

OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS



What's Next?

How a New Washington Will Impact Energy Policy

Also Inside:

Five Secrets to Reliable Profits

Taking Advantage of Tax Credits

Q&A: Sen. Susan Collins of Maine

Creating a Marketplace Without Limits

Plus,

The Premiere of the New Monthly Washington Report from NEFI's Legislative & Regulatory Action Center

Publication of the New England Fuel Institute
Volume 11/Issue 1



NEW ENGLAND
FUEL INSTITUTE

www.NEFI.com



CALM.

Before, during, and after the storm.

Global is the company that stood beside you yesterday, stands with you today, and will be there for you tomorrow. We never vanish from the market, nor relinquish our responsibilities to the retail heating oil industry.

As always, we remain dependable and accessible every day of the year. We provide these words of assurance so you can maintain a calm presence and attitude when making decisions — because your supplier is Global.



GLOBAL COMPANIES LLC • WALTHAM, MA 02454 • www.globalp.com



The Front Burner

EPA BEHIND SCHEDULE ON BIOFUEL REGULATIONS

When Congress increased and expanded the national renewable fuels blending mandate in 2007, the Environmental Protection Agency (EPA) was directed to release new regulations by Dec. 19, 2008. As of that date, however, the EPA has yet to even propose new regulations, much less finalize them.

There are many important issues that EPA must resolve in the RFS rulemaking. One of the most significant obstacles preventing a proposed rule is the ability to account for "lifetime greenhouse gas emissions." Environmental groups say biofuels production increases food prices, which leads farmers in other countries to chop down forests to create more farmland, therefore increasing greenhouse gas emissions. The biofuels industry maintains that scientific evidence and methodology are not developed enough to draw conclusions, and therefore, opposes analysis of indirect land-use changes.

PMAA PAC SILENT AUCTION TO BE HELD AT EXPO

After a successful silent auction fundraiser at the Oilheat Visions 2008 conference that raised more than \$5,000 for the Petroleum Marketers Association of America's Small Business Political Action Committee (PMAA PAC) fund, the New England Fuel Institute (NEFI) will hold another silent auction fundraiser at next year's EXPO, to be held June 9-10 at the Boston Hynes Convention Center. Proceeds will again benefit the PMAA Small Business PAC, which supports candidates for public office that share the home heating oil industry's national goals.

If you would like to contribute an item for the silent auction, contact Jim Collura at jimcollura@nefi.com or call (617) 923-5016. For more information on the EXPO and reserving a booth, contact Tracy Goodwin at tracy@nefi.com or (617) 923-5015.

FORMER TREASURY OFFICIAL NOMINATED FOR HEAD CFTC POST

In late December, President-elect Barack Obama nominated former U.S. Treasury official Gary Gensler as chairman of the Commodity Futures Trading Commission (CFTC), an independent agency created by Congress to regulate trading in the commodity futures and option markets.

"Gary has the rare combination of intelligence, market and government experience and independence that will help lead this agency in its vigorous oversight of the futures markets going forward," said CFTC Acting Chairman Walt Lukken. "I look forward to our continued work with Gary and the incoming administration to facilitate a seamless transition at this agency."

OIL SPILL LIABILITY TAX GOING UP IN 2009

One of the provisions in the Emergency Economic Stabilization Act of 2008 (EESA) was an increase in the Oil Spill Liability Tax that is levied on each barrel of crude oil delivered to or produced in the United States. The EESA increases the Oil Spill Liability Tax from 5 cents per barrel of crude to 8 cents per barrel beginning Jan. 1. Refiners normally pass the tax down as a cost. Heating oil distributors may see the tax broken out as a separate line item on invoices. Often the tax is referred to on invoices as "Federal Environmental Fee" or "Oil Spill Liability Tax". Distributors need to know the amount of the tax on a per-gallon rate for finished product when calculating costs for contract bids.

THE DIFF.

Spot Prices (Cents/Gallon) as of December 17, 2008*

	New York Harbor	New York Harbor	U.S. Midcontinent
No. 2 Fuel Oil / Heating Oil		No. 2 Diesel Low Sulfur	No. 2 Diesel
	140.10	141.10	137.70

*Figures taken from Energy Information Administration's "This Week In Petroleum."

THE BAROMETER

Comparing Heating Oil to Other Financial Products

	December 17, 2008	One Year Ago
No. 2 Fuel Oil/New York (cents/gallon)	140.10	260.70
Crude Oil (dollars/barrel)	\$43.46	\$91.31
10-year Treasury Bill	2.11%	4.38%
30-year Mortgage	5.53%	6.39%
Dow Jones Average	8,845.13	12,920

New from Therma-Flow!

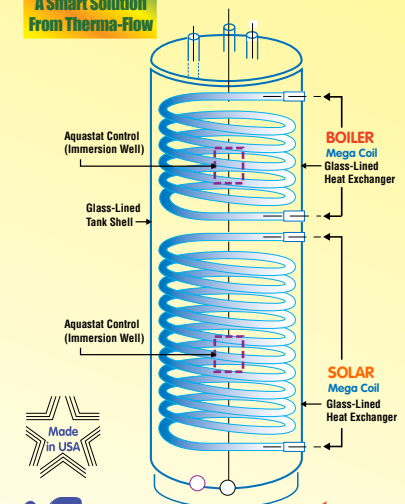
100-gallon, glass lined, double coil, solar hot water generator

This unit provides an impressive "made in USA" way to capture and store solar powered hot water.

It can also be used as a high production, high recovery indirect water heater for oil, gas or propane.

It features our field proven "mega coil" for superior heat transfer. High density insulation, low standby heat loss, and two high performance aquastats ensure customer satisfaction! Inquire today.

Phone Ed
or Bob at
800-654-8045
or e-mail
sales@tfi-everhot.com



tfi everhot

Therma-Flow, Inc.
191 Arlington Street
Watertown, MA 02472
www.tfi-everhot.com



LRAC: From Washington **10**
 Jim Collura, New England Fuel Institute (NEFI) Vice President for Government Affairs, says that President-elect Obama's nominations face some tough challenges, while Mark S. Morgan, Esq., NEFI Regulatory Counsel, offers advice on how to avoid labeling fines.



A Congressional Conversation **12**
 Four members of the new 111th Congress weigh in on upcoming American energy policy, legislation to increase transparency in the energy markets and other subjects related to the Oilheat industry.



How the Economic Stimulus Helped Heating Oil **18**
 A look at some of the tax credits extended or expanded by the recent economic stimulus package shows help for heating oil dealers, their customers and equipment manufacturers.



Oilheat States its Case in Washington **19**
 The Energy Communications Council (ECC) spent time in Washington, D.C., recently to speak with government officials and energy reporters, in order to set the record straight on several issues.



Q&A: Sen. Susan Collins **20**
 Republican Sen. Susan Collins, of Maine, re-elected to another term in November, fields questions about her accomplishments in the Senate regarding energy and what she expects in 2009.



Survey Takes Pulse of the Oilheat Industry **26**
 Accounting firm Gray, Gray & Gray provides the results from its annual survey of heating oil dealers, including some surprising information about price plans offered this season.



Biz Tip: Five Secrets to Reliable Heating Oil Profits **30**
 Betsi Bixby, owner of Meridian Associates, offers some methods for heating oil dealers to try to ensure they retain their profits in a tough economy. Bixby can be reached at (800) 728-9005.



Bioheat®: Changing Administration Fuels Opportunity for Biofuel **32**
 Paul Nazzaro, president of Advanced Fuel Solutions Inc., says many of the campaign promises from Barack Obama support the continued growth of biofuels. Nazzaro can be reached at (978) 664-5923 or paulsr@fuelsolution.com.



American Energy Coalition Prepares to Challenge Utilities **35**
 A newly formed group of companies supporting Oilheat continues to look for members, as its advertising campaign against utilities is prepared.



Weather Trends: The Wild Card Comes Early **38**
 John Bagioni of Fax-Alert Weather Service says that forecasters are divided into two camps about what January weather may bring. Bagioni can be reached at johnbag@comcast.net.



Oil Market Stance: A Marketplace Without Limits **41**
 Mark Skaparas of Hedge Solutions says that by expanding online offerings, businesses can better serve their customers and protect their margins. Skaparas can be reached at mark@hedgesolutions.com or (508) 721-7604.

Calendar p. 34	Marketplace p. 40
Classifieds p. 44, 45	NEFI FYI p. 7, 8
Degree Days p. 38	State News p. 36
Industry News p. 28	The Stats Page p. 46
Firebox p. 24	Think About It p. 46

OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

Oil & Energy Magazine
Phone: (978) 535-7606
Fax: (978) 535-7826
E-Mail: oil.energy@gstone.biz

Mailing Address

Oil & Energy
 67 Foster St.
 Peabody, MA 01960

Managing Editor

Steven Andrews

Editorial Assistant

Kris Peterson

Advertising Production

Catherine Armao

Graphic Designer

Nathan Burke

Credits

Volume 11/Issue 1 © January 2009

Postage paid at Manchester, NH
 Permit No.1926

Library of Congress, National Serials
 Data Program, ISSN-0044-0205.n



Oil & Energy is published monthly by New England Fuel Institute, a non-profit organization incorporated in Massachusetts. The Institute's energies and resources are devoted to Oilheat, Propane, Diesel Fuel, Bioheat® industries and associated service companies.

Editorial and news matter are not necessarily reflective of the opinion of the New England Fuel Institute, its officers and members.

Advertising appearing in *Oil & Energy* does not constitute an endorsement of the advertised products or services by this magazine or the New England Fuel Institute.

© January 2009. All rights reserved.

Advertising

Complete advertising rates and media data are available from *Oil & Energy*, 67 Foster St., Peabody, MA 01960 (978) 535-7606, 9 a.m.-4 p.m. daily. oil.energy@gstone.biz

Classifieds

See classified section.

Subscription Rates

1 year \$24, NEFI member; \$29, non-member
 2 years \$35, NEFI member; \$45, non-member

Mail payment with complete name, address, city, state and zip code to:
 OIL & ENERGY SUBSCRIPTION
 c/o New England Fuel Institute
 20 Summer St., Box 9137
 Watertown, MA 02471-9137
 Or subscribe online at:
 www.nefi.com/oilandenergy

NEFI Membership

To inquire about membership and services of the New England Fuel Institute:
 New England Fuel Institute
 P.O. Box 9137
 Watertown, MA 02471-9137
 Phone: 617-924-1000
 Fax: 617-924-1022
www.NEFI.com

Ask about our exceptional GForce™ Premium Oilheat.



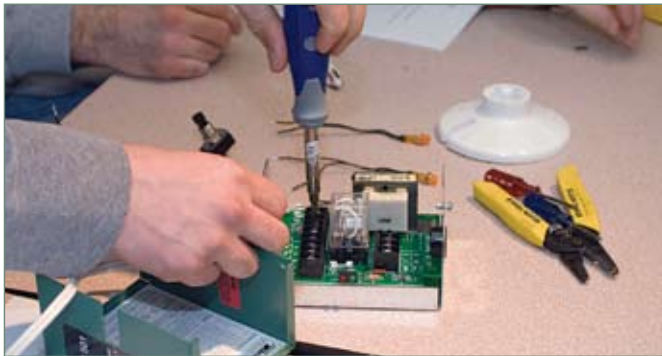
TODAY'S SMART CHOICE FOR A WORLD CLASS SUPPLIER

For further information regarding business
with Gulf Oil please contact:
Denise Hash, Senior Marketing Manager
phone: 617-997-8602
dhash@gulfoil.com

Factory Tune ups.

Tune up your business with FloPro Factory Training.

Even the most experienced contractors tell us that Taco FloPro Factory Training helps them work smarter. And with today's economy, working smarter isn't an option – it's essential for profitability. You're sure to benefit from the expertise and insights only to be found in a small, personal classroom setting.



To grow, you have to know.

Our 2-day factory training programs are taught by Taco's own John Barba. Together, you'll focus on one topic and learn it cold. It's work, but it doesn't feel like it.

Sign up now!

Classes are small, and available to FloPro team members only. Visit www.taco-hvac.com/flopro for all the course information and details.



Date	Course	Description
FEB 26-27	The Compleat Boiler	Learn to design – and sell – the ultimate boiler room using all Taco products. Lots of hands-on, including wiring and programming Taco controls.
MAR 12-13	Strictly Radiant	Radiant theory and design; sizing, piping, and control strategies; injection mixing options; in-depth discussion of zoning requirements.
MAR 19-20	Hydronic Heat Loss and Design	Learn to conduct an accurate heat loss analysis with pencil, paper, and calculator. Learn how to use our state of the art FloPro Design software. Plenty of hands-on. Sure to benefit any experienced hydronics designer. Basic computer skills required.
APR 2-3	The Compleat Boiler	See above
APR 16-17	Strictly Radiant	See above
APR 23-24	Hydronic Heat Loss/Design	See above
MAY 7-8	The Compleat Boiler	See above
JUN 4-5	Strictly Radiant	See above
JUN 18-19	Hydronic Heat Loss/Design	See above
JUL 16-17	The Compleat Boiler	See above



Visit www.NEFI.com for late breaking news.

CONTACTS:

Jim Collura, NEFI Vice President for Government Affairs: jimcollura@nefi.com
Mark S. Morgan, Esq., New England Fuel Institute Regulatory Counsel: mark@nefi.com

SPCC Enforcement Ruling a Major Victory for Dealers, NEFI

The New England Fuel Institute (NEFI) won a major victory in December when the Environmental Protection Agency (EPA) published a final rulemaking that removes parked cargo tank trucks containing product from Spill Prevention, Control and Countermeasure (SPCC) sized secondary containment requirements.

Due to NEFI's efforts, fuel dealers were spared thousands of dollars in compliance costs. The process started when a Connecticut-based heating oil dealer called the Independent Connecticut Petroleum Association (ICPA) and NEFI to request help with an enforcement problem. The EPA had levied a heavy fine on him for not providing sized secondary containment for his cargo tank vehicles containing product that were parked overnight at his facility. Though this requirement has always been on the books and discussed by NEFI's Government Affairs Committee (GAC), it was rarely, if ever, enforced. ICPA and NEFI immediately understood that this dealer's problem, however isolated, could lead to widespread enforcement action across all of EPA Region I (New England) and other regions of the country. NEFI made the goal of changing the parked truck requirement a top priority for 2007 and 2008.

The first step was to find an interim solution for the dealer who was facing enforcement. NEFI talked with enforcement officials at Region I on numerous occasions trying to come to a mutual agreement. Scattering trucks to different locations or emptying them at the end of the day would allow the dealer to forgo installing expensive secondary containment equipment while NEFI sought a permanent solution.

NEFI then took the issue to Washington, D.C. NEFI Regulatory Counsel Mark S. Morgan, Esq., met with EPA officials, made the case that sized secondary containment was unnecessary for parked trucks and asked that a rule change be made. Morgan used a pending proposed rule as the vehicle to make its case for exempting trucks from sized secondary containment. NEFI argued in its comments to the EPA that parked trucks should only be required to comply with general secondary containment requirements rather than the more onerous sized secondary containment. Instead of expensive structures designed to contain a catastrophic release of product from the largest compartment in the cargo tank, dealers would only be required to plan for the most likely release, in most cases a leaky valve requiring nothing more than absorbent material or a drip pan. The EPA agreed with NEFI and made the necessary changes in the final rule.

You can learn more on the current and newly amended SPCC requirements by reading the latest compliance documents published by NEFI and signing up for the Jan. 14 SPCC compliance webinar at www.nefiactioncenter.com.

Heating Oil Industry Invited to Meet Congress at LIHEAP Event

The National Fuel Funds Network (NFFN), an alliance of low income energy assistance advocates, of which NEFI is a member, will hold its seventh annual Washington Action Day supporting the federal Low Income Home Energy Assistance Program (LIHEAP) on Capitol Hill on Feb. 11.

Several industry groups participated in last year's advocacy day, which helped to secure the \$5.1 billion funding victory. Participation is important, because additional funding may be pursued for the program and it is expected to be reauthorized next year, giving lawmakers an opportunity to modify how the program operates. Changes to the program could have an impact on NEFI

members and their customers. If you are interested in participating in this year's LIHEAP Action Day, contact your state association or Jim Collura of NEFI at (617) 923-5016 or jimcollura@nefi.com.

(CEQ). Sutley was a senior policy adviser to the EPA under the Clinton Administration and a special assistant to Browner, where she helped craft the EPA's Acid Rain Program.

Obama Chooses Important Energy-Related Posts

President-elect Barack Obama recently announced his appointments for important positions related to the



Steven Chu

energy industry. Obama has chosen Steven Chu, director of the Lawrence Berkeley National Laboratory, to head the Department of Energy. Chu has made global climate change a priority

at the research lab for many years and the need to develop low carbon emission technologies. Chu also won the 1997 Nobel Prize in physics. He has stated his support for clean coal through carbon capture and sequestration technology, advance biofuels and nuclear energy. Chu has also expressed the view that corn-based ethanol is an interim fuel that has a limited future. He believes cellulosic ethanol holds great promise and must supplant corn ethanol as soon as possible.



Lisa Jackson

In addition, Obama has chosen Lisa Jackson, former director of the New Jersey Department of Environmental Protection, and current chief of staff for New Jersey Gov. Jon Corzine, as the Environmental Protection Agency Administrator. In addition, Carol Browner,

who headed the EPA under President Clinton, was tapped for the new White House position, dubbed by the media as "National Energy Czar," overseeing energy and climate policy. Browner led the Clinton Administration's EPA from 1993-2001 and was former legislative director for Al Gore during his time serving in the U.S. Senate. Browner has expressed support of EPA's authority to regulate greenhouse gas emissions under the Clean Air Act.

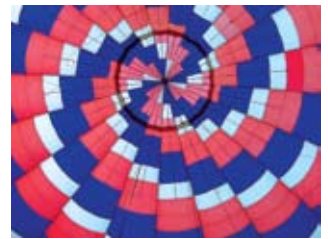


Nancy Sutley

Finally, Los Angeles deputy mayor for energy and environment, Nancy Sutley will lead the White House Council on Environmental Quality

NEFI Takes to the Air

Jim Horan, of Horan Oil in Stoughton, Mass., snapped this picture while in a hot air balloon during NEFI's 2008 Fall Energy Conference in Napa Valley,



Calif., in September. Horan joined a group of 30 NEFI members for the trip, which included a visit to the Hess Winery and the Valero Refinery.

NEFI members enjoyed wine tasting at the Hess Winery, hot air ballooning, informal networking with industry peers and a tour of a Valero refinery, which included a walk-through of the control room and an informative discussion and Q & A on the refining process.

Also attending the conference from NEFI were Shane Sweet, president and CEO; Tracy Goodwin, VP and director of events; and Christine Vieira-Trant, controller.

Reduced Federal Ethanol Tax Credit Now in Effect

The federal tax credit for ethanol blends is now reduced from 51 cents per gallon (cpg) of ethanol mixed with gasoline to 45 cents (5.1 cpg to 4.5 cpg for E10 blends). The reduced rate is the result of changes made by Congress in the 2008 Farm Bill.

Under the bill, the 51 cpg tax credit rate is reinstated anytime the IRS makes a determination that ethanol production for the previous calendar year falls below 7.5 billion gallons. The IRS recently announced that ethanol production for 2008 is estimated to be 11.1 billion gallons. The ethanol credit must first be taken against existing federal motor fuel excise tax liability for the quarter in which the claim is made. If the amount of the ethanol credit in a claim exceeds a person's tax

liability for any quarter, an income tax credit or refund is available to the blender. An income tax credit may be filed on IRS Form 720 Quarterly Federal Excise Tax Return or IRS Form 4136 Credit for Excise Tax Paid on Fuels. An income tax refund may be filed on IRS Form 8849 Claim for Refund of Excise Taxes. The IRS is in the process of updating Forms 720, 4136 and 8849 to reflect the new 2009 rate.

High Visibility Safety Vests Required for Drivers on Federal Highways

NEFI has learned that the Federal Highway Administration (FHA) has finalized a rule requiring workers in the right-of-way of any federal aid highway to wear high visibility safety vests in order to decrease the likelihood of fatalities or injuries to workers on foot who are exposed to traffic while working.



The rule went into effect on Nov. 24, 2008 and was required by the Transportation bill passed by Congress in 2005. It was written into law to protect emergency responders, road workers, contractors and maintenance employees, but is being interpreted to also include any petroleum cargo tank drivers, including heating oil and propane delivery truck drivers, and technicians that park on federal aid highways in order to service to homes and businesses. According to the FHA, a list of a particular state's federal aid highways can be obtained from a state's Department of Transportation. NEFI has published a compliance bulletin

on the subject that is available to members at www.nefiactioncenter.com or by calling (617) 923-5022.

Safety vests are available from NEFI member W.S. Emerson at their Web site www.wsemerson.com.

Most Small Businesses Will Likely be Exempt from New Greenhouse Gas Rule

Recently, Environmental Protection Agency (EPA) representatives predicted small business buildings would not be targeted for regulation if the agency were to regulate greenhouse gas emissions (GHGs) like CO₂ under the Clean Air Act (CAA). Many organizations filed comments arguing that using the CAA to regulate GHGs would bring significant harm to small businesses and in turn the economy.

