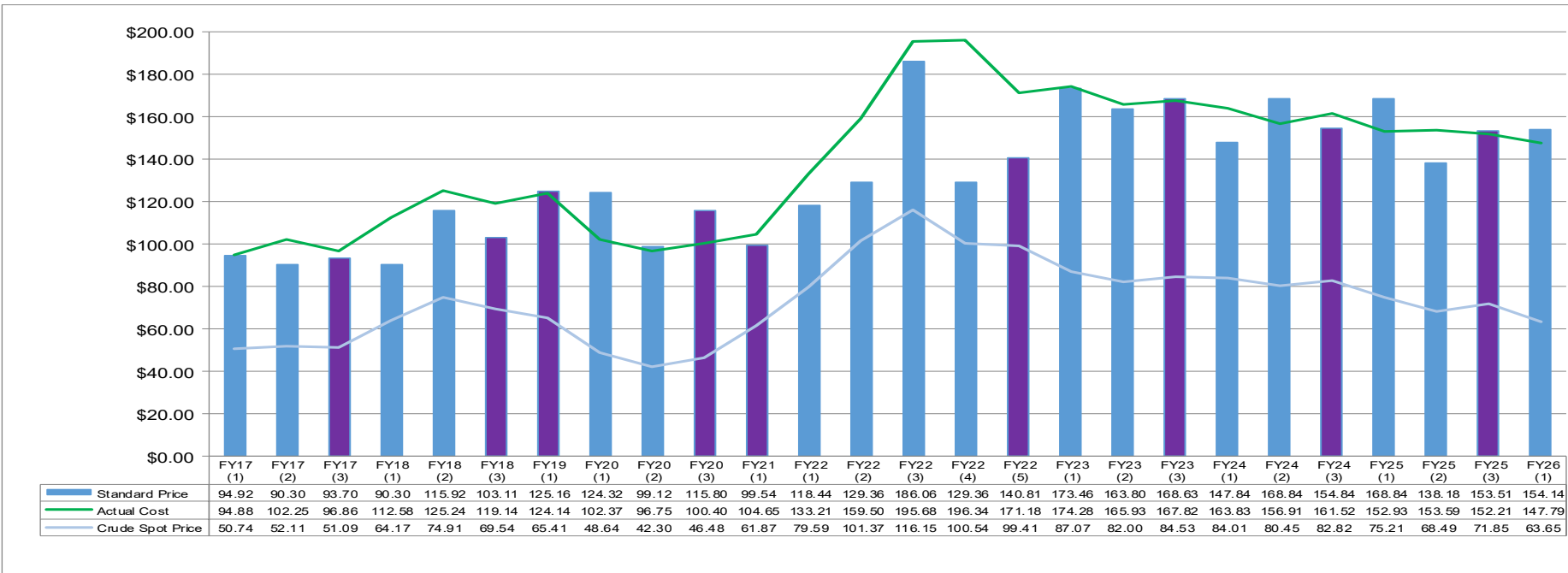
**BUSTED!**

- **DLA Energy Recovers ONLY its costs via the standard price.**
  - If it's too high, OSW will lower it
  - Returning money to the Services over time
  - DoW and Congress can issue a reprogramming

# Standard Price vs. Actual Cost



Dollars per Barrel



**FY2017 Standard Price and Costs**

Budgeted Price \$105.00  
 (1) October-June  
 (2) July-September  
 (3) Composite October-September

**FY2019 Standard Price and Costs**

Budgeted Price \$104.16  
 (1) October-September

**FY2021 Standard Price and Costs**

Budgeted Price \$99.54  
 (1) October-September

**FY2023 Standard Price and Costs**

Budgeted Price \$167.02  
 (1) October-January  
 (2) February-September  
 (3) Composite October - September

**FY2025 Standard Price and Costs**

Budgeted Price \$152.46  
 (1) October-March  
 (2) April-September  
 (3) Composite October-September

**FY2018 Standard Price and Costs**

Budgeted Price \$104.58  
 (1) October-March  
 (2) April-September  
 (3) Composite October-September

**FY2020 Standard Price and Costs**

Budgeted Price \$124.32  
 (1) October-May  
 (2) June-September  
 (3) Composite October-September

**FY2022 Standard Price and Costs**

Budgeted Price \$118.44  
 (1) October-December  
 (2) January-April  
 (3) May-July 15  
 (4) July 16-September  
 (5) Composite October-September

**FY2024 Standard Price and Costs**

Budgeted Price \$147.84  
 (1) October-May  
 (2) June-September  
 (3) Composite October-September

**FY2026 Standard Price and Costs**

Budgeted Price \$154.14  
 (1) October-December

= Composite

Years with multiple price changes are weighted averages



- **Myth: The price at my local fill-up went down yesterday, is the Standard Fuel Price going to be cheaper now?**



- **THE STANDARD PRICE IS NOT A MARKETPLACE PRICE**
  - It is not intended that the SFP be comparable with fuels in the common marketplace.
  - SFP accounts for the costs of not only product, but also storing, transporting, and managing the government fuel system. This includes strategic locations and fuel types not held on the normal marketplace.



- DLA is funded by a revolving fund known as DWCF
- The Standard Fuel Price is a budget tool for DLA & Services
- SFP is set to recover costs and keep DWCF cash solvent
- SFP is not a “money-maker”
- SFP is not the market price
- SFP is the same for DoW Customers

