

June 2010

OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

The Drive Toward Biofuels

A Guide to Mandates,
Supply and Marketing

Also Inside:

A Look at Future Fuels and Equipment
Charting a New Course for Customers
The Price of Market Speculation

Publication of the New England Fuel Institute
Volume 12/Issue 6



NEW ENGLAND
FUEL INSTITUTE

www.NEFI.com



THE BUYING UNIVERSE FOR OIL PRODUCTS HAS A BRAND NEW CENTER.

GLOBAL PETROHUB™ gives you the online ability to instantly purchase heating oil, gasoline, diesel fuel and kerosene at convenient terminal locations — precisely when and where it suits your requirements best. A new era in petroleum buying has dawned. Let GLOBAL PETROHUB™ show you the light!

**We are here for you. Talk to your local GLOBAL representative,
or phone the GLOBAL sales office at 1-800-685-7222.**



The Front Burner

SENATE APPROVES DERIVATIVES, INTERCHANGE FEE REFORM

In late May, the United States Senate approved the most sweeping reforms to the financial system since the Great Depression by a vote of 59-39.

The legislation includes top industry priorities, including derivatives market and bank card transaction fee reforms.

Republican Sens. Scott Brown, MA, Chuck Grassley, IA, Susan Collins, ME, and Olympia Snowe, ME, split with their party to vote for the bill. Two Democrats, Sens. Maria Cantwell, WA, and Russ Feingold, WI, voted against the measure because of failure to consider amendments they had offered to make technical corrections to the derivatives title and to reinstate separations between investment and retail savings banks.

The Senate bill will require across-the-board transparency, require the Commodity Futures Trading Commission (CFTC) to set speculative limits across all markets, and provide regulators with powers to prevent excessive speculation and to prosecute manipulation.

The bill will provide some relief to retailers and small businesses burdened by costly bank card transaction fees. The bill would allow merchants to offer discounts for using certain cards, paying cash or using a debit card, and require the Federal Reserve to set debate interchange rates that are "reasonable and proportional."

Because both the House and Senate have passed different bills, they must now meet in a conference committee to work out differences. President Barack Obama has said that he wants to sign the bill into law by September.

CONGRESS TRYING TO MOVE BILL CONTAINING BIODIESEL TAX CREDIT

At press time, Congressional leaders were trying to find a way to move forward with a package of tax extenders, HR4213, that includes a one-year retroactive extension to the \$1 biodiesel tax credit.

The bill has stalled as Congress searches for a way to pay for the legislation as required by "pay-as-you-go" rules. The New England Fuel Institute (NEFI) has supported the biodiesel industry's efforts to get the one-year extension passed into law so that work can begin on a longer term extension.

Despite industry efforts, the bill does not include an extension to the National Oilheat Research Alliance (NORA) 2-points per gallon heating oil check-off, which expired on Feb. 6.

EIA: RENEWABLE ENERGY TO GROW RAPIDLY OVER THE NEXT 28 YEARS

Renewable energy will be the fastest-growing source of energy throughout the world over the next 28 years, helping to meet a projected 49 percent increase in world energy use, according to DOE's Energy Information Administration (EIA).

In general, the EIA does not forecast a strong shift to clean energy throughout the world. While renewable power generation increases the fastest, at 3 percent per year, coal-fired power will also continue to increase, at a rate of 2.3 percent per year. The EIA report sees petroleum and liquid fuels remaining as the world's largest energy source through 2035, while natural gas consumption increases by 1.3 percent per year.

THE DIFF.

Spot Prices (Cents/Gallon) as of May 27, 2010*

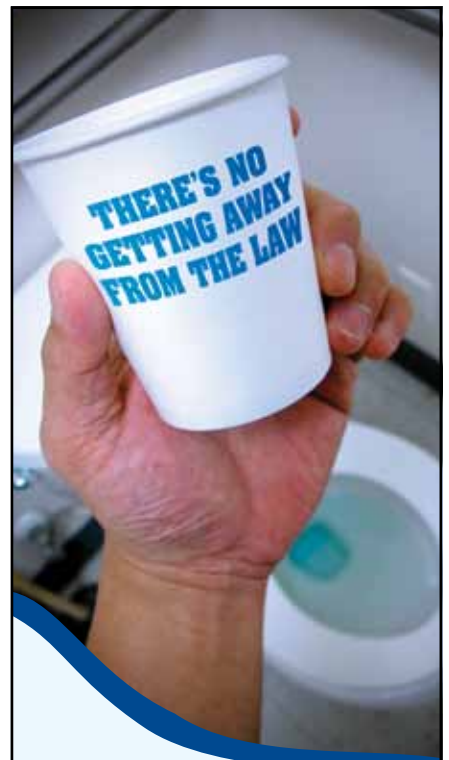
New York Harbor	New York Harbor	U.S. Midcontinent
No. 2 Fuel Oil / Heating Oil	No. 2 Diesel Low Sulfur	No. 2 Diesel
189.20	192.90	192.70

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

THE BAROMETER

Comparing Heating Oil to Other Financial Products

	May 27, 2010	One Year Ago
No. 2 Fuel Oil/New York (cents/gallon)	189.20	147.50
Crude Oil (dollars/barrel)	\$74.52	\$58.04
10-year Treasury Bill	3.33%	3.11%
30-year Mortgage	4.86%	5.03%
Dow Jones Average	10,187.30	8,304.88



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

It's The Law!