If the EPA applied the CAA to GHGs, any source that emits 250 tons or more of CO₂ would be regulated. If this threshold were used, the U.S. Chamber of Commerce estimates more than 1 million small business buildings, including churches, schools and hospitals, would be subject to regulation.

However, the EPA and other environmental groups believe the agency can exclude small sources of CO₂ from regulation and still effectively reduce GHG emissions. William Harnett, director of the Air Quality Policy Division at the EPA, has said the agency has multiple approaches to avoid regulating small sources of CO₂. He said the EPA can cite a lack of personnel and resources or claim that Congress never intended to regulate CO₂ emissions from small sources. The Sierra Club and some House Energy and Commerce Committee members also expressed their opinion that EPA can regulate CO₂ emissions effectively without directly regulating small business buildings.

EIA: Economic Crisis Should Keep Energy Prices Low Through 2009

U.S. crude oil prices have dropped from record highs earlier this year, and the Department of Energy's

Energy Information Administration (EIA) now expects crude oil prices to average only \$50 per barrel in 2009. According to the EIA's "Short-Term



Energy Outlook," released in December, the "increasing likelihood of a prolonged global economic downturn" has put downward pressure on energy prices, causing the average U.S. price for regular grade gasoline to fall to \$1.70 per gallon on Dec. 8.

Diesel fuel prices are also down, at \$2.52 per gallon.

In fact, all fuel prices are down, and that will be good news for U.S. consumers this winter. Residential heating oil prices are projected to average \$2.53 per gallon during this heating season, down 24 percent from last year, and propane prices are expected to be 14 percent lower than last year. Natural gas spot prices are expected to be about 32 percent lower next year, but residential natural gas prices will only be about 1.3 percent lower this winter, in part because residential prices respond much more slowly than the spot market.

U.S. petroleum consumption is projected to fall by 5.8 percent for 2008 as a whole, and to fall another 1 percent next year, while new oil production platforms in the Gulf of Mexico are expected to boost domestic crude oil production by 6.5 percent in 2009.

NEFI Welcomes New Members

New England Fuel Institute welcomes seven new members.

RETAIL FUEL DEALERS:

Christoff Mitchell Petroleum Inc.

Jeff Mitchell
PO Box 669
Philipsburg, PA 16866
Phone: (814) 342-3620
Fax: (814) 342-3737

Christoff Mitchell provides heating oil, plus gasoline, Bioheat®, biodiesel, propane and on- and off-road diesel. They also own convenience stores.

Mesick Oil & Mechanical Inc.

John Mesick
7362 State Highway 29
Dolgeville, NY 13329
Phone: (315) 429-3915
Fax: (315) 429-3915
E-mail: mesickoil@verizon.com
Mesick provides heating oil, kerosene and off-road diesel.

ASSOCIATE MEMBERS:

Enosis Graphic Solutions

Noel Choquette
PO Box 650
Princeton, MA 01541
Phone: (978) 878-9308
Fax: (978) 878-9308
E-mail: nchoquette@enosis-gs.com



FMC Technologies Measurement Solutions Inc.

Jason Casilio
PO Box 10428
Erie, PA 16514-0428
Phone: (814) 898-5478
Fax: (814) 899-9349
E-mail: jason.casilio@fmcti.com
Web site: www.fmctechnologies.com/measurementsolutions

Grundfos Pump

Tom Herbster
17100 W. 118th Terrace
Olathe, KS 66061
Phone: (913) 227-3400
E-mail: therbster@grundfos.com
Web site: www.grundfos.com
Grundfos is a full-range supplier of pumps.

Onspot of North America

Patrick Freyer
555 Lordship Blvd.
Stratford, CT 06401
Phone: (800) 766-7768
Fax: (203) 380-0441
E-mail: onspot@onspot.com
Web site: www.onspot.com
Onspot provides automatic tire chains.

Web Engineering Associates Inc.

William Baird
104 Longwater Drive
Norwell, MA 02061
Phone: (781) 878-7766
Fax: (781) 878-8004
E-mail: wbaird65@aol.com
Web site: www.web-engr.com

Sprague Energy Real-Time Pricing

#2 Heating Oil, Ultra Low Sulfur Diesel Fuel,
Unbranded Gasoline, Kerosene and Biofuels



- Internet-based Real-Time rack pricing tied to the GLOBEX Electronic Exchange allowing you to take advantage of fast moving markets
- FOB Terminal pricing. The price you see online is the price you'll pay or enter bids for the price you'd like
- Lock in volume online with just a click of your mouse
- Only 14,000 gallon minimum purchase requirement
- **Both Prompt and Forward Pricing NOW AVAILABLE online**
- Flexibility to place market orders or make bids for products from 7:30 AM to 5:00 PM EST
- Margin enhancement opportunities
- Secured supply
- User friendly on-line tutorials
- Convenience and time savings
- Immediate e-mail confirmation
- Immediate – **same day** – product availability
- No special loading numbers required

To register today, go to <http://spraguert.dtn.com>
or call the Sprague Contract Desk at 1-888-440-4944

Certain restrictions apply. Participation subject to credit approval.

We're here, and we're ready to help.

Sprague 
DEMAND MORE THAN SUPPLY

Sprague Energy • 2 International Drive, Portsmouth, NH 03801 • 1-888-440-4944

Monthly Washington Report

A service of



Legislative & Regulatory Action Center

Obama Appointments Face Unprecedented Energy Challenges

This month Barack Obama will be sworn in as our 44th president. Obama faces a worsening economy, gloomy employment news, industries on the brink, a frozen credit market, record-breaking foreclosures and a global recession. But back during the campaign, he also promised to tackle our nation's energy crisis. So where does that issue fit, in light of the economic crisis?

Obama has promised to reduce our dependence on foreign oil and reduce greenhouse gas emissions to 1990 levels by 2020. Will the Congress and the American public share his ambition for cleaner, domestic (and presumably, more expensive) energy with fuel prices dropping to their lowest levels in five years? How does one bring about an energy revolution without hastening economic decline?

To help him tackle the energy issue, Obama has nominated technophile and Nobel prize-winning physicist Steven Chu as his Energy Secretary. Chu's work at the Lawrence Berkeley National Laboratory indicates an approach to climate change that supports innovation and research. Chu supports technological solutions, but is also a supporter of more conventional alternatives, including biofuels and solar and nuclear energy.

Lisa Jackson will serve as new EPA administrator and former EPA administrator Carol Browner will serve in a new policy coordinator post. Browner and Jackson are expected to support tough new climate change policies and regulations.

Many hope that incoming National Security Adviser and former Supreme Allied Commander Gen. Jim Jones will be a moderate voice on energy issues. Obama directly cited his understanding of "the connection between energy and national security." Jones has served on the boards of the Chevron Corp. and the U.S. Chamber of Commerce.

With a team so diverse in backgrounds and perspectives, it remains to be seen if Obama can glue together a cohesive approach to energy that works with business and industry, not against them, and builds the economy rather than shattering it. This will be one of the first great challenges for the president known for so many promises.

*Jim Collura, NEFI Vice President
for Government Affairs*

Avoid Fines by Properly Labeling Dispensers

Do you sell dyed diesel fuel or dyed kerosene from a retail dispenser? How about clear untaxed kerosene from a "blocked pump"? Did you know that one of the most common IRS fines you may be exposed to has nothing to do with your motor fuel tax receipt records? Did you also know that the IRS could slap you with a potentially huge fine without even stepping over the threshold of your business? Unfortunately it's true, and occurring with alarming frequency!

The IRS requires all dyed diesel and dyed kerosene, as well as clear untaxed kerosene dispensers, to have a specific label indicating that the fuel is for nontaxable use only.

The IRS has recently stepped up enforcement of dispenser label requirements. Many marketers are under the mistaken belief that Environmental Protection Agency (EPA) LSD and ULSD dispenser labels—which also provide notice on nontaxable uses of these fuels—supersede the IRS labels. But both the IRS and EPA labels are required, despite their apparent redundancy.

The following IRS labels must be posted on any retail dispenser where dyed diesel fuel and/or dyed kerosene are dispensed for use by a consumer:

• DYED DIESEL FUEL, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE

• DYED KEROSENE, NONTAXABLE USE ONLY, PENALTY FOR TAXABLE USE

The following label must be posted on all blocked pumps that sell clear, untaxed kerosene:

• UNDYED UNTAXED KEROSENE, NONTAXABLE USE ONLY

The labels must be affixed to the dispenser in a conspicuous place within easy sight of the person dispensing the fuel either on the face of the dispenser (on both sides) or on the side of the dispenser just above the nozzle housing.

Any seller that fails to post the required labels is presumed to know that the fuel will not be used for a nontaxable use. A notice of violation will be issued for a missing label, a partially missing label or even a faded label. The penalty is \$1,000 or \$10 for each gallon of fuel in the tank at the time of the violation, whichever amount is greater. After the first violation, the \$1,000 base penalty increases by \$1,000 multiplied by the number of prior violations. Each improperly labeled dispenser at any location owned by the taxpayer is considered a prior violation.

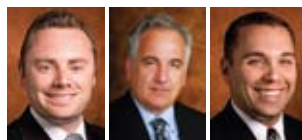
Over the past six months I have received calls from marketers complaining of fines as high as \$42,000 simply for not having the correct IRS label on the dispenser. One marketer was assessed an \$8,200 fine because the decal was on one side of the dispenser but not the other.

A \$2 label could save you thousands in penalties. IRS dispenser labels are available for purchase at www.nefi.com.

While at nefi.com, view all the labels offered. The EPA and the Federal Trade Commission also require specific dispenser labels for sulfur content, octane content, ethanol and biodiesel blends.

*Mark S. Morgan, Esq.,
NEFI Regulatory Counsel*

A list of NEFI's most recent and extensive achievements, made possible by LRAC funding, can be found at www.nefi.com/LRAC. We encourage you to review the list. It demonstrates our capacity to apply the valuable dollars you provide to the most important needs of our time.



CONTACTS: (left to right):

Jim Collura, NEFI Vice President for Government Affairs: jimcollura@nefi.com

Mark S. Morgan, Esq., New England Fuel Institute Regulatory Counsel: mark@nefi.com

Dave Huffman, Member Services Specialist: dave@nefi.com



COMMITMENT COMES WITH NAMES ATTACHED

WE ARE PLEASED TO RECOGNIZE OUR VALUED SUPPORTERS

\$10,000

Global Companies LLC
James Devaney Fuel Co.
Sprague Energy Corporation

Waltham, MA
Newton, MA
Portsmouth, NH

\$7,500

Fawcett Energy Partners, Inc.
Peterson Oil Svc. Inc.
Total Energy Solutions LLC

Kingston, MA
Worcester, MA
Portsmouth, NH

\$5,000 or more

Arlax Oil Corporation
Townsend Oil Co.

Lexington, MA
Danvers, MA

\$3,500 or more

Atlas Glen-Mor/Petro
Buckley Heating & Cooling
Champion Energy
Alvin Hollis & Co., Inc.
MacFarlane Oil
MacLellan Oil Company
New York Oil Heating Association
Roy Brothers Oil Company
Scott Williams, Inc.
Wesson Energy
Wood's Heating Svc.

Chelsea, MA
Peace Dale, RI
New Rochelle, NY
Weymouth, MA
Dedham, MA
Tewksbury, MA
New York, NY
Ashburnham, MA
Quincy, MA
Waterbury, CT
E. Providence, RI

\$2,500 or more

Cheshire Oil Co.
L.E. Belcher, Inc.
Falconi Brothers
Marran Oil LLC
Noar's Oil Company
Noonan Energy Corporation
W.H. Riley & Son
Scott Oil Company

Keene, NH
Springfield, MA
Southborough, MA
Holtsville, NY
Worcester, MA
Springfield, MA
Attleboro, MA
Manchester, MA

\$1,750 or more

Ayer & Goss, Inc.
Bursaw Gas & Oil Inc.
Dominick Fuel, Inc.
Dupuis Oil Co.
Faulkner Brothers, Inc.
Fleming Oil Company
Lipton Energy
Medway Oil Co., Inc.
O'Connell Oil Associates
Osterman Propane
Owner Services Inc.
Wolfeboro Oil Co., Inc.

Henniker, NH
Acton, MA
Norwalk, CT
Pawtucket, RI
Somerville, MA
Brattleboro, VT
Pittsfield, MA
Medway, MA
Watertown, MA
Whitinsville, MA
Proctor, VT
Wolfeboro, NH

\$1,000 or more

Alpha Oil Company
Anderson, Inc.
B & B Oil Co., Inc.
Bender's Oil Service, Inc.
Dennis K. Burke, Inc.
Central Oil Company
Chabott Coal & Oil, Inc.
Chair City Oil, Inc.
City Fuel Co., Inc.
Coan Inc.
Concord Oil Co., Inc.
Cubby Oil Co.
Densmore Oil Company
D F Richard Energy Inc.
Dolinsky Associates
East Providence Fuel Oil Co.
Energy Kinetics, Inc.

Wilbraham, MA
Scituate, MA
Charlestown, MA
Lebanon, CT
Chelsea, MA
Chicopee, MA
Keene, NH
Gardner, MA
Manchester, NH
Natick, MA
Concord, MA
Somerville, MA
Mystic, CT
Dover, NH
Cornwall, CT
Providence, RI
Lebanon, NJ

...\$1,000 or more

Fratice Oil Company
Gillespie Fuels
Griffith Energy Services
Horan Oil Company
H.R. Clough Inc.
Mass. Oilheat Council
Metro Energy
Munhall Fuel Co. Inc
Norbert E. Mitchell Co.
Northboro Oil Co.
Orange Oil
Palmer Gas/Ermer Oil
Rand-Handy Oil Company
Sunshine Oil Company
H. Wright's Service
Whiting Energy Fuels

\$600 or more

Albert Culver Co.
Atlantic Pratt Oil Co., Inc.
Augusta Fuel Company
AWANE
Baker-Whitney Oil Company
Barrieau Oil Co.
Bigelow Oil Company
Boston Steel & Mfg. Company
Brideau Oil Corporation
Brow Oil
Central Mass. Oil Co.
COCARD
Daniels Oil Co., Inc.
Davis Oil Co., Inc.
Dunn Oil Co., Inc.
Dutchess Oil Company
East Coast Petroleum
Erickson Fuel Co.
Federal Heating & Engineering Co., Inc.

D. Ferruccio & Son
Fisher-Churchill Company
Fuel Services, Inc.
Goodrich Oil Company
Gottier Fuel Co., Inc.
Robert Greene, Inc.
Haffner's Service Stations, Inc.
Hall Oil Co., Inc.
J.A. Healy & Sons Oil, Inc.
Holden Oil Company.
A. Hohmann & Co.
Huckleberry Heating Oils, LLC
Imperial Oil Co., Inc.
Ives Bros/A Plus Oil
Julian's LLC
Knight Fuel Company
Lakeside Oil Company, Inc.
Lee's Oil Service
Mello Fuel Oil Terminal
Murphy Fuel Corporation
Needham Oil Co. Inc.
Northfield Fuel Corporation
North Shore Fuel Co., Inc.
Pioneer Propane
L.F. Powers Co., Inc.
Reliable Oil & Heat Company
Rowatton Fuel & Oil Company
Sherman Oil Company
Sochia's Oil & Gas, Inc.
Stadium Oil Heat, Inc.

...\$600 or more

Leominster, MA
Northfield, VT
Columbia, MD
Stoughton, MA
Contoocook, NH
Wellesley Hills, MA
Boston, MA
Watertown, MA
Danbury, CT
Northboro, MA
Orange, MA
Atkinson, NH
Marshfield, MA
Bristol, RI
Billerica, MA
Northampton, MA

Rockland, MA
Braintree, MA
Augusta, ME
Peterborough, NH
Acton, MA
W. Hartford, CT
Newton U.F., MA
Malden, MA
Fitchburg, MA
Braintree, MA
Rutland, MA
Beverly, MA
Portland, CT
Keene, NH
Maynard, MA
Millerton, NY
Stoughton, MA
Medford, MA

Winchester, MA
Hudson, MA
Dedham, MA
Westfield, MA
Newport, NH
Rockville, CT
Bennington, VT
Lawrence, MA
Dennis, MA
Westford, MA
Peabody, MA
Dorchester, MA
Boscawen, NH
Windsor, CT
Willimantic, CT
Medway, MA
Hudson, MA

Marlborough, MA
Westport Pt., MA
Jamaica Plain, MA
Waltham, MA
Needham, MA
Greenwich, CT
Revere, MA
Harrison, AK
Waterbury, CT
Glenbrook, CT
Rowayton, CT
Brookfield, MA
Douglas, MA
Peabody, MA

Stafford Oil Co. Inc.
Star Petroleum Co., Inc.
State Line Oil Company
J.J. Sullivan, Inc.
Total Fuel Services Corp.
Town Oil Company
Vincent Oil Company
Westmore Fuel Co., Inc.
West Oil Co., Inc.
Whitney Brothers Oil Corp.
Winthrop Fuel Co., Inc.

\$300 or more

Advanced Energy Ltd.
Arlington Fuel Oil Co., Inc.
Ashley Fuel, Inc.
Atlantic Discount Oil Inc.
Bourne's Inc. of Morrisville
Braley & Wellington Insurance
E.P. Cotter Oil Company
Dorr Oil Company
Fairlawn Oil Service, Inc.
Forni Bros. Oil, Inc.
Giguere & Marchand Oil Service
Greystone Services, Inc.
Hiller Fuels, Inc.
Howell Fuel, Inc.
Interstate Oil & Gas Corporation
J & S Oil, Inc.
Kerivan Lane, Inc.
Landry & Martin Oil Co. Inc.
Lemay Oil Co., Inc.
Lincoln Laboratories
Madison Oil Co., Inc.
McCarthy Heating Oil Svc.
T.H. Malloy & Sons
Needham Energy, Inc.
Oil Heat Institute of RI
Pallett Oil Co. Inc.
Premium Fuels/Al's Oil
Putnam Fuel Co., Inc.
SonoEnergy Corporation
Spring Brook Service
Squier & Co., Inc.
Stocker Oil Co., Inc.
State Utilities Inc.
Swansey Oil
Todd Oil/Rose's
Towner Heating Co., Inc.
Wagner Brothers
J&A Waterville Oil
Wehof Forms
Rick Wenzel Oil Co. LLC
Wilson Oil

\$100 or more

Arrow Fuel
Booma Oil, Inc.
Cape Ann Oil Inc.
Community Oil Company
Greeley's Oil Co., Inc.
Guy's Incorporated
Hilton Oil Co., Inc.
John's Fuel Service, Inc.
Niccoli Bros. Oil, Inc.
People's Fuel, Inc.
H.H. Snow & Sons, Inc.
Rocky & Marciano Fuel Oil Inc.
Sorenti Brothers
R.L. Vallee Inc.
Thomas Fuel, Inc.
HC Woodmansee & Son Inc.

Laconia, NH
Foxboro, MA
Granby, CT
Guilford, CT
New Rochelle, NY
Wethersfield, CT
Southbridge, MA
Greenwich, CT
N. Adams, MA
Clinton, MA
Winthrop, ME

Westwood, MA
Arlington, MA
Beverly, MA
Gloucester, MA
Morrisville, VT
Worcester, MA
Norwood, MA
Manchester Ctr., VT
Lincoln, RI
Bridgewater, MA
Blackstone, MA
Peabody, MA
Marion, MA
Fairfield, CT
Sudbury, MA
Manchester, ME
Needham, MA
Pawtucket, RI
Hartford, CT
Leicester, MA
Madison, CT
Quaker Hill, CT
Cumberland, RI
Needham, MA
Johnston, RI
Chesapeake, VA
Shrewsbury, MA
Goffstown, NH
Norwalk, CT
New Britain, CT
Monson, MA
Peabody, MA
Lindenhurst, NY
W. Swansey, NH
Rockport, MA
Swansea, MA
Boylston, MA
Naugatuck, CT
Somerville, NJ
Amherst, NH
Manchester, CT

Seekonk, MA
Lynn, MA
Gloucester, MA
Cambridge, MA
Halifax, MA
Watertown, MA
Lawrence, MA
Lynn, MA
Brockton, MA
Gardner, MA
Orleans, MA
Holbrook, NY
Sagamore Beach, MA
St. Albans, VT
Lunenburg, MA
Hope Valley, RI

If you would like more information on how NEFI's Legislative & Regulatory Action Center serves your interests, and how you can contribute to our annual efforts, please email jimcollura@nefi.com, or telephone 617-924-1000.

Visit www.NEFIActionCenter.com

2008 CONTRIBUTORS
as of December 18, 2008



Rep. Jim Langevin, D-RI
After serving in the Rhode Island House of Representatives and as Secretary of State for two terms, Langevin successfully ran for U.S. House of Representatives in 2000, where he has been serving ever since. He has supported legislation that guarantees access to affordable power, encourages energy conservation efforts and pursues increased use of renewable energy.



Rep. Mike Michaud, D-ME
Michaud became a member of the Maine House of Representatives in 1980, successfully winning seven consecutive terms before winning a place in Maine's Senate. He first won election to the U.S. House in 2002. He has consistently supported LIHEAP increases and efficiency incentives.



Rep. Tim Murphy, R-PA
After three decades working as a child psychologist in Pennsylvania, Murphy was re-elected to his fourth term in the U.S. House in November 2008. Murphy supports a wide spectrum of ways to make America energy independent, from expanded resource exploration to the use of diversified sources of energy.



