

OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

Homing in on Efficiency Upgrades

Stimulus Funding Brings Training, Equipment Incentives



Also Inside:

NESEA Head on Integrating Energy Auditing Services

The Latest on NORA's Conservation Certification

Spring Tips for Easier Receivables

Publication of the New England Fuel Institute
Volume 12/Issue 3





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LIHEAP REAUTHORIZATION BILL INTRODUCED

Rep. Ed Markey, D-MA, introduced a bill in February called the “Energy Assistance for American Families Act” that would reauthorize the Low Income Home Energy Assistance Program (LIHEAP).

The bill would reauthorize LIHEAP through 2014 and raise the maximum amount from \$5.1 billion to \$7.6 billion. It would also make LIHEAP funds available to all households that have an income that does not exceed 75 percent of the state median income.

The bill has been referred to the House of Representatives Energy & Commerce and Education & Labor committees. As of press time, the bill had co-sponsors from nearly two dozen other representatives, including many from the Northeast.

UTILITIES SPENT \$5.3 BILLION ON ENERGY EFFICIENCY PROGRAMS

U.S. utilities increased their spending on energy efficiency programs by 43 percent in 2009, according to a new report from the nonprofit Consortium for Energy Efficiency (CEE), which represents energy efficiency program administrators from across the United States and Canada.

U.S. utility spending on energy efficiency programs reached \$5.3 billion, including \$4.4 billion for electric energy efficiency programs and \$930 million for natural gas programs. Spending on natural gas programs increased the most, at 79 percent, while electric programs increased by 38 percent.

The CEE report notes that electric energy efficiency spending grew the fastest in the Southeast and South Central states, with a 76 percent increase to \$800 million in 2009. For instance, new legislation in Maryland increased electric energy efficiency spending by a factor of 13. Utility energy efficiency programs also expanded geographically, as such programs are now offered in 46 states, compared to only 37 states in 2008.

Electric energy efficiency programs focus a majority of their spending on commercial and industrial facilities, while natural gas programs are skewed more toward residential customers.

NASDAQ INTRODUCES CLEAN-TECH INDEX

While NASDAQ has launched a new Clean-tech Index, the DB NASDAQ OMX (DBCC), there is no representation from U.S. biofuel companies, according to a report in *Biodiesel Magazine*.

The companies selected were chosen after a “rigorous” process by Deutsche Bank’s Climate Change Advisors, according to the report. Among the companies chosen were solar, geothermal and waste management groups that can now be purchased for a single price through the exchange. While there are companies in the index that primarily deal with biofuels, they are mostly Brazilian ethanol groups.

According to the report, there are biofuel links to the index through indirect means. Many firms that classify as waste management and recycling have ties to the biofuel industry, including several in Europe. As of press time, the index was at \$986.93.

THE DIFF.

Spot Prices (Cents/Gallon) as of Feb. 24, 2010*

New York Harbor	New York Harbor	U.S. Midcontinent
No. 2 Fuel Oil / Heating Oil	No. 2 Diesel Low Sulfur	No. 2 Diesel
191.70	192.70	181.20

*Figures taken from Energy Information Administration’s “This Week In Petroleum.”

THE BAROMETER

Comparing Heating Oil to Other Financial Products

	Feb. 24, 2010	One Year Ago
No. 2 Fuel Oil/New York (cents/gallon)	205.80	119.20
Crude Oil (dollars/barrel)	\$80.04	\$37.40
10-year Treasury Bill	3.66%	2.80%
30-year Mortgage	5.12%	5.27%
Dow Jones Average	10,374.16	7,525.02



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

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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.

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www.nefi.com



NEFI Action Center: From Washington 10

Shane Sweet, president and CEO of NEFI, and Chris Keyser, NEFI's chairman of the board, look at the ways the Legislative & Regulatory Action Center have helped NEFI members in the last year and update ongoing issues facing the industry.

Government Programs Aid Efficiency Programs 12

Money from the federal government's major stimulus bill is finally reaching statewide programs for energy efficiency upgrades and other incentives for Oilheat retailers and their customers. We take a look at some of the specific programs that companies can take advantage of and bring to their customers.

Q&A: NESEA's Interim Executive Director 16

With their annual BuildingEnergy conference ready for Boston in March, Northeast Sustainable Energy Association's (NESEA) Interim Executive Director Jennifer Marrapese answers questions about the organization and what home energy providers can do to integrate efficiency products into their portfolio.

Energy Conservation Training Goes Gold 20

National Oilheat Research Alliance (NORA) instructor Bob Hedden explains a new training seminar that combines NORA Gold Certification with home energy audit instruction. Hedden's overview includes what technicians can expect at the course and how to best prepare for it.

Biz Tip: Spring Clean Up for Receivables 22

Joe Ciccarello, managing partner at accounting firm Gray, Gray & Gray, looks at numerous tactics energy retailers can use to make sure they collect all the money they're owed as the heating season ends. For more information, Ciccarello can be reached at (781) 407-0300 or jciccarello@gggcpas.com.

Getting the Word Out 24

Martin Coyne, senior consultant at Strategic Communications, reviews how the Energy Communications Council has used its resources to set the record straight to the media and the public on a variety of Oilheat-related issues, and how retailers can help communicate the industry's story.

Biz Tip: Lessons Learned From Seasons Past 28

John Nardoizzi of Nardoizzi Consulting writes that there are several lessons energy retailers can learn from prior experiences that can make heating seasons more profitable in the future. Nardoizzi can be reached at jnardoizzi@nardoizziconsulting.com.

Bioheat®: The Human Element 30

Oilheat and biodiesel will survive together into the future because of the continued innovation and experience the fuels blend, according to Michael Devine, CEO of the Earth Energy Alliance and petroleum liaison for the National Biodiesel Board. Devine can be reached for more information at mike@earthenergyalliance.com or (203)-221-3044.

Oil Market Stance: There's No Time Like Now 32

Kris Magnusson of Hedge Solutions writes about the strategic planning that companies can engage in right after the heating season in order to be fully prepared for the next one. Magnusson, manager of client services, can be reached at kris@hedgesolutions.com or (800) 709-2949.

Propane: Spring Into Action 34

Joe Rose, president of the Propane Gas Association of New England (PGANE), writes about the many innovations that will be on display at the upcoming Southeastern Convention and International Propane Expo in Atlanta this April and the business opportunities for retailers.

Weather Trends: Marching Into Continued Cold 39

John Bagioni of Fax-Alert Weather Service says that the late-season cold experienced across the Northeast is likely to continue in March, as major atmospheric influences continue to battle. Bagioni can be reached at johnbag@comcast.net.

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You will notice that there is a lot included in this trip. The Alaskan interior is vast and exciting. There's much to see and do, and we want to make sure you get to do it all.

This will be a popular trip and you will want to guarantee your spot. If you have any questions, contact Tracy Goodwin, NEFI VP & Dir. of Events at 617-923-5015 or tracy@nefi.com. We look forward to an amazing adventure with you.



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

RFS II Rulemaking Finally Released

The U.S. EPA released the final Renewable Fuel Standard (RFS) II rulemaking in early February. The rule is important to petroleum marketers because it implements an ambitious national renewable fuel standard that will affect motor fuel supplies for the next 12 years.

Some of the key provisions of the RFS II rule:

RFS Volume: The 2010 RFS volume standard is set at 12.95 billion gallons (bg). The EPA is setting 2010 volume standards for new categories of renewable fuels including cellulosic renewable fuel at 6.5 million gallons (mg) and biomass-based diesel at 1.15 bg. The EPA estimates that by 2022 the 36 billion gallon renewable fuel volume will displace about 13.6 billion gallons of petroleum-based gasoline and diesel fuel and decrease gasoline costs by 2.4 cents per gallon.

Lifecycle Greenhouse Gas Emission Reductions: A key provision of the RFS II is the requirement that the lifecycle greenhouse gas emissions (GHG) of a qualifying renewable fuel must be less than the lifecycle GHG emissions of the 2005 baseline average gasoline or diesel fuel that it replaces. Ethanol must meet a GHG reduction threshold of 20 percent for renewable fuel (corn) and 50 percent for advanced biofuel (sugar cane). Bio-mass based bio diesel (soy, waste oil, fat, greases) must meet a GHG reduction threshold of 50 percent while cellulosic biofuels (ethanol and biodiesel) must meet a 60 percent GHG reduction threshold.

Biofuel Feedstock Restrictions: New definitions under the rule require compliant renewable fuel to be derived from renewable biomass feedstocks. The rule limits the types of crops and land from which biomass may be harvested.

Diesel Fuel: As required by law, the renewable fuel standard is expanded to include motor vehicle, non-road, locomotive and marine. Heating oil blends are assigned RINs, but are not subject to renewable volume requirements.

Dispenser Labels: The RFS II rule drops proposed requirements for mid-level ethanol blend dispenser label warnings. This proposal was meant to address concerns about the potential misfueling of non-flex-fuel vehicles with E85. All ethanol blends above 10 percent were included due to the increasing industry focus on ethanol blender pumps that are designed to dispense a variety of ethanol blends for use in flex-fuel vehicles.

Upward Delegation of RINs: This provision will eliminate undue burden on small blenders who would otherwise not be regulated under the RINs program. The provision applies to blenders who blend and trade less than 125,000 total gallons of renewable fuel per year (i.e., a company that blends 100,000 gallons and trades another 100,000 gallons would not be able to use this provision) and is available to any blender who must separate RINs from a volume of renewable fuel.

DOT Proposes Increase in Hazardous Material Registration

The U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) is accepting public comments on a proposed rule to raise the annual HAZMAT registration fees paid by hazardous materials transporters.

Currently, petroleum marketers, heating oil dealers and propane dealers who transport product by truck and are classified as small business entities must register with PHMSA and pay an annual fee of \$300. Hazardous material transporters who do not meet small business classification standards must register with PHMSA and pay an annual fee of \$1,000 under current regulations.

The proposed rule would raise the annual registration fee for large companies to \$3,000 for the 2010-11 registration year that begins July 1. Registration fees for

small business petroleum marketers, heating oil dealers and propane dealers will not increase, and remain at \$300 annually under the proposed rule.

Most New England Fuel Institute (NEFI) members qualify for the small business rate under the DOT registration program. PHMSA said the increase is necessary because of a Congressional mandate requiring the agency to raise \$28 million this year in registration fees to fund the Hazardous Material Emergency Preparedness (HMEP) grant program.

HMEP funds are distributed to first responders such as fire and police forces nationwide for hazardous material emergency response training and equipment.

NEFI plans to submit written comments on PHMSA's proposal before the end of the commenting period.

Drug and Alcohol Testing Rule Change Proposed

The U.S. Department of Transportation (DOT) has published a proposed rule that toughens work-place drug testing requirements for transportation workers. The proposed rule is important to NEFI members because it would change current employer drug testing requirements for CDL/HAZMAT drivers.



While the proposed changes provide cost-savings in the choice of test laboratories for a limited range of specimens, more stringent medical review officer and laboratory certification, sample testing parameters and testing for new kinds of drug use will make driver drug testing programs more expensive overall. The changes are mandated by Congress and are meant to harmonize the DOT drug-testing program with the Department of Health and Human Services (HHS) drug testing guidelines. The proposed changes to the DOT drug testing requirements include:

- Testing for the drug MDMA, generally referred to as ecstasy;

- Lowering cut-off levels for cocaine and amphetamines;
- Testing for heroin;

- Authorizing employers to choose between a full-service test laboratory or a certified Instrumented Initial Test Facility (IITF). The IITF facility could report results for negative specimens, negative dilute specimens and rejected specimens. All others specimens must go to an HHS-approved laboratory for full testing.

- Require that nationally recognized Medical Review Officer certification entities and subspecialty certification boards for medical practitioners in the field of medical review must have their qualifications, training programs and examinations approved by HHS on an annual basis.

Industry Conference & March on Washington Re-scheduled for March 18, 19

The national home heating oil industry conference originally scheduled for Thursday, Feb. 11, and March on Washington scheduled for Friday, Feb. 12, was postponed due to inclement weather in the nation's capital and throughout the region that week. The industry conference has been rescheduled for Thursday, March 18, and the "March on Washington" for Friday, March 19.

This new conference is a "follow-up" to an industry summit held in Baltimore on Sept. 15, 2009, in which industry leaders, associations and stakeholders made a commitment to transition Oilheat to an ultra-low sulfur product blended with sustainable biofuels, coupled with a new generation of super-efficient heating



equipment and zero-emission solar technology. The New England Fuel Institute (NEFI) and the Petroleum Marketers Association of America (PMAA), along with other national and state associations and industry stakeholder groups, are national

partners for the event, which will be held in downtown Washington, D.C.

The goal of the March 18 summit is to develop a strategic plan for the future of the industry. Keynote presenters will include Jason Grumet, an adviser to the Obama administration and Dr. Christian Kuchen of the European Heating Oil Association. The goal of Thursday's meeting is to develop consensus and support for the heating fuel of the future—a low carbon, clean burning alternative.

Thursday's meeting starts with a continental breakfast at 7:30 a.m. and is expected to continue into the evening hours.

House Bill would Prevent EPA from Regulating GHG

House of Representatives leaders introduced legislation in February that would amend the Clean Air Act to prohibit the EPA from regulating greenhouse gases (GHG) based on their effects on global climate change.

The bill would also block EPA from considering GHG emissions from international "indirect" land-use changes when implementing the renewable fuel standard (RFS).



This follows efforts that are still in play by Sen. Lisa Murkowski (above), who is working to seek a vote on a disapproval resolution that would veto EPA's determination that greenhouse gases threaten human health and welfare, as well as a house bill by that would strip EPA of its authority to regulate GHG emissions unless it receives Congressional authority to do so.

The Supreme Court ruled in 2007 that EPA has the authority to regulate GHG under the Clean Air Act and EPA is preparing to begin regulating GHG with its final tailpipe standard. That

rule will trigger stationary source regulations, and the agency is expected to continue crafting GHG standards for other sectors.

FMCSA Prepares Driver Hours and Recorder Requirements

The Federal Motor Carrier Safety Administration (FMCSA) has begun its review of the truck driver hours-of-service (HOS) regulations, which it expects to complete by next July. The FMCSA recently settled the third lawsuit brought to overturn the HOS regulations since they were revised in 2003.

A federal court has twice overturned all or portions of the 2003 rule that overhauled HOS requirements for the first time in 65 years. Under that settlement, FMCSA must send a new HOS proposed rule to the Office of Management and Budget (OMB) by July, and issue a new final rule in 2011. The 2003 rule allows 11 hours of driving in a 14-hour workday, an increase of one driving hour and a reduction of one hour of on-duty time from the previous HOS regulations. It is too early to speculate on the exact nature of the changes to be included in the upcoming proposed rule, but they are not expected to be major.

The FMCSA is also preparing a proposed rule for the use of electronic onboard recorders (EOBR) to replace hand-written log books that keep track of driver hours. The agency recently sent to the OMB for final approval an EOBR final rule that was first proposed under the Bush administration. That rule is not expected to apply to local day-trip petroleum transport drivers who qualify for the 100 air mile radius exemption from log-book requirements.

However, the FMCSA wants to broaden the scope of the rule. The FMCSA said the proposed rule needs to go further and require more carriers to use the EOBR technology in order to directly address the problem of driver fatigue without making major changes to the HOS daily allowable driving time. The FMCSA said the proposed EOBR rule should be out by December 2010.

OSHA Workplace Injury and Illness Posting Period Begins

The Occupational Safety and Hazard Administration (OSHA) requires certain businesses with 10 or more employees to post work related injury and illness that occurred during the previous calendar year.



A summary of workplace injury and illnesses during the previous calendar year must be posted in a conspicuous area in the workplace (employee bulletin board) for employee inspection from Feb. 1 to April 1 each year.

Business establishments identified by NAICS Codes with more than 10 employees must maintain injury and illness reports and records. An "establishment" is an economic unit, generally at a single physical location, where business is conducted or services rendered. Any single establishment with 10 or fewer employees is exempt from the reporting requirements.

Forms, instructions and a Q&A on the OSHA injury and illness reporting rule can be downloaded at www.osha.gov. Many states have their own OSHA programs for private employees. These states follow federal rules, but may vary slightly. See www.osha.gov to find contact information for state programs.

Cota Joins Senator, Coalitions to Urge Congressional Action on Market Reform

In February, PMAA Vice Chairman and former NEFI Chairman Sean Cota stood with Sen. Maria Cantwell, D-WA, and representatives of the Americans for Financial Reform and the Commodities Markets Oversight Committee to call on Congress to bring greater transparency the energy markets.

