



Representing Oilheat and Bioheat Throughout the Commonwealth

Testimony of Kevin Horgan

July 9, 2013 Public Hearing

Joint Committee on Telecommunications, Utilities & Energy

Good morning Chairman Keenan, Chairman Downing and members of the Committee. My name is Kevin Horgan and I'm the owner and chief operating officer of Ayer Oil Company based in Ayer, Massachusetts.

My company was established in 1967 and we are a full service heating oil company serving about 3000 customers.

As Michael has said, I'm currently the Chairman of the Board of Directors of the Massachusetts Oilheat Council, and over the past two years, our Board has had extensive discussions about the possible development of a system betterment charge (SBC) type program for the Oilheat industry.

I'd like to state for the record that our **association supports the concept of establishing a system betterment fund** to assist Oilheat retailers in enabling their customers to better access new, high efficiency Oilheat equipment to replace aging, less efficient equipment.

However, **we are opposed to House 2741 and Senate 1586 as drafted** and Tim and I would like to briefly share our concerns with the Committee.

- The Oilheat system betterment funds defined in the legislation are established under a different section of Massachusetts General Laws when compared to the legislation that was filed last year. We would like to work with your Committee to make sure the appropriate Chapters are cited.

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- Language to establish a “trust” where the Oilheat funds would reside does not exist in the legislation being considered here today. Last year’s version did establish this trust. Our industry needs assurances that any and all funds collected under an Oilheat SBC are protected from being spent for other purposes, or from being moved into the state’s general fund.
- Also, within the legislation as drafted there must be further safeguards for these funds. Language within the bills must be tightened to ensure that when it comes to heating system improvements – the Oilheat energy efficiency funds will be used only for the replacement of older oil-fired heating systems with new, high efficiency oil-fired heating systems.

Thank you for the opportunity to testify today before your Committee.