Rep. Peter Welch, D-VT
After working as a lawyer, Welch's political career began in 1980, when he was elected to the Vermont State Senate. He has served as Vermont's lone U.S. Representative since November 2006. He supports American energy independence through renewable energy development and is a strong supporter of tax incentives to spur their use.

The Agenda for 2009 and Beyond

Four Representatives on the Plans of the 111th Congress

THE USUAL LULL IN LEGISLATION FROM ELECTION

season to inauguration has not been a factor in 2008, as Congress worked to provide financial help to a host of industries and style a stimulus package for the new president to quickly sign into law.

This flurry of activity has not exactly pushed energy legislation to the back burner, however. In fact, the economic downturn could prompt Congress to make sweeping changes for the industry, from efficiency incentives to support for small businesses. *Oil & Energy* recently asked four members of the House of Representatives for their thoughts about what course of action they support on topics such as biofuels, the Low Income Home Energy Assistance Program (LIHEAP) and reauthorization of the National Oilheat Research Alliance (NORA), and is grateful for their assistance.

Homeowners and heating oil companies have been adversely affected by the recent volatility in the energy markets. Do you see the new Congress supporting more transparency in these markets?

Jim Langevin: I am hopeful that the current economic crisis will lead to much greater transparency and oversight in our markets, including energy markets. This year, H.R. 6604, the Commodity Markets Transparency and Accountability Act, received a majority vote twice in the House, but it was unable to pass the Senate. I believe there is strong interest in returning to this issue in the 111th Congress.

Mike Michaud: I do. Legislation passed during this past session of Congress started to shed light on the kind of abusive trading in energy resources that goes on worldwide. I supported these efforts, as did a majority

of my colleagues in the House. However, many of these initiatives got stuck in the Senate. I believe that the incoming administration will support these efforts and provide the leadership necessary to close loopholes that allow speculators to drive up the price of oil.

Tim Murphy: The difficulty Congress faces in developing policies for the marketplace is striking the appropriate balance between oversight and transparency and excessive regulation that prevents growth. But given the latest headlines of Wall Street Ponzi schemes and the collapse of many investment houses that took risky action in the hopes of massive profits in the energy and housing markets, the mood in Congress is to further expand transparency and oversight. Excessive speculation can cause market disturbances that prevent the accurate reflection of supply and demand for energy commodities, which can adversely impact the price of gas and oil. I anticipate Congress will continue to work on ensuring that all markets meet transparency requirements, and be subject to rigorous oversight and curtail excessive speculation.

Editor's note: The responses herein are the expressed views of the respective representatives and do not necessarily represent the viewpoint of this magazine or its publisher, the New England Fuel Institute (NEFI).

Peter Welch: Yes. One of the key lessons we have learned in the past year is how important it is for Congress to insist upon transparency and oversight in our markets. In 2007 I introduced the “Close the Enron Loophole” bill, which aimed to add much-needed transparency to energy markets.

Reducing dependence on foreign oil in the United States has been a major campaign issue. What are the first steps you would follow to reach that goal?

Langevin: While the 110th Congress took several steps to reduce our nation’s dependence on foreign oil, I believe this issue will be a priority for the 111th Congress, as we plan to immediately move forward with legislation to stimulate our economy with an investment in the research, development and implementation of renewable energy. This also includes plans to greatly increase weatherization programs to ensure we’re using energy in our existing residential and commercial buildings more efficiently.

Michaud: We need to recognize that we need oil and that it will be part of the national energy equation for years to come. We must do whatever we can to build relationships with partners like Canada and others to ensure a diversification of sources. We must also increase domestic production on and off shore. But one of the most important things that we can be doing is investing in renewable energy—an energy sector ripe for expansion.

We need a comprehensive national energy strategy to end our addiction to foreign oil that combines domestic production from traditional sources with forward-looking investment in cutting-edge technologies.

Murphy: If we are to preserve our economic and national security, America must become energy independent. Right now we have enacted barriers to our own energy resources and instead send \$700 billion each year to overseas nations for our national energy needs. Since 1981, both Congress and the White House have imposed some type of restriction on accessing our nation’s coal, gas and oil resources. While the executive ban on off-shore drilling has been lifted, and the congressional moratorium has been temporarily lifted through March 2009, there is another legislative ban on outer continental shelf drilling that does not expire until 2022.

We can accomplish energy independence by opening up our own resources and reducing

our dependence on OPEC countries. We must also increase our use of alternative energy. Expanding the use of our own energy can lessen our reliance on fossil fuels, as the revenue received from off-shore drilling would be invested into the production of renewable energy. Our nation needs a true, comprehensive approach that includes both environmentally safe drilling and investment in alternative energy.

Welch: The first step we need to take is to invest in renewable energy at home. The forthcoming economic stimulus package would be a great opportunity to solve two problems at once: creating millions of new green jobs and reducing our dependence upon foreign oil.

The National Oilheat Research Alliance (NORA) Reauthorization bill of 2008 has been introduced in order to remove the sunset provision from the organization. Do you think NORA should continue to receive funding, in order to research more efficient ways to use Oilheat and reduce emissions?

Langevin: I have a history of supporting research and development to improve efficiencies. I believe NORA should continue to receive funding and I look forward to supporting Sen. Jack Reed, my colleague, and his efforts to renew this measure.

Michaud: In this last session of Congress, a bill to reauthorize the National Oilheat Research Alliance (NORA) was introduced in the Senate. That bill, S. 3442, would have made NORA permanent and allowed this program to continue supporting education and training, research and consumer outreach. With the vast majority of Mainers relying on oil to heat their homes, I strongly believe the federal government needs to continue to support research into how we can better use Oilheat.

Murphy: When our nation’s economy is struggling, it is times like these that Congress takes a hard look at ways to make costly necessities like heating oil more affordable and ease further economic burdens on consumers and businesses. Given that NORA is funded by an assessment on sales of heating oil, it’s foreseeable that Congress may consider moving forward with the sunset and find other funding mechanisms that don’t directly impact the consumer.

Welch: No answer.

Weatherization and energy efficiency upgrades can help save consumers money, provide work for service technicians and increase equipment sales. Do you think the new Congress will continue to extend tax credits for making those upgrades? Are there other

plans to increase efficiency?

Langevin: Weatherization and energy efficiency programs are critical components to reducing our nation’s dependence on foreign oil and harmful greenhouse gas emissions. It also offers the opportunity to save consumers money by lowering their home energy bills. I believe Congress would like to work towards lowering the energy costs to consumers, while stimulating the economy with more funds to invest in the efficiency of homes, appliances and vehicles, as well as update our power grid to adapt quickly to new, renewable technology.

Michaud: I, along with many of my colleagues, have been a strong proponent of weatherization and energy efficiency initiatives. I am confident that the new Congress will join with the new administration in their goal of increasing efforts to make our nation more energy efficient. It’s good for our families, job creation and for our national economy.

Murphy: Congress has been working on a number of consumer-oriented incentives to increase energy efficient upgrades on homes and buildings. The Emergency Economic Stabilization Act (H.R. 1434) extended tax credits for energy-efficient home improvements, including improvements to windows, doors, roofs, insulation, HVAC and non-solar water heaters. Tax credits for these residential products, which had expired at the end of 2007, will now be available for improvements made during 2009. Although the credits were extended for 2009, I am disappointed that they were not made available to homeowners who made improvements during 2008.

It is my hope and expectation that Congress will continue working on incentives for homeowners and businesses to build or retool their homes and buildings towards more energy-efficient models. One way for this to happen would be for the Senate to pass the Renewable Energy and Job Creation Tax Act of 2008 (H.R. 7060), which extended tax credits for energy-efficient residences, solar and fuel cell technology development, and provided incentives for coal gasification and wind energy.

Welch: Efficiency and weatherization programs will be critical to addressing climate change and reducing our dependence on foreign oil. We must recognize that plugging the energy leaks in our homes and businesses is just as important as investing in new sustainable methods of energy production.

Continued on page 14...

“With the vast majority of Mainers relying on oil to heat their homes, I strongly believe the federal government needs to continue to support research into how we can better use Oilheat.”
—Rep. Mike Michaud, Maine

...Continued from page 13

An overwhelming percent of home heating oil companies are classified as small businesses. How do you think the new Congress will help these businesses in the face of diminishing credit and general economic turmoil?

Langevin: Small businesses are the backbone of our economy. Additionally, they provide tremendous support to their local communities through both job creation and community service efforts. Local home heating oil companies understand the unique needs of their consumers and work closely with individuals to ensure they have access to home heating oil when families are faced with increasing costs. As the Congress continues to evaluate the use of the first installment of Troubled Assets Relief Program (TARP) funds to loosen the credit markets, I am working to increase Congressional oversight to ensure these funds are released from creditors and delivered to the small businesses for which they were intended.

Michaud: The government can play an important role in increasing capital available to small businesses. I sit on the House Small Business Committee, and my colleagues and I have been working hard to make the Small Business Administration's (SBA) flagship 7(a) loan program more effective, affordable and flexible. The 7(a) loan program provides low-interest loans to small businesses. For smaller loans, the Microloan program is also available. I expect the next Congress to take action to further improve these programs, which small businesses can access through their state SBA office.

Murphy: Small businesses are essential to the development of our communities, putting people back to work and strengthening our current workforce. At a time of economic insecurity, supporting small businesses is increasingly important. Congress can ensure the heating oil businesses play a part in our economic recovery. First, Congress must keep taxes low and not impose excessive mandates on the industry or the homeowners that use home heating oil. Congress can also encourage investment in new energy-efficient heating systems. Replacement of old boilers and associated equipment would save consumers billions of dollars and spur job creation for employers in the Oilheat industry.

Welch: Home heating oil companies are facing many of the same problems the

entire small business community is facing. Recognizing that small businesses are the bedrock of our economy, it must be a top priority of the next Congress to do all it can to ensure that small businesses can weather this economic storm.



Congress voted to provide full funding for the Low Income Home Energy Assistance Program (LIHEAP) this winter. Do you expect this support to continue?

Langevin: I will continue to advocate for full funding of LIHEAP and work with my colleagues to ensure the program remains fully funded.

Michaud: I do. It tends to be a struggle each year, but I am confident that proponents of the program, like myself, have effectively communicated the importance of this program to our colleagues in Congress. I know that the new administration recognizes LIHEAP's benefits too, and I hope the new Congress will ensure this vital program meets the needs of families, seniors, and others that struggle to pay their heating bills.

Murphy: This winter, households that primarily rely on heating oil will pay an average of 22 percent more than last winter while those who heat their homes through electricity will also get hit with an 11 percent increase. Given the rising cost of fuel to heat homes, it is clear that LIHEAP has become increasingly important to the safety and security of not only seniors and low-income

families, but middle-class families, too. Being from Southwestern Pennsylvania, with notoriously cold winters, LIHEAP funding is critical and I will continue to support the LIHEAP program. LIHEAP has gained wide margins of support from both sides of the aisle, as evidenced most recently when we joined together in requesting an additional \$5.1 billion for LIHEAP in 2009, the maximum allowable by law.

Welch: If we are serious about protecting our most vulnerable friends and neighbors during these tough economic times, we must be equally serious about providing home heating aid to those who need it. Increasing LIHEAP funding has been a priority of mine since I entered Congress, and it will remain so every winter.

Massachusetts became the first state to pass a biofuel mandate for home heating oil and New York has passed a homeowner Bioheat® tax credit.

Do you believe mandates like these should continue on the state level or see increased federal regulations?

Langevin: Often, states can create programs that are better tailored to their residents' needs and I support local efforts to increase efficiency and reduce the demand for oil. Federal regulations should not undermine these efforts.

Michaud: We must make it as easy as possible for homeowners to adopt competitive renewable energy products. In some instances, this will require federal tax credits or other incentives. However, in other cases, state policies based on the natural resources available in the surrounding region are more appropriate.

Murphy: Given the fact that resources used for home heating differ greatly by geographical region, Congress approaches this issue by allowing individual states to determine whether biofuel mandates are appropriate. In these situations, the states are best equipped to enact such regulations and Congress is less likely to endorse federal mandates.

Welch: No answer.

How do you think the new Congress will support the general development and use of renewable sources of energy in the United States?

Langevin: While our nation is faced with great challenges as we work to overcome the

Continued on page 16...

Trust Experience Service

TOTAL ENERGY SOLUTIONS



Portland, ME • Portsmouth, NH
Burlington, VT • Providence, RI
Everett • Braintree • Revere • Springfield, MA
Bridgeport • Enfield • Hartford • New Haven • Portland, CT
Albany • Buffalo • Binghamton • Newburgh •
Rochester • Van Buren, NY
Allentown • Harrisburg • Lancaster • Malvern, PA
Linden • Paulsboro • Tremley Point, NJ



**TOTAL
ENERGY
SOLUTIONS** LLC

*We've moved to
Pease International Tradeport!*

100 International Drive, Suite 260
Portsmouth, NH 03801
Fax 603-436-9835 www.totalenergylc.com

**#2 Heating Oil
Premium Additive
Branded Gasoline
Diesel • Kerosene**

with

***Experienced Sales Force
Competitive Prices
Risk Management
Competitive Credit Terms
Consultation Services
Multiple Pick-up Locations***

Call toll-free **877-436-9812**

...Continued from page 14

current economic crisis, we are also faced with an incredible opportunity to create a robust and sustainable domestic energy infrastructure. Congress appears ready to move forward with a large investment in the research and development of renewable

"As the Congress continues to evaluate the use of the first installment of Troubled Assets Relief Program (TARP) funds to loosen the credit markets, I am working to increase Congressional oversight to ensure these funds are released from creditors and delivered to the small businesses for which they were intended."

—Rep. Jim Langevin, Rhode Island

energy, public transportation, efficiency programs and the infrastructure necessary to support the coordination and implementation of new energy resources. This will also help to grow our economy by creating new jobs and help the U.S. become a world leader in green technology.

Michaud: The federal government needs to take a lead role in diversifying our energy supply, which includes bringing a wide array of renewable fuels to market. Congress must continue to support both the deployment of available technologies, like wind and solar, as well as continued research into emerging technologies, such as marine renewable energy and cellulosic biofuels. This will require a combination of market-based incentives and robust research funding.

Murphy: In the 110th Congress, a bipartisan group of House members joined together and developed legislation that would invest in clean alternative energy sources without increasing taxes on our current sources of energy. The National Conservation, Environment and Energy Independence Act is comprehensive plan that invests in both expanding conservation programs and invests in alternative energy by investing the \$2.6 trillion in royalty payments collected from off-shore drilling. By expanding our current resources, we can fund the costly development and transition to develop wind, solar, biofuels and clean-coal technology. The bill also provides tax credits

for energy-efficient cars and appliances, promotes conservation measures, and funds environmental restoration projects. Using our own resources will not only create thousands of new jobs, it will make our country safer, and

"If we are serious about protecting our most vulnerable friends and neighbors during these tough economic times, we must be equally serious about providing home heating aid to those who need it. Increasing LIHEAP funding has been a priority of mine since I entered Congress, and it will remain so every winter."

—Rep. Peter Welch, Vermont

improve the stability of our economy. I hope to work with other members on the reintroduction of this legislation in the 111th Congress.

Welch: We need to make a real, sustainable investment in the development of renewable energy sources. We laid the groundwork in the last Congress and I am optimistic that with a new administration we will make enormous strides toward energy independence. ☐

State Updates

Massachusetts AFFORDABLE ENERGY GROUP HOSTS AWARDS CEREMONY

Mass Energy Consumers Alliance hosted its 26th annual meeting and awards ceremony recently in Boston. The nonprofit organization works to make energy more affordable and environmentally sustainable for consumers in Massachusetts.

The event opened with comments by Ian Bowles, Massachusetts secretary of Energy and Environmental Affairs. Bowles gave an overview of new legislation passed in Massachusetts this year and the role Mass Energy will play in helping the Commonwealth reach its goals of reducing carbon emissions. Larry Chretien gave an informative speech prior to the award ceremony. He cited many of Mass Energy's accomplishments of the past year, including providing discount heating oil to a record number of customers through a period of extraordinary prices. He also looked to the future making a firm commitment to bring about accelerated energy efficiency, a new aspect of Mass Energy's efforts.

Mass Energy programs include the Discount Heating Oil Network. Using the buying power of 11,000 members, the Mass Energy

Heating Oil Alliance is able to negotiate better prices for consumers. Serving Eastern and Central Massachusetts, this program is available to any household, regardless of income, that wants to save money on heating and electricity.

For more information about Mass Energy Consumers Alliance, contact (800) 278-3950, info@massenergy.org or visit www.massenergy.org.

MOC DISCUSSES ENERGY REPORT WITH STATE OFFICIALS

Michael Ferrante and Alisha Frazee of the Massachusetts Oilheat Council (MOC) recently met with officials from the state's Executive Office of Energy & Environmental Affairs (EOEEA) to address recommendations made in the Commonwealth's *Winter Energy Costs Task Force Report* regarding the heating oil and propane industries. The report was written after the state held a series of public hearings on rising home energy costs. The report makes a number of recommendations for heating oil and propane and MOC felt that some of the recommendations are unnecessary because of the extensive work already underway in both industry sectors.

In response to the report's recommendation

that fuel oil and propane dealers "distribute information on energy efficiency," Ferrante and Frazee showed EOEEA's Ann Berwick and Bill White extensive dealer-to-customer materials on energy efficiency that have been produced and distributed by the National Oilheat Research Alliance (NORA) and MOC.

The report also recommended that "fuel oil dealers encourage oil heat customers to adopt a 12-month billing plan" and MOC reported that the industry has already adopted this approach on a widespread basis.

In response to the report's recommendations that dealers "deliver fuel to every customer in their service area who is able to pay cash" MOC strongly defended the industry, saying that dealers are willing to assist all good-paying customers and those in need, but that best management practices dictate that dealers be extra cautious about delivering to new locations before a heating system inspection is carried out.

In response to the report's call for a heating oil and propane "customer bill of rights" MOC's staff promised to explore drafting a document that explains all of the customer safeguards currently in place.

The full Task Force report can be accessed via MOC's web site at www.massoilheat.org.



REPORT: IMPROVED CROPS WOULD HELP MEET FEDERAL BIOFUEL TARGETS

A new report from the Biomass Research and Development Board finds that higher corn yields and improved energy crops could make it much easier to meet the federal Renewable Fuels Standard (RFS) in coming years.

The RFS requires conventional ethanol production to increase to 15 billion gallons per year by 2016, and to meet that with current trends in corn yields would require a 4.1 percent increase in corn acreage. The good news is that the increase would be mostly accommodated by existing farmland in the areas that now grow most of the nation's corn, but the increased production would also cause a price increase that would cut non-ethanol corn use by 5.2 percent and reduce exports by 7.7 percent.

The RFS also requires the production of 20 billion gallons of advanced biofuels, such as cellulosic ethanol, by 2022. Cellulosic ethanol is produced from non-food biomass sources, such as corn stover (the stalks, leaves and corn cobs), wood chips, other agricultural residues and energy crops such as straw, switchgrass and poplar. Wood chips left over from wood product production and from forest fuels reduction are expected to supply about 4 billion gallons of cellulosic ethanol.

The report also examines the greenhouse gas (GHG) impacts within the United States of meeting the RFS requirements. It notes that the increase in corn production will boost agricultural GHG emissions by only 1.8 percent, the equivalent of about 8 million metric tons of carbon dioxide emissions, and a boost in corn yield could essentially eliminate that increase. However, the report does not account for international impacts or for secondary impacts on livestock production and feed production, nor does it take credit for reductions in petroleum consumption. The report concludes with a call for research on higher crop yields, on more sustainable farming methods and on a broad portfolio of potential energy crops. ☒

Are credit card processing fees still making you feel like this?



- No matter who you process with now, we **GUARANTEE** that **COCARD** will save you money.
- Don't settle for impostors! Only **COCARD** has implemented rate **REDUCTIONS** for fuel dealers **EVERY YEAR** for the last five years.
- **COCARD** customers benefit from **FREE CONSULTING** to streamline and automate payment processing, saving you additional time and money.
- Hundreds of your colleagues process with **COCARD**. Call today to find out how many more cents per gallon you can keep this winter.




COCARD
(866) 849-8800

The nationally recognized processing experts for the oilheat & propane industries.



for the Section 179 deduction. However, to qualify for the Section 179 deduction and claim all the bonuses, the equipment purchased must be put into service between Jan. 1 and Dec. 31, 2008.

For more information, including a list of approved equipment, see www.section179.org.

TANKS FOR NOTHING

New Jersey's underground storage tank (UST) fund recently completed its second year in existence, giving out \$7.3 million in funding to homeowners looking to remove and replace their tanks. The state first gives \$1,200 for non-leaking UST removal, then up to \$1,800 for a replacement tank, either above or underground. Since fall 2007, the state has averaged about 200 applications per month from residents. The state also has reimbursements for cleaning up and replacing leaking tanks.

Many other states offer reimbursements for either tank replacement or leaking tanks. Recommending these programs to your customers could mean a large increase in tank sales and installation. Check with your state association or the appropriate environmental department for more information, or visit www.ehso.com/cssepa/uststates.htm.