Under current law, certain kinds of complex financial transactions and trading in commodity markets occur with no oversight or transparency, and NEFI believes this has led to excessive speculation, abusive trading practices and, in turn, dramatically

higher gasoline, diesel, and heating oil costs.

In his remarks Cota said, "one of the main factors that caused oil prices to rise so dramatically is excessively leveraged speculators in the energy derivatives marketplace who have distorted market fundamentals and led to the oil price bubble in 2008 and the price surge seen in the last few months." He went on to say, "for every 1 cent per gallon change in gasoline price, it is worth \$1 billion to the American consumer."

Cota called on Congress allow regulators to restore speculative position limits to prevent extreme price movements, implement centralized clearing for all market players, and set aggregate position limits on all speculators. He said, "These measures will eliminate the rigged gambling casino that energy markets currently are. It's as simple as that."

NEFI Welcomes New Members

New England Fuel Institute welcomes three new members.

ASSOCIATE MEMBER: Worcester Community Action Council Inc.

Mark Sanborn, energy director
484 Main St. 2nd Floor
Worcester, MA 01608
Phone: (508) 754-1176
Fax: (508) 754-0203

E-mail: msanborn@wcac.net
Web: www.wcac.net

The Worcester Council offers system repairs and replacements.

RETAIL FUEL MEMBERS: Favorite Fuels LLC

John Alkire, owner
PO Box 395
Hampton Falls, NH 03844

Phone: (603) 770-2321

Fax: (603) 929-3999

E-mail: jolysala@comcast.net
Favorite Fuels is a retail fuel dealer that offers heating oil delivery.

Self Heating & Cooling Inc.

Robert Self Jr., vice president
219 Keith Valley Road

Horsham, PA 19044

Phone: (267) 803-4840

Fax: (267) 803-4848

E-mail: rself@self-hc.com

Web: www.self-hc.com

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Legislative & Regulatory Action Center

THIS LETTER WAS SENT TO ALL NEFI MEMBERS ON FEB. 8, 2010.
WE ARE REPUBLISHING THIS LETTER FOR YOUR CONSIDERATION...

February 8, 2010

Dear NEFI Member:

While lawmakers try desperately to reinvigorate our economy following a major financial crisis, as any doctor knows, essential to any recovery is a strong heart. Strengthening the heart of our economy—growing businesses, innovation and entrepreneurship—is necessary in creating new jobs and revitalizing the American Dream.

The New England Fuel Institute believes that companies like yours and the broader industry represent the heart of our economy and are vital to its recovery. Through its Legislative & Regulatory Action Center, NEFI has been a voice for your business and a champion for the industry, telling this great story at every opportunity.

When activists stepped up efforts to aggressively cap carbon emissions, singling out the mostly small business retail fuel industry and even proposing major new tax credits for residential fuel conversions, NEFI joined with industry allies to better inform policymakers on our industry's unparalleled efforts in research, development and deployment of new, cutting-edge efficiency technologies and “cleaner and greener” fuels.

When excessive speculation helped drive energy futures to unprecedented levels, NEFI led a national clarion call for reform, educating lawmakers, the media, the public, and other national business and consumer groups on the dangers of opaque and unregulated trading markets. Today, Congress is near passage of a bill that would bring much-needed stability, transparency and oversight to these markets.

When new regulation is proposed by federal agencies or Congress, NEFI has been an active part of the dialogue, advocating for regulatory relief for our members. Most recently NEFI was able to secure from the U.S. EPA a regulatory exemption from burdensome and expensive regulations under the Spill Prevention, Control and Countermeasure (SPCC) regulations that required parked cargo tank vehicles and transports containing product to comply with costly, sized-secondary containment requirements (dikes, berms, diversionary structures, etc.), saving each fuel dealer thousands of dollars in compliance costs.

When developments in Washington or the region that affect you, your business and the broader industry, NEFI has developed a reputation for timely and relevant member communications. With professional staff in Washington working issues nearly round-the-clock, NEFI is among the first to provide important compliance information on federal regulations or issue calls to action on consequential legislation. NEFI's legislative and regulatory content in its alerts, weekly e-newsletter NEON, monthly *Oil & Energy* magazine, and at its website (www.nefactioncenter.com) have set the standard for the industry.

However, dues cannot cover the costs associated with these achievements; therefore we rely on the generous contributions of our supporters. Please consider even a small contribution for 2010, even the smallest contribution goes a long way. You may make a secure online donation at www.nefactioncenter.com, or request a contribution form from the Action Center staff by calling (202) 584-0160 or e-mailing dave@nefi.com.

Thank you in advance for your support of NEFI and the industry... we cannot do it without you.
Best Regards,

Shane Sweet
President & CEO
shane@nefi.com

Chris Keyser of Keyser Energy, Rutland, VT
Chairman of the Board
ckeyser@keyserenergy.com



**COMMITMENT COMES WITH
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WE ARE PLEASED TO RECOGNIZE OUR
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February 26, 2010**

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\$5,000

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Stadium Oil Heat Incorporated Peabody, MA
Westmore Fuel Co. Inc. Greenwich, CT

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Madison Oil Co. Inc. Madison, CT
Pallett Oil Co. Inc. Chesapeake, VA
Arlington Fuel Oil Co. Arlington, MA
AVATAS Payment Solutions Beverly, MA
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Dunlap's Oil Svc. Plymouth, MA
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Jennings Oil Co. Danbury, CT
John's Fuel Service dba John's Oil Co. Lynn, MA
Kieras Oil Inc. North Amherst, MA
Lipsett & Sons Inc. Weymouth, MA
Swezey Fuel Patchogue, NY

\$100 And Up...
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H. H. Snow & Sons Inc. Orleans, MA
Sandy River Cash Fuel Strong, ME
Greeley's Oil Co. Inc. Halifax, MA
Guy's Inc. Niantic, CT
Linwood Fuel Inc. Hyde Park, MA
Port Oil Billerica, MA
Thomas Fuel Inc. Lunenburg, MA

Visit www.NEFIActionCenter.com

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.

DOE TO AWARD NEARLY \$80 MILLION FOR BIOFUELS RESEARCH AND INFRASTRUCTURE

The DOE recently announced its investment of nearly \$80 million in advanced biofuels research and fueling infrastructure under the American Recovery and Reinvestment Act. The selections include two biofuels consortia that will seek to break down barriers to the commercialization of algae-based and other biofuels that can be transported and sold using the existing fueling infrastructure, including refineries and pipelines.



These two consortia will receive up to \$78 million from DOE, to be matched by private and non-federal funds of more than \$19 million for total project investments of more than \$97 million. In addition, \$1.6 million in Recovery Act funds will go toward infrastructure projects to expand the availability of ethanol-rich fuel. The infrastructure funds will be matched with \$3.9 million in non-federal funds for a total investment of \$5.5 million.

The two biofuels consortia are the National Alliance for Advanced Biofuels and Bioproducts (NAABB) and the National Advanced Biofuels Consortium (NABC). The NAABB, a \$44 million effort led by the Donald Danforth Plant Science Center, will develop a systems approach for sustainable commercialization of algal biofuel and bioproducts. The NABC, a \$33.8 million outreach led by the National Renewable Energy Laboratory and Pacific Northwest National Laboratory, will conduct cutting-edge research to develop biomass-based hydrocarbon fuels.

In addition, the new infrastructure projects will allow the installation of new pumps and the retrofitting of existing pumps to dispense E85. The funds will also support the addition of "blender pumps" that offer ethanol blends of up to 85 percent ethanol. The infrastructure projects will be located in nine states: Arkansas, California, Florida, Georgia, Michigan, Missouri, Texas, Virginia, and Washington. They will add at least 45 E85 dispensers and 16 blender pumps along key driving corridors and areas with higher concentrations of flexible-fuel vehicles.

HEAVIER TRUCKS NOW ALLOWED ON VERMONT HIGHWAYS

In a significant victory for the oil, gas and trucking industry, heavier loads are now permitted on Vermont highways. Gov. Jim Douglas signed into law a bill that allows trucks weighing up to 99,000 lbs. to travel on the interstate in Vermont.

State lawmakers quickly approved the change after federal legislation authored by U.S. Sen. Patrick Leahy made it possible. The bill passed by Congress provides for a one-year pilot program, which will likely be extended after that period of time.



Before the bill signing, trucks weighing more than 80,000 lbs. were banned on Interstate 89 and 91 in Vermont. The only way for these trucks to travel on the interstate legally was to get a single trip permit, which was both expensive and time-consuming. Now truckers are only required to get an annual permit from the Vermont Department of Motor Vehicles.

If you don't currently have a permit for heavier loads, you will be required to get one before taking more than 80,000 lbs. on the interstate. Annual permits cost \$310 or \$500, depending on the weight allowed in the permit.

Questions about interstate weight limits and required permits should be directed to Donna Earle at the DMV at (802) 828-2066. For questions on enforcement, contact Captain William Elovirta at (802) 828-2078 or william.lovirta@state.vt.us.

VERMONT ANTI-IDLING BILL PASSES AHEAD

The House Natural Resources and Energy Committee recently voted unanimously to ban trucks from idling for more than five minutes. The Vermont Fuel Dealers Association (VFDA) successfully lobbied for language that exempts trucks delivering fuel. Vehicles that require engine idling to operate auxiliary power, such as fuel pumps, are also exempt.

Violators will be fined \$10 the first time and \$50 for a second violation. Vermont is the only New England state currently without an anti-idling law for trucks. The state does ban the idling of school buses on school grounds, and the city of Burlington restricts both cars and trucks from idling for more than three minutes.



Incentive to Upgrade

States Prepare Efficiency Programs for Consumers, Dealers

THE FEDERAL GOVERNMENT HAS MADE ENERGY EFFICIENCY A FOCUS OF ITS DOMESTIC policy by way of the American Recovery and Reinvestment Act (ARRA) stimulus bill, providing an opportunity for energy retailers to take advantage with existing services they offer and potentially tackling new areas of home heating and cooling.

Much of the funding that the government set aside for efficiency was passed down to states to craft their own programs, so the details vary depending on the individual state. However, most states are using the money to provide grants and rebates for heating and cooling equipment upgrades or services related to performing home energy audits.

There are also programs being developed that would encourage training in fields related to energy efficiency that heating oil and propane dealers could use to bring their workforce up to date on the latest standards and evolving technology in the industry.

While businesses may be able to use some of the grants for training or their own building updates, retailers should make certain their customers know of the numerous rebates available, in order to encourage home audits or upgrades.

With the federal funds provided by the government limited, many of the programs that offer rebates or incentives for equipment and services are limited and will only run while funding remains. Trade organizations such as the New England Fuel Institute (NEFI), state association and local energy offices should be contacted by dealers looking for the latest information on programs available in their region or see www.energy.gov/recovery for updates on what stimulus programs may be available.

no-interest loans to encourage residents to make their new homes more efficient.

Homeowners could receive as much as \$15,000 to perform the upgrades, which would allow about 80 projects. Receiving the loan would also not interfere with additional money that may be available from the newly expanded New Hampshire Weatherization Assistance Program (WAP) and its efficiency upgrade grants.

The state will be hosting a meeting for those interested in learning more about the first-time homebuyer and other residential efficiency programs on March 17 at the Office of Energy and Planning in Concord. Contact Laura Richardson at laura.richardson@nh.gov for more information or to RSVP.

Maine

Like several other states, a major portion of ARRA funding in Maine has been set aside for incentives for residents to have home energy audits performed. The state is offering \$3,000 to the first 4,000 homes as incentives for approved energy efficiency projects.

Some of the improvements eligible for the funding are high-efficiency heating and domestic hot water equipment, solar water heating systems, programmable thermostats and other controls, insulation and energy efficiency windows.

To learn about educational opportunities for becoming solar and energy auditing certified, as well as how to be approved by the state as an efficiency contractor, go to www.energymaine.com.

Pennsylvania

Nearly \$12 million in stimulus funding is being set aside in Pennsylvania for a rebate program that will upgrade non-electric space and water heating equipment, though the specifics have not yet been released.

However, more than \$250 million is going toward the expansion of the state's weatherization program, which provides an opportunity for local vendors to aid in energy efficiency installations. The Weatherization Assistance Program (WAP) is using \$20 million to "rapidly" train nearly 1,000 workers in the field.

In addition to weatherization tactics, the training is expected to include home energy auditing, combustion analysis and retrofitting and more advanced diagnostics.

ARRA funding will also be used to provide \$6 million for a program that will help the state identify and train workers for jobs in the energy efficiency field. The training programs have not yet been established, but the latest information on the "green jobs" initiative can be found at www.paworkforce.state.pa.us.

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New Hampshire

Funding for New Hampshire comes from the Energy Efficiency and Conservation Block Grant (EECBG) program, which was created in 2007 with the passage of the Energy Investment and Securities Act (EISA).

The program was created to provide states, counties and units of local government with grant funds to reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency. Although EISA proposed to appropriate \$2 billion per year to the EECBG program through 2012, the program recently received its first funding allocation through the ARRA.

New Hampshire has been designated to receive \$17.3 million for its various programs. There are nine categories for the programs under EECBG, with many that fuel dealers can take advantage of, including lighting upgrades, building energy efficiency measures, building energy audits, energy studies and energy

planning, renewable energy, and other innovative projects and exceptional projects.

Equipment rebates include solar, oil and gas upgrades. Solar equipment has a rebate of \$750 for qualified units, while the oil and gas system rebates depend on the upgrade's efficiency.

Oil furnaces with an AFUE greater than 85 percent are eligible for a \$300 rebate, and those with an electronically commutated motor (ECM) are eligible for \$400. The rebate rises to \$500 for oil boilers with an AFUE greater than 85 percent that doubles for \$1,000 for units with an AFUE above 90 percent. Indoor reset controls are eligible for a \$100 rebate.

The equipment rebate program will officially launch in April. See www.nh.gov/oep for more information as the program nears.

A first-time homebuyer's energy efficiency program will be using roughly \$1.5 million of stimulus money in the form of low or

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Rhode Island

The state's equipment rebate program is expected to begin in mid-March, with approximately \$1 million in funds and will allocate 73 percent of the funds to rebates on Energy Star heating equipment and 7 percent of the funds to Energy Star kitchen appliances.

Planned rebates are currently \$1,300 for combined high-efficiency boiler and water heating systems and \$300 on indirect water heater, which may in some cases be combined with local utility rebate/discount programs.

Since there are limited funds available, rebates will be on a first-come, first-serve basis while funds last.

For information on the program, contact Charlie Hawkins at the Office of Energy Resources at chawkins@energy.ri.gov or by phone at (401) 574-9124.

Renewable fuel systems are also eligible for a rebate program in Rhode Island, with solar photovoltaic and solar space and water heating units available for the funds. Some of those upgrades may also be able to be combined with federal rebate programs available for solar equipment installation.

The state will also be launching a program in late March that will aid residents who

receive oil and propane with weatherization services, though details have not yet been released. For more information on the program, including applications and additional details, see www.energy.ri.gov.

Vermont

While the state does have an equipment rebate program, few Oilheat systems are currently eligible for the program. Residents are currently about to receive a \$100 rebate for purchasing an Energy Star-rated forced hot air furnace with an ECM. There are also contractor incentives for installing high-efficiency equipment.

A portion of the ARRA money will be going toward the state's Weatherization Assistance Program (WAP), however, which could provide home energy providers with expanded training or business opportunities in home energy audits or upgrades. The state expects to spend nearly \$17 million over three years for weatherization training and grants.

In addition, there are currently existing programs that could encourage more whole home audits. Efficiency Vermont offers up to \$2,500 to residents to improve their energy efficiency based on recommendations from qualified home energy auditors. Some residents may also qualify for free

weatherization services from the WAP.

To learn more about the rebates available through Efficiency Vermont, see www.energycanada.com. To see the newest programs available and more about the WAP incentives, go to www.recovery.vermont.gov.

Massachusetts

Massachusetts offers a variety of incentives to residents for upgrading to high-efficiency equipment, as well as some for businesses performing the work.

Residents can receive a rebate of 75 percent up to \$2,000 for improvements made on recommendations from a home energy audit. They can also receive a \$100 rebate for installing a qualified outdoor reset control.

The state also offers some free training and tuition reimbursement on select programs for gaining energy efficiency certification, as well as incentives for businesses that install Energy Star or other high-efficiency equipment. More on the incentives for residents and businesses can be found at www.masssave.com.