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

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

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



NEFI Alliance Consortium

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



NEFI Action Center: From Washington 10

Jim Collura, NEFI vice president for government affairs, says that with health care reform passed, Congress has finally been able to make progress on bills that could aid the home energy industry, including massive financial reform and the retroactive reinstatement of the biodiesel tax credit.



Future Fuels, Equipment Dominate Industry Event 12

The 2010 Atlantic Region Energy Expo (AREE) in New Jersey gathered industry experts from across the country to discuss the latest information regarding ultra-low sulfur diesel (ULSD) and biodiesel supply and how retailers can take advantage of new, high-efficient technology to expand their offerings to customers.



The Price of Speculation 16

David Frenk, the director of Balanced Markets, a research organization based in New York and Washington, D.C., that studies how markets operate and their role in society, takes an in-depth look at how volatility came to crude markets—and how it can be taken out.



Bioheat®: Let's Not Miss the Pitch 20

Michael Devine, CEO of the Earth Energy Alliance, writes that marketing biofuels to customers is an exciting opportunity for the industry and retailers need to learn as much as possible about it to make the pitch to their customers. Devine can be reached at mike@earthenergyalliance.com or (203) 221-3044 for more information.



Charting a New Course 22

Richard Goldberg, president of Warm Thoughts Communications Inc., says that many home energy companies, which are often small, family businesses, have to accept the new realities that increased competition and regulation have brought by marketing to their customers in a new way. Goldberg can be reached at rgoldberg@warmthoughts.com or (201) 330-9276, ext. 222.



Fighting Back, Not Rolling Over 25

The American Energy Coalition (AEC), a grassroots public relations initiative in the Oilheat industry, was formed to combat natural gas utilities and other companies that spread misinformation by fighting back directly. The AEC offers information on how they plan to do this and what retailers, equipment manufacturers and associated businesses can do to help.



Q&A: National Biodiesel Board's Paul Nazzaro 26

With the federal biodiesel tax credit and individual state biofuel mandates up in the air, Oil & Energy spoke with Paul Nazzaro, president of Advanced Fuel Solutions and petroleum liaison for the National Biodiesel Board (NBB), for updates on legislation and what companies can do to prepare their companies and customers for offering biofuels.



Oil Market Stance: Volume Matters When Pricing Programs 30

Taylor Hudson of Hedge Solutions writes that determining which pricing program is best doesn't always have to do with the associated costs per gallon. Instead, volume can be an important factor in light of recent market volatility. Taylor can be reached at taylor@hedgesolutions.com or (800) 709-2949.



Propane: Marketing Ideas for the Summer Months 34

Joe Rose, president of the Propane Gas Association of New England (PGANE), says that one of the unique aspects of propane is the variety of products that use propane and can be used to market the fuel. He reviews some new examples and encourages retailers to attend industry events, including the upcoming Northeast Propane Show (NPS), to learn more about the latest technologies.

Oil & Energy Magazine
 Phone: (617) 923-5025
 Fax: (617) 924-1022
 E-Mail: steve@nefi.com

Mailing Address
 Oil & Energy
 P.O. Box 9137
 Watertown, MA 02471-9137

Managing Editor
 Steven Andrews
Art Director
 Nathan Burke

Credits
 Volume 12/Issue 6 © June 2010

Postage paid at Manchester, NH
 Permit No.1926

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



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

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

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

© June 2010. All rights reserved.

Advertising
 Complete advertising rates and media data are available from Oil & Energy,
 P.O. Box 9137
 Watertown, MA 02471-9137
 (978) 535-7606, 9 a.m.-4 p.m. daily.
steve@nefi.com

Classifieds
 See classified section.

Subscription Rates
 1 year \$25, NEFI member; \$30, non-member
 2 years \$40, NEFI member; \$50, non-member
 Mail payment with complete name, address, city, state and zip code to:
 OIL & ENERGY SUBSCRIPTION
 c/o New England Fuel Institute
 20 Summer St., Box 9137
 Watertown, MA 02471-9137
 Or subscribe online at:
www.NEFI.com/oilandenergy

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

Calendar	45	NEFI FYI	7, 8
Classifieds.....	44	Profiles.....	41
Industry News	19	State News	29, 33
Fire Box	36, 39	The Stats Page	46
Marketplace.....	42	Think About It	46

Personal contact. Open lines of communication.