GIVE CUSTOMERS MORE CASH

Your customers may be overlooking a federal income tax credit that could put up to \$4,824 into their pockets for heating oil and other expenses. It's called the earned income tax credit—or EITC—and the IRS estimates that 20 to 25 percent of eligible taxpayers who work, but don't earn a lot, overlook this important credit.

Employees in rural communities, self-employed people such as farmers, childless workers and grandparents raising grandchildren may be among those missing out on the credit.

Any amount redeemed by the EITC could have an impact on your bottom line, if it allows customers to pay their bills quicker. A married couple with two children and an income ranging from \$12,060 to \$18,740 could be eligible for the maximum tax credit of \$4,824. Taxpayers earning as much as \$41,646 qualify for the EITC.

However, before taxpayers can receive the EITC, they must first file federal income tax returns, even if they are not otherwise required to file, and claim the credit. Some states have a similar tax credit, increasing the amount people can claim.

Heating oil dealers can help by spreading the word, placing a poster in their office, mentioning the credit in a newsletter or putting a statement on bills pointing customers to www.irs.gov.

For more information, companies can contact the IRS at partner@irs.gov. ☐

How the Economic Stimulus Helped Heating Oil Tax Tips that Could Save Thousands

EVEN THOUGH FINANCIAL INSTITUTIONS AND the auto industry seem to be garnering most of the attention of the federal government, there are actually many tax programs that small businesses and their customers can take advantage of to stretch their budgets in this tough credit climate.

Most of these programs have been on the books for years, but received extensions or expansion in the recent economic stimulus package. By claiming these credits, businesses can apply those savings toward fuel or personnel costs, while customers can free up more money for their commitments, including the heating bill. The following advice serves as a resource for information on various tax programs, but all applicants should seek the help of a professional before filing.

EQUIPMENT DEDUCTIONS

The best part about many of these credits is that most businesses have already satisfied the requirements, they may just be unaware of the full extent of the savings available. Section 179 is a recently revamped deduction that can amount to a huge difference in the bottom line for small businesses. It's an incentive created by the government to encourage businesses to buy equipment and invest in the company. Essentially, Section 179 of the IRS tax code allows businesses to deduct the full purchase price of qualifying equipment purchased or financed during the tax year. That means that if you buy (or lease) a piece of qualifying equipment, you can deduct the full purchase price from your gross income.

When your business buys certain pieces of equipment, it typically gets to write them off a little at a time through depreciation. In other words, if your company spends \$50,000 on a vehicle, it gets to write off perhaps \$10,000 a year for five years.

However, if a business could write off the entire amount, they might add more equipment this year instead of waiting, spurring even more equipment purchases.

LIMITS OF SECTION 179

Section 179 does come with limits. There are caps to the total amount written off—\$250,000 in 2008—and limits to the total amount of the equipment purchased—\$800,000 in 2008.

However, in 2008, businesses that exceed the \$250,000 deduction limit can take a bonus depreciation of 50 percent on the amount that exceeds the limit and then also take normal depreciation on the rest.

For example, if you purchased \$400,000 worth of equipment in 2008, you could immediately write off \$250,000. The bonus depreciation value would come off the remaining amount, so you can write off another \$75,000. The normal depreciation of 20 percent comes off of that \$75,000, which results in another write down of \$15,000. Adding those amounts together would be \$340,000. Assuming a 35 percent tax rate, this would result in a tax savings for 2008 of \$119,000. The original \$400,000 worth of equipment would end up costing \$281,000.

All businesses that purchase or finance less than \$800,000 in business equipment qualify



Oilheat States its Case in Washington *Industry Reaches Out to Government, Media at Policy Conference*

FOR THE FIRST TIME, HOME HEATING OIL dealers met face-to-face with reporters and policymakers at the Winter Fuels Outlook conference in Washington, D.C.

The conference, which is jointly presented each year by the U.S. Energy Information Administration (EIA) and the National Association of State Energy Officials (NASEO), ostensibly presents a look forward to the price and availability of home heating fuels for the coming winter. It represents a major event for reporters who cover energy issues, and routinely draws coverage from a broad range of media outlets, including industry trade publications, wire services, national television networks and major newspapers.

This year, Kevin Rooney of the Oil Heat Institute of Long Island and Frank Gallagher of public relations and advertising firm Woodbury & Morse were in attendance to represent the Energy Communications

Council, a coalition of energy retailers whose membership comprises Long Island, New York City, New Jersey, Virginia and all six of the New England states.

In the past, the agency has presented its findings in the form of national averages, which ignores important regional variations, such as the cost of electricity. Based on last year's unmonitored event, news outlets including Reuters, Newsday and others went so far as to suggest that heating with electricity was the cheapest of all. Moreover, speakers representing industries in competition with home heating oil have gone unchallenged as they presented data favorable to their respective industries.

That changed this year.

Rooney, in particular, though not a featured speaker, nonetheless proved to be an active participant, closely questioning, for example, a representative from the natural

gas industry about data presented during a discussion of anticipated cost comparisons this heating season.

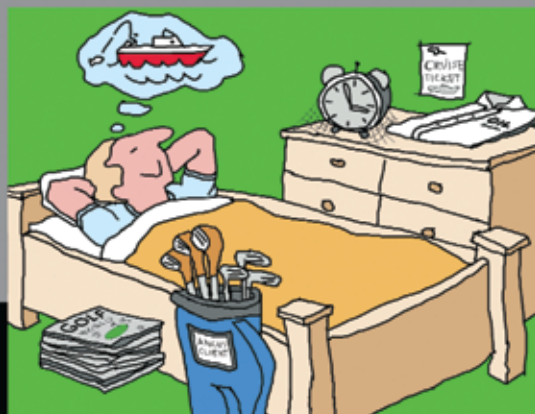
In addition, in the weeks leading up to the conference, Woodbury & Morse reached out to EIA personnel to bring attention to the regional differences in particular, as well as clarify facts about how home heating oil compares with other fuels with respect to price and greenhouse gas emissions.

As a result, the EIA acting administrator Howard Gruenspecht, who presented the agency's report, specifically called out the regional differences during his remarks—the first time the agency had done so.

Woodbury & Morse also prepared a comprehensive set of materials clarifying the facts about home heating oil and made this material available to members of the media in attendance at the conference.

As a result, media coverage of the event was framed differently this year, as reporters noted that the burden of increased costs extended beyond home heating oil to all fuels.

The conference also gave Woodbury & Morse the opportunity to forge relationships with reporters who cover the home heating oil industry and, as a result, are well positioned to convey the industry's perspective moving forward into the home heating season. ☐



**You work hard all winter, so you can
have restful summer nights.**

Who are you going to be this summer?

ANGUS ENERGY

If you're not hedging... You're speculating

800-440-0472 • info@angusenergy.com

Call Angus Energy today at 1-800-440-0472
and we can help you with more than your handicap.

American Energy Policy

Editor's note: The responses herein are the expressed views of Sen. Susan Collins, R-ME, and do not necessarily represent the viewpoint of this magazine or its publisher, the New England Fuel Institute (NEFI).

Oil & Energy posed similar questions to Sens. Jack Reed, D-RI, and Olympia Snowe, R-ME, in previous issues. Their responses can be viewed in the October and November editions located at www.nefi.com/oilandenergy.

WHAT IS USUALLY A LAME DUCK SEASON FOR CONGRESS HAS TURNED INTO A RACE AGAINST

time, as senators and representatives forge new legislation to aid embattled businesses, stem the foreclosure rate and bolster the economy. While this has pushed possible legislation on energy market oversight and regulation from the forefront, energy policy is sure to be a major topic for the 111th Congress, which convenes on Jan. 6. Sen. Susan Collins, R-ME, who won re-election in November, has served on many important committees since first becoming a senator in 1996. Currently, she is ranking member and former chairman of the Homeland Security and Governmental Affairs Committee. She also serves on the Armed Services Committee and is a member of the Special Committee on Aging. Previously, she served for six years on the Committee on Health, Education, Labor, and Pensions. She understands many of the challenges home heating oil dealers face, as she has also served as New England Administrator of the U.S. Small Business Administration. Sen. Collins recently answered questions for *Oil & Energy* about her expectations for changes in energy policy with the new Congress.

particular in states like Maine, where 80 percent of families heat their homes with oil. I believe that the region's renewable energy sources are important components to addressing our energy challenges and have the potential to provide economic stimulus and jobs. That is why last year I introduced the Energy Independence, Clean Air, and Climate Security Act of 2007. My bill would authorize a total of \$275 million for research and development on renewable and alternative fuels like cellulosic ethanol that will create jobs in the region and use local resources for our energy needs.

The people of northern New England have always been faithful stewards of our unique environment because we understand its tremendous value to our economy and to our way of life. They recognize, as I do, that we need a balanced, comprehensive national energy policy that addresses our immediate problems and future needs without compromising the health of the environment. Many states in the region have shown leadership in this area.

Coalition co-chair Sen. Reed has sponsored the National Oilheat Research Alliance (NORA) Reauthorization bill of 2008 with your Senate colleague from Maine, Sen. Olympia Snowe. Do you support this bill and if so, what do you believe to be the value of NORA?

I have supported NORA from its beginning in 2000 and am proud to be a co-sponsor of the NORA Reauthorization bill. NORA provides valuable consumer education services. It also supports important efforts to develop highly efficient heating equipment and products.

Continued on page 22...



You're currently a co-chair of the Northeast-Midwest Senate Coalition, along with Sen. Jack Reed of Rhode Island. Can you explain what kind of work the Coalition does, especially in terms energy policy affecting its constituent states?

The Northeast-Midwest Senate Coalition was formed in 1978. It is a bipartisan group that advances federal policies and funding for programs important to the region's economy and environment. For example, each year Sen. Reed and I lead efforts to secure more funding for the Low-Income Home Energy Assistance Program (LIHEAP). This program provides vital support for our most vulnerable citizens. No person should have to choose

between medicine, food and their retirement, or staying warm, but unfortunately people are forced into making such terrible decisions. Thanks to the coalition, the fiscal year 2009 federal funding bill included \$5.1 billion for LIHEAP, nearly double FY 2008 funding.

What do you believe sets Northeastern and Midwestern states apart from the rest of the country, especially in terms of energy policy, and what role do you think these states can play in reducing our dependence on foreign sources of energy?

Rapidly fluctuating energy prices, as we have experienced recently, cause tremendous hardship for individuals and businesses, in



SMART BELL

COMBUSTION METER™



A DIGITAL WET CHEMICAL KIT IN A LITTLE YELLOW CASE



SAVE TIME!

Get instant readings while making adjustments. No waiting for chemicals. No slide charts.



SAVE MONEY!

Low cost of ownership. No Sensor Replacement. 10-year sensor life expectancy!



PEACE OF MIND!

Easy to use. Includes a 4 page Quick Start Guide. No complex navigation menus to get lost in.

COMBUSTION MADE EASY

1.800.547.5740 • WWW.UEITEST.COM / SMARTBELL

...Continued from page 20

The Coalition supports home energy efficiency and weatherization as a way to reduce heating fuel costs for customers. What steps do you support to help promote these ideas in Maine and nationwide?

I am one of Congress' strongest advocates for the Weatherization Assistance Program (WAP). Last year, I led a group of my colleagues in sending a letter to the Senate Appropriations Committee requesting increased funding for the Weatherization Assistance Program. The WAP has proven to be a crucial and effective resource to help American families weatherize their homes and deal with the high cost of energy. According to the Department of Energy, on average, weatherization reduces heating bills by 32 percent. The fiscal year 2009 funding bill doubled WAP funding, providing \$475 million.

In addition, I introduced the Energy Assistance Act of 2008. This bill would provide low interest loans to help middle-income families finance energy efficiency improvements. It also would provide grant dollars for low-income individuals who cannot benefit from either tax credits or low interest loans.

It was very important that in October 2008, Congress finally passed an extension of tax credits for efficiency and weatherization efforts. This extension was for just one year and I support extending these tax credits even longer.

You are well known for your support of the Low Income Home Energy Assistance Program (LIHEAP) and you have voted to fully fund the program. Can you talk about the program's future and its importance for low-income households in your state?

In Penobscot County, Maine, my home county, nearly one out of every five elderly people lives on an income less than \$900 a month. When heating oil prices approach \$4/gallon, as they did just a few months ago, it takes more than their gross income in a winter month to buy a tank of fuel. Also, one in five children in my county resides in a home below poverty level. As I mentioned earlier, I strongly believe that no one should ever have to choose between medicine and food,

"In fact, I believe we must embark on a national effort to achieve energy independence by 2020. This effort will require a stronger commitment to renewable energy sources, and energy efficiency and conservation." – Sen. Susan Collins

or staying warm. That is why I work so hard to secure LIHEAP funding.

I believe LIHEAP should continue to be funded at its fully authorized level of \$5.1 billion. I also think we should explore ways to make LIHEAP more flexible to allow states to take

a regional approach to low-income energy issues and to use funds for longer term energy efficiency improvements, such as winterizing the homes of low-income families.



Sen. Collins is a co-chair on the Northeast-Midwest Senate Coalition, a bipartisan group focused on economic and environmental revitalization.

Bioheat® offers an exciting new alternative for home heating, one that is home-grown and friendlier to the environment than conventional heating fuels. Massachusetts recently became the first state to pass a Bioheat mandate and New York has passed a homeowner Bioheat tax credit. What are your thoughts on the newly emerging fuel?

I support the use of alternative fuels like Bioheat. That is why I signed a letter advocating for the extension of the tax credit for renewable diesel that meets American Society of Testing and Materials (ASTM) D396 standard for home heating oil and other stationary source fuels. This tax credit was extended through 2009 in the renewable energy and energy efficiency tax package passed in October 2008.

You have voted several times to extend tax credits for alternative fuel use and efficiency upgrades. Would you consider expanding on those credits, in order to provide more incentive to homeowners to "go green"?

I remain committed to working to advance effective energy and environmental legislation that increases America's supply of energy and

decreases our demand for foreign oil, which will help us to achieve energy independence and to stabilize gas and oil prices. In fact, I believe we must embark on a national effort to achieve energy independence by 2020. This effort will require a stronger commitment

to renewable energy sources, and energy efficiency and conservation.

Simply put, we must produce more, use less and pursue alternative sources of energy. I am committed to supporting legislation to create incentives for clean, renewable energy sources. In 2007, I voted three times in favor of an energy bill that included incentives for renewable energy production. On Sept. 23, 2008, and again on Oct. 1, the Senate passed legislation, with my support, to extend the renewable energy production tax credits that were due to expire at the end of 2008. On Oct. 3, 2008, the president signed this legislation into law. This legislation provides tax credits for consumers to invest in renewable energy and energy efficiency efforts in both new and existing homes.

Recently, the New England Fuel Institute (NEFI) led the Commodity Markets Oversight Coalition in calling on the new president and 111th Congress to work together to increase transparency and oversight of futures markets in order to prevent fraud, manipulation and excessive speculation. You have co-sponsored such legislation in the past. Do you plan on continuing your support for this cause and, if so, do you see meaningful action on the horizon?

Excessive speculation on energy markets is one of many energy issues we must address. I believe Congress should pass legislation to help curb speculation on futures markets. In July, along with my colleague, Senate Homeland Security and Governmental Affairs Committee Chairman Joe Lieberman, I introduced comprehensive bipartisan legislation to help prevent excessive speculation that may be driving up energy costs. This legislation is based on the testimony of experts from hearings our Committee held to investigate the effect of excessive speculation on food and energy price inflation, and to examine possible legislative options to end excessive speculation while protecting legitimate hedging. One of the bill's provisions would close the so-called "swaps" loophole that allows large investors to sidestep limits on speculative activity in the commodity markets.

I also voted to proceed to a debate to consider the Stop Excessive Energy Speculation Act. This legislation contained most of the key provisions of the speculation bill I introduced in July with Chairman Lieberman. The bill failed to receive enough votes to proceed to debate.

I look forward to continuing to advance energy and environmental legislation that creates a comprehensive, long-term policy that will stabilize gas and oil prices, prevent energy shortages, and achieve national energy independence to benefit families in Maine and around the nation. ☐

Looking for good news?

AREE09 has it!

Just one fee per company! Bring an unlimited number of people to the business sessions.

Free admission to the two day trade show featuring the best in products and services for petroleum and HVAC marketers.

New! Stroll through the Marketplace Gallery of the newest products!

New! Cyber Café located on the trade show floor.



It's May 5. Celebrate Cinco de Mayo at Hospitality Night in the Etes Arena at the Taj Mahal



AREE is the place to network, connect, make deals and succeed!

AREE09
Atlantic Region Energy Expo

Tuesday, May 5 – Thursday, May 7, 2009
The Atlantic City Convention Center, Atlantic City, New Jersey

Visit www.areetradeshow.com

BIODIESEL MUST SOON CONFORM TO NEW STANDARD FOR TAX CREDIT

The Internal Revenue Service (IRS) recently issued guidance on changes to the federal biodiesel tax credit resulting from a revision to the requirements of American Society for Testing and Materials (ASTM) D6751 Biodiesel Standard. Under the IRS code, only biodiesel that conforms to ASTM D6751 is eligible for the current 50 cent federal tax credit for each gallon of biodiesel blended with diesel fuel and the \$1 per gallon credit for blending with agri-biodiesel.

The IRS guidance allows a transition period during which biodiesel that conforms to the old ASTM D6751—in effect before Oct. 13, 2008—still qualifies for the federal tax credit.

The IRS provide tax credits for the production, sale and use of biodiesel and biodiesel mixtures. It defines biodiesel as mono-alkyl esters of long chain fatty acids derived from plant or animal matter that meet EPA fuel



registration requirements and ASTM D6751. In order to be eligible for the credit, blenders are required to obtain a certificate from the biodiesel producer that certifies the biodiesel used in the mixture conforms to ASTM D6751. The revised standard for D6751 added a cold soak filtration test for biodiesel.

Distributors may continue to blend biodiesel that conforms to the old ASTM D6751 standard and still be eligible for the federal tax credit until April 1, 2009. After that, only biodiesel that meets the new ASTM D6751 standard is eligible for the federal tax credit. Distributors are urged to use all floor stocks of biodiesel conforming to the old ASTM D6751 before April 1.

USDA OFFERS GUARANTEED LOANS FOR COMMERCIAL-SCALE BIOREFINERIES

The U.S. Department of Agriculture (USDA) announced recently that it is now accepting applications for loan guarantees to support commercial-scale biorefineries producing advanced biofuels, which are defined as biofuels that are not produced from corn kernel starch. The loan guarantees are being offered under the Biorefinery Assistance Program, which was authorized by the Food,

Conservation and Energy Act of 2008. Under the new program, loan guarantees of up to \$250 million per project will support the development and construction efforts needed



to either build new biorefineries or to convert existing biorefineries to produce advanced biofuels.

One company that has already announced its intentions to apply for the loan guarantees is U.S. Sugar Corporation. The Florida-based company is working with Coskata Inc. to explore the feasibility of building a cellulosic ethanol facility in Clewiston, Fla., to convert leftover sugar cane material into 100 million gallons of ethanol per year. The Coskata process involves gasifying the biomass material and using the resultant stream of “syngas” to feed ethanol-producing microorganisms. Coskata is currently building a commercial demonstration plant near Pittsburgh, Penn., and expects to be able to produce ethanol at a cost of less than \$1 per gallon.

While a large number of companies are pursuing advanced biofuels, most technologies are being developed at the pilot-plant scale, rather than the commercial scale. In mid-October, DuPont Danisco Cellulosic Ethanol and the University of Tennessee Research Foundation broke ground in Vonore, Tenn., on a pilot plant that will convert switchgrass and corn stover into 250,000 gallons of ethanol per year. The facility is expected to start production by late 2009.

DOE AND EPA RELEASE AN ENERGY EFFICIENCY ACTION PLAN FOR STATES

The Department of Energy (DOE) and the U.S. Environmental Protection Agency (EPA) have released an updated version of the *National Action Plan Vision for 2025: A Framework for Change*, which lays out a proposed energy efficiency action plan for state policy-makers.

If implemented by all states, the plan could lower energy demand across the country by 50 percent, achieve more than \$500 billion in net savings over the next 20 years and reduce annual greenhouse gas emissions equivalent to those from 90 million vehicles. The report, which was released under the National Action Plan for Energy Efficiency initiative, was pro-

duced by more than 60 energy, environmental, and state policy leaders from across the country. The updated action plan encourages investment in low-cost energy efficiency programs and shows the progress that the states are making toward their goals, while identifying areas for additional progress.

States, utilities, and other organizations are currently spending about \$2 billion per year on energy efficiency programs, which have saved energy customers nearly \$6 billion annually. In terms of policy, about one-third of states have established energy savings targets and addressed utility disincentives for energy efficiency, while about half have established energy efficiency programs for key classes of customers and have reviewed and updated their building codes.

LAB RELEASES CHP STUDY RESULTS

Oak Ridge National Laboratory (ORNL) has released *Combined Heat and Power: Effective Energy Solutions for a Sustainable Future*, a new report highlighting Combined Heat and Power (CHP) as a realistic solution to enhance national energy efficiency, ensure environmental quality, promote economic growth, and foster a robust energy infrastructure. The report provides an in-depth discussion of current opportunities and challenges to more widespread national CHP deployment, and sets the stage for future policy dialogue aimed at promoting this clean energy solution.