Connecticut

The funding for energy efficiency projects in Connecticut are limited for home energy retailers to take advantage of, but there are some programs that could be useful for those who work on government and commercial jobs or installing solar equipment.

Stimulus funding provided extensions to several renewable fuel programs already set up in the state. There are currently rebates available for residential and commercial upgrades for the installation of closed-loop ground source heat pump systems, solar thermal system to heat domestic hot water and solar photovoltaic systems in commercial and residential applications.

These programs have already been in place since before the ARRA, so some of their funding has already been used. For more information on them, including the amount of funding remaining, see www.ctcleanenergy.com.

Connecticut's State Energy Efficient Appliance Rebate Program (SEEARP), which began earlier than most other state programs, is an equipment upgrade rebate for consumers that did not include home heating systems. However, for dealers who also install air conditioning units, they can tell customers about \$50-\$500 in rebates available for certain Energy Star-rated models.

The funding will be available through April 30 and the program will be reevaluated at that time and may be extended. For details on this rebate program and other government and commercial opportunities in the state, see www.ct.gov/opm.

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*Stephanie Page
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Building Consensus

Sustainability Group Unites Efficiency Stakeholders

AS EFFORTS TO INCREASE THE ENERGY EFFICIENCY OF BUILDINGS HAS BECOME MORE MAINSTREAM, it has attracted attention from a wide spectrum of industries looking to get involved with the political, technical and financial aspects of the field.

The Northeast Sustainable Energy Association (NESEA) was founded more than 30 years ago in an effort to harness those professionals and their varied interests toward projects that would promote efficiency standards based on homes as a complete energy system backed by solid data and research.

With their annual BuildingEnergy Conference scheduled for March 9 through 11 in Boston, home energy providers have the opportunity to learn more about home audits and how builders are integrating new heating technology into homes. *Oil & Energy* recently spoke with NESEA's interim executive director, Jennifer Marrapese, about the organization, the show and what new technologies the industry is embracing.

Can you tell us about NESEA—how long it has been around, what its functions are and what kinds of businesses and individuals make up its membership?

The Northeast Sustainable Energy Association is a leading regional membership organization dedicated to promoting sustainable energy practices and whole systems thinking. We were founded in Brattleboro, Vt., in 1974, and our members hail from the 10 Northeastern states, from Maine to Delaware.

One thing that sets us apart from other organizations in the energy efficiency/renewable energy arena is the diversity of our membership. Our members are professionals in a wide variety of fields—architects, engineers, builders, manufacturers, developers, educators, nonprofit advocates, financiers. A big part of what they value about NESEA

is the ability to have high-quality, substantive discussions about projects they are engaged in with people who bring a different professional lens to the conversation.

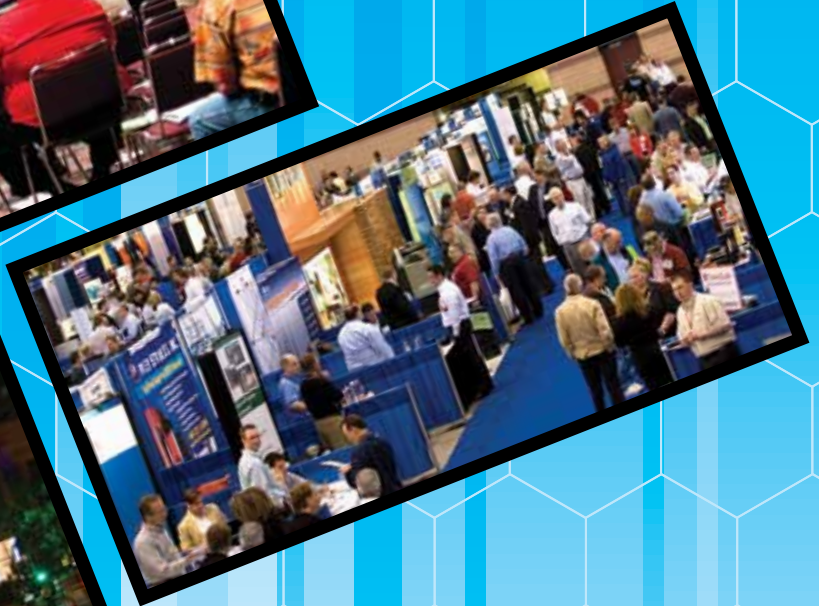
Another thing that distinguishes us is that we insist on real data—modeling isn't sufficient. When our members present case studies, they are backed with a minimum of one year's worth of energy data—hard data—so people can judge for themselves just how compelling the results are. That's how we believe we can continue to advance the thinking in this burgeoning industry and effectively create best practices.

Our signature event is the BuildingEnergy Conference and Tradeshow, taking place March 9 through 11, 2010, at the Seaport World Trade Center in Boston, which is now

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"...We insist on real data—modeling isn't sufficient. When our members present case studies, they are backed with a minimum of one year's worth of energy data—hard data—so people can judge for themselves just how compelling the results are."

— NESEA's Jennifer Marrapese



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...Continued from page 16

in its 35th year. We also have smaller events throughout the year—Sustainability Workshops, the Green Buildings Open House, the Junior Solar Sprint and many others.

Can you tell me about what your role with the organization entails and what duties you carry out?

As the interim executive director, I am responsible for overseeing a staff of eight and for helping NESEA secure the resources it needs to deliver on its mission—which entails fundraising, securing sponsorships and grants, and developing partnerships with other organizations with whom we have synergies.

One of the most exciting parts of my position is that we have recently begun a strategic planning process that, if successful, will position NESEA to thrive amid the ever-proliferating sea of “green” organizations.

What is the focus of the upcoming Building-Energy conference and what might home energy providers expect to learn from it for their own businesses? Are there educational opportunities that may appeal to them?

The theme of BE10, “Reduce, Retrofit, and Renew,” seems to me to be extremely relevant to home energy providers. We start from the premise that the first step is conservation, and that building professionals have a role to play in educating consumers about how to use their buildings for optimal efficiency.

From there, we look at the efficiency of the building itself—everything from the windows and insulation to the building envelope, to make sure we’re using the best building science principles. Only then do we look at introducing renewable energy into the equation. Each of these three pillars is equally important in reducing our collective carbon footprint.

The conference includes 63 sessions and 25 full- and half-day workshops, many of which provide continuing education credits from professional organizations like the AIA, BOMI, BPI, InterNACHI, NAHB, and NARI. The tradeshow floor will feature some 160 exhibitors and the latest technologies, products and services.

What are some of the membership benefits that might appeal specifically to home energy providers and related businesses?

The opportunity to network and be affiliated with other NESEA members is invaluable. Time and again I hear from NESEA members that NESEA has been instrumental in building their careers—that they have met business partners and referral sources through NESEA and learned information simply not available from any other single source. The NESEA brand carries with it a certain

cache within energy efficiency and renewable circles, and professionals from many backgrounds want to be affiliated with it.

There are a number of other benefits that might be of interest as well:

NESEA members receive member discounts on the BE Conference, BE Exhibit Space, NESEA sustainability workshops and advertising in the *Northeast Sun*.

Specifically with respect to this year’s BE Conference, we are featuring sessions likely to appeal to home energy providers, addressing topics such as: energy conservation for new single- and multi-family homes, energy retrofits for residential buildings, and building materials and conservation.

Business members receive a listing in our Sustainable Green Pages, which is located online at www.nesea.org and is published in hard copy in the fall edition of the *Northeast Sun*.

Each member may designate one local NESEA chapter to join. Typically, local chapters have a monthly networking meeting/educational session that is free-of-charge to members.

Many builders are members of NESEA. How can home heating oil and propane retailers work with builders to ensure more efficient equipment is purchased or installed by their customers?

NESEA events—the BE conference in particular, but also our sustainability workshops—lend themselves to the type of networking and information sharing that gives our members the tools they need to educate their customers. Our show is all about discussing best practices, once again backed up by hard data, not just claims.

One of the areas energy providers have expanded recently into is offering solar water heating. What are some advantages to solar can companies market to their customers to encourage its adoption?

Solar domestic hot water systems are a cost-effective way to generate hot water for your home or business using proven technology. A typical residential solar water-heating system reduces the need for conventional water heating by about two-thirds.

Passive systems don’t require much maintenance. Regular maintenance on simple active systems can be as infrequent as every 3 to 5 years, preferably by a solar contractor.

States have been rolling out energy efficiency equipment rebate programs with stimulus grants. Do you believe this is enough to replace older equipment or do you think more should be done?

The rebate programs provide a good starting point. Many of our members are also excited about the “Cash for Caulkers” types of programs, which encourage consumers to go beyond energy efficient appliances and address energy efficiency in a more comprehensive way. Consumers, and businesses in particular, are reluctant to deploy energy efficiency solutions if the payback term is more than 5 years. These programs can help reduce the payback term dramatically!

Heating oil and propane dealers are also looking at offering whole home audits as another service. What kind of training and certification is necessary to perform these and where can companies look to learn more?

There are a number of different organizations that provide training and/or certification to provide whole home energy audits, including BPI and RESNET. In addition, I am aware that several states have undertaken workforce development initiatives to train existing contractors or unemployed people looking to change careers in various forms of weatherization.

In fact, NESEA will be hosting a free weatherization training session for members of the general public in need of new skills and new opportunities. Scheduled for the final day of the BE10 Conference, March 11, this three-hour workshop is being developed in partnership with the Massachusetts Clean Energy Center’s new MassGREEN Initiative, which provides energy efficiency workforce training to citizens and businesses throughout the Commonwealth.

This new weatherization workshop we’re offering at BE10 dovetails beautifully with our mission at NESEA. We will not only be working to support the growing demand for highly skilled green professionals, but we will also be opening new doors for unemployed and underemployed contractors seeking a foothold in this expanding market sector.

Is there other legislation that you think should be considered in order to provide greater energy efficiency, both in the short and long term?

NESEA doesn’t really function in the legislative arena, although some of its chapters are involved at a much more local level, with state legislative and regulatory policy. That said, I know a number of NESEA members are very interested in seeing states adopt laws or regulations requiring homeowners to disclose the energy efficiency of their homes as a formal part of the seller’s disclosure. These types of regulations will help build consumer awareness about energy efficiency as they make their most important purchases—their homes. ☐



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Energy Conservation Training Goes Gold

Seminar to Combine NORA Certifications

HOME ENERGY PROVIDERS ARE WELL AWARE OF the turmoil caused by volatile fuel markets and the impact it has had on the number of customers seeking new ways to increase their energy efficiency.

As a result of the long-term relationship that many companies have as energy providers for their customers, they are often an important first resource for those seeking efficiency solutions.

“If we are unable to give customers meaningful answers and helpful suggestions, they will look elsewhere,” said long-time Oilheat educator Bob Hedden, who also serves as the executive director of the Oilheat Manufacturers Association (OMA). “Now more than ever we must be part of their solution, not part of the problem. They must see us as their trusted energy adviser.”

“If we are unable to give customers meaningful answers and helpful suggestions, they will look elsewhere. Now more than ever we must be part of their solution, not part of the problem. They must see us as their trusted energy adviser.”

— Bob Hedden,

NORA Energy Conservation Analysis instructor

In order to help accomplish that goal, NORA is now offering a training session that will combine the NORA Energy Conservation Analysis (NECA) seminar with a NORA Gold Certification seminar in a special one-day class.

On April 9, the Vermont Fuel Dealers Association (VFDA) will present the first combined seminar, with Hedden as the instructor.

Certified technicians attending the program will receive 7 NORA CEUs, as well

as the NORA Gold Certification. Gaining Gold Certification is the best way for technicians whose Silver is about to or has already expired to renew their NORA Certification, according to Hedden. Passing the Gold test will also renew a technician’s Vermont Certification for another 5 years.

This program is designed primarily for technicians, but equipment salesmen, managers and anyone wishing to learn more about energy conservation analysis will also find it extremely useful, Hedden said.

To take the NORA Gold Test, technicians must be Silver Certified, and have 5 years of experience in the field working on oil burners, along with 120 hours of training. The NORA Gold Seminar is based upon the NORA Gold book, *Efficient Oilheat, An Energy Conservation Guide*. While it is not required to buy the book to take the test, it is recommended that students read the book before attempting to take the test. The book is available from NORA at www.norastore.org.

GOING GOLD

According to Hedden, the NORA Gold Technician Certification covers a variety of topics in order to give participants a better understanding of evolving strategies for improving Oilheat efficiency for customers.

The topics covered include:

- The potential energy in heating oil, as well as how and where that heat energy is lost before it reaches the living space of the building or the hot water faucet;
- The various types of efficiency measures and what they mean;
- How to be sure your customer is getting the most heat for their money from their existing system by covering all the free and

low-cost energy conservation strategies, including proper tune-up and adjustments as well as common sense conservation advice technicians can give to customers;

- How to best evaluate the various energy conservation investments available;
- How to advise customers investing in new equipment, including sales techniques, and how to do return on investment calculations;
- How to maximize savings opportunities without sacrificing safety, reliability and comfort.

BEYOND GOLD

The NECA Certification takes the lessons learned through NORA Gold and builds on them with specific information on how to perform whole house audits.

Energy audits identify where heat is being lost through a building’s envelope, also called the shell. Some energy auditors use specific, sophisticated equipment, like a blower door and infrared camera, to help pinpoint air leaks and areas with inadequate insulation. Audits can also include a heating or cooling system tune-up.

Auditors will often perform simple air-sealing work as they go, and then connect customers with qualified contractors to complete any major work required. Some utility companies already provide basic energy audits free of charge. Audit standards already exist from Home Performance with Energy Star, a federal program from the Environmental Protection Agency (EPA) that partners with select states, utilities and municipalities to train contractors to conduct home energy improvements in existing homes.

Also, depending on income, people may qualify for a free energy audit and energy

efficiency improvements to their home through the federal Weatherization Assistance Program (WAP).

These auditors can be recognized by the Building Performance Institute (BPI), certified by the Residential Energy Services Network (RESNET) or just work with contractors. Since many contractors can offer home energy audits, the specific duties depend on the background and employer of the person doing the audit.

The goal of the upcoming Vermont seminar is to teach participants how to do a NORA Energy Conservation Analysis for their customers and introduce companies to the idea of a whole home audit. The program does not require companies to invest in any expensive, specialized equipment.

The course will cover all the various heating system upgrade options for the customer and the potential savings from each. Recognizing that the building is part of the heating system, it will also cover how to evaluate how well the building is sealed and insulated. Hedden will also cover suggestions on how customers can lower their electric bills.

NORA's goal for this program is to be sure that every oil-heated building is using energy as efficiently as possible without compromising safety, reliability and comfort. Participants will learn how to be sure the heating system is working at maximum efficiency. They will also learn to identify potential problems with the building and recognize when it would be advisable for customers to call in building shell and insulation experts.

A critical component of this program will be to learn what advice energy technicians can give customers about free and low-cost do-it-yourself projects they can implement to help lower their energy bills.

Upon successful completion of the course and test, participants will receive the NORA Energy Conservation Analysis Certification. This national certification is similar to the NORA Tank Certification.

The special combined seminar will run from 8:15 a.m. to approximately 3:30 p.m., at which time the NORA NECA Gold Test will be given. The test is 100 multiple-choice questions and takes about an hour. It takes place Friday, April 9, at FW Webb in Rutland, Vt. Contact VFDA at (802) 223-7750 for more details.