Linked with the valued security of our wet barrel supply
and proven distribution system,
it's what a world class supplier is all about.



Don Craft, Director, Market Development	860-823-0500	dcraft@gulfoil.com
Denise Hash, Senior Marketing Manager	617-997-8602	dhash@gulfoil.com
Matthew Harrison, Marketing Manager	508-270-7234	mharrison@gulfoil.com
Cassandra Poulin, Customer Support	508-270-8397	cpoulin@gulfoil.com



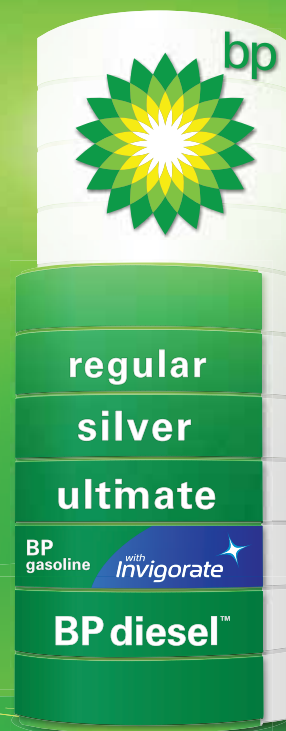
IT'S A GOOD TIME TO DO BUSINESS WITH GULF.

WWW.GULFOIL.COM

Let our brand fuel yours.

www.bp.com

To make sure you stand out in a sea of options, you have to choose the fuel that more drivers choose.* It's simple. When you have access to quality fuel products — like all three grades of BP gasoline with Invigorate® — along with a strong brand image and a reliable supply chain, you're ensuring that your site is the one that matters to customers.



For more information,
contact your local Jobber Sales Managers:

Greg Caponegro, (860) 268-0551
gregory.caponegro@bp.com

Jim Gagnon, (610) 827-7039
james.gagnon@bp.com

*Source: BP 2008 Annual Brand Review (NPD)
© 2010 BP Products North America Inc.

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

New Climate Change Bill Introduced in Senate

Sens. John Kerry, D-MA, and Joe Lieberman, I-CT, hoping to reboot climate change legislation and give it a fresh start in the U.S. Senate, introduced the "American Power Act" in May. It aims to reduce global warming emissions by 17 percent from 2005 levels by 2020, and by 83 percent by 2050.

The legislation takes a different approach to carbon emissions regulation than the legislation passed by the U.S. House of Representatives last year. The biggest difference: –it does not include an economy-wide cap-and-trade program, but proposes tailor-made restrictions on greenhouse gas emissions (GHGs) for each major sector of the economy: power generation, heavy industry/manufacturing and liquid petroleum fuels.

Aspects of the bill important for New England Fuel Institute (NEFI) members include:

- The bill would preempt federal and state programs, including the Regional Greenhouse Gas Initiative (RGGI) and it would preempt planned EPA GHG regulations.
- Sets up a "predictable" and limited carbon pricing regime with a floor (\$12/ton) and ceiling (\$25/ton) with allowed adjustments for inflation, and a strategic reserve in the event of unusually high prices. Includes prohibitions against carbon market manipulation.
- Carbon emissions regulation under the bill will be limited to large GHG emitters of more than 25,000 tons annually. However, the bill also sets up a compliance regime for refiners and importers, requiring them to purchase emissions allowances each quarter matching their emissions. Estimates on exactly what the price impact may be vary, but some early estimates suggest 10 to 25 cents per gallon.
- The approach to "price relief" for home heating oil and propane consumers is the same as the House-passed bill; a percentage of revenues would be distributed directly to state governments to pass on to consumers (most likely through LIHEAP) while utility monies would go directly to the utility companies and allow direct reduction of electricity or natural gas rates.
- Additionally, regulation of most major emitters, including refined products such as gasoline, diesel fuel, heating oil and propane, begins Jan. 1, 2013, with natural gas following in 2016. Biofuels are exempt from the legislation.

This is draft legislation that has not yet moved in the Senate. No action is yet planned on this bill, and no action is likely until after the EPA conducts an economic impact study, which may not be until sometime in mid-to-late June. Even then, it is not clear that the leadership will take this bill up given the challenge of reaching the 60 votes needed during election season.

EPA Rule Requires Lead Paint Training, Certification for Heating and Cooling Installations

The U.S. EPA has recently finalized a new lead paint rule that may have a significant impact on heating oil dealers. The rule requires that contractors performing renovation or repair projects that disturb lead-based paint surfaces take specific steps to ensure that children are not exposed to toxic lead particles and dust.

Specifically, the rule applies to both residential and commercial buildings built before 1978 (the year lead paint was banned by the U.S. EPA) in which children live or visit. Since the rule is triggered when any lead paint surface greater than six square feet is "disturbed," it will apply to many of the tasks associated with

installation of heating and cooling systems performed by full-service heating oil dealers.