The report asks “What if 20 percent of generating capacity came from CHP?”

If the United States attained this goal by 2030, benefits would include:

- A 60 percent reduction of the projected increase in carbon dioxide (CO₂) emissions by 2030—the equivalent of removing 154 million cars from the road;
- Fuel savings of 5.3 quadrillion British thermal units (Btu) annually—the equivalent of nearly half the total energy currently consumed by U.S. households;
- Economically viable application throughout the nation in large and small industrial facilities, commercial buildings, multi-family and single-family housing, institutional facilities and campuses;
- The creation of 1 million new highly skilled, competitive “green collar” jobs through 2030 and \$234 billion in new investments throughout the United States.

CHP, also known as cogeneration, is the concurrent production and use of electricity or mechanical power and useful thermal energy from a single fuel source. CHP includes a suite of technologies that can use a variety of fuels to generate electricity or power at the point of use, allowing normally lost heat to be recovered to provide needed heating or cooling.

TRANS-TECH INDUSTRIES RECEIVES VOLUNTEERISM AWARD

Gov. John Baldacci recently presented Ken Peters, president of Trans-Tech Industries of Brewer, Maine, with the 2008 Governors Award for Volunteerism at a ceremony held at the State House.



From left, Dennis Marble, executive director of the Bangor Area Homeless Shelter, D'arcy Main Boyington, Brewer Economic Development director, Ken Peters holding the award, State Rep. Dusty Fisher and State Sen. Richard Rosen, after the ceremony.

The citation reads in part "For the past 10 years, Ken Peters has made not only a personal commitment but also a business commitment to assisting the community. Private sector donations to the Bangor Area Homeless Shelter have increased, largely due to the behind-the-scenes support and leadership of Mr. Peters and Trans-Tech. In addition to financial support, employees of Trans-Tech have donated many hours helping the shelter's staff.

We congratulate Trans-Tech Industries Inc. for its being recognized as a perfect example of small business stewardship and community service."

Trans-Tech was also recognized for its support of the Salvation Army, Good Samaritans Agency and numerous activities benefiting the residents of Brewer.

DUKESHIRE JOINS VERMONT-BASED HEATING OIL COMPANY

Patten Oil Co. Inc., a retailer of home heating products and services in the Rutland, Vt., area recently announced that Dan Dukeshire has joined the firm as senior vice president.

A Vermont native, he began his career in the oil industry working for Exxon USA, based in Houston, Texas. One of his unique assignments, while living in Little Rock, Ark., was selling Exxon products to Sam Walton while Walmart was still in its infancy. Other positions within Exxon included sales of distillate products for the company's Baytown, Texas, and Baton Rouge, La., refineries.

Later, Dukeshire returned to the Northeast and accepted a position with Sherman V. Allen Inc. to assist in a major acquisition. Soon after,

he transferred to Rutland to continue the development of Sherman V. Allen's holdings in Vermont, as well as overseeing the company's fuel oil division. He proceeded to the positions of chief operating officer, chief executive officer and ultimately was named president in 1995.

He has served on numerous boards of directors as part of his commitment to the petroleum and retail industries.

BACHARACH BIDS FAREWELL TO COMPANY PRESIDENT

Bacharach Inc., a manufacturer of gas analysis, leak detection, refrigerant monitoring and recovery products, is saying goodbye to president Dan Strafalace.

Strafalace, with more than 40 years experience in the industry, has made the decision to retire after spending his entire career with Bacharach Inc.

Beginning his journey with Bacharach in 1967, Strafalace has worked his way to the top through various positions within the company. He joined the company as a field service technician, eventually becoming manager of the field service group. From field



Dan Strafalace is retiring as president of Bacharach after more than 40 years at the company.

service he moved into field sales in 1982, where he spent five years before becoming the marketing manager of the gas detection products group. In 1990, he assumed responsibility for the gas detection business unit, which included dedicated sales, marketing, engineering and customer service personnel. When the gas detection group moved into a joint venture with Scott Instruments in 1999, he became vice president of customer services, which included oversight of the service centers throughout North America. In 2006, Strafalace became vice president of operations and almost immediately was appointed president of Bacharach Inc.

Stacy Brovitz will succeed Strafalace. Brovitz has more than 15 years of experience in the industry as the CEO of Dormont Manufacturing Company.

For more information on Bacharach Inc., visit their Web site at www.mybacharach.com.

Think of us as a GPS system for your oilheat business.

Get the best guidance for your company. Call us at (781) 407-0300.

GG&G
GRAY GRAY & GRAY, LLP

CERTIFIED PUBLIC ACCOUNTANTS
VISION • DIRECTION • SUCCESS
Westwood, MA • Framingham, MA
781.407.0300 www.gggcpas.com

Survey Takes Pulse of the Oilheat Industry

Fewer Dealers Offered Price Plans in 2008

GRAY, GRAY & GRAY CERTIFIED PUBLIC ACCOUNTANTS OF WESTWOOD, MASS., HAS RELEASED the results of the firm's 17th annual Oilheat Industry Survey. The survey was distributed to retail fuel oil dealers throughout the Northeast and Mid-Atlantic regions of the U.S.

"The heating season was a reality check for many dealers," said Paul Gerry, CPA, the Gray, Gray & Gray partner who manages the firm's Energy Practice Group. "The unprecedented rise in oil costs had a profound impact on the industry, and that is being seen both in operations and on the management side."

Gerry noted that two key indicators of industry confidence showed mixed results.

"More than twice as many dealers reported they were considered selling their business—22 percent vs. 10 percent in 2007. But at the same time, more dealers were in the market to acquire another dealer—26 percent vs. 24 percent in 2007," Gerry said.

Dealers seemed to have quickly learned a lesson regarding price protection programs for customers, after many were caught last season "upside down" when mid-winter oil prices unexpectedly dropped, according to Gerry. Only 58 percent are offering a price cap program this season, down from 69 percent last year, and only 37 percent said they would offer a fixed price program, down from 63 percent last year.

"Margins remained fairly steady last year, at 52 cents per gallon," Gerry said. "But we believe that will be insufficient in (2009), when high oil prices will push retail prices higher than ever before."

Gerry said the "per gallon" measure of margin represents a shrinking percentage of overall sales. "Fifty-two cents is only a little more than 10 percent of the projected retail price. The margin should be closer to 30 percent in order for a business to survive," he added.

What was your average targeted margin for fuel sales during the heating season just ending?

Retail/Residential Heating Oil	52¢/gallon
Commercial Heating Oil	36¢/gallon
Propane	88¢/gallon

Which of the following do you offer to your retail customers?

Fixed pricing.....	58%
Price cap.....	37%
Budget payment plan	95%
Service contracts.....	60%
Free oil for new customers (oil coupons)	12%
Free service for new customers.....	11%
Tank monitoring system.....	9%
Tank protection plans.....	38%
Central air conditioning.....	52%
Plumbing service	11%
Heating equipment service.....	82%
Heating system installation.....	80%
Online ordering.....	11%

Do you charge retail customers a fee for a price protection plan?

Yes, for fixed price	6%, \$68 avg. fee
Yes, for cap price.....	28%, \$126 avg. fee

Do your price protection plans offer customers a buyout option?

Yes	17%, \$300 avg.
No	83%

Will you offer retail customers price protection plans next year?

Yes	44%
No	24%
Not sure.....	32%

What percentage of your price protection programs did you hedge?

At a hedging cost of 17¢ per gallon

Excluding product (oil), what is your estimated cost per retail delivery?

.....	\$31
-------	------

What is your average residential drop (gallons delivered per stop)?

.....	155 gallons
-------	-------------

What is the average renewal price you charge for a service contract?

.....	\$202
-------	-------

How many paid service contracts does your company have?

.....	1,241
-------	-------

How many service calls were made by your company last year?

.....	2,687
-------	-------

How many installations did you complete last year?

.....	103
-------	-----

Complete survey results are available on Gray, Gray & Gray's Web site, www.gggcpas.com. ☐

In what state does your company primarily do business?

Massachusetts.....	30%
Pennsylvania.....	28%
Connecticut	8%
New Hampshire	5%
New York.....	4%
New Jersey	3%
Vermont	3%
Maryland.....	1%

Total number of employees (avg.)

.....	25
-------	----

Number of service technicians

(full-time equivalent).....

.....	6
-------	---

Number of delivery drivers

(full-time equivalent).....

.....	5
-------	---

Are your employees unionized?

Yes

.....	2%
-------	----

No

.....	98%
-------	-----

Which of the following employee benefits do you offer? (check all that apply)

Group Life Insurance	55%
Group Disability Insurance.....	42%
Retirement Plan (401k)	71%
Pre-Tax Benefit Package (Sec. 125 Plan)	37%
Paid Sick Days.....	75%
FSA (Flexible Spending Account)	9%
HRA (Health Reimbursement Account)	8%
Incentive pay/bonuses	40%
Dental Plan	51%
Group Health Plan.....	83%
Group health percent company paid:	78%

What is the average hourly rate you pay your delivery drivers?

.....	\$17 per hour
-------	---------------

What is the average hourly rate you pay your dispatchers?

.....	\$17 per hour
-------	---------------

What is the average hourly rate you pay your service technicians?

.....	\$21 per hour
-------	---------------

What is the average hourly rate you pay your service manager?

.....	\$26 per hour
-------	---------------

Are you considering any of the following?

Acquiring another company.....	26%
Selling your company.....	22%
Transitioning to the next family generation.....	22%
Conducting a business valuation	15%
Developing a bulk plant	6%
Upgrading an existing bulk plant	15%
Refinancing.....	9%
Retiring.....	12%
Converting to an S corporation.....	3%
Expanding product lines.....	17%
Converting to flat rate billing for service.....	14%

How many fuel customers do you have?

Retail/Residential Heating Oil	2,671
Commercial Heating Oil	243
Propane	2,733

How many gallons of fuel did you sell during the 2007-08 heating season?

Retail/Residential Heating Oil	1,965,264
Commercial Heating Oil	481,485
Propane.....	1,067,578



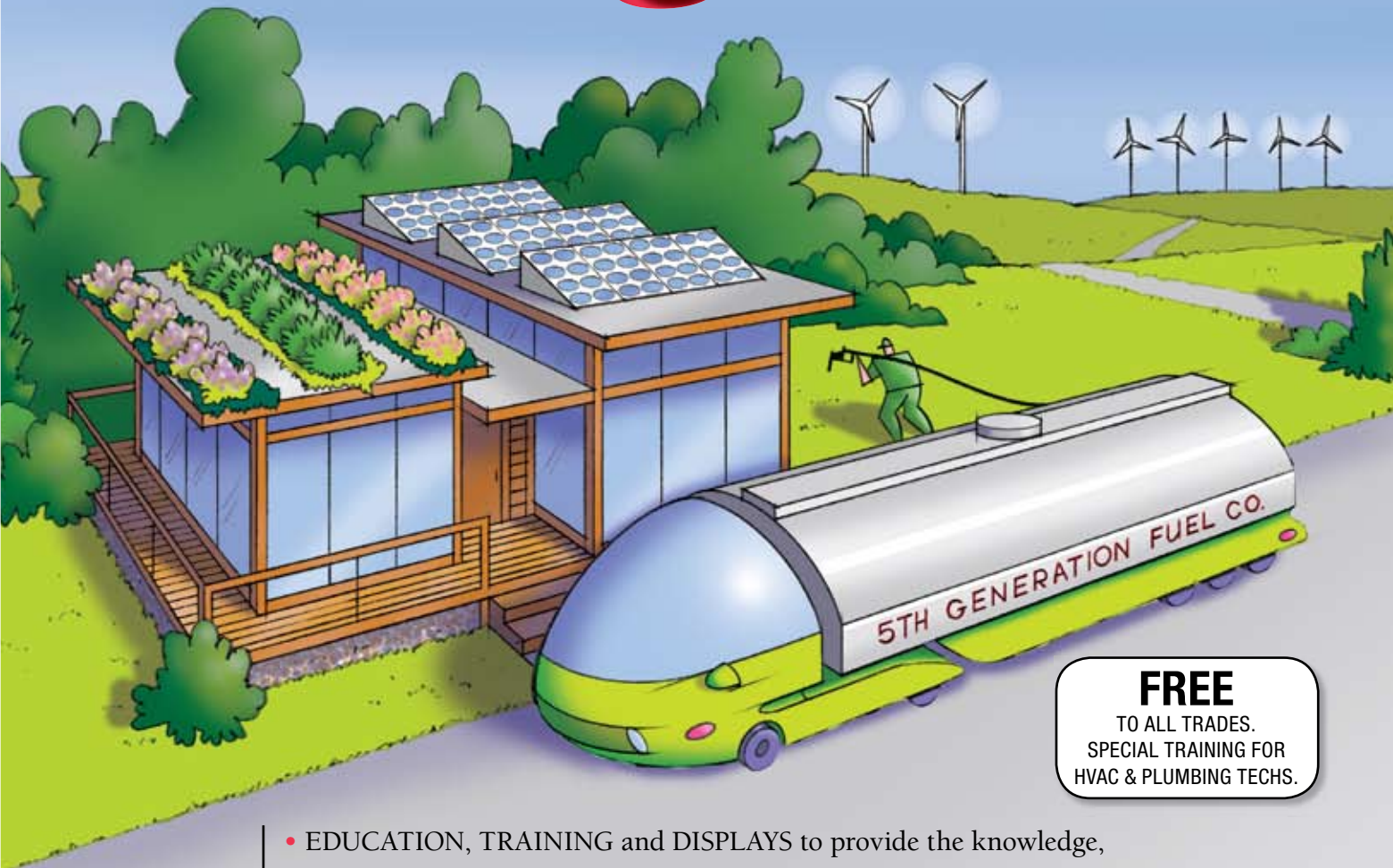
CONVENTION & Trade Show

OUR 56TH

HERSHEY, PA • MAY 17-21, 2009

TRADE SHOW DAYS ARE TUESDAY & WEDNESDAY

Imagine...



FREE
TO ALL TRADES.
SPECIAL TRAINING FOR
HVAC & PLUMBING TECHS.

- EDUCATION, TRAINING and DISPLAYS to provide the knowledge, technology and products that will lead us into a BRIGHT FUTURE.
- Always the industry's GREATEST NETWORKING opportunity.
- When the work and learning are done, **IMAGINE** THE FUN.

FOR COMPLETE DETAILS, EVENT SCHEDULE AND LODGING INFORMATION, VISIT
www.naohsm.org • 888.552.0900

VISSMANN BOILER RECALLED

The U.S. Consumer Product Safety Commission recently announced a voluntary recall of approximately 4,600 Viessmann Manufacturing Co.'s Vitodens 200 boiler. They advised consumers to stop using the products immediately.

The boiler can leak gas, posing a fire hazard to consumers, though no accidents have been reported. Plumbing and heating contractors nationwide sold the devices from January 2002 through December 2007 for between \$4,000 and \$7,500.

The recall involves the Vitodens 200 boiler. The gas-fired boilers are white, wall-mounted and have "Viessmann" and "Vitodens 200" printed on the exterior in silver letters. The model number is located on the silver rating plate on the side of the boiler. Contact your certified HVAC contractor to open the boiler and locate the serial number on a white label on the side of the boiler or under the bottom support panel. Vitodens 100 boilers are not included in this recall.

Consumers should contact their certified heating contractor or Viessmann for a free replacement of the boiler's O-ring. For additional information, contact Viessmann U.S. at (888) 414-9157, visit www.viessmann-us.com or e-mail o-ring@viessmann.com.

ENERGY MARKETS TRANSPARENCY LEGISLATION INTRODUCED

Sen. Tom Harkin, D-IA, chairman of the Senate Agriculture Committee, recently introduced legislation that would bring greater transparency, integrity and accountability to over-the-counter financial derivatives and

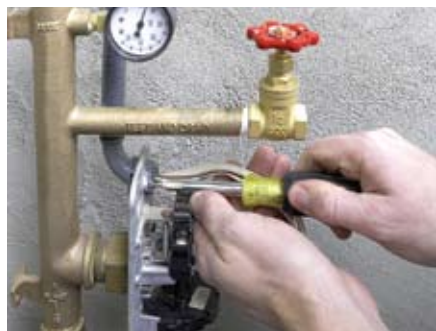
commodity futures trading. The Derivatives Trading Integrity Act of 2008 (S. 3714) would require all swap transactions to clear on a regulated exchange.

S. 3714 would amend the Commodity Exchange Act by eliminating the exclusion of swap transactions, and would prevent the CFTC from exempting swap transactions in the future.

"By restoring reasonable safeguards and regulation of swaps, including credit default swaps, along with all futures contracts, this legislation will go a long way toward ensuring confidence in the markets and reestablishing soundness and integrity that the financial system needs," Sen. Harkin said.

NEFI ANNOUNCES OIL BURNER CODE COURSE

The New England Fuel Institute's (NEFI) Technical Training Center has announced several three-and-a-half hour standalone courses on the newly revised Massachusetts



Oil Burner Regulation for Jan. 14 and 22, Feb. 11 and 18 and March 25, in the training lab in Watertown, Mass. Each session is technically oriented and is ideal for both apprentices

and senior technicians, sales personnel, managers, fire inspectors and anyone else involved in the installation, inspection and servicing of Oilheat equipment in Massachusetts.

The Training Center has also released their 2009 training schedule for classes being held in their Watertown, Mass. location and at satellite locations throughout New England. Go to www.nefi.com/training to see the latest course schedule. New classes are added throughout the year.

NORA FEATURED ON BROOKHAVEN NATIONAL LAB WEB SITE

The National Oilheat Research Alliance (NORA) is currently featured on the Brookhaven National Lab Web site for their work on the Fuel Savings Analysis FSA calculator. The FSA calculator allows customers and dealers to input variables that define a users current heating system, and compare it to possible upgrade systems. The Web site explains the initiatives that the FSA calculator provides. Also, Dr. Thomas Butcher discusses the input data entered and the return on the total efficiency, fuel usage and cost involved with that system.

"A lot of oil is used in the warm months just to keep the boiler hot in case hot water is needed," Butcher said. "This was taken into account in our measurements. We imposed realistic heating loads on our test boilers, simulating use during all seasons to get accurate annual efficiency ratings. We found that summer performance of boilers has a big impact on overall fuel consumption."

To view the full article, visit Brookhaven's site at www.bnl.gov/world.

Custom Oil and Propane Bodies* from Hews
New England's Premier Truck Body and Equipment Company since 1927



14'6" Body w/ all Electric Crane & 1,600 lbs Rail Lift w/Aluminum Platform



16'6" Body w/ Hiab 111 Crane & 2,000 lbs Rail Lift w/Aluminum Platform



Service Body w/Crane, Liftgate and Pipe Vise

*Service Bodies Available in Steel or Aluminum



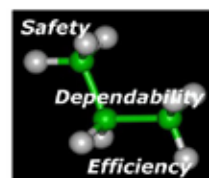
190 Rumery Street, South Portland, ME 04106
 2 Ryan Road, Bow, NH 03304



Hews Custom Taskmaster Platform Body



9' Service Body w/ Ladder Rack & 1,500 lbs Aluminum Liftgate



New England Fuel Institute Members since 2007

www.hewsc.com
 1-800-234-4397



For the best in Oilheat and Residential Air Conditioning Training: **TRAIN AT "THE INDUSTRY'S SCHOOL"** The New England Fuel Institute Technical Training Center

**MASS. OILBURNER
CODE 527 CMR 4.00
in Watertown, Mass.**

**January 14 & 22
A.M. or P.M. Sessions**

Go to
www.nefi.com
for information



The NEFI Technical Training Center offers both professional training for entry level heating technicians and continuing education for experienced Oilheat personnel. Courses are held at NEFI's training center in Watertown, Massachusetts, and at several schools throughout New England.



The entry level course is designed to prepare each student for employment as a qualified oil heating technician; the receipt of a certificate of competency can lead to a license appropriate to the state or regional authority where the student plans to work as a professional technician.

Continuing education programs are designed to accelerate understanding of new and existing energy concepts (and applications) and provide opportunity for career advancement within the service industry. These courses include:

- Residential Home Heating
- Electrical Management Control Systems
- Residential Whole House Air Conditioning
- NEW! Masters Course for advanced training on controls, venting, and whole house comfort systems
- Gas Heat Training for the Oilheat technician

Auxiliary Courses Include:

- Heat Loss Calculation Courses
- HAZMAT Training Seminars

Courses held regularly at our Watertown, Mass. training facility and affiliated school locations in Rhode Island, New Hampshire, Vermont and Springfield, MA.

**The most fully equipped
and advanced training
facility of its kind in
the country.**

**All types and models of
working equipment as well
as the necessary test
instruments from leading
manufacturers.**

**Completely renovated
and specialized
equipment labs**

**Low ratio of students
to instructors**



EDUCATION

www.NEFI.com

Financial assistance available on training courses.
For information, visit **www.nefi.com/training**.

Training Center Licensed By
Commonwealth of Massachusetts, Dept. of Education

To obtain a training brochure, email school@nefi.com or phone 617-923-5019.
REGISTER ON THE WEB FOR OILHEAT AND AC COURSES.
Log on to www.nefi.com and click the "Education" tab.



