



Representative Thomas Golden
Senator Michael Barrett
Joint Committee on Telecommunications, Utilities & Energy
Room 473B – State House
Boston, MA 02133

Dear Chairman Golden, Chairman Barrett and Members of the Committee,

The Massachusetts Energy Marketers Association (MEMA), the trade association representing the heating oil industry statewide, is writing to **oppose** passage of Senate 1880 – An Act Creating 21st Century Clean Energy Jobs. The bill aims to allow the Commonwealth to tax home heating oil and utilize the funds to encourage homes and businesses that utilize oil heat to switch to other fuel sources. MEMA is strongly opposed to this legislative proposal for the following reasons:

- The legislation will do irreparable harm to the heating oil industry that is a key element in the state's diverse energy mix and the economy.
- The legislation will significantly raise the energy costs for over 900,000 households and thousands of commercial entities utilizing heating oil in Massachusetts.
- The legislation will be especially burdensome on low income households.
- The heating oil industry has voluntarily taken the lead on energy efficiency and equipment rebates for its customers in Massachusetts. MEMA established the largest Oilheat equipment rebate program in the country in May of 2017. Since May, over 1000 oil heat customers have received up to \$500 in rebates for new oil-fired heating furnaces or boilers and a new storage tank. Funds for the program come from the National Oilheat Research Alliance – a fee-based program on every gallon of heating oil sold in the U.S. that **the INDUSTRY pays – not consumers**. As stated in the NORA statute:

“(8) PROHIBITION ON PASS THROUGH. —None of the assessments collected under this title may be passed through or otherwise required to be paid by residential consumers of oilheat fuel.”

- For many years prior to implementation of the MEMA-NORA equipment rebate program, the heating oil industry has done an outstanding job on its own with respect to upgrading older, inefficient home heating oil systems for customers to modern highly efficient systems. Because of this work, the average heating oil customer in Massachusetts is using an average of 200 gallons less annually to heat their homes.

- The fee proposed in Senate 1880 will be very difficult – if near impossible to collect – on home heating oil that is picked up by retailers at out-of-state terminals for delivery in Massachusetts. Significant amounts of heating oil arrive in Massachusetts from terminals in RI, NH and Albany, NY, and other out-of-state locations.

The Massachusetts Energy Marketers Association urges your Committee to act unfavorably on Senate 1880.

Sincerely,

Michael Ferrante | President

Massachusetts Energy Marketers Association
One Van de Graaff Drive | Suite 100
Burlington, MA 01803
Tel: 781-365-0844 | Fax: 781-365-1420
www.massenergymarketers.org