The rule requires all contractors whose work disturbs lead paint surfaces to file for certification with the EPA and pay a minimum \$300 fee.



Contractor employees performing the work must become "Certified Renovators" by undergoing 8 hours of training by a certified EPA trainer at a cost of between \$150 and \$200. The training course covers work practices designed to reduce, contain and clean work areas where lead-based paint is disturbed.

The rule also requires the contractor to provide homeowners and renters of pre-1978 homes where work is being performed with an EPA brochure on how to avoid lead poisoning in the home.

Finally, the rule contains mandatory record-keeping provisions and requires recertification and retraining every five years and, in some cases, every three years. The rule does not apply where an EPA-certified state program for lead containment and control at worksites has been adopted.

Currently, 11 states have such programs and more are expected to seek certification. Additional information is available at www.epa.gov/lead. At press time, NEFI is researching industry options for education and training on the lead requirements.

Study Evaluates TARP's Impact on Small Business Credit Markets

The Congressional Oversight Panel recently released its May oversight report, "The Small Business Credit Crunch and the Impact of the TARP." Although the Troubled Asset Relief Program (TARP) has launched several initiatives aimed at restoring general credit availability, the panel found little evidence that the TARP has spurred small business lending.

Instead, small businesses have seen their access to credit shrink dramatically and in some cases disappear altogether. Small business capital availability is crucially important to many heating oil and propane dealers who rely on lines of credit to purchase product during the winter heating season. The panel found that:

Small business credit remains severely constricted. Data from the Federal Reserve show that lending plummeted during the 2008 financial crisis and remained sharply restricted throughout 2009. Although Wall Street banks had been increasing their share of small business lending over the last decade, between 2008 and 2009 their small business loan portfolios fell by 9 percent, more than double the 4 percent decline in their overall lending portfolios.



TARP has done little to restore stability to the smaller banks that provide the bulk of small business credit. With Wall Street banks pulling back, some small business borrowers looked to community banks to pick up the slack. Many of these banks, however, continue to struggle with their exposure to commercial real estate loans and other liabilities, constraining their ability to lend.

Treasury's new lending program for small banks, even if enacted by Congress, could have only limited success. The proposed Small Business Lending Fund (SBLF) would provide \$30 billion in low-cost capital to small and mid-sized banks, along with incentives to increase lending. The SBLF's prospects are far from certain. The program requires legislative approval, and even if Congress acts immediately, the program may not be fully operational for some time.

NFPA Considering Change Allowing E15 Blends in E10 Equipment

The National Fire Protection Association (NFPA) is considering an amendment to a key fire code standard that would remove some of the impediments for retail gasoline marketers to dispense E15 product from existing equipment.

This is welcome news since the EPA is currently deciding whether to authorize for use in conventional fueled vehicles gasoline blends with ethanol content greater than 10 percent. The problem with the impending E15 waiver is that existing underground storage tank (UST) systems and dispensers are not certified for gasoline blends higher than E10.

Placing E15 in E10-certified equipment raises a host of legal, warranty and



insurance issues that will significantly increase liability for retail marketers—not the least of which is that current fire codes adopted by most jurisdictions prohibits E15 use in E10 tanks.

Specifically, the amendment would provide local authorities, most notably fire marshals, the power to authorize the use of E15 product in equipment certified for a maximum E10 gasoline blend. However, the amendment requires that all equipment subject to E15 service must undergo periodic inspection to determine whether it is functioning properly with the higher ethanol blend.

Hanging hardware, such as nozzles and hoses would be required to undergo weekly inspection, while internal dispenser parts would be inspected monthly. It signifies that standard setting organizations are finally becoming more flexible in their approach to the likely E15 waiver.

House Approves Federal Rebate Program for Efficiency Upgrades

In May, the U.S. House of Representatives approved the NEFI-endorsed “Home Star Energy Retrofit Act” by a 244-161 vote. The bill would create a new, two-year \$6 billion national home efficiency rebate program, modeled after last year’s “Cash for Clunkers” program.



The legislation was introduced by Democratic Rep. Peter Welch of Vermont, and enjoyed broad bipartisan support. The legislation now awaits final approval by the U.S. Senate. NEFI supports the measure and is a member of the Home Star coalition. The bill includes a \$1,000 rebate exclusively for home heating system upgrades.

Credit Card Legislation Introduced

While the U.S. Senate is preparing to consider new legislation addressing unfair swipe fees imposed on retailers, Rep. Peter Welch, D-VT, is joining the battle to help retailers by introducing the Electronic Check Parity Act of 2010, H.R.5199.

This bill is similar to amendments filed in the Senate by Sen. Dick Durbin, D-IL, to financial regulatory reform legislation. The Welch bill seeks to treat electronic check payments like their paper check counterparts and empowers the Federal Reserve to apply to debit cards the same processing rules applied to checks, which do not cause undue financial hardship to small businesses.