Hedden recommends that anyone interested in the program should contact the New England Fuel Institute (NEFI) or their state Oilheat association to inquire about future classes. ☒

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June 1 - June 25

June 28 - July 23 (School Vacation July 26 - August 6)

August 9 - September 3

September 7 - October 1

October 4 - October 29

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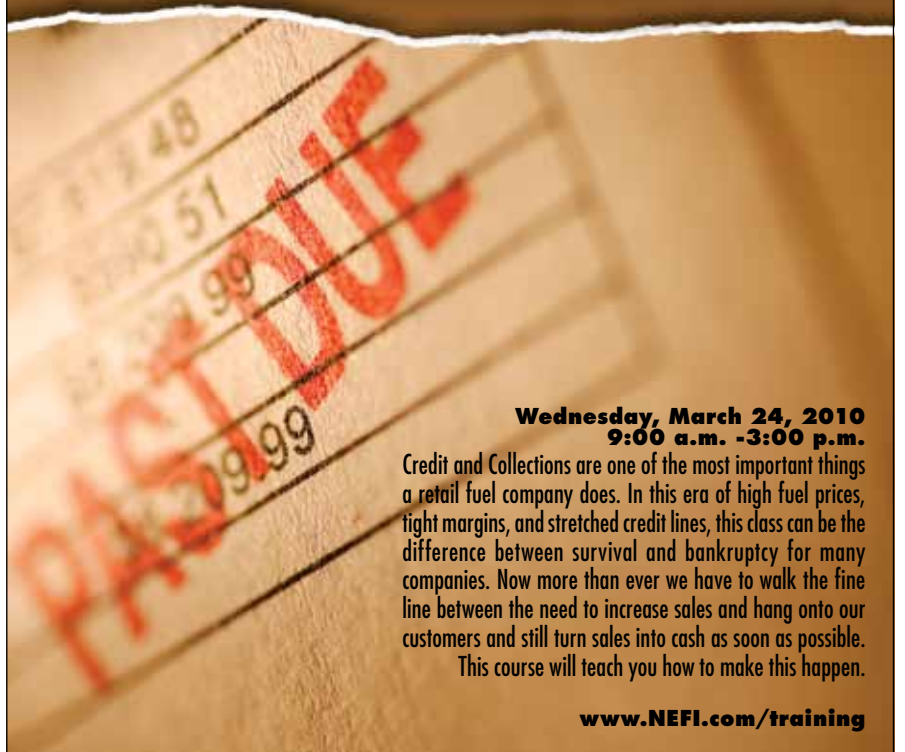
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Spring Clean Up for Receivables

By Joe Ciccarello, CPA, Gray, Gray & Gray

AS THE HEART OF THE HEATING SEASON BEGINS to wind down, it might be tempting to sit back and congratulate yourself for making it through another winter. But it's not over yet. Most Oilheat dealers enter the spring with significant receivables waiting to be collected. And without the cash from these outstanding accounts, it will be impossible for your company to move forward.

Here are five steps to take to make sure you are able to collect the money that is owed to you.

Keep customers current all year long. I know it may be too late for some customers at this point in the season, but you can avoid some big headaches if you make an effort to prevent customer accounts from becoming overdue in the first place. You can give customers an incentive to pay by offering an attractive discount for C.O.D.

"We have been after Oilheat dealers for many, many years to accept credit card payment. Still, some companies are resisting adding this customer-friendly option. Will credit cards cost you a percentage of each transaction? Yes. Does having the cash up front more than make up for any fees you lose? Yes!"

Don't be stingy—any money you lose on the discount is more than compensated by having cash in hand. Or you might offer

a smaller discount for payment within a certain time period, such as 15 days.

Be sure you review any proposed discount with your accountant. You don't want to give up so much that it impacts your margin. The discount should have a direct correlation with the cost of carrying the receivable.

Be sure your invoices include a penalty for late payment. Something from 1.5 to 2 percent each month is not unreasonable.

Review account aging every week. Know how much you are owed and who owes it to you. By keeping close tabs on your accounts list you may be able to spot problems before they become unmanageable. If a customer is late, don't let it slide. Get on the phone and ask for your money before it becomes a problem. Be proactive and take action to collect. The good ones will understand, the bad ones will be caught before they are too deep into your pocket.

Write off receivables that are uncollectable. Do not compound the problem by continuing to keep bad accounts on the books. Have a policy with regard to collection and follow it. Once you've determined that a debt is uncollectable, write it off. Don't kid yourself or the bank. By moving the receivable to the income statement (bad debt expense), it will force you to face the impact to the bottom line of non-creditworthy customers.

Accept credit cards. We have been after Oilheat dealers for many, many years to accept credit card payment. Still, some companies are resisting adding this customer-friendly

option. Will credit cards cost you a percentage of each transaction? Yes. Does having the cash up front more than make up for any fees you lose? Yes!

You should negotiate the fee you pay and "cap" it at a certain amount and not as a percentage of revenue. This will help avoid a hidden cost increase in times of sharp oil increases, as two years ago.

Ask for the money. The longer you let overdue accounts sit there, the harder it will be to collect the money you are owed. This is especially true once the weather warms up and the customer can no longer be threatened with non-delivery of product. Although every dealer wants to be seen as a good neighbor, being patient and generous can only be taken so far. Be aggressive in collecting receivables—it is your money.

Check your own line of credit. Spring is when you need to lock in favorable contracts with your suppliers for the next heating season. If you are riding on a significant amount of overdue receivables you may not have the cash or equity to make your best deal.

Make sure you are not shut out of desirable contracts by having a sufficient line of credit set up with your vendors or bank. Do this ahead of time so that you are prepared.

As you bring spring cleaning around your office, make sure the first task you tackle is cleaning up your books. Bring in the cash that is due to you as soon as possible so that you can confidently make plans for the future. ☑

WESROC INTRODUCES MINI BASE UNIT

Independent Technologies has continued to bring new technologies to remote tank monitoring. The new Wesroc Mini Base Unit is a small, compact base unit that displays the two-digit tank level for a single tank transmitter monitoring propane, fuel oil, diesel and other liquid fuels.



The Mini Base Unit measures 3.5 x 5.5 inches and works with all Wesroc tank transmitters for either aboveground or underground tanks.

The Mini Base Unit has enhanced features, including remote-control capabilities from the portable diagnostic unit that allows initiating a service call without entering the home.

This is another example of how customer feedback contributes to Independent Technologies' improved product design.

BLACKMER STX PUMPS PROVIDE HIGH CAPACITY TRANSFER OF CORROSIVES

Blackmer has announced that its STX Sliding Vane Pumps are an effective process and transfer solution for chemical industry applications.

STX Series transport pumps are ideal for loading and unloading corrosive and non-corrosive liquids—sulfonic acids, specialty chemicals, solvents, latex paints, liquid sugars and vegetable oils—that are not compatible for use with cast iron pumps.

To manage these fluids STX pumps are made from 316 stainless steel with external ball bearing construction, non-metallic Duravanes, PTFE elastomers and Blackmer chemical mechanical seals to provide longer transport pump life with corrosive products.

The STX offers high capacity flow rates up to 250 gpm (946 lpm), differential pressures up to 125 psi (8.6 Bar) and pump speeds up

to 800 rpm, delivering fast fluid off-loading. A 6,000 gallon (22,700 liter) tanker can be unloaded in about 24 minutes.

The pump's non-metallic vanes self-adjust for wear and to maintain flowrate, while minimizing shear and agitation. An adjustable relief valve protects the pump from excessive pressures. It has self-priming and dry run capabilities and maintenance is reduced because internal wear is almost completely limited to the easily replaced sliding vanes.



For more information on the Blackmer STX Series Sliding Vane Pumps and applications for the chemical industry, contact Tom Stone at stone@blackmer.com or (616) 248-9252, or visit www.blackmer.com.

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Getting the Word Out

By Martin Coyne, Strategic Communications

ALTHOUGH THE 100-YEAR-OLD HEATING OIL industry has a strong tradition of delivering reliable warmth and service to its customers every day, the industry has all too often struggled to speak with a consistent voice that touts Oilheat's tremendous benefits and value.

That is precisely why the Energy Communication Councils (ECC) was created in 2007 by a group of leading Northeast and Mid-Atlantic Oilheat association executives.

ECC has been making it easier for energy reporters and editors to develop balanced stories on fossil fuels, climate change and energy technology developments at a time when the benefits and value of Oilheat are increasingly defined by the constantly growing role of energy efficiency and renewables. There is no doubt that ECC's advocacy is making a positive difference.

"ECC has gotten the word out about the industry's great strides with cleaner fuel, more efficient equipment and innovative technology," said ECC spokesman Kevin Rooney, who is also the executive vice president of the Oil Heat Institute of Long Island. "The ECC public relations campaign has effectively created a turning point in how the news media views the Oilheat industry."

The ECC campaign has focused on the media because the real audience is the consumer. ECC has been making it easier for energy reporters and editors to develop balanced stories on fossil fuels, climate change and energy technology developments at a time when the benefits and value of Oilheat are increasingly defined by the constantly growing role of energy efficiency and renewables. There is no doubt that ECC's advocacy is making a positive difference.

Funding for ECC's campaign is provided by the National Oilheat Research Alliance (NORA) through its program for research and development, consumer education, technical training and safety.

A GREAT STORY TO TELL

ECC's advocacy—spearheaded today by Strategic Communications—has focused intently on outreach to major media outlets, including the *Wall Street Journal*, *New York Times*, *Washington Post*, *USA Today*, *Boston Globe*, regional news media in participating states and a wide variety of trade publications.

The outreach effort has included preparing and disseminating nearly a dozen press releases in just the past six months on the industry's plans for cleaner fuel and equipment, green trends in the industry, energy conservation, long-term positive pricing trends and

even consumer tips for dealing with snow storms. ECC's outreach has yielded positive results, including the placement of more than 40 positive heating oil articles since July 2009 and the launch of a new, media focused Web site at www.HeatingNews.org.

ECC has also informed reporters that more than 80 percent of Oilheat equipment sold today is Energy Star rated, according to the Oilheat Manufacturers Association (OMA). Equipment is also being designed to use the next generation of cleaner fuels as the industry moves to ultra-low sulfur heating oil.

In fact, the New York legislature is considering a mandate that No. 2 heating oil in the state contain just 15 parts per million (ppm) of sulfur. Similar efforts are underway in Maine, Vermont, Connecticut, New Jersey and Pennsylvania. ECC's media outreach has also focused on Bioheat®—the renewable blend of heating oil and biodiesel. A new Massachusetts law requires statewide delivery of Bioheat with a 2 percent biodiesel blend, known as B2, starting in July. Next year the required blend is B5.

More than 300 Oilheat retailers nationwide are offering consumers Bioheat blends from B2 to B20, compared to no Bioheat sellers in 2004. The win-win of ultra-low sulfur heating oil and Bioheat, aside from the fact that combining the two will lower emissions from

a fuel that already burns 95 percent cleaner than it did in 1970, is that they increase the benefits of modern oilheat equipment for homeowners and businesses.

Ultra-low sulfur will allow for furnaces and boilers with less expensive metal because of less soot buildup. Furthermore, Bioheat is a natural lubricant in Oilheat systems. Consequently, the use of ultra-low sulfur heating oil and/or Bioheat could cut Oilheat system maintenance costs for consumers.

This win-win story needs to be told and consumers need to hear it through ECC media outreach.

HELPING SET THE RECORD STRAIGHT

The ECC and its members have improved heating oil's image by showcasing today's cleaner and leaner fuel to the media at every opportunity, but the coalition still needs to correct the record occasionally.

In September 2009, ABC's *Extreme Makeover: Home Edition* aired an episode in which host Ty Pennington grossly misrepresented a residential oil storage tank as a "bomb waiting to go off."

Following the episode, ECC and NORA sent a letter to the show's producers—as well as the presidents and CEOs of ABC and parent company Disney—demanding that the network edit its produced show and present Oilheat in a more accurate light. Individual ECC members also filed numerous complaints with ABC and one even considered urging Oilheat retailers not to advertise with ABC affiliates.

Nearly four months and dozens of phone calls and e-mails later by the ECC, ABC apologized for Pennington's comments, edited his disparaging remarks out of the episode before it went into global syndication, and pledged to seek an opportunity to feature a high-efficiency Oilheat/Bioheat system on a future episode of *Extreme Makeover: Home Edition*.

Then, just before last Thanksgiving, a Maine Free Press columnist wrote that Maine's dependence on heating oil was a "disaster in the making." ECC quickly drafted a letter to the editor totally dispelling the erroneous myth perpetuated by the columnist and detailing the heating oil's industry strong commitment to energy efficiency and conservation, ultra-low sulfur content and renewable energy.

The Maine Free Press published the entire letter, which was signed by Maine Energy Marketers Association President and ECC member Jamie Py and NORA President John Huber. The following week, the columnist reported that his heating oil piece garnered more feedback than anything he has written.

MUCH MORE TO DO

The ECC campaign is helping the media understand the progress of heating oil and the fact that the fuel is vital to America's energy future. But we've just begun and there is much more to do.

As the industry is learning, a strong consistent voice will be even more critical in the days ahead. In order to drive home the message of today's Oilheat, the industry needs an even broader ECC effort representing all heating oil states to provide an integrated, highly coordinated campaign. After all, we're all in this together.

Current members of the Energy Communications Council include: the Empire State Petroleum Association, the Delaware Valley Fuel Dealers' Association, Fuel Merchants Association of New Jersey, the Maine Energy Marketers Association, the Massachusetts Oilheat Council, the New England Fuel Institute, the New York Oil Heating Association, the Oil Heat Institute of Long Island, the Vermont Fuel Dealers Association, and the Virginia Convenience, Petroleum, and Grocery Association. ☐

CALIFORNIA ADOPTS NATION'S FIRST STATEWIDE GREEN BUILDING STANDARD
The California Building Standards Commission unanimously adopted the first-in-the-nation mandatory Green Building Standards Code, called CALGreen, in January. The program, which takes effect on Jan. 1, 2011, will require all new buildings in the state to be more energy efficient and environmentally responsible.
CALGreen will require mandatory inspections of energy systems (such as furnaces, heat pumps, air conditioners and other mechanical equipment) for nonresidential buildings with more than 10,000 square feet of floor space, to ensure that the energy systems are working at their maximum capacity and according to their design efficiencies.
The California Air Resources Board estimates that the mandatory provisions will reduce greenhouse gas emissions by the equivalent of 3 million metric tons of carbon dioxide in 2020. Upon passing state building inspection, California's property owners will have the ability to label their facilities as CALGreen compliant without using additional third-party certification programs.

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Rhode Island Prepares to Host 57th Annual Convention

THE RHODE ISLAND CHAPTER OF THE NATIONAL Association of Oilheating Service Managers (NAOHSM) is now getting ready to showcase Providence, R.I., as the site of the organization's 57th Annual Convention and Trade Show from May 23 to 27. They are preparing for a number of events for industry members from across the nation.

Those events include:

The Dave Nelsen Scholarship Tournament—This annual fundraiser and golf tournament will take place on Monday, May 24, and Tuesday, May 25, at the Triggs Memorial Golf Course in Providence, R.I., using Callaway scoring. George Fantacone of Santoro Oil in Providence is spearheading this important tournament. The proceeds from this event benefit the Dave Nelsen Scholarship, for students planning to further their education in the Oilheat industry. NAOHSM will present these scholarships at their Awards Banquet on Tuesday, May 25.

"This is the only fundraising event that directly benefits our scholarship fund," said Judy Garber, executive administrator of NAOHSM. "With interest rates having been low for a couple of years, we've had to tap into our scholarship reserve account to continue awarding the scholarships. Instead of reducing the number of awards this year, we would like to focus on this major fundraiser."

NAOHSM invites golfers to come out to the course and support the future of the industry with a day of friendly competition.

Care to Ride—Walkers and riders (both motorcycle and bicycle) are invited to come out on May 24 in support of Oil Heat Cares. Kevin Bowman of Bell Simons Co. will be organizing the motorcycle division of the Care to Ride event. For more information about the event or projects performed with Oil Heat Cares funds, see www.oilheatcares.com.

Dan Holohan's Greening Steam Seminar—NAOHSM has also thought about those caught

up in rush hour traffic. At the close of the show at 4 p.m. on Thursday, May 27, attendees are invited to stay behind and catch Dan Holohan's Greening Steam seminar. The first 50 people to register will receive a free copy of his latest book, "Greening Steam: How to Bring 19th-Century Heating Systems into the 21st Century (and save lots of green!)"

"Ladies Only" Event—The ladies of the industry (manufacturers, those who work for oil, HVAC and plumbing companies) are invited to join NAOHSM for a special "Ladies Only" event, featuring a special presentation by Chef Terranova. NAOHSM will also be collecting gently used shoes and cash contributions to be donated to a local charity serving the children/women in Providence.

For a complete schedule of the annual convention and trade show, visit NAOHSM's Web site at www.naohsm.org and while on the site, consider making your hotel reservations at the Westin. ☒



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Holohan's Steam Seminar to Benefit Oil Heat Cares

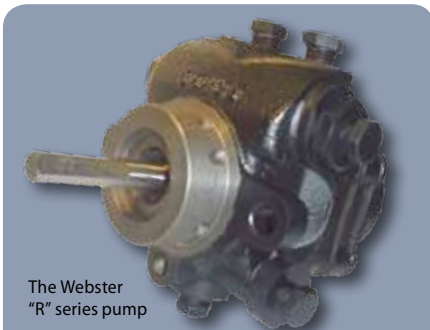
DAN HOLOHAN IS ONCE AGAIN LENDING HIS SUPPORT to the charity Oil Heat Cares with a Dead Men's Steam Night School on Wednesday, April 15, at 5 p.m. at the Lawrence F. Keene American Legion Post, located at 2879 Buhre Ave., Bronx, N.Y. 10461. All proceeds from this seminar will benefit Oil Heat Cares.

