



June 30, 2015

Representative Thomas Golden
House Chair
Joint Committee on Telecommunications, Utilities and Energy
Room 473B – State House
Boston, MA 02133

Representative Golden,

The Massachusetts Energy Marketers Association (MEMA) offers the following written testimony on House 2909, Senate 1766 and Senate 1761.

▪ **Association Profile**

Established in 1954, MEMA is a business association serving the home and commercial energy marketplace. MEMA represents nearly 350 companies across the state, including retail and wholesale/supplier operations. Collectively, the association's retail members store, sell and deliver nearly 70 percent of the residential and commercial low sulfur heating oil used statewide. The retailers also sell renewable BIOHEAT at blends of up to 20%, low and ultra-low sulfur diesel fuel, propane and other fuels. MEMA also represents thousands of state certified oil heating equipment technicians; national and local heating equipment manufacturers and suppliers; and other businesses providing valuable goods and services to the industry. MEMA's mission includes:

1. Implementing effective legislative, regulatory and government affairs programs and activities in Massachusetts and in Washington, DC;
2. Promoting and protecting the business interests of members by developing and implementing effective advertising, marketing and public relations programs;
3. Serving as a valuable resource and information base to a host of audiences; and
4. Serving as the qualified state association for the National Oilheat Research Alliance (NORA), a congressionally authorized program aimed at promoting Oilheat, renewable BIOHEAT fuel, and energy efficiency; educating consumers and the industry; and developing meaningful research and development projects for heating fuels and heating equipment.

- **House 2909 and Senate 1766: Acts further promoting energy efficiency and green jobs**

MEMA Position: Opposed

Both of these legislative measures are not needed in Massachusetts for the following reasons:

- 1.) In February 2014, the home heating oil industry nationwide successfully worked with the U.S. Congress to pass the **Oilheat Efficiency, Renewable Fuel Research and Jobs Training Act of 2014**, which reauthorized the activities of the National Oilheat Research Alliance (NORA). A key component of this law mandates that the heating oil industry utilize a portion of the funds collected annually in 22 Oilheat states – including Massachusetts – for a “heating oil efficiency and upgrade program.” The Act states that our association and NORA must “carry out programs to assist customers to make cost-effective upgrades to more fuel efficient heating oil systems or otherwise make cost effective modifications to an existing heating system,” and “improve energy efficiency or reduce energy consumption through cost effective energy efficiency programs for consumers.”
2.) Unlike House 2909 and Senate 1766 which would assess a 2.5 cents per gallon tax on all gallons of home heating oil sold in Massachusetts, the NORA assessment is not passed on to home heating oil customers. The federal law contains a “prohibition on pass through.” The law states, “None of the assessments collected under this title may be passed through or otherwise required to be paid by residential consumers of oilheat fuel.”
- 3.) Collecting a 2.5 cents per gallon tax on home heating oil used in Massachusetts will be impossible to establish and track since millions of gallons of home heating oil come into Massachusetts annually from heating oil storage/distribution terminals outside the state including Rhode Island, New Hampshire, Connecticut, Vermont and New York. This interstate commerce is crucial to the smooth operation of the regional heating oil industry and House 2909 and Senate 1766 do not give the Commonwealth the statutory ability to levy taxes on heating oil coming into Massachusetts from other states.

For your information, as well as other members of your Committee, a copy of **Oilheat Efficiency, Renewable Fuel Research and Jobs Training Act of 2014** is included with this written testimony.

- **House 1761: An Act relative to home energy efficiency**

MEMA Position: Opposed

First, Mass Save energy audits cannot be conducted statewide because Mass Save is not a statewide program. The company that operates the Mass Save program – Conservation Services Group – does so for only two of the state’s electric and gas utilities. Additionally, there are a number of Massachusetts cities and towns that have municipal utilities and these communities are also not served by any utility-funded energy efficiency program.

Secondly, conducting more energy audits under Senate 1761 will add more costs to both electric and natural gas rate payers and will add to the already sky high price of electricity statewide.

Also, state government should not be in the business of mandating that a homeowner, prior to listing a home for sale, conduct an energy assessment. This should remain a voluntary option for homeowners in Massachusetts.

And finally, establishing an energy rating and labeling system will be an albatross around the necks of untold numbers of homeowners who are trying to sell their homes. This could force people to spend money on energy efficiency improvements they simply do not have, force them to drop the price of their home, or slow or deter the sale of their property causing great financial harm and personal anguish.

MEMA recommends that your Committee not act favorably on House 2909, Senate 1766 and Senate 1761. Thank you.

Respectfully,

A handwritten signature in cursive script, appearing to read "Michael Ferrante".

Michael Ferrante | President, Massachusetts Energy Marketers Association