The legislation would also prevent credit card companies from restricting merchants’ ability to set a minimum

or maximum payment for credit card users, and allow retailers to offer discounts for cash, check and debit cards.

Welch recognizes the impact of interchange fees on petroleum retailers. Last year he co-authored H.R.2382, the Credit Card Interchange Fees Act with Rep. Bill Shuster, R-PA. Sean Cota of Cota & Cota, Matt Cota of Vermont Fuel Dealers Association and Shane Sweet of NEFI met with Welch during the PMAA Day on the Hill in May.

NEFI Hosts Successful A/C Seminar

NEFI offers thanks to the R.E. Michel Company and instructor Floyd Wilson for holding a three-day A/C seminar from May 11 to 13 at their Watertown facility. It was well attended with 15 students. Wilson has been in the HVAC industry for 40 years and with the R.E. Michel Company for 20 years. In the three days, he covered the topics on A/C components and how they work, the installation and service of an air conditioning system, the proper charging methods, the R22 phase out and the use of the 410a.

DOT Letter Requesting Company Financial Info is a Scam

Another round of fraudulent letters purporting to be from the U.S. Department of Transportation (DOT) requesting company financial information is appearing on heating oil dealer fax machines. These letters are a scam and should not be answered. Similar letters have appeared over the past few years.

The letters are part of an ongoing scam designed to steal sensitive company bank account information. The ploy is a familiar one by now; an “official” looking letter from the U.S. DOT’s “Procurement Office” arrives by fax. The letter, which identifies individual companies by name and printed on official-looking U.S. DOT stationary begins: “Our records show that you are currently registered as a prospective contractor for procurements issued by the U.S. Department of Transportation. However, after reviewing your record, we have noticed that you have not submitted your financial information release form.”

The letter goes on to say that to be eligible for federal procurement contracts you must fill out, sign and fax back an attached financial release

form providing, the name of your bank, your bank account number and tax ID number. With this information the scammer is able to withdraw money from company accounts as well as apply for corporate credit cards.

The U.S. DOT never asks for such information. Anyone receiving this or any variation of this letter should report it to the DOT Office of Inspector General Hotline at www.oig.dot.gov/hotline or by calling (800) 424-9071.

NEFI Welcomes New Members

New England Fuel Institute welcomes our new members:

ASSOCIATE MEMBERS: FC Stone LLC

David Smoldt
2829 Westtown Parkway
W. Des Moines, IA 50266
Phone: (515) 223-3762
Fax: (515) 223-7424
E-mail: daves@fcstone.com
Web: www.fcstone.com
FC Stone provides risk management.

Vermont Wood Pellet Company


Katie Adams, President
1105 Rte. 7B Central
N. Clarendon, VT 05759
Phone: (802) 747-1093
E-mail: Katie@vermontwoodpellet.com
Web: www.vermontwoodpellet-company.com
Vermont Wood manufactures and sells wood pellets for heating fuel.

Warm Thoughts Communication

Richard Carrione
200 Meadowlands Parkway
Secaucus, NJ 07094
Phone: (201) 330-9276
Fax: (201) 223-1555
E-mail: rcarrione@warmthoughts.com
Web: www.warmthoughts.com
Warm Thoughts provides marketing services, business training and consulting.

RETAIL MEMBER: Island Fuel Inc.

James McMann
PO Box 5011
Edgartown, MA 02568
Phone: (508) 627-9955
Fax: (508) 687-9162
E-mail: islandfuelinc@gmail.com
Island Fuel is a retail fuel dealer also providing marine diesel.



It has recently dawned on some suppliers to begin offering their customers real-time online buying access. At Sprague we think that's a great idea. And we should know. We've been the Northeast's leader in Real-Time Pricing innovation since 2003, with industry-changing features like smaller online order increments, longer trading hours and even forward online pricing opportunities for our customers – things the others just can't match. All backed by live customer support and an unmatched terminal network. So let the others proclaim a new dawn in petroleum buying. At Sprague, we're already looking ahead to tomorrow. For more Real-Time info, call Sprague's experienced team at 888-440-4944. Or take a tour of our resources at www.demandmoreenergy.com.

THE ONLINE
PRICING LEADER
SINCE 2003 –
THAT PUTS US
7 YEARS AHEAD
IN “Real-Time”.

Sprague 
DEMAND MORE THAN SUPPLY

Monthly Washington Report

A service of



Legislative & Regulatory Action Center

Industry Confident of Victory on Key Congressional Issues

Jim Collura, NEFI Vice President for Government Affairs

With the summer Congressional recess fast approaching and with the 2010 election season kicking into high gear, the Congressional agenda is revving its engines.

Members of Congress are eager to win as many victories for their constituents as possible before voting day, and the parties are looking to push through sweeping financial services industry reform before it's too late.