The Lawrence F. Keene American Legion Post is a fitting location to hold a fundraiser for Oil Heat Cares. The New York City Chapter

of the National Association of Oil Heating Service Managers (NAOHSM) performed an Oil Heat Cares project for them in the past. The Post received a new heating system, and students from the Alfred E. Smith Vocation Career School in the Bronx had the opportunity to work side-by-side with professional installers. The Post is lending Oil Heat Cares their space so that the charity can continue to help others.

During this seminar, attendees will learn about the many types of old steam heating systems, which will help them become better troubleshooters when it's time to solve those heating problems. The cost to attend is \$129 per person. Westchester Square Plumbing Supply (www.wspsonline.com) will be donating food for the event.

All proceeds will go to the Oil Heat Cares Foundation (www.oilheatcares.com). To register, contact NAOHSM at (888) 552-0900 or sign up on their Web site at www.naohsm.org.



The Webster "R" series pump

Louis Ehrich Jr. Passes Away

LOUIS EHRIK JR., 93, PASSED AWAY ON Jan. 5, 2010, after decades of service and recognition in the home heating oil industry and its associations.

Ehrich was born in New Rochelle, N.Y., and graduated from the University of Virginia with a degree in engineering.

After World War II, he joined Webster Electric Co., and worked on the "Q" and "T" pumps, which were the state-of-the-art pumps at the time. During his time at Webster he started the service department for the company, visiting his customers in the U.S. and Canada. He was known as "The Man from Webster" to many throughout his career.

He later helped develop and introduce the "R" series pump, a pump with a rotary filter.

After leaving Webster in 1970, Ehrich worked as an independent manufacturer representative with Monarch and Skuttle.

Ehrich received the first National Association of Oil Heating Service managers (NAOHSM) Manufacturer of the Year award and was active in the Connecticut Valley, New Haven, Fairfield County, Eastern Connecticut, Rhode Island, Boston, Central Massachusetts, Pioneer Valley, Southeast Massachusetts, Northeast Massachusetts, New Hampshire/Vermont, Twin State, Pine Tree and Westchester, New York chapters.



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Lessons Learned from Seasons Past

By John Nardozi, Nardozi Consulting

THE HEATING SEASON THAT JUST ENDED WAS certainly a mixed bag. Some dealers did well, either through luck or by learning from prior errors. Most dealers had a modestly successful year. And a few made mistakes that cost them a lot of money, or even their business.

The reasons for failure are numerous, and include poorly executed price programs, overeager purchase commitments, being unprepared for warmer weather, customer conversions, customer conservation, inadequate hedging and an inability to adjust to volatile prices.

An oil dealer who loses money over the course of a heating season is often quick to place the blame elsewhere. But the dealer needs to accept some responsibility. It is all too easy to fall into the trap of offering price programs that mimic competitors' offerings, while not matching price program gallons with purchases.

In New England, there were several bankruptcies and distressed sales this winter. I don't think we have seen the end of those, as there are still many dealers in financial trouble. Many found themselves getting deep into trouble over a period of more than two

years of market turmoil that was characterized by volatile wholesale prices and dealers offering customers price programs without adequate hedging.

An oil dealer who loses money over the course of a heating season is often quick to place the blame elsewhere. But the dealer needs to accept some responsibility. It is all too easy to fall into the trap of offering price programs that mimic competitors' offerings, while not matching price program gallons with purchases. This is not an easy balance to strike, yet it is critical for a successful year.

Let's look at how price programs have gotten many dealers in trouble over the past two heating seasons.

In the 2007-08 season, many dealers offered price protection at about \$2.59 (for example), but didn't buy wet barrels to meet their commitment. When wholesale prices went to around \$3.59, they were stuck delivering gallons that cost them more than \$1 per gallon over their retail price. That's a killer!

In 2008-09, some of these same dealers offered protection at around \$4.59 to \$5.09 per gallon, then did what they thought was the smart thing and locked in wet barrels at about \$3.69 per gallon to protect themselves.

But in July 2008, prices dropped signifi-

cantly, to around \$1.79. Customers reacted: those that locked in wanted out; those that had waited did not buy-in. So dealers were stuck with very expensive wet barrels and ended up losing about \$2 per gallon. With downside protection (which, admittedly, can be very expensive), this loss could have been avoided.

As you may be sensing, I am not an advocate of price programs. When done correctly they can be very successful. The problem is that most dealers can't spend the day watching the screen and managing purchases. Or they do not have a sophisticated software program to trigger purchases. Or can't afford or don't trust hedging programs or specialists. If any of these sound like you, then I strongly urge you to stay away from price protection programs!

There are more lessons to be learned from the last few years.

Customer credit balances belong to customers—they are a liability on your books. Don't use that money to fix your problems such as paying down your lines of credit, paying off last year's fuel purchases, buying a new truck, or buying out a competitor. According to Matt Ide of RenRe Energy Advisors, regarding prepaids, a dealer should have at least the cost of product in wet barrels or cash balances before the start of the season.

Know your minimum required margin per gallon before the season. The minimum required margin should, by the end of the season, allow you to pay all your bills, payroll, taxes and loan payments as well as show a reasonable profit.

Price protection is a service offered to customers and customers should pay for that service. How much? The actual cost of protection plus a 10 percent profit. If downside protection costs you 20 cents, the customer should be charged a fee of \$220 (\$.20 plus 10 percent times 1,000 gallons). The price protection program should have a guaranteed minimum margin built into the offering.

Limit the window of price protection. As many dealers learned in July 2008, a window of two weeks can be the difference between a good year and a horrible year. There is Internet software (www.destwin.com) that shrinks the time between offers and customers' acceptance to "right away," not weeks.

Use experts to help you protect your margin. You have some true "friends of the industry" out there, including companies like Hedge Solutions, Angus Energy and RenRe Advisors. See your state association directory for more.

Don't forget your wholesaler, who is in the trenches with you. They want and need you to be profitable, and are a great source for good advice. ☐

DOE AND EPA JOIN STATES TO SPEED PROGRESS ON U.S. ENERGY EFFICIENCY

DOE and the U.S. Environmental Protection Agency (EPA) announced recently the creation of the State Energy Efficiency (SEE) Action Network.

This network will help states achieve maximum cost-effective energy efficiency improvements in homes, offices, commercial buildings and industrial facilities by 2020. Through the network, member organizations will assist states with their energy efficiency

initiatives, including residential efficiency programs, financing solutions, and improved availability of energy usage information.



Led by DOE and the EPA, the SEE Action Network will provide targeted technical assistance to states in order to reach national energy goals. The network will drive energy efficiency by using a broad set of goals from the National Action Plan for Energy Efficiency, a public-private initiative that began in 2005 to create a sustainable commitment through the collaborative efforts of gas and electric utilities, utility regulators and other partner organizations. Its goals range from establishing state-of-the-art billing systems about consumer energy use to developing strong energy efficiency policies at the state level.

The initiative's National Action Plan Vision for 2025: A Framework for Change, last updated in 2008, outlines strategies to cut the growth in U.S. energy demand in half, achieving \$500 billion in net energy savings and substantial reductions in greenhouse gas emissions by 2025. The SEE Action Network aims to achieve those goals five years early. To kick off the new network, the SEE Action Executive Group will meet in early March.

THE NEW AMERICAN HOME TO INCORPORATE ENERGY-SAVING TECHNOLOGIES

The National Council of the Housing Industry and Builder Magazine have unveiled the design of the 2010 edition of The New American Home, which aims to use 72 percent less energy than a similar house built to the 2006 International Energy Conservation Code.

The New American Home provides an annual real-world demonstration of current innovations in architecture, construction techniques, and new products, including the latest energy-saving technologies. The design for this year's structure features an energy efficient thermal shell, including insulated concrete forms for the walls, energy efficient

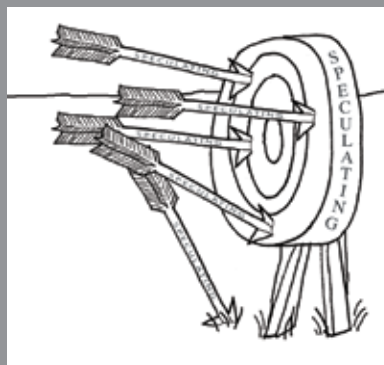
windows and sliding glass doors, and an unvented attic with spray foam insulation applied to the underside of the roof and the inside of the gables. The building is also meant to be airtight, and it employs a heat recovery ventilator to provide fresh outdoor air with a minimal loss of energy.

With a solar thermal hot water system, Energy Star-rated appliances and 80 percent of all lamps comprised of fluorescent lamps and light-emitting diodes (LEDs), the structure relies on the most current energy innovations.

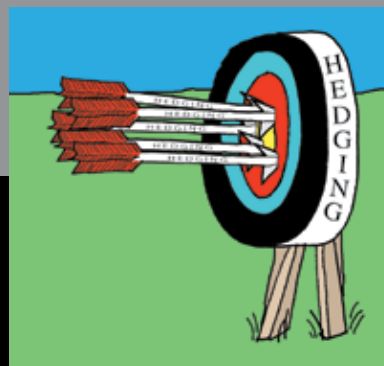
Combining these energy efficiency features with high-efficiency heating and cooling systems yields a home that consumes 49 percent

less energy than a similar house built to code. The 10.53-kilowatt solar electric system on the home's roof cuts its average energy use by nearly half again.

The home's energy performance helped it achieve the gold level score under the National Green Building Program of the National Association of Home Builders. IBACOS, Inc., a member of DOE's Building America program, worked with the National Council of the Housing Industry to help ensure energy innovations in the home.



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The Human Element

Why Oilheat and Biodiesel Will Survive

By Michael Devine, Earth Energy Alliance; National Biodiesel Board

FROM TIME TO TIME AFTER THE WORKDAY IS done, I will take the opportunity to watch CNBC and other financial networks and try to get a better handle on what's happening in the stock market.

Unfortunately, I am by no means a savvy investor, I just like to check on the progress or decline of my 401(k) on the hopes that I might be able to retire one day. While I listen to all the talking heads, I consistently hear the investment credo advice of "buy low and sell high." I don't always seem to follow this sage investment advice, however this approach makes me stop and think about today's current state of the heating oil and biodiesel industries.

"Great as it was to be informed of the automakers' decisions to integrate biodiesel into their future fleets and the petroleum industry's investment strategies to incorporate biodiesel into their respective business plans, it was Bioheat that was the star that created the buzz at the 2010 National Biodiesel Board Conference and Expo."

Yesterday I returned from the National Biodiesel Board's (NBB) Annual Convention and Expo, which was held in Grapevine, Texas. The attendance of the event was not as robust as it had been in previous years. One might blame the lower attendance on the fact that the biodiesel industry did not have a Renewable Fuel Standard (RFS II) ruling in place a week prior to the conference.

Absent at this time is also the biodiesel federal excise tax incentive of \$1 per gallon, which was allowed to expire on Dec. 31, 2009. Fortunately, the Wednesday prior to the conference, the RFS II ruling was released in a very favorable manner that included many of the feedstocks that today make up the fuel currently being produced by the biodiesel industry.

Once the conference began, it became apparent who was at this year's conference as opposed to who was not. Coleman Jones, the biofuels director for General Motors, took this opportunity to announce that the GM heavy-duty trucks for 2011 will be capable of using a B20 biodiesel blend for all their new models. Ford Motor Company had previously

announced and approved B20 blends for many of their truck models prior to the conference. Chrysler was the first of the big three to endorse the use of B20 blends for some of their current models in production. This signified a commitment by the three major United States automakers to integrate biodiesel into their domestic auto and truck lines moving forward in 2011 and beyond.

One of the most interesting panel discussions at the conference was a roundtable discussion that included executives from Marathon Petroleum Company, Morgan Stanley Capital Group, Magellan Midstream Partners, Kinder Morgan Pipeline and Northville Products and Services. The panel discussion centered around each company's business plans and strategies to integrate biodiesel blends into the pipelines at a future time and, ultimately, throughout the fuel distribution system for the movement of distillate fuels in North America. Once the discussion ended, it left no doubt that biodiesel was here to stay and the future for biodiesel and Bioheat® seemed to be very secure.

Optimism resonated throughout the conference as the days progressed. Great as it was to be informed of the automakers' decisions to integrate biodiesel into their future fleets and the petroleum industry's investment strategies to incorporate biodiesel into their respective business plans, it was

Bioheat that was the star that created the buzz at the 2010 National Biodiesel Board Conference and Expo.

Richard Sweetser, who represented the National Oilheat Research Alliance (NORA), provided an in-depth analysis of the environmental benefits of integrating biodiesel with ultra-low sulfur diesel (ULSD). Changes to the current heating oil specification allow Oilheat to create a pathway for a cleaner and greener fuel than that of natural gas. Sweetser provided the audience with examples of the great synergies between the heating oil industry and the biodiesel industry and spoke of the great importance of this collaborative partnership between Oilheat and biodiesel.

Dr. Thomas Butcher of Brookhaven National Laboratory provided a technical pathway for the future of ULSD and biodiesel by detailing the efficiency possibilities of integrating higher blends of biodiesel with ultra-low sulfur diesel in a high-condensing boiler, with efficiency levels rising to 95 percent. Dr. Butcher also spoke about the collaborative efforts of NORA and the National Biodiesel Board in creating the Bioheat Technical Steering Committee, which he serves as a technical adviser. A captivated audience listened intently as he spoke about the future possibilities of utilizing B100 biodiesel as a possible primary heating fuel for the Oilheat markets by 2050.

I had the pleasure of presenting a less technical view of the partnerships of these industries. My point was simple: Bioheat will be successful because of our improved environmental footprint and the economic realities facing both the biodiesel and heating oil industries. I firmly believe and stated at the conference that the Oilheat and biodiesel industries share many common interests and goals.

Our collective success resides in “the human element,” the thousands of farmers, food processors, and the 7,000 women and men who make up the Oilheat marketers. We may not have the collective financial resources of natural gas, but we have thousands of independently owned businesses whose collective “human element” will provide an army of voices moving these collective industries forward together as a dynamic strategic partnership.

As I write this article today, the biodiesel industry is absent of its \$1 per gallon excise tax credit and NORA is absent of its reauthorization. To some, this would appear to be a very bleak picture for this critical strategic partnership. If I were an individual investor and could purchase stock on this collective collaboration of these industries, I would take a large position and buy, buy, buy!

There is no reason to doubt that the biodiesel industry will receive its \$1 per gallon excise tax credit and that NORA will be reauthorized in the very near future. State associations are actively pursuing



and integrating biodiesel blended with ULSD as the new liquid fuel of the future. NORA and the NBB are actively working not only on the new fuel blends of today, but also on the blends for the future.

In this issue of *Oil & Energy* magazine, the focus has been targeted on new technologies, conservation strategies and improving energy efficiencies. By promoting the new fuels of the future, the Oilheat industry can provide a platform for the heating oil marketer to impress upon their customers a bright and innovative future for Oilheat. It has been said that it is always darker before the dawn.

One can choose to look at what is not happening today in these two respective industries or one can look to the future of a shared vision of what a brilliant collaborative effort between Oilheat and biodiesel signifies. Our new technology and bright future will reside in what has always marked change on this planet throughout history, the “human element.”

Please feel free to contact me for comment on this article or any insight that I may be able to provide in better understanding the use of biodiesel or Bioheat by e-mail at mike@earthenergyalliance.com or call me at (203)-221-3044. For additional information regarding biodiesel, please feel free to see the National Biodiesel Board at www.biodiesel.org or for additional information regarding Bioheat, see www.bioheatonline.com. ☞



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There's No Time Like Now

Programming a Look at Your Plans

By Kris Magnusson, Hedge Solutions



IT IS NOT TOO EARLY IN THIS YEAR'S HEATING season to prepare for next year's. As an engaged retail energy professional, the temptation is to focus only on daily operational tasks—especially when Mid-Atlantic states recover from record snowfall and New England states feel the bite of Jack Frost to watch that wonderful churn on their degree day meters.

But this article is intended to encourage some strategic planning now with your frontline and back office crew and ultimate decision-makers, to capitalize on information as it is coming to you “live,” so that you are all ready for a successful rollout of new and improved product or program offerings to meet your customers' needs for the coming season.