Five Secrets to Reliable Heating Oil Profits

By Betsi Bixby, Meridian Associates

TALK TO ANY HEATING FUEL MARKETER AND

you may hear laments of warm winters, praises for cold snaps (as long as there's not too much ice and snow to make deliveries more difficult) and curses about customers who won't or can't pay their bills. Add a little pre-buy activity, often at the wrong end of the market or not matched with customer deposits, and it all adds up to anything but reliable profits, and sometimes even losses.

Now, before I go further, let me say I know heating oil is a very necessary product. However, for you to bless your family and employees, you absolutely must make money, a real profit in your company every single year, year after year, no matter what the weather or pricing. So, how can you make sure your company makes money in this now unpredictable industry?

With multigenerational family companies, there is a tendency to do things the same way prior generations have always done them. Unfortunately, this tendency to avoid change costs precious bottom-line profit.

I'm a firm believer in keeping total focus on what is in your control, so let me share with you what I see as the secrets to reliable company profits for anyone in the heating oil business.

Now, call me harsh or whatever else you want, but anyone who hangs their entire family's well-being on a single product that requires a certain type of weather to make money is crazy or naïve or in a rut. So, my first recommendation is:

DIVERSIFY

The most successful heating oil marketers I know sell other things to their customer base that are non-weather related. Sure, that includes HVAC and equipment, but the cleverest use other revenue sources that are stable year-round. The most profitable I've seen were marketers who added plumbing and environmental services to their mix. And of course, many of our heating oil clients also offer fuel and lubricants supply.

If you are a pure heating oil dealer, and if you've been the victim of warm weather, supply problems or price challenges, please consider changing your business model so you can be profitable and successful every year! I know that concept is much easier said than done. So to get started, assess your strengths. What is your company really good at? Do you have a great customer base that would buy other things? Do you see a need in your existing service area? Then go for it! Becoming less dependent on a good winter is the absolute top thing you can and should do.

Next, let's make your heating oil sector the most profitable it can be with just four more solutions:

HEDGE APPROPRIATELY

It literally distresses me when I hear from marketers who offered price plans to customers and then didn't buy appropriate price-protected gallons. While marketers who do this look like heroes when the price goes down, they can virtually put themselves out of business when price unexpectedly goes up. While their father or grandfather may have played price roulette with a spread of a few cents, marketers today are playing with way bigger swings (like almost \$2 in 2008 alone). It's not smart to take this much risk.

If your heating oil business isn't large enough to negotiate fixed-price deals, or cover with paper trading, then either don't offer fixed prices or align with a larger jobber who can. While pairing up with that jobber may cost a half-penny or more per gallon, it could be well worth it to have a fixed-price product and the peace of mind in knowing you have a fixed margin as well.

KNOW YOUR CUSTOMER BASE

Let's begin with a reality check. For almost every heating fuel business, typically 10 percent of customers are costing—yes, I said "costing" you money—rather than making you a profit. How does that happen? Think short loads, difficult drops, slow pay, no pay, bad routes, etc. In an online coaching program I taught, one of my heating fuel marketers quantified these suspected costs. He quickly found \$1,200 in waste in just

one route! Based on that success, he is now reviewing each route to identify unprofitable customers. Interestingly, he discovered that some of the biggest losers were long-time customers. He admitted his family has been reluctant to address the problem because they knew most of the unprofitable accounts were long-time customers. I'm OK with supporting low-income widows, etc., I'd just like to see you make charitable donation as a deliberate decision, not by default. Worse yet is not even realizing you are making the donation!

GET PAID FASTER

If you offer budget plans (good for you!), look at your payment cycles and set it up so cash is loaded in as early as possible. With non-budget customers, get paid as quickly as possible. The best way to do that is have customer draft authorization. I've written volumes on how to move your existing base to quicker terms, electronic fund transfers (EFT) or an automated clearing house. Make EFT or drafting part of your standard application for new accounts and offer an incentive to old accounts. By the way, if you don't think EFT or drafts are a good thing, then it may be time for you to turn the reins of the business over to someone who does, because collecting this way is necessary to stay profitable in today's low-margin environment. It's just too costly to wait on late-paying customers.

BE RELENTLESS ON EFFICIENCY

With multigenerational family companies, there is a tendency to do things the same way prior generations have always done them. Unfortunately, this tendency to avoid change costs precious bottom-line profit. Truck utilization, actual loading and unloading speeds, rack choices and individual truck routing have made leaps and bounds in cost savings thanks to new technology. These are all things you should be measuring!

While all of us hate change (myself included), you can't stand still in this business. If you think you are standing still, or just trying to tread water, you are actually going backwards. There is such a huge need for practical education about what technology works and doesn't work in this industry that my company now hosts an annual seminar/workshop for marketers where they learn from each other (not vendors) about what is working and what isn't. I love seeing marketers gaining a competitive advantage from good technology. The bottom line is that the guy with the lowest cost of delivery is the most profitable when all the other factors are equal.

So to summarize, first and foremost, don't hang your entire profit hat on weather alone.

Have other products and services. Then, with your heating oil division, make sure you are matching supply to customer deals, fixing or firing unprofitable customers, using rapid collection systems that allow you to control when you get paid, and measuring and constantly improving delivery efficiency. If you act on these five recommendations, no matter how profitable you are now, you will be sure to see increases. ☐

To view the entire library of articles by Betsi Bixby, owner of Meridian Associates, go to www.PetroAnswers.com.

EnergyWeb Makes it Simple.

-  **Have a Great Looking Website.**
-  **Create More Margin.**
-  **Dominate the Search Engines.**
-  **Sell Oil While You Sleep.**

EnergyWeb is the industry's leading website, internet marketing and online ordering solution. We are dedicated to your industry. We speak your language, understand your needs and create solutions that put the web to work for you.

No long-term contracts. No hardware or software purchases. Integrate with your existing office order system. Compatible with all major credit card gateways, including Authorize.Net & CoCard Secure Gateway.

ENERGYWEB SOLUTIONS™ 

(866) 796-7320 or OilHeatOnline.Com

When our members participated in charity programs for the disadvantaged, the disabled, and the elderly, who made sure local newspapers got the story?

We did.

ECC

ENERGY COMMUNICATIONS COUNCIL

In your corner 24/7

FMANJ · ICPA · MOC · MODA · NEFI · NYOHA · OHILI · OHIRI · VFDA · VPC&GA

www.EnergyCommunicationsCouncil.com



and Mid-Atlantic regions depending on which heating equipment is considered.

BIOHEAT CAN BE AMERICA'S NEW PLAN

The difference between heating oil and natural gas for GHG is not substantial enough in that the modest advantage gas has can be overcome with a percentage of biofuel. B12 puts us in a “cleaner than gas” position, while B20 puts our industry in a position of dominance.

When you take this valuable information into consideration and couple it up with all the other market advantages Bioheat offers both the industry and your personal business, you can only ask yourself “where can I buy it?” By 2010, in Massachusetts, the answer will be everywhere. For other states not considering or implementing statewide mandates, the “chicken and egg” syndrome will prevail until fuel suppliers recognize the obvious need and begin demanding Bioheat.

In July, our worst nightmares became a reality when crude soared to \$145 per barrel only to freefall to \$43 per barrel by the second week of December. In July, energy industry participants were not able to get biodiesel or Bioheat plans into motion fast enough. With lower crude prices more of the same, renewable technologies do not make sense. I suggest that no matter what the value of NYMEX, biofuel is no longer a novel idea, but an absolute necessity to the long-term health of our industry.

ONE FUEL, MANY BENEFITS

Many benefits can and will be derived through the implementation of Bioheat. First, we align perfectly with the national clean energy agenda, so expect support from the top. Secondly, as a fuel dealer you will, for the first time in a very long time, have a positive message to espouse to your customers. Clean, renewable, operationally sound and environmentally appropriate, all without a transition to the supply chain or the consumer's current heating systems. What more could we ask for? Now while we are upgrading our fuel, it will be necessary to become informed on this new technology and be prepared to convey the numerous advantages to our customers. Visit www.bioheatonline.com and take a tour of the introduction to Bioheat or plan on attending National Biodiesel Board (NBB) conference (see www.biodiesel.org for information).

Make a point of telling your customer base about the fuel so that they also can begin to learn the valuable attributes of Bioheat. As inauguration day draws near and eventually becomes recorded history, we can look back on this historic event not only as a changing of administrations but also as a new beginning for our industry. ☐

A Changing Administration Fuels Opportunity for Biofuel

By Paul J. Nazzaro, Advanced Fuel Solutions Inc.; National Biodiesel Board

SETTING THE STAGE FOR CHANGE

ON JAN. 20 AT NOON, A NEW ADMINISTRATION

will take charge. There is no doubt that there is an abundance of issues necessitating this administration's attention, such as talk about where to start: defense, economy, education, foreign policy, Iraq and energy and the environment. Although all are important issues, we cannot help but be interested in how this administration will tackle energy and environmental issues. According to Obama's Web site, the comprehensive New Energy for America plan which will:

- Provide short-term relief to American families facing pain at the pump;
- Help create 5 million new jobs by strategically investing \$150 billion over the next 10 years to catalyze private efforts to build a clean energy future;
- Within 10 years save more oil than we currently import from the Middle East and Venezuela combined;
- Put 1 million plug-in hybrid cars—cars that can get up to 150 miles per gallon—on the road by 2015, cars that we will work to make sure are built here in America;
- Ensure 10 percent of our electricity comes from renewable sources by 2012, and 25 percent by 2025;
- Implement an economy-wide cap-and-trade program to reduce greenhouse gas emissions 80 percent by 2050.

The New Energy for America Plan is ambitious, but is also a prerequisite to our long-term national energy security plan. Taking it back home, we can feel confident that these strategic goals can be satisfied with Bioheat® and biodiesel use. Interestingly enough, our intervention with biofuel will align quite nicely with this plan. Using Bioheat supports our domestic economy, reduces our dependence on foreign oil and enhances

our national security. Biodiesel is the only alternative fuel to have fully completed the health effects testing requirements of the Clean Air Act.

UNDERSTANDING THE ENVIRONMENTAL IMPACT OF BIOHEAT

Much has been written about biodiesel and Bioheat as it relates to its marked improvement in emission reductions. One noteworthy source is the recent study entitled: *Resource Analysis of Energy Use and Greenhouse Gas Emissions from Residential Boilers for Space Heating and Hot Water* a body of work authored by ICF International. The analysis within this study shows the relevance of how the total resource energy use and fuel cycle emissions impact fuel consumption:

It was disclosed that a great deal of energy is consumed, resulting in emissions of CO2 and other greenhouse gases (GHG). This takes place at all stages of the fuel cycle, including the extraction/production, processing, transmission, distribution, and ultimate combustion stages. The fuel cycle emissions add 17 to 18 percent to the GHG emissions of heating oil combustion and 25 to 30 percent to the GHG emissions of natural gas combustion at the burner tip (before end-use equipment efficiencies).

The report also details that the evolution in fuel supplies over time should also be considered when comparing fuel choices. B20, a blend of 20 percent biofuel and 80 percent low-sulfur heating oil, is estimated to have total GHG emissions for delivered energy services (including end-use equipment efficiencies) on par with delivered natural gas in 2020. B20 can have up to 12 percent lower GHG emissions when compared to liquefied natural gas. This happens to be the marginal natural gas supply option for the Northeast

Replace it with...

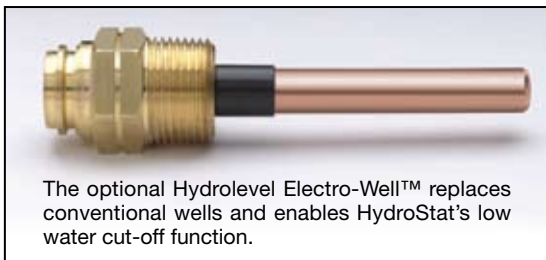
HYDROSTAT®



The universal replacement for most Aquastats* on oil-fired boilers.

- Replaces Cold Start and Triple Action Aquastats®
 - Install it on existing immersion well – for full temperature functionality, or
 - Install it on an Electro-Well™ – to add low water cut-off protection
- Easy to wire – uses same terminal designations as common Aquastat® models
- Simple, dial-type temperature and differential settings
- Dynamic Temperature Display
- Four diagnostic LEDs

*Put a HydroStat on your truck. It's all you'll need to replace common Aquastats®. Or install it on an Electro-Well** for a fast, easy and economical way to add low water cut-off protection.*



The optional Hydrolevel Electro-Well™ replaces conventional wells and enables HydroStat's low water cut-off function.

**HYDROLEVEL
COMPANY**

83 Water Street
New Haven, Connecticut 06511
(203) 776-0473 • Fax (203) 773-1019
Toll Free 800-654-0768
www.hydrolevel.com



Patent Pending *Aquastat is a registered trademark of Honeywell International, Inc. **Electro-Well sold separately.

January 2009

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

14 SPCC Compliance Webinar, 2:00 pm, sponsored by NEFI/NCPCM/PMAA/NORA. (Discounted registration fee is available for members of these associations.) 617-923-5022 www.nefi.com

24-28 ASHRAE Winter Conference, Chicago, IL. 800-527-4723 www.ashrae.org

26-28 AHR Expo, McCormick Place, Chicago, IL. 203-221-9232 www.ahrexpo.com

February 2009

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

1-4 National Biodiesel Conference & Expo, San Francisco, CA. 573-635-3893, 800-841-5849 www.biodieselconference.org/2009

26-Mar. 1 New England Home Show, Seaport World Trade Center, Boston, Massachusetts. 888-254-0882 www.newenglandhomeshows.com

March 2009

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

4-5 Southeast Petro-Food Marketing Exposition, Myrtle Beach Convention Center, Myrtle Beach, SC. 919-782-4411 www.sepetro.org

8-10 National HVACR Educators & Trainers Conference, Imperial Palace Hotel, Las Vegas, NV. Phone 800-394-5268 www.hvacexcellence.org

10-12 Northeast Sustainable Energy Association's Building Energy '09 Conference, Seaport World Trade Center, Boston, MA. 413-774-6051 www.nesea.org

12 Liberty USA/PPMCSA C-Store Trade Show, Pittsburgh ExpoMart, Monroeville, Pennsylvania. 412-461-2700 www.libertyusa.com

27 National Association of Oil Heating Service Managers' Spring Board Meeting, Crown Plaza, Hartford, CT. 888-552-0900 www.naohsm.org

April 2009

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

15-16 Propane Gas Association of New England's Spring Meeting, The Renaissance Hotel, Providence, RI. 603-544-2226 www.pgane.org

24-26 M-PACT Midwest Petroleum and Convenience Tradeshow, Indiana Convention Center, Indianapolis, IN. 614-792-5212 www.ipca.org

COMING IN MAY:

5-7 Atlantic Region Energy Expo AREE09, Atlantic City Convention Center, Atlantic City, NJ. 973-467-1400 www.areetradeshow.com

17-21 National Association of Oil Heating Service Managers 56th Annual Convention, Hershey, PA. 888-552-0900 www.naohsm.org

CONNECTICUT OFFERS EFFICIENCY TUNE, TEST AND AUDIT PROGRAM

The Independent Connecticut Petroleum Association (ICPA) recently hosted an information session conducted by the Office of Policy & Management (OPM) that provided information on how to participate in a new program to help Connecticut Oilheat consumers save money by making their heating systems and homes more energy efficient.

The new program, which began on Nov. 15, starts with a clean, tune and test of a customer's heating system and then the efficiency of the system is audited. Once the clean, tune and test is complete, the customer will be referred to the Home Energy Solutions (HES) program, which performs a whole-house energy audit. To qualify for the program, consumers need to contact their licensed HVAC contractor to schedule a clean, tune and test by June 30, 2009. HVAC contractors will be required to bill their customer \$75 and balance bill the state \$125 to pay for the clean, tune and test. For more information and to register for the program go to www.ct.gov.

UNDERGROUND STORAGE TANKS COMPLIANCE EXCEEDS NATIONAL, REGIONAL AVERAGES

Environmental compliance by Pennsylvania owners and operators of underground storage tanks exceeds national and Mid-Atlantic averages, according to information filed with the federal Environmental Protection Agency.

The Pennsylvania Department of Environmental Protection (DEP) recently filed summary information on the status of Underground Storage Tanks (USTs) in the state and posted the information on its Web site at www.depweb.state.pa.us. The summary indicates that 73 percent of Pennsylvania's tank owners and operators were in compliance with federal and state standards, well ahead of the national average of 66 percent. States in the Mid-Atlantic region achieved a 62 percent average compliance rate, and Pennsylvania trailed only Delaware in the region.

The Federal Energy Policy Act of 2005 requires states that receive federal UST program funding to provide summary information on USTs on or before Dec. 31.

In addition, DEP recently freed up approximately \$6 million held in reserve by the Underground Storage Tanks Indemnification Fund (USTIF). The USTIF is a mandatory insurance program for tank owners that indemnifies them for third-party liability related to tank releases.

DEP recently completed a review of open claims for corrective action funded through the USTIF. Initiated in October 2006, the project goal was to review all open USTIF claims filed between 1994 through 1999 and resolve as many cases as possible. Since the project began, staff in DEP regional offices have worked with tank owners to close 144 open claims and return approximately \$6 million being held in reserve to the USTIF.



American Energy Coalition Prepares to Challenge Utilities

Organization Looks for Support from Oilheat Industry

THE AMERICAN ENERGY COALITION (AEC), a grassroots organization committed to promoting Oilheat through direct competition with natural gas, has been gathering pledges of financial support in anticipation of a counterstrike in 2009.

Recognizing that there are many stakeholders in the success of Oilheat, the AEC is making a broad appeal for support. Everyone from refiners to Oilheat dealers to supply houses has an interest in the industry's success, and the Coalition is soliciting contributions across the board.

"The dealers and the companies that live off this industry need to open their pocket-books," said Neil Bianco, an AEC Executive Committee member and senior vice president and general manager of Champion Energy,

"The future of the industry is at stake. It's high time for the industry to put together a national campaign and bring us into the marketing world of the 21st century. We have a good story to tell, and we've never told it properly.

— Martin Romanelli, Romanelli & Son

which markets Oilheat from Maine to Virginia. "Otherwise, we'll see the customer base dwindle and go to natural gas and other fuels, and you're not going to be left with anything for your business.

"This is probably the most important thing a company can do for itself beyond direct

service to their customer base. Once an account is lost, it's lost forever to the industry."

If Oilheat prices hold near their present levels, the industry should be well positioned to make its case in 2009. Last year, gas utilities like National Grid marketed aggressively on news that Oilheat prices were hitting record highs. The utilities reported that conversion requests were up last summer, but that was before heating oil prices fell dramatically. Recent information from the U.S. Energy Information Agency indicates that natural gas prices are 3 percent higher than last year, while heating oil prices have dropped by 17 percent.

The effort is vital to the financial health of Oilheat, according to Martin Romanelli, a member of the Coalition's Executive Committee and president of Romanelli & Son, a Lindenhurst, N.Y., oil dealer.

"The future of the industry is at stake," he said. "It's high time for the industry to put together a national campaign and bring us into the marketing world of the 21st century. We have a good story to tell, and we've never told it properly."

The AEC will fight for the industry in ways that the National Oilheat Research Alliance (NORA) cannot. When Congress approved NORA, it required that all marketing be limited to promotional efforts only. Competitive marketing that targets other fuel providers such as utilities is not allowed.

"The NORA way sends a positive message, and you always want that, but when you're being attacked as we are by the utilities, you need to combat the negativity," said Romanelli. "We don't have to be negative, but we have to be competitive and explain the truth. No one is telling the whole truth from the Oilheat side."

The very survival of the industry hangs in the balance, according to Chris Behrens, president of Dowling Fuel Co. in Ridgefield Park, N.J. and a member of the AEC Executive Committee. "There's a huge danger if we don't do something substantial that all of us are going to lose a lot of accounts to gas," he said. "We're already seeing conversions at a higher rate than we've ever seen before."

Behrens said it's hard to know exactly why customers decide to convert.

"If I had to put a handle on why it's more serious than before, it's because of where prices went earlier in the summer," he said. "The fact that they've come down substantially helps, but an awful lot of people think that they will skyrocket again. There is a significant possibility that once the economy does start to pick up, the prices will increase. The hedge funds will move back in and move the market higher than it should be, and we'll be in the same boat again."

The Coalition plans to launch its first round of advertising and consumer education this spring, with a second round of outreach anticipated in the fall and many more in the years ahead. Advertisements are expected to run on the Internet as well as on radio and television and in print.

AEC intends to publicize the risks involved with fuel switching. The Consumer Energy Council of America says, "In 95 out of 100 cases, it makes economic sense to stick with oil, and if an energy-related investment is desired, to invest in conservation." Customers who converted to gas last year in the hope of cutting their costs have missed the opportunity to take advantage of today's reduced oil prices.

The Coalition has scheduled a meeting on Jan. 13 with the leaders of several Oilheat associations to review strategy and fundraising goals. AEC will ask the associations to spread the message to their members so they can help lobby for support from suppliers, manufacturers, wholesalers and any other companies that serve the industry. Fundraising was robust in 2008, with the coalition doubling its pledges in recent months.