Two top industry priorities—futures markets and interchange fee reform—have made their way into the Senate bill, which is now in “conference.” The two chambers of Congress will now work out differences and vote on a final bill, apparently by July 4. The derivatives reform title, which includes energy futures, options and swaps, will require across-the-board transparency and give federal regulators back much of their authority over off-exchange markets stripped of them in 2000.

The interchange fee reforms will require the Federal Reserve to establish reasonable rates for certain bank card fees, and allow retailers to offer discounts to customers paying with cash or debit cards.

As of press time, the U.S. Congress was also finalizing legislation that would retroactively extend the \$1 per gallon federal biodiesel blender tax credit for one year, giving Congress a little time to work on a longer-term extension.

And the U.S. House of Representatives in early May overwhelmingly approved a “cash for clunkers” style rebate program for home efficiency upgrades, called “Home Star.” The two-year, \$6 billion program would offer up to a total of \$3,000 for individual home efficiency upgrades, including \$1,000 for home heating systems.

We are also closely monitoring and speaking with policy makers on regional and national efforts designed to restrict carbon (greenhouse gas) emissions in the petroleum, transportation and building energy industries, including the home heating industry. The New England Fuel Institute (NEFI) is working with other industry groups, leaders and stakeholders to reach out to regional and national air quality professionals and environmentalists and “tell the story” of the home heating oil industry’s track record on emissions reductions, and the plans for the fuel’s future.

This is especially important given plans to implement carbon restrictions regionally through a Northeast “low carbon fuel standard” and nationally through new federal climate change legislation.

NEFI has been heavily engaged in all of the above legislative issues, speaking for the industry and fighting for measures that are beneficial to its members and their consumers. But we could not have been able to do it without member support and generous donations to our Action Fund. Again, thank you to our members and contributors and for your continued support!



CONTACTS: (left to right):

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

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

\$7,500

Atlas Glen-mor Oil Chelsea, MA
Total Energy Solutions, LLC Portsmouth, NH

\$5,000

Arlex Oil Corp. Lexington, MA
Noonan Energy Corp. Springfield, MA
Townsend Oil Company Inc. Danvers, MA

\$3,500 And Up...

Alvin Hollis & Co. South Weymouth, MA
Buckley Heating & Cooling Peace Dale, RI
Champion Energy New Rochelle, NY
Cota & Cota Inc. Bellows Falls, VT
MacFarlane Energy Dedham, MA
Scott - Williams Inc. Quincy, MA
Wesson Energy Incorporated Waterbury, CT

\$2,500 And Up...

Cheshire Oil Co. Keene, NH
Keyser Energy Rutland, VT
L. E. Belcher Inc. Springfield, MA
New York Oil Heating Association New York, NY
Noar's Oil Worcester, MA
Oil Heat Institute of Long Island Hauppauge, NY
Scott Oil Co. Gloucester, MA
W. H. Riley & Son Inc. North Attleboro, MA

\$1,750 And Up...

Dominick Fuel Inc. Norwalk, CT
Faulkner Brothers Inc. Somerville, MA
Lipton Energy Pittsfield, MA
Osterman Propane Whitinsville, MA
T. H. Malloy & Sons Cumberland, RI
Medway Oil Co. Inc. Medway, MA
Munhall Energy Co. Watertown, MA

\$1,000 And Up...

Alpha Oil Co. Inc. Wilbraham, MA
Ayer & Goss Inc. Henniker, NH
Barrieau Oil Co. Inc. W. Hartford, CT
Brideau Oil Corp. Fitchburg, MA
Bursaw Gas & Oil Inc. Acton, MA
Chabott Coal & Oil Inc. Keene, NH
Chair City Oil Inc. Gardner, MA
City Fuel Co. Manchester, NH
Concord Oil Co. Inc. Concord, MA
Cubby Oil Co. Somerville, MA
D. F. Richard Dover, NH
Densmore Oil Co. Mystic, CT
East Providence Fuel Oil Co. East Providence, RI
Energy Kinetics Inc. Lebanon, NJ
Haffner's Service Stations, Inc. Lawrence, MA
Hedge Solutions Inc. Manchester, NH
Horan Oil Corp. Stoughton, MA



COMMITMENT COMES WITH NAMES ATTACHED WE ARE PLEASED TO RECOGNIZE OUR VALUED SUPPORTERS

2010 CONTRIBUTORS as of May 30, 2010

...\$1,000 And Up...