First, consider taking a fresh look at why you are offering your current programs. What's working, or not working, with your fixed price, cap price, market price, and commercial programs? How about your payment options, such as pre-payment, budget plans, cash discounts for immediate or prompt payments, or your delivery options (automatic or will-call)?

Trust me—it takes courage to ask for open and honest feedback from the frontline crew who hear directly from your customers on a daily basis. Ideally, their feedback should not be a surprise, but if it is, consider substantiating the information with a customer survey or making direct customer feedback phone calls yourself. Understanding the difference between the customer's need for a different program and perhaps just faulty execution of a good program is critical. It just might prevent a reactionary response to cancel

a program when additional crew education and training are the remedy.

Second, consider whether current programs are accomplishing your intended business objective(s), and also the impact they have on your crew, both the positive and negative. For example, has your market-price budget program provided adequate additional capital

Understanding the difference between the customer's need for a different program and perhaps just faulty execution of a good program is critical. It just might prevent a reactionary response to cancel a program when additional crew education and training are the remedy.

early in the heating season to minimize peak-season borrowing? Has your large commercial fixed contract program added enough profit margin to justify the additional gallons required for delivery route(s) that were serviced only weekly in the past? Most importantly, what impact has the program had on your other core services?

Is your crew prepared for a new offering and the associated processes required for execution? Will you provide a coordinated marketing campaign with clear information in your promotional materials so that all crew members are fully informed and able to differentiate a new program from your others?

Third, review the impact a current program has had on total purchasing requirements before committing yourself to buying additional wet barrels or paper hedges. It is likely that offering a new program will shift existing customer gallons from one program

to another, not necessarily increasing new total gallons. Prior to even purchasing program gallons or hedging those gallons, is your crew executing the sale of those program gallons with a solid contract and with customers who are educated to understand the provisions of your contract?

Have you reviewed your contract with an attorney to verify that you will be in compliance with your state laws, which may have been modified since last year? Likewise, does your contract protect you if your customer defaults? And have you reviewed your method used to estimate customer program requirements and compared its accuracy to your reality?

Finally, review the competition in your market area to confirm the need for a new product offering or on-going offerings. Are your current offerings providing a competitive advantage? Is your crew executing those offerings both in the office with administration and billing processes, and in the field with on-time delivery and service?

Asking these types of questions will hopefully keep you from offering a program “just because your competitors are.” Your best competitive advantage starts with an honest assessment of your organization's strengths and weaknesses. Do you know if your crew is consistently offering its best quality from the initial contact your customer has with a customer service representative? How's their experience dealing with payment and program requirements? How about on-time delivery and service? If you are falling short in some area, now's the optimal time to find out. ☐

OBAMA: FEDERAL GOVERNMENT TO CUT EMISSIONS 28 PERCENT BY 2020

President Barack Obama recently announced that the federal government—the largest energy consumer in the U.S. economy—will achieve a 28 reduction in its greenhouse gas (GHG) percent emissions by 2020.



Reducing and reporting GHG emissions, as called for in Executive Order 13514 on Federal Sustainability, will ensure that the government leads by example in building the clean energy economy. The new target is the aggregate of the targets set by 35 federal departments and agencies.

The federal departments and agencies will establish their baseline GHG emissions by measuring their current energy and fuel use. They will achieve their GHG reductions by becoming more energy efficient and shifting to clean energy sources like solar, wind and geothermal energy. As a next step, the Office of Management and Budget will validate and score each agency's sustainability plan, assuring a long-term return on investment to the U.S. taxpayer. To ensure accountability, progress will be measured and reported to the public annually.

DOE REQUESTS \$2.4 BILLION FOR RENEWABLE ENERGY, EFFICIENCY IN FY 2011

President Obama unveiled in February a \$28.4 billion budget request for Department of Energy (DOE) for fiscal year (FY) 2011, including \$2.36 billion for the DOE Office of Energy Efficiency and Renewable Energy (EERE).

The proposed budget aims to reduce unnecessary energy use, boost renewable energy sources, and strengthen clean energy research as the United States moves toward a clean energy economy. The budget request for EERE represents a 5 percent increase over FY 2010, not counting funds provided through the American Recovery and Reinvestment Act.

The President's budget includes substantial increases for many EERE programs, including a 53 percent increase for wind energy, a 43 percent increase for the Weatherization and Intergovernmental program, a 25 percent increase for geothermal energy, and a 22 percent increase for solar energy.

The proposed budget also includes

\$57.5 million for facilities and infrastructure at DOE's National Renewable Energy Laboratory, including the completion of the Energy Systems Integration Facility. It also proposes \$50 million for a new program called Regaining our Energy Science and Engineering Edge (Re-Energyse), an educational effort designed to guide students and workers to pursue careers in science, engineering and entrepreneurship related to clean energy. In addition, the budget asks for a 43 percent increase in the funding for program direction and calls for nearly doubling the amount spent for program

support. The President's budget typically represents a starting point for the Congressional appropriation process.

The proposed DOE budget also includes \$500 million to support an estimated \$3 to \$5 billion in loan guarantees for renewable energy and energy efficiency projects. It also includes \$300 million for the Advanced Research Project Agency—Energy (ARPA-E), for transformational energy research that industry by itself cannot and will not support. ARPA-E received \$15 million in initial DOE funding in FY 2009 as well as \$400 million in Recovery Act funds.

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Spring Into Action

Helping Your Business and Customers with New Technology

By Joe Rose, Propane Gas Association of New England

GO GREEN! SAVE ENERGY! HUGE TAX INCENTIVES!

We have all seen the headlines, but what are we doing about it? Do you look at all the new tax incentives, rebates and state programs as an opportunity for your business or as a threat to the future of your business? The reality is that if you don't see this movement, and it truly has become a movement, as an opportunity and act on it, your future will be threatened as gallons continue to shrink. What should you do?

First and foremost, you need to understand the incentives. It would take a book to outline all the options, but you should contact your state energy office for state program information, speak with your tax accountant to be sure you understand the federal credits and then roll up your sleeves and figure out how to get your piece of the pie with all the additional work being done out there.

By embracing these innovations and getting outside our traditional markets, we create enthusiasm for our employees and customers, and demonstrate our commitment to saving customers money, saving our planet and being the kind of business that our communities want to support.

There are numerous new technologies in gas equipment that are making their way into the commercial markets. One place to see a great many of these new technologies is to visit the Innovation Pavilion at the upcoming Southeastern Convention and International Propane Expo in Atlanta this April.

Discover innovative solutions to increase profitability, boost productivity and grow your business in 2010! The National Propane Gas Association (NPGA) is partnering with the Propane Education & Research Council (PERC) to present the Innovation Pavilion at the Southeastern Convention and International Propane Expo.

Located in the exhibit hall, the Innovation Pavilion showcases emerging trends, new products and cutting-edge technologies that are changing the face of the propane industry. The Innovation Pavilion features quick-hitting "Fast-Track" sessions and a "New Product Showcase." Don't miss the opportunity to energize your business in 2010—put the Innovation Pavilion on your "must-see" list in Atlanta!

Registration information can be found at www.npgaexpo.com. Don't delay! Hotel rooms for this great event sell out quickly. If you have never been to this show in Atlanta, this

is the year to go. There will be more than 30 educational opportunities during the show as well. The new format has the event starting on Saturday and over by early afternoon Monday, so even if you can only attend on the weekend, it is worth your while.

Once you have discovered these new technologies and learned how they can impact your customers and your business, you can bring home a marketing plan, train your staff, generate some excitement and enthusiasm and offer these products from your company.

If you can't attend the Innovation Pavilion at the Southeastern Show, there are regular updates on the status of new technologies from PERC in their Weekly update. If you are not getting this valuable tool, please e-mail me at jrose@pgane.org and I will make sure you are signed up. It's an easy way to stay on top of what is happening in gas equipment technology.

In addition to the traditional heating and hot water applications, it is clearly the time to look outside the box at lawn mowers and other outside maintenance applications. A lawn mower used by a commercial company, golf course or municipality that runs on propane will use up to 900 gallons per year per mower! Not bad for summer load.

The ever-expanding line of mowers can be found on the Web sites of companies such as Cub Cadet, MTD, Lehr and others. There is research going on right now to create small, refillable containers to drive this market back to the propane retailer! Of course, the larger mowers utilize existing motor fuel tanks.

Imagine the local school bus company or municipal fleets using pickups and vans purchasing some new propane vehicles. With the infrastructure in place in New England today for refueling, propane as a motor fuel will have to start out fleet based, but again, Ford and Chevrolet are or will be offering both pickups and vans that run on propane. Remember, there is currently a \$.50 per gallon tax credit on over-the-road use of propane as a motor fuel. That drives the cost way down!

As an industry, there is opportunity to get outside the traditional markets and grow our businesses with off-season uses as well as new, highly efficient technologies. By embracing these innovations and getting outside our traditional markets, we create enthusiasm for our employees and customers, and demonstrate our commitment to saving customers money, saving our planet and being the kind of business that our communities want to support. This is going to take some work, but everything that is meaningful in life takes work, and anytime we leave our comfort zone and learn new things, don't we end up better off for the effort?

See you Atlanta! ☑

REGISTER FOR NPGA'S ANNUAL PROPANE EXPO ON APRIL 10-12

The National Propane Gas Association (NPGA) invites industry members to Atlanta, Ga., on April 10 through 12 to experience the Southeastern Convention & International Propane Expo. The three-day event is packed with exclusive access to new products, resources and critical information, and offers one-of-a-kind programs developed specifically for the propane industry.



Attending the Southeastern Convention & International Propane Expo saves time and money—this is your opportunity to see and compare all of the latest equipment and technology in one convenient location. The exhibit hall showcases more than 200 exhibits featuring products and services displayed by the propane industry's leading suppliers. The tradeshow creates an interactive marketplace that is ideal for comparison shopping and deal-making.

The NPGA Conventions Committee has developed a dynamic educational experience for business owners and your employees. The conference program includes a range of more than 30 interactive sessions focusing on varying experience levels and training needs. Expert trainers present the latest information covering critical topics from business operations to technical solutions. Design your own learning experience by selecting from the most comprehensive schedule of educational sessions available to the propane industry.

NPGA and the Propane Education & Research Council (PERC) are joining forces once again to present the Innovation Pavilion at the 2010 Southeastern Convention & International Propane Expo. Located in the exhibit hall, the Innovation Pavilion showcases emerging trends, new products and cutting-edge technologies that are changing the face of the propane industry. The Innovation Pavilion will also feature quick-hitting fast-track sessions and a new product showcase.

The 2010 Southeastern Convention & International Propane Expo is loaded with exclusive networking opportunities beginning

with the Exhibit Hall reception on Saturday, April 10, from 5 to 7 p.m. From the Scholarship Foundation Golf Tournament to exhibitor hospitality events, the 2010 Southeastern Convention & International Propane Expo offers more opportunities to network with industry colleagues than any other industry event.

Visit the Web site at www.PropaneExpo.com for more details on the 2010 Southeastern Convention & International Propane Expo, including the schedule of events, exhibitor listing and registration.

PARACO GAS FOUNDER PASSES AWAY

Pat Armentano, chairman of Paraco Gas Corporation, one of the nation's largest propane retailers, passed away on Feb. 20 at the age of 80.

For decades, Armentano was the driving force behind the success and growth of Rye Brook, N.Y.-based Paraco Gas Corporation, a propane gas and service retailer with 250 employees and 22 locations in the Northeast, where he held the title of chairman of the board.

"He truly loved and lived life and all that it could offer," says Mike Gioffre, vice president at Paraco Gas, "but above all else he will always be remembered for his innate ability to connect with people and bring out the best from all those lucky enough to have known him."

At 16 he enlisted in the Marines; he was stationed in China. Upon leaving the military he worked as a milkman, a bread man and at various other jobs before landing a sales position with Forney Industries at age 25 where he was a top sales performer for the next 14 years. In 1979, on instinct and with very limited resources, he purchased Paraco Gas, a small propane marketer in Peekskill, N.Y. In 1986 the company purchased the assets of Suburban Propane on Long Island, which transitioned the business from a mom and pop to a corporate operation. Over the next 20 years, working with his wife and sons, the company grew into one of the nation's premier propane retailers.

As chairman of the board at Paraco, Armentano fostered a culture of giving back to the communities in which his company and

employees lived and worked by supporting many charitable and civic organizations.

Armentano is survived by his four sons, 11 grandchildren, a brother and three sisters. His wife Rose predeceased him. Donations can be made to the American Heart Association, 3020 Westchester Ave., Purchase, N.Y. 10577 in memory of Pat Armentano or by calling (800) 242-8721.

FULL PGANE CLASS SCHEDULE AVAILABLE

The Propane Gas Association of New England (PGANE) now has a New Hampshire continuing education exam that can be taken instead of attending the 8-hour class. The exam fee is \$50 and is given by appointment only.

Call PGANE at (888) 445-1075 to schedule.

In addition, an up-to-date class schedule available at PGANE's Web site, with class listing from March through October. PGANE urges those interested to get their registrations in early, so necessary materials can be ordered.

To see the full schedule and sign-up sheet, visit www.pgane.org.



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Pennsylvania

PPMCSA FIGHT FOR CLEANER PENNSYLVANIA FUELS INTENSIFIES

For the last few months, The Pennsylvania Petroleum Marketers & Convenience Store Association (PPMCSA) has been in the process of laying the groundwork for a legislative initiative that would provide cleaner Oilheat for its residents.

Negotiations between the secretaries of the Pennsylvania departments of Environmental Resources and Agriculture, PPMCSA and the biofuel industry have resulted in a landmark, bipartisan proposal that was expected to be introduced by state Sen. Ted Erickson, the Senate majority policy chairman. Erickson, a former EPA Region III administrator, commands an enormous respect in the Capitol on environmental issues, according to the PPMCSA.

In line with the objectives of representatives from Oilheat states across the country who met in Baltimore on Sept. 15, 2009, the bill would provide for all heating oil to have levels of sulfur not to exceed 15 ppm by May 1, 2011.

Heating oil and off-road diesel would also be required to contain 5 percent biodiesel by May 1, 2011. The biofuel content requirement would increase to 10 percent by May 13, 2013, provided the National Oilheat Research Alliance (NORA) and the National Biodiesel Board (NBB) certify that Oilheat furnaces will function at the 10 percent level. Provisions of the law would empower the governor to suspend the program if the supply situation warrants.

The benefits of the legislation to the Pennsylvania Oilheat market are enormous. Oilheat at 15 ppm sulfur and 10 percent biodiesel can be marketed as having a carbon footprint equal or better than natural gas. With the lower sulfur content, more furnaces can be designed to qualify for national rebate programs and equipment performance for existing Oilheat furnaces will be greatly improved.

The combining of the Oilheat and off-road diesel standard would benefit marketers by reducing the need for different storage tanks for the individual products.

The bill has already been endorsed by the Pennsylvania Farm Bureau and at least one major environmental organization. Members of the PPMCSA Heating Fuels Committee and board have been contacting additional senators to sign on to the bill.

FEDERAL FUNDING USED TO CLEAN UP LEAKING UNDERGROUND STORAGE TANKS

The Department of Environmental Protection is using \$6.1 million in federal Recovery Act funds to help clean up 71 sites around the state

where leaking underground storage tanks are threats to the environment and local economies.

In August, EPA awarded \$6.1 million to Pennsylvania to clean up sites where historic abandoned underground tanks are hindering economic development due to concerns about possible contamination and potential cleanup costs.

Currently, DEP contractors have initiated field work at 35 of the sites. Corrective actions include removing leaking and abandoned tanks and contaminated soil, as well as investigating the extent of contamination.

During the fourth quarter of 2009, the 10,300 hours worked by environmental technicians, equipment operators, drilling technicians and various environmental professionals on these projects accounted for 20 full-time equivalent jobs. It is expected that 80 to 90 full-time equivalent jobs will be funded by Recovery Act investments to clean up the 71 sites.

Plans are being made to begin work at the 36 other sites as soon as possible, depending on the weather and securing agreements with property owners.

REPORT: GREEN-INDUSTRY SECTOR EXPECTED TO GENERATE 115,000 JOBS

Labor and Industry Secretary Sandi Vito recently introduced Pennsylvania's Green Jobs Report, detailing the outlook for green-industry careers and Pennsylvania's investments in developing a green economy in the coming years.

Joined by employees and representatives of Komax USA, a York-based solar equipment manufacturer, Vito noted that the investment of \$10 billion in public and private funds, over the next three years, is expected to generate 115,000 green-industry jobs in the commonwealth.