The AEC is actively seeking pledges. If you would like to support the AEC, send an e-mail to info@AmericanEnergyCoalition.net. For more information about the AEC, you can also visit www.AmericanEnergyCoalition.net. ☐

**New Jersey
FIRST BIODIESEL RETAIL STATION IN
NEW JERSEY ANNOUNCED**

Sprague Energy Corp. recently announced that it will be supplying New Jersey's first biodiesel retail station. Its customer, Woolley Fuel Company of Maplewood, N.J., will begin to offer biodiesel at its retail station at 12 Burnett Ave.

While some larger fleets have been using biodiesel in their commercial facilities for a number of years, this marks the first

opportunity for the general public to access it. "Woolley should be commended for taking the lead in offering this environmentally friendly fuel to concerned citizens looking to



offset our dependence on foreign oil imports," said Steven J. Levy, managing director at Sprague Energy. "Woolley is currently pumping B5, a 5 percent bio blend. They look forward to expanding to B20, a 20 percent blend, in the near future."

Sprague was also the first petroleum terminal operator and marketer to earn BQ-9000 Certified Marketer status under the National Biodiesel Board's BQ-9000 quality control program.

**ENERGY KINETICS NAMED CLEAN ENERGY
BUSINESS LEADER OF THE YEAR**

The New Jersey Board of Public Utilities (NJBPUB) Office of Clean Energy recently named Energy Kinetics the 2008 New Jersey Clean Energy Small Business Leader. This award recognizes a New Jersey small business for its leadership in using energy efficient and renewable technologies to help deliver savings and reduce greenhouse gases for its own company.

In order to accommodate demand for the System 2000 product line, Energy Kinetics had to expand its corporate facility while managing overall energy consumption and



Roger Marran, president of Energy Kinetics, holding the 2008 New Jersey Clean Energy Small Business Leader Award.

costs. The expansion project offered an opportunity to integrate energy efficiency, conservation, and solar power production with advanced heating technology into a state-of-the-art, performance facility located in Lebanon, N.J. This multi-faceted project features a renewable energy solar photovoltaic system used to produce electricity for manufacturing. The high performance building also includes energy efficient upgrades to lighting (including motion sensors and natural lighting designs), HVAC systems with high efficiency motors, heat recovery ventilators, programmable thermostats, and insulation and weatherization efforts. The results demonstrate the benefits of combining efficiency, conservation and renewable energy.

The total project reduced overall energy needs by 30 percent and carbon dioxide emissions by 30 tons per year.



Delta Dental of Rhode Island

**WE ARE PLEASED
TO WELCOME**

Rhode Island members of **New England Fuel Institute** with competitive dental plan options, featuring:

- **Special group rates**
- **Two plan options**
- **Best-in-class account & member service**

We look forward to administering their dental benefits to ensure good oral health.



Please contact:
Donna Carcerano
Benefits Administrator

New England Fuel Institute
PO Box 9137
Watertown, MA 02471-9137

(617) 924-1000 ext. 220

www.nefiinsurance.com

Company Proposes Ocean Energy Projects in Six States

A company that intends to install a wave energy demonstration system at Grays Harbor in Washington state has applied for preliminary permits for wave energy projects off the coasts of six other states: California, Hawaii, Massachusetts, Rhode Island, New York and New Jersey. Grays Harbor Ocean Energy Company LLC holds a preliminary permit from the Federal Energy Regulatory Commission (FERC) for its project off the coast of Washington.

The company is planning to install wave energy projects on relatively mobile platforms called jack-up rigs, which are used by the oil drilling industry. To capture the wave energy, the platforms will feature oscillating water columns, which can be pictured as long tubes that are closed on their top ends, with their bottom ends submerged below sea level. As waves pass each semi-submerged column, they cause the air inside to be alternately compressed and decompressed. Turbines connected to the top of each column let air pass in and out, spinning the turbines to generate electricity. Grays Harbor expects each platform to have a generating capacity of 10 megawatts.

'Oilheat Technician of the Year' Award Announced

THE NATIONAL ASSOCIATION OF OIL HEATING Service Managers (NAOHSM) annually recognizes individuals that have either excelled within the NAOHSM organization or within the oil heating industry. Starting at the 2009 annual convention in May, NAOHSM will be presenting its first "Oilheat Technician of the Year" award. Technicians are a very important part of the Oilheat industry and NAOHSM would like to recognize those that excel in their occupation and represent the industry well. Nominees can be men or women that work in the industry as service or installation technicians.

Each of the 30 NAOHSM chapters will nominate their best technician. Chapters will be asked to nominate their best technician within a set of guidelines that allow points to be awarded for positive attributes. Using this system, each of the 10 NAOHSM states will present their state's highest scoring technician as a finalist. In addition, there will be one at-large nominee representing NAOHSM's "National Direct" members from states other than the current NAOHSM chapter states.

The point system will at a minimum include: proof of commitment to education; NORA Bronze, Silver or Gold certified or

Licensed; recommendation by their supervisor; examples of the nominee's enthusiasm and dedication to being an excellent Oilheat technician (i.e. customer letters, good attendance record, years of service to the company); and instances where the technician has used their troubleshooting skills to solve service issues. Additional points will be awarded for positive outside interests such as community service or church activities (i.e. participation in an "Oil Heat Cares" project or volunteer work as a Little League coach, youth group leader, etc.).

Chapter nominees should be submitted before Friday, April 10, 2009. The 11 state finalists will be interviewed by an independent panel of judges via conference call.

Each technician nominated will receive recognition by NAOHSM. All 11 state finalists will receive a prize and the winning technician and guest will receive a grand prize and an invitation to attend NAOHSM's annual convention and trade show to be held in Hershey, Penn., May 17-21, 2009. He or she will also have bragging rights to being the "2009 NAOHSM Oilheat Technician of the Year."

For more information on this competition, contact Judy Garber at (888) 552-0900. ☒



We know you have more important things to do than worry about your dental plan!

That's why New England Fuel Institute recently partnered with Northeast Delta Dental to offer competitive dental plan options to its members in New Hampshire and Vermont.

- Special group rates
- Two program options
- Service backed by a world-class Guarantee Of Service ExcellenceSM program

Please contact:

Donna Carcerano, Benefits Administrator
 New England Fuel Institute
 PO Box 9137, Watertown, MA 02471-9137
 (617) 924-1000, ext. 220





be a big bust since I expected the end-of-the-month anomalies to be several degrees colder than average.

For several months now, I have called the January 2009 period the "wild card" period of the winter. But the bust of the December forecast tells me the wild card has come early.

Right now there are basically two camps of January forecast thinking. One large group of forecasters thinks much of the Eastern U.S. runs milder than normal for all of January and into February. Within this group, some are calling for some truly warm midwinter conditions. The second camp of forecasters is hedging their bets that January does run milder than normal during the early and midmonth period before trending normal or below normal by the end of the month.

Right now, I am closer to camp two. The La Nina signal is still in play, and although it is not like last year's event, it should be able to force at least the first half of January to run above normal across the East. I favor well above normal temps, on average, from Philadelphia southward into Virginia, North Carolina and South Carolina, but from New York City northward, temps could average only a bit above normal when the month is averaged out. There may be enough cooling periods to keep much of Eastern New York and New England out of the very warm pattern likely across parts of the Middle Atlantic region.

Make no mistake about it! There will be some very warm air to the south of New England during January and it may try to make a run northward. At the same time, cold air should not be too far to the north and it will try to offset the warm periods. This all means New England is the battleground and clearly will be the wild card zone.

Surprisingly both forecasting camps favor a cold end to the winter and a nasty cold March and spring season across the East. ❄️

The Wild Card Comes Early

By John Bagioni, Fax-Alert Weather Service

WHEN ALL IS SAID AND DONE AND THE DATA IS all compiled, it is likely December 2008 will go down as the coldest December for the country as a whole since 2000. For some parts of the Midwest, Plains and Far West, it may end up as one of the coldest Decembers in nearly 20 years.

Since I called for a cold December, you might think I would be happy about how the Central and Western U.S. fared. But that is not the case. My call was for the heart of the cold to set up across the Midwest and Great Lakes areas and to have a much stronger eastern extension into the New England and Northeastern states. I was not surprised by the pulling back of the core of the cold into

Make no mistake about it! There will be some very warm air to the south of New England during January and it may try to make a run northward. At the same time, cold air should not be too far to the north and it will try to offset the warm periods.

the Plains and Western U.S., but was very much disappointed in the inability of the cold to come eastward with staying power.

While there are actually several factors that worked together to prevent a long running, colder-than-normal regime to set up across the Northeast during early and mid-December, the lack of blocking across the North Atlantic played a large role.

The basic upper flow across the country during mid-and late-November featured persistent upper level troughing in the East and ridging out West. I expected the pattern to hold well into mid-December and allow the core of the Arctic air to dump into the

Midwest and then spread east. But during early December, actually the last few days of November, the upper pattern retrograded, which favored western troughing and flat, to occasionally amplified, eastern ridging. This allowed the mother lode of Arctic air to plunge into the Far West and Plains. When the cold air did come eastward, it often modified greatly. We also saw a very pronounced Midwest into southern Canada storm track, which enhanced warm surges coming into the Northeast.

During early December, month-to-date anomalies were running 4 to 8 degrees warmer than normal across the Northeast. By the midmonth period, the anomalies had decreased to plus-1 to plus-3 degrees in most areas, and there seemed to be a chance they would make a run at going negative by the holidays. Even if December goes into the books as a near normal or slightly colder-than-normal month, my forecast will still

Degree Day Reporting Form

REPORTING DATE: 11-30-2008

Station	Total Actual Accumulation To Date	Normal Accumulation To Date	Actual Accumulation To This Date 1-Yr. Ago	Normal Next 30-Day Period
Caribou, ME	2072	2235	1987	1505
Portland, ME	1364	1568	1313	1152
Concord, NH	1409	1661	1369	1220
Burlington, VT	1384	1630	1400	1246
Albany, NY	1204	1460	1247	1142
Worcester, MA	1202	1429	1202	1119
Boston, MA	917	1044	875	932
Hartford/Springfield	1010	1245	1046	1060
Providence, RI	911	1127	891	966
Chatham, MA	874	1077	864	894
Bridgeport, CT	798	985	842	924

Report compiled by John Bagioni, a consulting meteorologist who runs Fax-Alert Weather Service LLC, Burlington, Conn. He can be reached at: (860) 675-9091, or at: johnbag@comcast.net.

YOUR INDEPENDENT STATE ASSOCIATIONS:

Working to serve your interests as your in-state resource. Working in tandem with New England Fuel Institute on regional and national affairs.



INDEPENDENT CONNECTICUT PETROLEUM ASSOCIATION

Executive Offices:

10 Alcap Ridge
Cromwell, CT 06416

Ph: (860) 613-2041
Toll Free 1-866-521-ICPA [4272]
Fx: (860) 632-1122

Eugene A. Guilford, Jr.
Executive Director & CEO

gene@icpa.org
www.icpa.org



MAINE OIL DEALERS ASSOCIATION

25 Greenwood Road
PO Box 249
Brunswick, ME 04011

Phone: 207.729.5298
Fax: 207.721.9227
Web: www.meoil.com
Email: jamie@meoil.com
Jamie Pye, President & CEO



MASSACHUSETTS OILHEAT COUNCIL

Michael Ferrante, President

118 Cedar Street
Wellesley Hills, MA 02181

Ph: 781-237-0730
800-722-0623 (MA Only)

Fax: 781-237-2442
mferrante@massoilheat.org
www.massoilheat.org



NEW ADDRESS
& PHONE

Oil Heat Institute
of Rhode Island

873 Warwick Ave.

Warwick, RI 02888-3645

Phone: 401-865-6055

E-mail: julie@ohi.necoxmail.com

www.oilheatinri.com



Oil Heat Council of NEW HAMPSHIRE

www.nhoilheat.com

Phone: 603-895-3808

Fax: 603-895-3325

Email: ohcnh@nhoilheat.com



Matt Cota
Executive Director

Vermont Fuel Dealers Association

802.485.7999 office

802.318.2190 cell

802.485.9637 fax

vermontfuel@gmail.com

<http://www.vermontfuel.com>

Be it heating oil, propane, or biofuels, these state associations, in concert with New England Fuel Institute work 24/7 to protect your business interests and the well being of consumers served by the vast and vital network of independent fuel distributors. We encourage you to take advantage of the many benefits provided by state and regional membership. Contact your respective state association and New England Fuel Institute via phone or email and help yourself grow your business. It is the best and most immediate way to stay informed about industry news and critical regulations that impact your operations daily.



New England Fuel Institute
Offices at 20 Summer Street, Watertown, MA 02472
617-924-1000 • www.nefi.com

NEFI Member Benefits



Insurance Isn't Just For You, It's For Your Whole Family.

Join the hundreds of other members in NEFI's Group Life and AD&D Plan.

- Guarantee Issue Life and AD&D Insurance up to \$150,000 regardless of your company's size.
- One rate for all employees.
- For example, \$50,000 of Life and AD&D Insurance would be just \$6 per week.
- Plus \$10,000 Retiree Life Insurance. Employers who participate in the Trust may elect to insure owners, proprietors, or partners when they retire for \$10,000 life benefits that do not reduce due to age. The owner, proprietor, or partner must retire on or after 10/01/04

For more information, please contact

Donna Carcerano at:

Phone: 617-923-5020

Fax: 617-924-1927 or email donna@nefi.com

This plan is managed by the Telamon Insurance Network and by Fort Dearborn Life Insurance Company



**TELAMON
INSURANCE
NETWORK**



NEW ENGLAND
FUEL INSTITUTE
www.NEFI.com

Place Your Marketplace Ad Here!

Only \$140/month per 3-time order or more.
Contact *Oil & Energy* at (978) 535-7606
or fax to (978) 535-7826.

Marketplace

NEED FORMS?

CALL THE FORMS PRO!

- METER TICKETS
- STATEMENTS
- INVOICES
- DOOR KNOB ENVELOPES
- STOCK FORMS
- LABELS



www.FormsPro.net

METER TICKETS

TO FIT ANY APPLICATION;
GIVE US A CALL

800-221-1209



Committed to Quality & Service

100% SATISFACTION GUARANTEE FOR OVER 25 YEARS!

SLIP TICKETS

ROLL TICKETS

COMPUTER TICKETS

Local Availability

NE 860-882-0213

PA/MD/DE/VA 800-565-3840

NY 585-223-5982

ID/MT/WA 250-497-5332



**Solid Fuel & Oil Furnaces
Oil Boilers**

www.NewmacFurnaces.com

e-mail: newmac@ca.inter.net

902-662-3840 (ph) 902-662-2581 (fax)

COMING NEXT MONTH IN OIL & ENERGY



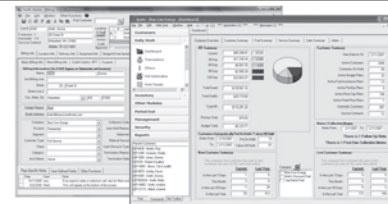
THE OILHEAT FLEET

We highlight advances in fuel delivery trucks, service vans and truck equipment in our annual look at fleets.

Ignite

- ◆ Enterprise
- ◆ Mobile
- ◆ Web

Different From Other Software Companies, But You'll Get Used to It...



With Unique Features Like an Executive Dashboard and 'Complete Care' Support

BLUE COW software



.net

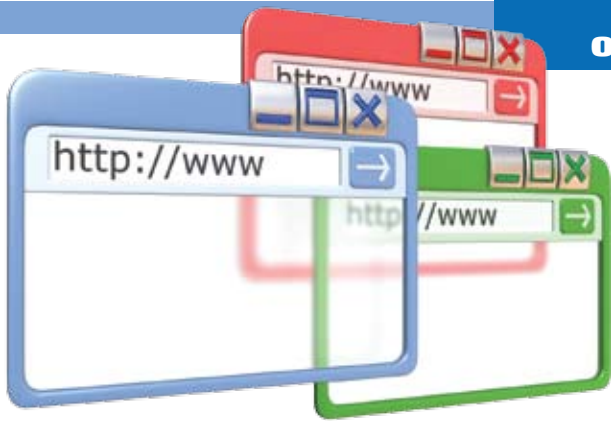
Lynnfield, MA

888-499-2583

www.bluecowsoftware.com



For links to these advertisers, and more, visit nefi.com



A Marketplace Without Limits

By Mark Skaparas, Hedge Solutions

CAN YOUR CUSTOMERS BUY FROM YOU 24 HOURS a day, 7 days a week, 365 days a year? Better yet, can your Web site make a sale? The Census Bureau of the Department of Commerce recently announced the estimate of U.S. retail e-commerce sales for the third quarter of 2008 to be a whopping \$34.4 billion! This means that many company Web sites are providing an excellent revenue stream.

Although this column is *Oil Market Stance*, a more appropriate title for today's marketplace might be *Oil Market Survival*. On my desk sits a clear glass bowl that is filled with change. This is a daily reminder to me that in order to serve my clients better I need to constantly improve the value I provide. What changes are you making to serve your customers better?

Have you ever wondered why the great online retailers like Amazon and eBay are so successful? Do they give you only one day a year to buy products? Of course they don't. The online store is always open for business. When I give advice to clients, I always try to put myself in their shoes. Are you putting yourself in your customers' shoes? Everyone is busy and looking for ways to save money and their valuable time. Why force your customers to make a commitment in the summer when all they are thinking about is taking the family vacation. Maybe the customer doesn't want to buy in the spring or summertime, maybe they would prefer to buy now.

If you are still sending out those antiquated mass mailers once a year for price protection, I have great news ... you don't have to anymore. The days of letting your price offering stay out in the marketplace for 15 days, 30 days, or even longer are gone. There is a better way to maintain profitability and even increase your profits in these challenging times. What I am talking about is giving your Web site a technological boost.

The technological boost or upgrade that I am referring to is software similar to Destwin.

This type of software gives your customer their own individual account to log in and see delivery history, service history and the ability to buy product whenever they want. The tagline for many years in our industry has been sell what you buy and buy what you sell. Now more than ever, this has become a reality. You make a sale on your Web site and then you hedge what you need to. No longer is this process a guessing game, or worse, a speculating game.

Instead of wasting your valuable time thinking about when to offer your price protection programs, let your customers decide when they feel the best time to buy is. Point them to your Web site and allow them to choose when they are ready to sign up on a budget, cap, fixed, market price, etc. This approach has many benefits, which include:

- The customer feels in control;
- Your customer service employees don't have to look at phones that are blinking like Christmas lights during your program offer time (now customers will sign up throughout the year);
- No worries of sending out your letter with a price on it and then worrying if the market goes against you;
- Customized offers to customers;
- Balanced hedging and profitable programs.

Talk to your current vendors, such as software providers or Web site designers, to see if they can do this and how much the investment will be. As I mentioned earlier, there currently is a product out there now that is becoming popular with heating oil and propane companies. In a strong or weak economy, the data shows us that more and more people are purchasing items online. I believe online account management is a giant step forward for our industry and my hope is that it will bring back enjoyable summer vacations for everyone. Why not tap into this revenue while also making the lives of your customers easier? ☑



There's No Getting Away From The Law.

Mandatory Drug & Alcohol Testing Regulations for Motor Carriers...

It's The Law!

The Federal Motor Carrier Safety Administration (FMCSA) requires strict compliance with Federal drug and alcohol testing regulations for motor carriers and drivers. Employers in violation are subject to civil and criminal penalties.

The NEFI Alliance Consortium is a simple, quick, and inexpensive solution to this federal requirement. As a non-profit group, the NEFI Alliance is able to offer this comprehensive program at a most reasonable cost.

***Avoid severe fines...
Join today!***



NEFI Alliance Consortium

PO Box 9137, Watertown, MA 02471-9137
For program information and application information, call 617-923-5020, fax 617-923-1927, or email donna@nefi.com
www.nefi.com

JUNE 9 and 10, 2009

**THE JOHN B. HYNES VETERANS
MEMORIAL CONVENTION CENTER
BOSTON, MASSACHUSETTS**

**SPONSORED BY
THE NEW ENGLAND
FUEL INSTITUTE**



**RESERVE BOOTH
SPACE NOW!**

**CONTACT THE
EXPO MANAGER,
MR. TRACY GOODWIN
AT 617-924-1000,
OR MAKE EXHIBIT
COMMITMENT AT
WWW.NEFI.COM.**



**THE 33rd NORTH AMERICAN
HEATING & ENERGY
EXPO**

OILHEAT BIOHEAT® DIESEL PROPANE SOLAR



IF YOU SELL PRODUCTS AND/OR SERVICES TO THE TRADE IN ONE OR MORE OF THESE FIELDS, YOU NEED TO DISPLAY AT THE EXPO!

- Additives (Fuel)
- Air Conditioning
- Bioheat®
- Boiler/Furnace Services
- Bulk Plant Equipment
- Burners (Burners, Controls, Ignition)
- Combustion Products
- Computer Services/Systems
- Convenience Stores
- Energy Conservation
- Environmental
- Filtration
- Forms, Tickets
- Fuel Delivery: Software/Hardware
- Fuel Transport
- Furnaces
- Heating Controls
- Heating Systems, other
- Humidifiers
- Insulation
- Insurance
- Materials Handling
- Meters, Fuel and other
- Nozzles, Filters, Valves
- Oil Product Hedging/Trading
- Oil Price Services
- Oil Storage Tanks
- Oil Suppliers
- Propane
- Pumps, Circulators
- Sales Aids, Marketing
- Security Alarms
- Solar Heating / Accessories
- Storage Tanks; AST/UST
- Supply Houses
- Truck Hardware
- Truck Maintenance
- Trucks / Truck Tanks
- Technical Training
- Water Filtration
- Water Heaters / Storage

SIGN ON NOW TO REACH THESE TARGET MARKETS FOR THE 2009 EXPO.