Kerivan-Lane Inc Needham, MA
 Norbert E Mitchell Inc Danbury, CT
 O'Connell Oil Associates Pittsfield, MA
 Orange Oil Co. Inc. Orange, MA
 Standard Oil of CT Bridgeport, CT
 Standard Oil of CT Bridgeport, CT
 Stocker Oil Co. Peabody, MA
 Sunshine Oil Company Bristol, RI
 Warren Enterprises/Fisher-Churchill
 Dedham, MA
 Wilcox Fuel Inc. Westbrook, CT
 Rand-Handy Oil Co. Marshfield, MA
 Anderson Fuel North Scituate, MA
 Needham Oil & Air, LLC Needham, MA
 Northboro Oil Co. Inc. Northboro, MA
 Palmer Gas Co. Inc./Ermer Oil Co. Atkinson, NH
 Bourne's Inc. Morrisville, VT
 Dennis K. Burke Inc. Chelsea, MA
 H. R. Clough Inc. Contoocook, NH
 Fraticelli Oil Co. Leominster, MA

\$600 And Up...

A. Hohmann & Co., Inc Dorchester, MA
 Affordable Oil, LLC Rollinsford, NH
 Albert Culver Co. Rockland, MA
 Angus Partners Ft. Lauderdale, FL
 Ayer Oil Co. Ayer, MA
 B & B Oil Co. Charlestown, MA
 Baker-Whitney Oil Co. Acton, MA
 Bigelow Oil Co. Newton Upper Falls, MA
 Boston Steel & Mfg. Co. Malden, MA
 Brow Oil Co. Braintree, MA
 Central Mass Oil Rutland, MA
 D. Ferruccio & Son Inc. Hudson, MA
 Deiter Brothers Heating /AC Bethlehem, PA
 Dodge Oil Co. Gorham, ME
 Dunn Oil Co. Inc. Maynard, MA
 Dutchess Oil & Propane Co. Millerton, NY
 Erickson Fuel Co. Inc. Medford, MA
 Federal Heating & Eng. Co. Inc. Winchester, MA
 Fuel Services Inc. Westfield, MA
 Gillespie Fuels & Propane Inc. Northfield, VT
 Goodrich Oil Company Newport, NH
 Gottier Fuel Co. Inc. Rockville, CT
 Guy E. Nido Inc. Wilmington, VT
 Hall Oil Co. South Dennis, MA
 Harbor Fuel Oil Corp. Nantucket, MA
 Holden Oil Inc. Peabody, MA
 Imperial Oil Co. South Windsor, CT
 Interstate Gas & Oil Corp. Sudbury, MA
 Ives Bros DBA A Plus Oil Willimantic, CT
 J. J. Sullivan Inc. Guilford, CT
 James E. Kimball, Jr. Inc GT Barrington, MA
 John A Healy & Sons Westford, MA
 Julians, LLC Medway, MA
 Knight Fuel Company Hudson, MA
 L F Powers Company Waterbury, CT
 Lakeside Oil Co. Inc. Marlboro, MA

...\$600 And Up...

McCarthy Heating Oil Svc. Quaker Hill, CT
 Mello Fuel Inland Oil Terminal Jamaica Plain, MA
 Metro Energy DBA M&T Oil South Boston, MA
 Murphy Fuel Corp. Waltham, MA
 North Shore Fuel Revere, MA
 Northfield Fuel Corp. Greenwich, CT
 PBLs Ent. T/A LS Fuel Libertytown, MD
 Perry's Oil Service Bradford, VT
 Pioneer Propane Co. Harrison, AR
 Propane Plus Corp. Rehoboth, MA
 R F Ohl Fuel Oil Lehighton, PA
 Robert Greene Inc. Bennington, VT
 Sherman Oil Co. West Brookfield, MA
 Sochia's Oil & Gas Inc. East Douglas, MA
 Star Petroleum Co. Inc. Foxboro, MA
 Tasse Fuel Corporation Southbridge, MA
 Town Oil Co. Wethersfield, CT
 Waldo-Thompson Brothers Inc. Waldo, ME
 West Oil Co. Inc. North Adams, MA
 Westmore Fuel Company Inc. Greenwich, CT
 Winthrop Fuel Co Inc Winthrop, ME
 Rowayton Fuel & Oil Co. Inc. Norwalk, CT
 Reggie's Oil Co. Inc. Quincy, MA
 Reliable Oil & Heat Co. Glenbrook, CT
 Atlantic Pratt Oil Co. Inc. Braintree, MA
 Stafford Oil Company Inc. Laconia, NH

\$300 And Up...