The Pennsylvania Green Jobs Report identifies careers in five statewide, green industry sectors: energy efficiency, renewable energy, clean transportation, pollution prevention and environmental cleanup, and agriculture and resource conservation.

The report details occupations in each sector, provides employment projections, salary information, training requirements and outlines the skills necessary to compete and succeed in the increasingly competitive, green economy. Additionally, the report outlines current and forthcoming public and private investments in green industries, and their expected contribution to the commonwealth's economic recovery.

Visit www.paworkforce.state.pa.us for more information, or to download a free copy of the report.

Massachusetts STATE RESPONDS TO QUERIES ON 2010 BIOFUEL MANDATE

Starting this July in Massachusetts, the first-in-the nation biofuel mandate for both heating oil and diesel fuel will begin and the Massachusetts Oilheat Council (MOC) has been staying on top of all the elements regarding the implementation of the law.

Compliance for the biofuel mandate will be at the wholesale supplier level and last year MOC established a wholesale task force to review the biofuel law, join MOC at key meetings with state energy officials and review and comment on pending regulations. The task force members include CITGO, Global, Gulf, Irving, LE Belcher, Noonan Terminals, Sprague, Total Energy Solutions and the National Biodiesel Board.



MOC has been pressing the state for the latest information on when the draft regulations will be released for comment, and for details on how Massachusetts officials will track and seek compliance on the flow of biofuel across state borders at the wholesale level.

MOC President Michael Ferrante reached out recently to Massachusetts Department of Energy Resources Commissioner Phil Giudice for more information. Giudice responded:

“Thanks for your email and your continued diligence and preparedness to engage in the Biofuels Mandate. DOER, with the EEA and DEP, continue to work on the design and logistics of starting the program on time. Staff has had numerous meeting with a range of state agencies that may offer appropriate data and regulatory oversight of the petroleum industry to facilitate the program compliance and tracking needs. We have also been in discussions with the EPA and California on the largest progress (and delays) on protocols for GHG accounting for biofuels. Additionally, DOER had prepared and will shortly post an RFR for a consultant to assist DOER staff over the coming months to prepare the final design elements of fuel tracking and compliance. Once this consultant is on board, we will be reaching out again to targeted stakeholders to seek additional information.”

“The writing and public review of the draft regulations will likely not take place until March or April after we have fully considered the details necessary. This will still allow for regulations to be in force for July 1st, to begin an Early Action Year. We are cognizant of the uncertainty our work has created and the narrowing timeframe, which is one reason why we have chosen to implement the Early Action Year for the first year. Thanks again for your leadership.”

MOC WILL SEEK EXTENSION FOR OIL LINE UPGRADE LAW

Although MOC and state regulatory officials have moved as quickly as possible to write and enact oil burner code revisions to allow for implementation of the new oil line upgrade/homeowner insurance law, MOC has embarked on a legislative effort to secure an extension of the deadline for the industry and homeowners to comply with the oil line upgrades. The current deadline is July 1, 2010.

“For a number of very important reasons, MOC is working with the state legislature on securing an extension,” said MOC President Michael Ferrante.

Additionally, MOC has been working with state officials from the Department of Environmental Protection (DEP) on a consumer awareness campaign aimed at informing the general public of this new law and its impending compliance deadline. MOC assisted in drafting a consumer fact sheet, Homeowner Oil Heating System Upgrade and Insurance Law, that is currently available for via the state DEP’s Web site.

Vermont STATE CONSIDERS NEW OILHEAT STANDARD

Vermont lawmakers are now considering a new Oilheat standard that would create a cleaner and greener heating fuel. The proposed legislation, H.549, will require heating oil to contain a 15 ppm sulfur specification combined with a 3 percent biodiesel blend. Vermont Fuel Dealers Association (VFDA) Executive Director Matt Cota and Bob Hedden of the Oilheat Manufacturers Association provided testimony on the benefits of this new Oilheat standard. The mandate would not go into effect until surrounding states develop the same standard.

LICENSING, CERTIFICATION FEES COULD RISE

Lawmakers are considering passing increases to license fees for plumbers and electricians, while creating new fees for Oilheat and propane certificates of fitness.

The proposal increases the renewal fee for a speciality plumber license by 125 percent—from \$40 to \$90. The fee for a master plumber

would increase from \$100 to \$120, while a journeyman would pay \$90, up from \$70. The legislation also calls for the creation of a \$90 fee for an Oilheat technician and \$90 for a propane technician.

VFDA Executive Director Matt Cota testified in the House Ways and Means Committee to urge lawmakers to consider that many heating technicians have both certificates and would see their fees go from zero to \$180. Lawmakers agreed to consider this in the final draft of the fee bill. In an effort to raise more than \$125 million, the legislation increases a variety of fees—from storm water discharge permits to hunting licenses.



New Jersey NO CERTIFICATION REQUIRED FOR ABOVEGROUND TANK WORK

Fuel Merchants Association of New Jersey (FMANJ) staff has reported that there appears to be confusion among some municipal building code officials regarding the necessity to hold a certification to perform services on unregulated heating oil tanks. The rule went into effect on Jan. 15, 2010.



“Some code offices are requiring contractors to be certified to perform services on aboveground tanks. There is no certification required to install or remove an aboveground tank,” said FMA Executive Vice President Eric DeGesero.

Earlier this month, FMA circulated a Q and A document on the UST certification and the last item addressed this issue. Furthermore, the Fall 2009 *Construction Code Communicator*, a quarterly publication by the Department of Community Affairs to code officials, included an article detailing the new program that specifically states, “The certification is not—and will not be—required for an aboveground heating oil tank system.”

FMA urges members to share both these documents with their local code officials.



Maine was greatly modified by the maritime influences of the North Atlantic. Thus, positive anomalies were common across northern New England, with the core of the mildness sitting over Maine.

Since the Middle Atlantic, Deep South, Tennessee Valley and the Southeast have much higher climatic averages, the same polar air that was only able to keep portions of New York and New England slightly cooler than normal was able to drive temperatures well below normal anywhere from Tennessee and Kentucky southward to the Gulf Coast, and eastward across all of the Middle Atlantic and the Southeast, including Florida.

As we head into March, there should be a shift in the average position of the high latitude block pattern. The block was expected to retrograde westward into western Canada and link up with a developing western ridge by late February and/or early March. Once this occurs, a cross-polar flow should start transporting true Arctic air southward into parts of the central and eastern U.S. It will also allow a decreasing influence of the maritime flow into northern New England.

With that in mind, I will use the basic footprint of the -AO that is shifting westward during early March, a developing western ridge/eastern trough upper level flow configuration, and a weakening El Nino analog to form the basis of my March outlook.

I expect to see an expanding cold anomaly that will still be centered across portions of the Tennessee Valley, Southeast and Middle Atlantic regions but should build and intensify westward and northward.

This means a more bullish cold anomaly should evolve across New York and New England, and it should finally spread northward all the way into much of northern New England.

Given the potential for cross-polar flow to develop, we may see the coldest temperatures since early or mid-January develop sometime during early March.

It should also be noted that the historic winter storms that pummeled the Middle Atlantic region were very much a product of the abnormally negative AO and the block it developed across eastern Canada. This forced the winter storm track not only well south of its climatologically favored location, but also allowed it to persist for many weeks.

While the Middle Atlantic and Deep South saw historic snow totals, much of the New England area was snow starved. With the -AO pattern relaxing and shifting westward, some analog data is supportive of a big finish to the New England snow season. That is not a forecast, just one of the options that are on the table as we head through March. ☐

Marching Into Continued Cold

By John Bagioni, Fax-Alert Weather Service

AS WE HEAD INTO AND THROUGH MARCH, I AM not going to rehash all of the atmospheric players that were expected to influence this winter's temperature pattern across the continental United States, in particular the Northeast and New England regions. But some basic review and analysis is required.

The battle for months now has been between the influences of the negative Arctic Oscillation (-AO) and its blocky high latitude tendency, and the influences of a moderately strong El Nino. When the AO was solidly negative from mid-December into mid-January, cold had the upper hand. But once the AO weakened during mid- and late January, moderating effects of the El Nino took over. The large-scale pattern trends continue to strongly support the continuation of a very negative AO and a very blocky high latitude pressure pattern as we move into and through at least the first half of March.

Given the potential for cross-polar flow to develop, we may see the coldest temperatures since early or mid-January develop sometime during early March.

That normally would signal a high confidence forecast for a cold eastern U.S. Well, during February, we saw strong cold anomalies develop across most of the Deep South, and the Tennessee Valley on across the Middle Atlantic region and the Southeast, including Florida. But once north of about Philadelphia, cold anomalies were much less pronounced across eastern New York and Southern New England, with positive

anomalies holding across much of Vermont, New Hampshire and Maine.

I, along with other forecasters, have frequently harped about the need to get strong North Atlantic blocking (-AO/-NAO) modes to hold a cold pattern in place across the Northeast and New England. With record -AO readings but only marginally cold conditions across parts of New England, the question has to be asked: what was and is the problem?

The problem seems to be tied to how much, if at all, the upper flow across the eastern U.S. connects to true Arctic air off to the north. The high latitude blocking became so intense during early February that a huge circulation positioned itself from eastern Canada eastward out over the North Atlantic.

This pattern prevented true Arctic air from getting involved with southward-moving Canadian air masses since the flow across the far northern latitudes was mostly east to west, with little in the way of a north-to-south component. It also allowed some maritime air from the North Atlantic to almost continually infiltrate much of northern New England, especially Maine.

When you go back and trace the trajectories of the air masses that came southward into the eastern third of the country during February, you find mostly recycled polar air masses pushed southward into the New York and New England. This allowed only modest cool anomalies from New York southward into Connecticut, Massachusetts, Rhode Island and the greater New York City area. Meanwhile the polar air that tried to push into most of Vermont, New Hampshire and

API: U.S. CRUDE OIL IMPORTS DECREASED BY 9.2 PERCENT IN 2009

The American Petroleum Institute (API) announced in mid-January that the imports of crude oil and related products decreased by 9.2 percent in 2009, falling to an average of 11.7 million barrels per day. The oil industry group attributed the drop to decreased demand due to the economic recession.



API measures petroleum demand in terms of the total petroleum deliveries in the United States, which averaged 18.7 million barrels per day in 2009, a 3.6 percent drop below 2008 levels, which in turn were 6 percent below 2007 levels. U.S. crude oil production was also up 7 percent over 2008 production levels, averaging 5.3 million barrels per day. All of which says that the country inched closer to energy independence in 2009. However, API saw a slight increase in petroleum demand in December 2009, suggesting that economic recovery could erode some of these gains.

PMAA MEETS WITH EPA ABOUT CORROSION IN UNDERGROUND STORAGE TANKS

The Petroleum Marketers Association of America (PMAA) and other industry stakeholders recently met with the EPA's Office of Underground Storage Tanks (OUST) to discuss reports of unusual corrosion in underground storage and dispensing systems containing ultra-low sulfur diesel (ULSD) fuel. The problem was first identified in a December 2009 presentation to the American Society for Testing Materials (ASTM) D-02 Committee on Fuel Stability and Cleanliness, and described in detail in a follow-up article published by the Petroleum Equipment Institute.

The EPA meeting brought together refiners, chemical engineers, regulators, petroleum marketers, equipment manufacturers and end-users who are exploring the scope and causes of the unusual, but still relatively rare, corrosion events occurring in the metal components of flow meters, riser tubes, sump pumps, ATG probes and vapor recovery equipment.

Tank owners reporting these corrosion events were first alerted to the problem with seized flow meters or by filter screens clogged with particles resembling coffee grounds but

which are actually a combination of rust, tank bottom sediments and aerobic bacteria. Theories of what is causing the accelerated corrosion in vapor spaces and below product lines vary. One major causal factor seems to be water intrusion in the tank system through spill containment buckets and dispenser housings. The presence of water promotes microbial activity, especially with ULSD, which is capable of holding less water than higher sulfur blends.

The microbes interact with corrosion inhibitor additives in ULSD, creating a diesel soap that eventually consumes the inhibitors, leading to accelerated corrosion in metal surfaces. Accelerated corrosion events seem to occur more often in low throughput systems, as terminal/pipeline operators and high-volume retail sites are not reporting problems. The marketer groups at the meeting all agreed that very few incidents of accelerated corrosion in ULSD systems have been reported and that only anecdotal evidence is currently available. Only one such event has been reported to PMAA, though interest in the issue is generating more calls.



The group agreed to take a two-step approach to investigating whether this is a more pervasive problem in ULSD systems or a few isolated events. First, a task group was formed to develop survey questions for tank owners to determine the scope of the problem. If the problem is more widespread than currently indicated, the second step will be to launch a systematic, integrated study by chemical engineers to determine what factors are causing the problem and determining a solution.

PMAA EXPRESSES MARKETER CONCERNS TO E15 EQUIPMENT GROUP

PMAA attended the second E10-plus Equipment Research and Planning Meeting at the American Petroleum Institute (API) recently. The meeting is a gathering of stakeholders concerned about the effects E10-plus blends (E12, E15 and E20) may have on legacy storage and dispensing equipment.

The stakeholders included EPA regulators, petroleum marketing groups, refiners, petroleum equipment groups, research laboratories,

insurance companies, UL, NFPA, and others who are concerned about the effects of a possible waiver by the EPA that would permit the use of ethanol blends above the current maximum of E10.



This issue is important to petroleum marketers because current storage and dispensing equipment ("legacy" equipment) is only certified for use with a maximum E10 blend. Permitting blends above E10 may cause storage and dispensing equipment failure, void equipment warranties, void UST insurance and increase retailers' risk of liability from consumer lawsuits. The purpose of the meeting was to review ongoing testing of the effects of E10-plus blends on equipment components including tanks, piping, and dispenser systems.

Test results so far are promising with respect to existing equipment compatibility and functionality with blends as high as E25, though significantly more study is needed. The EPA reported that it is now testing for the effects of E10-plus blends on leak-detection equipment. The EPA is starting with ATG testing and will cover other methods of leak detection as the study progresses. However, the agency reports that their study, currently in the preliminary stages, will not be completed before a decision is made on whether or not to allow the use of E10-plus blends.

Representatives from the Department of Energy (DOE) reported that it has found no significant increase in the rate of corrosion in metal components with blends as high as E25. However, testing on Stage I and Stage II vapor recovery equipment shows some weakness in rubber seals and certain pipe thread sealants.

The DOE study also includes swell tests and loss of hardness testing on elastomer and rubber components. These studies are all in the preliminary stages and general conclusions cannot be made as yet. API said it will complete its own study on vapor recovery equipment by July.

PMAA noted to the group that even if legacy equipment is ultimately found to be compatible with E10-plus blends, significant hurdles must be overcome with respect to legal liability, equipment warranty and insurance coverage for petroleum marketers before mid-level ethanol blends will be viable.

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EIA TO SEEK COMMENTS ON FINANCIAL ENERGY MARKETS

The Department of Energy's Energy Information Administration's (DOE EIA) new director, Richard Newell, recently announced that the agency would start collecting energy financial markets data.

EIA announced that it would seek public comments on energy financial markets through a 60-day comment period. EIA's traditional information included energy production, consumption, inventories, spare production capacity and geopolitical risks. The EIA has started collecting additional data for commercial oil and products and analyze energy investment data from the Commodity Futures Trading Commission (CFTC) to better understand the relationship between physical inventories and futures markets fluctuations.

The industry is invited to submit comments to EIA on the behavior in over-the-counter (OTC) markets for financially settled energy swaps and options.

ATLANTIC CITY PREPARES TO HOST 2010 AREE CONFERENCE

From the opening session on Tuesday, April 27, to the final business program on Thursday, April 29, Atlantic Region Energy Expo (AREE) promises to be another great industry event, according to its organizers.

AREE's opening session features Michael Masters of Masters Capital Management, a leading expert on energy and agricultural market speculation. Masters will discuss what needs to be done to address the dysfunction in the energy markets and how close we are to ending it in his program called *Energy Market Speculation—Why Are We Still Talking About This?*

The session kicks off the start of three days of business programs, social events and, of course, the trade show, featuring the latest in products and services to energy marketers.

Join AREE corporate sponsors as they host this year's hospitality night at "The Pool" at Harrah's Resort, AREE's headquarters hotel. Don't miss seeing this popular event in its new venue.

Back by popular demand is AREE's convention reception at Tun Tavern. Join the fun at Tun Tavern when the trade show closes on Wednesday and network with attendees, exhibitors and sponsors at Atlantic City's popular brewery and restaurant located adjacent to the convention center.