OILHEAT



The primary market driver for our EXPO for over 60 years, the audience is as viable as ever with over 8 million homes and businesses in the Northeast and Mid-Atlantic sold and serviced by EXPO attendees. These business owners and managers are looking for new and innovative ways to serve a marketplace in transition to fuel efficient heating and hot water.

BIOHEAT®



Following guidelines established by the National Oilheat Research Alliance (NORA), the fuel distributor population that incorporates Bioheat® into their delivered product continues to grow. Going forward, there is encouragement by several states for Bioheat® incentives. The uptrend is “green,” as marketers respond to homeowner enthusiasm for “home grown” fuel resources. There will be companion Bioheat® seminars at the New England Fuel Institute (NEFI) Business Conference, held in tandem with the EXPO during non-show hours.

DIESEL FUEL / GASOLINE / C-STORES



If you are involved with trucks and transport in any fashion, you recognize that on-highway demand is what drives the distillate market. With the advent of ultra-low sulfur fuel and biodiesel, there are a host of opportunities to present your products and services before diesel fuel resellers, many of whom augment heating oil distribution with sales to truckers via roadside pumps and truck stops and scheduled fillups to fleets within customer yards. Many of our attendees are diversified petroleum jobbers who own/operate independent service stations and C-stores, a key component to their overall profits — and certainly an added value opportunity for EXPO exhibitors.

PROPANE



A growing part of the product and marketing mix, Oilheat companies continue to broaden their home services scope by making the substantial capital commitment to propane. Conversely, major propane distributors now own and oversee heating oil divisions. “Covering all bases” is the appropriate catch phrase for these companies and you’ll find their decision makers present at the 2009 EXPO.

SOLAR

A slice of the market now, a growth segment in future years, conventional fuel distributors are looking at what it takes to augment current heat and hot water equipment with solar systems. If you provide solar to new home construction and/or retrofits, the EXPO provides you on-site access to the nation’s leading full service Oilheat companies who have the largest independent base of established homeowner customers and are exploring the profit avenues that solar tie-ins can provide.



Over 12 billion gallons of No. 2 distillate are sold annually by marketers attending the EXPO, accounting for 85% of all No. 2 fuel oil sales in the U.S.A.

Advertiser Index

Want information from advertisers? Faster? Check off boxes, and FAX to 978-535-7826. Or check boxes, and mail to: Oil & Energy, 67 Foster St., Peabody, MA 01960. Your request will be sent to desired companies for response direct to you. Be sure to include your name and address.

- Angus Energy, p. 19
www.angusenergy.com • 800-440-0472
- AREE 2009, p. 23
www.areetradeshow.com
- Association Block, p. 39.....
- Beckett, p. 48.....
www.beckettcorp.com • 800-645-2876
- Blue Cow Software, p. 40.....
www.bluecowsoftware.com • 888-499-2583
- COCARD, p. 17
www.cocardprocessing.com • 866-849-8800
- Delta Dental, NH, VT, p. 37
www.nefinsurance.com
- Delta Dental, RI, p. 36.....
www.nefinsurance.com
- Energy Communications Council, p. 31.....
www.energycommunicationscouncil.com
- Energy Web Solutions, p. 31.....
www.oilheatonline.com • 866-796-7320
- Global Companies LLC, p. 2, 47
www.globalp.com • 800-685-7222
- Gray, Gray & Gray, p. 25.....
www.gggcpas.com
- Gulf Oil Ltd. Partnership, p. 5
www.gulfoil.com • 800-446-4853
- Hews Company, p. 28
www.hewsc.com • 800-234-HEWS (4397)
- Hydrolevel Company, p. 33.....
www.hydrolevel.com
- NAOHSM, p. 27
www.naohsm.org • 888-552-0900
- NEFI, p. 10-11, 29, 40, 41, 42-43
www.nefi.com • 617-924-1000
- Newmac, p. 40
www.newmacfurnaces.com • 888-291-0990
- Sprague, p. 9
www.spragueenergy.com • 800-225-1560
- Taco, p. 6.....
www.taco-hvac.com
- Therma-Flow, p. 3.....
www.tfi-everhot.com
- Total Energy Solutions, p. 15.....
www.totalenergyllc.com • 877-436-9812
- UEi, p. 21
www.ueitest.com • 800-547-5740
- Wehofforms, p. 40.....
www.FormsPro.net • 800-221-1209



OIL TANK PROTECTION FOR BOTH UST & AST

Offers up to \$100,000 for clean-up should a release occur. For true peace of mind call 888-354-0677 or visit www.powderhornagency.com for details!

ONL 01-09



Avalux Heating Oil Stability Additive

Proven to Reduce Fuel Related Service Calls by Almost 60% • Generates Service Savings • Reduces Service Tech Workload • Gives You a Powerful Marketing Tool

Call Rick or Ryan Trout at 888-584-2422. V-0309

Did you know...
Irving Oil's refinery is the largest in Canada and located less than a one-day sail to all major harbors in the US Northeast.



Count on Irving for Reliable Supply. V-0309



1-866-588-2752
Highest Quality B100 – Competitive Pricing
Call to discuss Preferred Customer Status – No Obligation
Interstate's partners have over 4 decades of oil heat experience. V-0309

STOP UNSCHEDULED CALLS THIS WINTER!
UltraGuard is used to stop blocked filters, nozzles and pump strainers as a result of sediment and gums in fuel. It stabilizes fuel therefore extending the reliability of the fuel. Get results this season. Effective organic dispersants reduce insolubles without releasing accumulated sludge. Fewer calls and happier customers now!



Go to www.fuelmanagementservices.com or call 540-937-8226. V-0309

Beckett

R.W. Beckett Corporation has manufactured quality heating products for over 70 years. Beckett sells burners and heating components and accessories for residential, commercial, and industrial uses.

www.beckettcorp.com

V-0309



Today's Smart Choice for a World Class Supplier
For further information regarding business with Gulf Oil please contact:

Denise Hash, Senior Marketing Manager
Phone: 617-997-8602
dhash@gulfoil.com V-0309



THERE AT EVERY TURN.

Your independence and CITGO's support. We understand that no one knows how to serve your customers and your community better than you do. That's why we offer top quality products to enhance your business.

To learn more, contact Jamey Gill, Commercial Sales Manager at 918-492-8439. V-0309



National Biodiesel Board
P.O. Box 104898
Jefferson City, MO 65110-4898
800-841-5849
Primary Contact: Paul Nazzaro, Sr.
978-664-5923

Bioheat® Hotline: 1-877-251-5463 V-0309



Advanced Fuel Solutions, Inc.
Heating Oil Treatments, Biodiesel/Bioheat®
Consulting, Exclusive Distributor of Greenburn®
Combustion Technology
162 Park Street, Suite 301,
North Reading, MA 01864
P: 978-664-5923 / F: 978-664-4020
Toll Free: 866-213-3219
pauljr@fuelsolution.com / paulsr@fuelsolution.com

V-0309



Whether you require diesel fuel for your trucking fleet or residual fuel for your boilers, Hess Corporation's 22 terminals and 28 million barrels of storage capacity guarantee reliable supply.

For more information contact Tom Gowers at (732) 750-6664. V-0309



GOT TICKETS??? WE DO!

We Are a Leading Provider of Meter Tickets to Fuel Dealers. Contact John, (800) 519-3691 or www.meterticket.com ONL 0209

**WE ARE BUYING OIL COMPANIES.
JOIN THE BEST TEAM
IN THE MARKET.**

We have the resources to provide a most attractive buyout package for fuel oil companies. Talk direct — we have no intermediaries. We operate autonomously within Massachusetts and are providing the earnest rewards you deserve for maintaining your business.



Phone: J. DeRosa 617-887-7301 0209



Angus Energy has been providing hedging services since 1991. Since then we have grown steadily, and now count over 600 oil dealers, municipalities and commercial end-users as clients. We were founded to help oil companies offer capped prices to their customers, but we now offer a diverse range of products and services, each customized to the needs of our clients.

800-440-0472 V-0309

USED TANK TRUCKS

1990 Int DT-466 5/2 w/ tw 2800 1-c AL Tk-odom 110,000 miles New piping, good cond.

MANY OTHERS. CALL SAT. AND SUN.

**J/A Petroleum Equipment, Inc.
37 Brookley Road
Jamaica Plain (Boston), MA 02130
Open Monday - Saturday • Sunday by appointment**

**Phone: 617-522-8390 Fax: 617-524-1633
After hours phone: 617-696-1979 or
207-677-3093**

EXPERT CARPET CLEANING

By Carpet Restoration Services, Brockton, MA

Commercial & Residential • Leather & Upholstery
• No Soap Residue • Deep Clean Extraction
• Manufacturer Recommended

All work performed by owner operators
Commercial carpet cleaning experts
Residential & Upholstery cleaning also available
"Programmed Carpet Care" & "Spot-Light" services
Free demonstrations for new commercial customers

**Call Sean or Anne at 508-723-4929
Email: seanpatrickceustace@yahoo.com** 0209

**NORTHEASTERN PETROLEUM
SERVICE & SUPPLY, INC.
NEW PRODUCTS AND SERVICES 2009**

1. Additive systems for ethanol and biofuels, including installation and repairs to keep water from entering ethanol/gas tanks.
2. Bulk plant upgrades and general maintenance.
3. Purchase and brokerage of newer used tank trucks.
4. Preventive maintenance, upgrade and installation of commercial diesel and gas fueling systems.
5. Marina upgrades, replacement piping and service on all fuel equipment
6. Field erected tanks—fuel or water.
7. 300-500-1000 AST skid tanks 500 gal. Vert 48" x 76" Poly TK- See Thru low-sulfur diesel—Rent/purchase — IN STOCK
8. Phone our Don Watson for all types of tanks—steel, glass, plastic; for all liquids. 508-866-9036

Jerry Mello 24-Hour Service
617-696-1979 — 207-677-3093

**NORTHEASTERN PETROLEUM
SERVICE & SUPPLY, INC.
37 Brookley Road
Jamaica Plain, MA 02130-3624
24 Hour 617-696-1979 / 207-677-3093
Fax: 617-524-1633
Email: Jerrym@nepss.com
Web: www.nepss.com**

BUY OR SELL YOUR OILHEAT BUSINESS
FuelExchange connects buyers and sellers to get the deal done. Call Kelly Monestime today at (781) 407-0300. V-0309



Brale & Wellington
INSURANCE AGENCY

Your Time is Valuable

You shouldn't have to spend it explaining your business to your insurance agent. Braley & Wellington Insurance Agency has over 30 years of experience in the fuel oil industry. We understand the Oilheat business.

Brale & Wellington
"The Petroleum Experts"
800-920-7255 V-0309

CLASSIFIED RATES: BIG RESPONSE — LITTLE \$
\$40 gets you four lines of text (approx. 25 words) for 2 issues of *Oil & Energy* and 4 months on www.nefi.com

Photos are accepted at \$30 additional. Additional text lines at \$10. **To obtain these rates, ads must be placed online at www.nefi.com/classifieds.**

For regular rates not submitted online and for display classifieds, call 978-535-7606.



**Slumping Carbon
Allowance Prices May
Stymie Market Growth**

A significant drop in the price for carbon emission credits in October may have made it difficult for the world carbon markets to break the \$100 billion barrier last year.

An analysis released by New Carbon Finance in October projected that the world's carbon markets would reach \$116 billion in 2008, based on the consistently high price for European Union carbon allowances (EUAs). The research company's third-quarter report on carbon emissions trading found that the world's carbon markets grew by 81 percent over the first nine months of the year, reaching \$87 billion. Projecting that to the end of 2008 yielded the \$116 billion figure.

However, the analysis appears to have been too rosy, as the company's Web site shows the price for EUAs dropping from about 24 Euros in September to around 15 Euros near the end of the year—a drop in value of about 40 percent—reflecting the financial crisis that hit world markets. The price for Certified Emissions Reductions (CERs) also dropped from around 20 Euros in September to below 13 Euros in December. CERs are generated by Kyoto Protocol signatories investing in emission-cutting projects in third-world countries, through the Kyoto Protocol's Clean Development Mechanism. But despite the drop in prices, the volume of traded carbon emission credits appears to be growing. New Carbon Finance expected the volume to grow by 31 percent in 2008, increasing from 3 billion tons in 2007 to 3.9 billion tons.

**Distillate Stocks by PADD (Million Barrels)
PRODUCTS IN STOCK: MOST RECENT WEEKS**

Ultra-Low Sulfur / 15 ppm and under				Low Sulfur / 15 ppm+ to 500 ppm			
	Week Ending				Week Ending		
District	12/12/08	12/05/08	Year Ago	District	12/12/08	12/05/08	Year Ago
East Coast (PADD I)	16.7	15.1	14.6	East Coast (PADD I)	7.2	7.0	8.2
NEW ENGLAND	1.8	2.1	1.5	NEW ENGLAND	0.4	1.0	0.4
MID-ATLANTIC	8.0	7.4	7.3	MID-ATLANTIC	3.4	3.1	4.7
SOUTH TO FLA.	6.9	5.5	5.7	SOUTH TO FLA.	3.4	2.9	3.1
Midwest (PADD II)	21.0	20.3	20.2	Midwest (PADD II)	3.6	3.5	5.4
Gulf Coast (PADD III)	21.1	20.9	18.8	Gulf Coast (PADD III)	7.4	6.9	6.9
Rocky Mtn. (PADD IV)	2.6	2.7	2.5	Rocky Mtn. (PADD IV)	0.4	0.4	0.3
West Coast (PADD V)	10.1	10.6	10.4	West Coast (PADD V)	1.5	1.9	1.5
U.S. Total	71.5	69.6	66.5	U.S. Total	20.2	19.7	22.3
Greater than 500 ppm (0.05%) Sulfur				TOTAL DISTILLATE STOCKS			
	Week Ending				Week Ending		
District	12/12/08	12/05/08	Year Ago	District	12/12/08	12/05/08	Year Ago
East Coast (PADD I)	30.0	30.4	31.8	East Coast (PADD I)	53.9	52.5	54.6
NEW ENGLAND	6.3	6.6	7.8	NEW ENGLAND	8.6	9.7	9.8
MID-ATLANTIC	20.4	20.0	21.0	MID-ATLANTIC	31.8	30.5	33.0
SOUTH TO FLA.	3.3	3.8	3.0	SOUTH TO FLA.	13.6	12.3	11.9
Midwest (PADD II)	2.5	2.7	2.2	Midwest (PADD II)	27.2	26.5	27.8
Gulf Coast (PADD III)	7.4	6.2	5.1	Gulf Coast (PADD III)	35.9	33.9	30.8
Rocky Mtn. (PADD IV)	0.1	0.1	0.3	Rocky Mtn. (PADD IV)	3.2	3.2	3.0
West Coast (PADD V)	1.8	1.9	1.2	West Coast (PADD V)	13.4	14.4	13.2
U.S. Total	41.9	41.3	40.5	U.S. Total	133.5	130.6	129.4

Weather Summary

**Selected U.S. Cities
(Population Weighted Heating Degree Days)**

The weather for the nation, as measured by population-weighted heating degree-days from July 1, 2008 through December 13, 2008 has been 12 percent warmer than last year and has not deviated from normal.

Location	Current	Normal	% Change
	7/1/08 thru 12/13/08	7/1/08 thru 12/13/08	Current vs. Normal
Boston	1444	1401	+3%
Chicago	1736	1731	0%
Hartford	1635	1651	-1%
New York	1150	1134	+1%
Philadelphia	1217	1184	+3%
Pittsburgh	1670	1583	+5%
Portland	1889	2013	-6%
Providence	1501	1497	0%
Raleigh	951	900	+6%
Richmond	1013	1009	0%
Washington	1113	1004	+11%

Sources:

Energy Information Administration, Weekly Petroleum Status Report. For information about distillate stocks, contact Diana House: 202-586-9667 or by e-mail at dhouse@eia.doe.gov.

Oil & Energy Securities Recap

Company	Symbol	12/18/08	11/24/08	Change
Ashland Inc.	ASH	11.39	10.24	+1.15
BP-Amoco	BP	48.38	46.51	+1.87
ChevronTexaco	CVX	75.90	74.65	+1.25
Conoco Philips	COP	53.28	49.78	+3.50
ExxonMobil	XOM	80.28	78.30	+1.98
Global Partners	GLP	11.30	8.23	+3.07
Hess Corp.	HES	49.43	47.74	+1.69
LUKOIL	LUKOY	37.10	33.65	+3.45
Marathon Oil	MRO	26.63	23.85	+2.78
National Grid Plc	NGG	51.86	51.99	-.13
Occidental	OXY	56.03	50.58	+5.45
Royal Dutch Shell Plc	RDSA	54.82	50.41	+4.41
Star Gas	SGU	2.07	1.84	+.23
Sun	SUN	42.20	35.05	+7.15
Tesoro Petroleum	TSO	11.68	8.27	+3.41
Total	TOT	58.50	52.93	+5.57
Valero Energy	VLO	23.00	17.31	+5.69

**EAGERLY ANTICIPATED PRICE
DROP CREATES CHALLENGES**

WHEN THE ORGANIZATION OF PETROLEUM Exporting Countries (OPEC) announced it was cutting output by more than 2 million barrels per day in mid-December, the price of oil responded instantly—downward.

While the mere suggestion of output disruptions would have sent prices skyrocketing during the summer, the market now reacts much differently. In fact, the per-barrel price of oil touched below \$35 after the announcement, a range it had not been at since summer 2004. With worldwide demand for oil soft and reserves steadily growing, analysts predicted this cut would have little effect, hence the price drop. While at first this might seem a boon for home heating oil dealers, it's actually had the opposite effect for many.

With many price-protection plans going out in the summer during oil's price peak, dealers were already bound to the higher prices from their distributors if their customers locked in early. Once the customers signed on, they also locked in to higher prices that many now bemoan. Newspapers have published numerous stories about the number of customers complaining to the companies they signed on with, the local attorney general's office or the media. Dealers have had to explain repeatedly that they are locked into contracts with suppliers and must honor those agreements. They also mention that in recent winters when prices rose during the winter, customers benefited greatly from locking in early.

Yet some retailers have made concessions, such as lowering prices for capped-plan customers now, instead of waiting until spring, as sometimes happens. And distributors have also stepped forward with some plans to help dealers, including offering contracted oil immediately upon clearing out previous supply or converting the current price differentials to next year's contracts.

This does not mean that the drop in oil's price is an entirely negative turn of events. Dealers will probably find collections from customers without a plan much easier now than if they were paying twice as much. Dollars devoted to the Low Income Home Energy Assistance Program (LIHEAP) should also be able to provide heat to more people in need. It also gives the government time to increase transparency in the energy market to prevent oil being used not for delivery, but as an investment, creating incredible speculative bubbles.

The price drop certainly came at the right time for consumers; dealers can only hope it provides them some relief as well. ☐

You can pick up cases of **SubZero**® at some of our terminals right now!

SUB/ZERO®

Get The Best. It's Cold Weather Flow That's Far And Above The Rest.

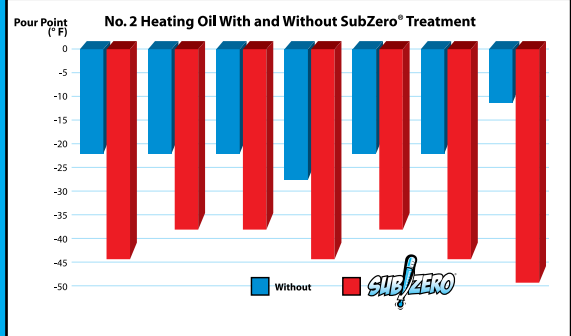
Look no further than Subzero® for your best and most economical way to assure cold flow of heating oil and diesel fuel when the temperature drops.

- Disperses Water
- Protects Against Corrosion
- Lowers Pour Point by as much as 40°F
- Improves Fuel Lubricity
- De-icer Chemistry to prevent fuel filter and fuel line plugging

Available in case lots of twelve 16 oz. bottles. Phone Duane McLevedge at 1-800-685-7222 or email dmclevedge@globalp.com



Made in the USA. Distributed exclusively by Global Companies LLC, Waltham, MA 02454. www.globalp.com



*Based upon results of a December 2005 study commissioned by Global Co. LLC and conducted by Intertek Caleb Brett Testing Services, Boston, MA.

Beckett[™]

PARTS & ACCESSORIES

GeniSys[™] Contractor Tool

Technology made simple.



The GeniSys[™] Contractor Tool, with its sturdy shock-absorbing design, is made for the contractor's toolbox. The Tool enables the contractor to access the advanced features of the GeniSys[™] Burner Control. It communicates the current status and last fifteen cycles of history for ease of diagnostics. The Tool also allows the contractor to program the pre-time and post-time delay timings, making the GeniSys[™] a **universal control**.

To learn more about our GeniSys[™] Contractor Tool, go to www.beckettcorp.com.