New this year are sales pit presentations on the trade show floor. Several of this year's exhibitors will be making presentations during trade show hours in AREE's sales pit located at the center of the trade show floor.

It's not too early to register. Register before April 2 and save \$50. A single company registration fee of \$350 allows you to bring an unlimited number of company personnel to all the business sessions and the trade show. There is no fee for petroleum marketers to attend the trade show.

Trade show hours are Wednesday, April 28, from 10 a.m. to 5 p.m. and Thursday, April 29, from 9:30 a.m. to 12:30 p.m.

Visit AREE's Web site www.areetradeshow.com to view the complete schedule of events and to register online.

GLOBAL TEMPERATURES IN 2009 TIED WITH 2006 AS FIFTH WARMEST ON RECORD

The tally of global land and ocean surface temperatures for 2009 places it in a tie with 2006 as the fifth warmest year on record, according to the National Climatic Data Center (NCDC), a part of the National Oceanic and Atmospheric Administration.

Ocean surface temperatures were 0.86°F above the 20th century average, which put them in a tie with 2002 and 2004 as the fourth warmest on record. Land surface temperatures averaged 1.39°F above the 20th century average, tying with 2003 as the seventh warmest on record. Combining the two yielded an average global surface temperature that was 1.01°F above the 20th century average.

Perhaps more significantly, the decade of 2000 through 2009 was the warmest on record, with an average global surface temperature of 0.96°F above the 20th century average. For comparison, the 1990s was the next warmest decade, at 0.65°F above the 20th century average.

SEC: BUSINESSES SHOULD DISCLOSE CLIMATE CHANGE IMPACTS

The Securities and Exchange Commission (SEC) issued "interpretive guidance" to companies on Jan. 27 to indicate how companies should handle the impacts of climate change in their financial disclosures.

While the SEC guidance does not create new legal requirements, it points out where companies could be liable if they fail to disclose potential climate change impacts. Specifically, the SEC directs companies to consider the impacts of existing laws and regulations regarding climate change, and in certain circumstances, the potential impact of pending legislation or regulation. Companies should also consider the impacts of international accords, the indirect consequences of climate change regulation or business trends (which might create new opportunities or risks), and the actual and potential physical impacts of climate change on their businesses.

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The New England Fuel Institute (NEFI) seeks contract educators with training content ready for presentation to fuel marketers. We seek fuel-related and general business curriculum for integration into our ongoing technical and non-technical offerings. NEFI's education and training offerings are given in traditional classroom and laboratory formats as well as webinar and webcast formats.

Interested parties are urged to contact Shane Sweet, CEO, at shane@nefi.com or (617) 923-5011, with proposals or questions.

OILHEAT INSTRUCTOR WANTED

The New England Fuel Institute (nefi.com) seeks a qualified individual to teach its industry standard 160 hour basic oil heat technician and installation course. This course entails classroom as well as hands-on heating instruction using live heating equipment and follows the industry-standard curriculum. We seek to fill a year round position teaching adult students from around the region. Full time and part time candidates are urged to apply.

All classes are taught in both the classroom and in our state-of-the-art lab at our Watertown, Massachusetts facility, but we also have need for instructors willing to teach at our other locations in the northeast.

Instructor Candidates for Massachusetts classes must have a valid Massachusetts oil burner license.

Send resume and letter of interest to Bob Messia, Principal Instructor, bob@nefi.com, or mail to: Bob Messia, Principal Instructor
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RECORD-BREAKING ATTENDANCE ENCOURAGES EXHIBITORS AT THE 2010 AHR EXPO

A ray of optimism was evident in Orlando as the 2010 AHR Expo far exceeded pre-show attendance estimates by attracting nearly 45,000 registered attendees.

The 28,582 registered visitors, a nearly 8 percent increase from the 2005 AHR Expo in Orlando, set a new record for Southeast HVAC/R shows. They came from 120 different countries to see hundreds and hundreds innovative new products on display from 1,823 exhibiting companies from around the world.

Clay Stevens, president of International Exposition Company, which produces and manages the AHR Expo, attributed much of the show's success to an improving economy and the huge amount of valuable information offered at the Show in Orlando.

"There is great interest and demand for 'green'/sustainable products and technologies," Stevens said. "Hundreds of exhibitors were featuring energy-efficient solutions and we offered a variety of educational sessions built around these interests."

Degree Day Reporting Form

REPORTING DATE: 1-31-2010

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	4880	5459	5419	1146
Portland, ME	3794	4066	4029	1145
Concord, NH	4109	4283	4304	1188
Burlington, VT	4026	4327	4351	1263
Albany, NY	3733	3932	3949	1120
Worcester, MA	3751	3832	3809	1094
Boston, MA	3054	3080	3213	951
Hartford/Springfield	3346	3517	3575	1050
Providence, RI	3064	3213	3300	989
Chatham, MA	3016	3029	3122	952
Bridgeport, CT	2958	2992	3155	968

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.

For the industry's most comprehensive full year calendar, visit: www.nefi.com/calendar



NEFI HEADS TO ALASKA FOR UPCOMING TRIP

NEFI participants will travel to the 49th state for a land trip for the 2010 spring/summer Energy Conference from June 16 to 24. Combining the cities of Fairbanks and Anchorage with a stay in Denali National Park, guests will experience the wildlife and untamed wilderness up close and personal.

The trip includes visits to the Trans-Alaska Pipeline, the alternative energy wonderland known as Chena Hot Springs, an all-inclusive authentic salmon bake, the Iditarod Trail Sled Dog evening event, the Alaska Railroad Dome Car trip from Denali to Anchorage, Mt. McKinley, and much more. There will be opportunities for flying north into the Arctic Circle and landing in the wilderness, panning for gold or making a stop at the Flint Hills Refinery, which processes about 220,000 barrels of crude oil a day. Sign up now at www.nefi.com/trip or contact Tracy Goodwin, NEFI VP and director of events at (617) 923-5015 or tracy@nefi.com.

ASTM INVESTIGATES CHANGES TO BIODIESEL SPECIFICATION

As the biodiesel industry becomes more sophisticated and as new variations of ultra-low sulfur diesel are introduced, technical experts monitor and evaluate isolated performance variations. The ASTM process is designed to allow for specifications to be refined as new considerations arise.

ASTM is currently discussing ballots for changes to the biodiesel specification, D6751. These changes are in response to isolated instances of filter clogging above the cloud point, primarily with aboveground tank dispenser filters (not vehicles) with some blends of biodiesel and types of petrodiesel in very cold weather.

The group will determine if changes are needed within the biodiesel specification, D6751, and if so whether they should be made to all biodiesel, or whether the changes should be made to a new separate grade of biodiesel. A potential new biodiesel grade would be intended to be used in extremely cold weather, similar to the No. 1 and No. 2 grades for petrodiesel.

The exact form of the ballot and its limits will be determined through consensus negotiations of the members of the ASTM Filter Clogging Work Group and the ASTM Biodiesel Task Force. The ballot will most likely be presented and voted on by Subcommittee E this spring, with adjudication of the results at the June ASTM meeting. Changes could make their way to a final D02 Main Committee vote in the fall of 2010.

BIODIESEL TAX CREDIT APPEARS IN SECOND JOBS BILL

Following the late February passing of the \$15 billion jobs package, Senate Majority Leader Harry Reid, D-NV, announced that the Senate may consider another jobs soon.

Reid has said that the jobs package "part two" will include a yearlong extension of unemployment benefits and COBRA coverage. Reid would not confirm if the package would address the estate tax, but he has indicated that he will allow amendments on the bill.

An important issue to petroleum marketers is the biodiesel blender's tax credit. Reid reports the jobs package will include a one-year extension of the \$1-per-gallon credit. The credit will also be available retroactively for biodiesel produced during the credit's lapse. The biodiesel tax credit expired Dec. 31, 2009.

Since Democrats lack a filibuster proof majority, they will need Republican support to overcome procedural hurdles on the jobs package. The industry is also urging the Senate to include a one-year extension of the National Oilheat Research Alliance (NORA) authorization.

INTERCHANGE LEGISLATION DELAYED

House Financial Services Chairman Barney Frank, D-MA, has decided to not take up credit card fee interchange legislation in 2010. This essentially means House action on legislation supported by the Merchants Payment Coalition (MPC) will be delayed until 2011.

Frank had said earlier that he would not take up interchange reform until his committee approved the financial reform package, which the committee has done. Sen. Arlen Specter, D-PA, is reportedly preparing to introduce interchange legislation in the Senate.

March 2010

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

10 Pennsylvania Petroleum Marketers & Convenience Store Association PPMCSA C-Store Trade Show, Monroeville Convention Center, Monroeville, Pa. www.libertyusa.com

18 Oilheat Summit, Washington, D.C. jimcollura@nefi.com

19 NEFI/PMAA-sponsored March on Washington, D.C. jimcollura@nefi.com

24-26 HVACR & Plumbing Instructor Workshop, National Conference Center, Lansdowne, Va. www.instructorworkshop.org

April 2010

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	

7 Waste Oil Burner Class, Whitten Enterprises, Orange, Mass. 9 a.m. to 4 p.m. www.nefi.com/training

21 Oil Heat Council of New Hampshire (OHCNH) Annual Meeting. www.nhoilheat.com

27-29 Atlantic Region Energy Expo (AREE), Atlantic City Convention Center, Atlantic City, N.J. www.areetradeshow.com

May 2010

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					

10 Independent Connecticut Petroleum Association's Annual Golf Tournament, 866-521-ICPA, www.icpa.org

12-14 PMAA Washington Conference and Day on the Hill, Washington, D.C. (703) 351-8000, www.pmaa.org

23-26 NAOHSM's 57th Annual Convention & Trade Show, Providence, R.I. (888) 552-0900, www.naohsm.org

**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	2/19/10	2/12/10	Year Ago	District	2/19/10	2/12/10	Year Ago
East Coast (PADD I)	22.1	22.0	19.3	East Coast (PADD I)	6.0	5.8	6.1
NEW ENGLAND	2.7	2.5	2.4	NEW ENGLAND	0.5	0.3	0.3
MID-ATLANTIC	10.8	11.6	8.8	MID-ATLANTIC	3.1	3.3	2.9
SOUTH TO FLA.	8.6	8.0	8.1	SOUTH TO FLA.	2.4	2.2	2.9
Midwest (PADD II)	28.3	28.2	29.6	Midwest (PADD II)	2.3	2.2	3.8
Gulf Coast (PADD III)	31.7	31.5	24.7	Gulf Coast (PADD III)	5.6	7.3	7.8
Rocky Mtn. (PADD IV)	3.1	3.1	3.0	Rocky Mtn. (PADD IV)	0.3	0.2	0.3
West Coast (PADD V)	9.6	10.0	10.0	West Coast (PADD V)	1.0	0.9	1.4
U.S. Total	94.9	94.8	86.6	U.S. Total	15.1	16.4	19.4

Greater than 500 ppm (0.05%) Sulfur				TOTAL DISTILLATE STOCKS			
	Week Ending				Week Ending		
District	2/19/10	2/12/10	Year Ago	District	2/19/10	2/12/10	Year Ago
East Coast (PADD I)	34.1	33.8	25.1	East Coast (PADD I)	62.3	61.7	50.4
NEW ENGLAND	8.3	8.4	6.1	NEW ENGLAND	11.6	11.2	8.8
MID-ATLANTIC	23.3	22.6	15.4	MID-ATLANTIC	37.1	37.4	27.0
SOUTH TO FLA.	2.5	2.9	3.6	SOUTH TO FLA.	13.6	13.1	14.6
Midwest (PADD II)	1.4	1.5	2.5	Midwest (PADD II)	32.0	31.8	35.9
Gulf Coast (PADD III)	5.5	5.1	6.4	Gulf Coast (PADD III)	42.8	43.9	38.9
Rocky Mtn. (PADD IV)	0.1	0.1	0.1	Rocky Mtn. (PADD IV)	3.5	3.4	3.4
West Coast (PADD V)	1.5	1.6	1.5	West Coast (PADD V)	12.1	12.5	12.9
U.S. Total	42.7	42.1	35.6	U.S. Total	152.7	153.3	141.6

THE IMPACT OF CONGRESSIONAL GRIDLOCK ON OILHEAT

WITH THE UNITED STATES CONGRESS MIRED in continued debate on passing health care, many of the other major reforms planned by the Obama administration have been continually pushed to the background.

This governmental stalemate has also had the unfortunate effect of pushing back other bills viewed as more minor by both sides of the aisle, though many are of major importance to Oilheat retailers and associated industries.

When the per-gallon biodiesel tax credit expired on Dec. 31, 2009, the financial models for many producers became unsustainable and they had to cut back or halt production while pushing the government to retroactively reinstate the credit.

It looked like the credit might be attached to the "jobs bill" that Congress recently passed, but an effort by politicians to strip the bill down to a few core elements left the biodiesel portion on the cutting room floor. While it can still be added to additional bills that Congress is considering, biodiesel producers are hamstrung until the specific language passes.

This hurdle comes as Oilheat plan for another industry summit in Washington, D.C., to follow up the historic meeting in September 2009 that cleared the way for a resolution calling for a mandated ultra-low sulfur diesel (ULSD) biofuel-based Oilheat in the near future.

In addition to financial market reform and revising efficiency rebates to include more Oilheat equipment, the health care delay has also caused the National Oilheat Research Alliance (NORA) to suspend its collections.

Without a resolution to continue support for NORA or remove the sunset provision that caused the end of collections, the industry is without a major educational and research component. While a bill to reauthorize NORA has been introduced, it has yet to be voted on.

These two bills go hand in hand as the industry positions itself as a cleaner, more renewable fuel. With Massachusetts set to soon impose a biofuel mandate, the state, refiners and retailers must agree to the specifics and the fuel must be readily available and competitively priced.

Meanwhile, the continued research and development from NORA grants, as well as the education the group provides, would ensure companies stay on the forefront of efficiency standards.

While the health care debate may be overwhelming Washington, the industry should be closely watching and supporting these smaller, but no less vital, bills. ☐

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, 2009, through Feb. 20, 2010, has been 2 percent cooler than last year and 2 percent cooler than normal.

Location	Current	Normal	% Change
	7/1/09 thru 2/20/10	7/1/09 thru 2/20/10	Current vs. Normal
Boston	3,750	3,775	-1%
Chicago	4,436	4,564	-3%
Hartford	4,089	4,268	-4%
New York	3,168	3,290	-4%
Philadelphia	3,274	3,365	-3%
Pittsburgh	4,113	4,076	+1%
Portland	4,557	4,901	-7%
Providence	3,767	3,919	-4%
Raleigh	2,702	2,837	+5%
Richmond	2,899	2,932	+1%
Washington	3,002	3,055	+2%

Oil & Energy Securities Recap

Company	Symbol	2/23/10	1/26/10	Change
Ashland Inc.	ASH	45.75	42.84	+2.91
BP-Amoco	BP	53.30	58.43	-5.13
ChevronTexaco	CVX	72.14	73.70	-1.56
Conoco Philips	COP	47.90	49.81	-1.91
ExxonMobil	XOM	65.05	65.80	-.75
Global Partners	GLP	25.00	25.51	-.51
Hess Corp.	HES	58.90	58.89	+0.01
LUKOIL	LUKOY	51.60	54.01	-2.41
Marathon Oil	MRO	28.96	30.37	-1.41
National Grid Plc	NGG	49.44	51.63	-2.19
Occidental	OXY	79.28	76.43	+2.85
Royal Dutch Shell Plc	RDSA	54.76	57.25	-2.49
Star Gas	SGU	4.32	4.25	+0.07
Sun	SUN	26.38	25.89	+0.49
Tesoro Petroleum	TSO	11.75	12.87	-1.12
Total	TOT	56.87	59.29	-2.42
Valero Energy	VLO	17.52	18.69	-1.17

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.

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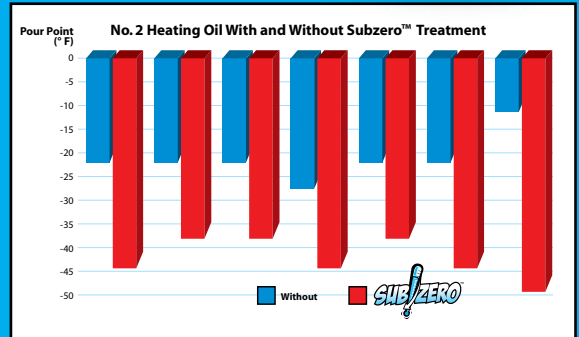
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