Advanced Energy Westwood, MA
 Advanced Fuel Solutions, Inc. North Reading, MA
 Alves Fuels Ludlow, MA
 Anchor Fuel, LLC Middletown, RI
 Apple Oil & Svc. Co. West Haven, CT
 Arlington Fuel Oil Co. Arlington, MA
 Ashley Fuel Inc. Beverly, MA
 AVATAS Payment Solutions Beverly, MA
 Benway Oil Co. Milton, MA
 Booma Oil Lynn, MA
 Braley & Wellington Insurance Agency
 Worcester, MA
 Busa Fuel Oil Co. Inc. Watertown, MA
 Cetane Associates, LLC Ellicott City, MD
 Chapman Fuel Inc. Gardiner, ME
 Columbus Energies Inc. Swansea, MA
 Dunlap's Oil Svc. Plymouth, MA
 E. P. Cotter Oil Co. Norwood, MA
 East Coast Petroleum Stoughton, MA
 Fred's Plumbing & Heating Derby, VT
 Fuel Advantage/Avalux Portsmouth, NH
 Giguere & Marchand Oil Services Inc.
 Blackstone, MA
 Glendale Oil Service Inc. Glendale, RI
 Goulart Oil Inc. Dighton, MA
 Hall Trask Equipment Company Braintree, MA
 Hiller Fuels Inc. Marion, MA
 Hilton Oil Co. Inc. Lawrence, MA
 J & A Waterville Naugatuck, CT
 J & S Oil Manchester, ME

...\$300 And Up...

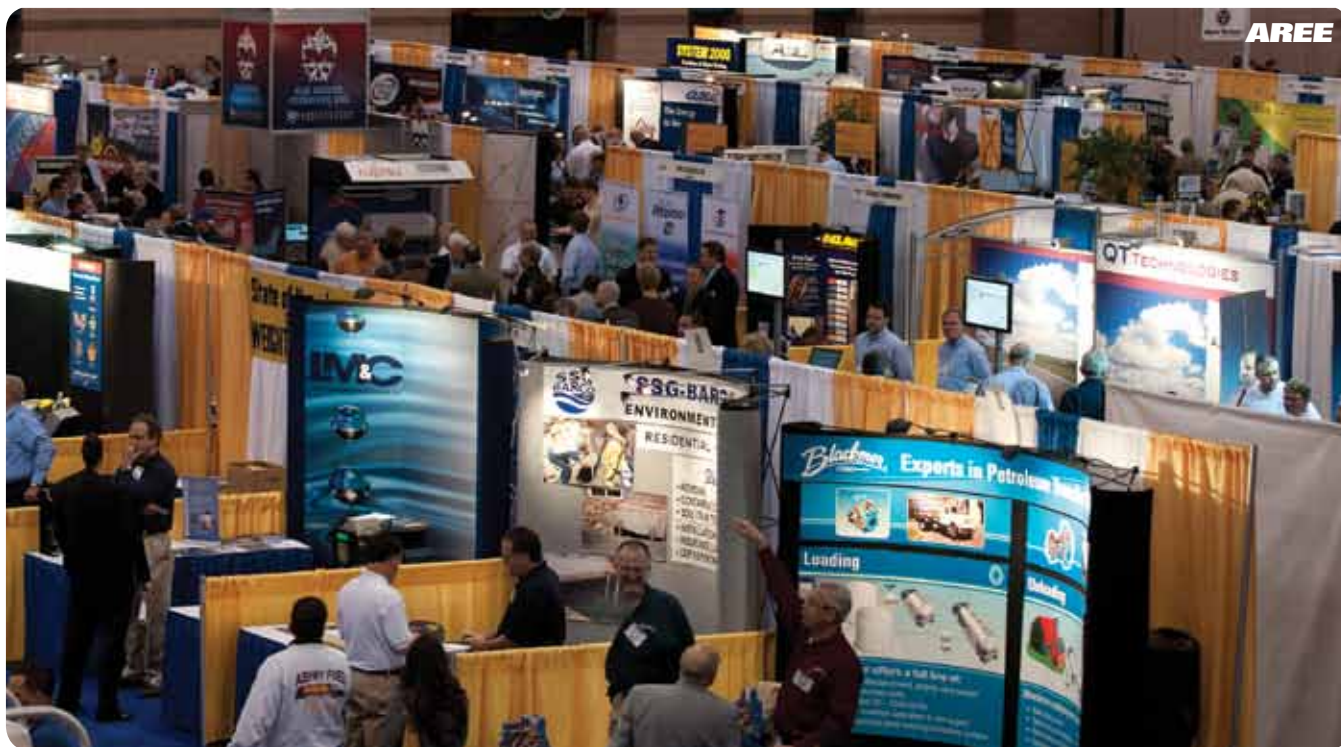
Jackman Fuels Inc. Vergennes, VT
 Jennings Oil Co. Danbury, CT
 John's Fuel Service dba John's Oil Co. Lynn, MA
 Kieras Oil Inc. North Amherst, MA
 Krall Coal & Oil New Haven, CT
 Landry & Martin Oil Co Inc. Pawtucket, RI
 Lipsett & Sons Inc Weymouth, MA
 Madison Oil Co Inc Madison, CT
 Marcey Oil Co. Inc. Provincetown, MA
 Marran Oil, LLC Holtsville, NY
 McKusick Petroleum Co. Dover-Foxcroft, ME
 Merrimack Valley Oil Co. North Andover, MA
 Micheletti Oil Service Inc. Johnston, RI
 Nardone Oil Co. Wakefield, MA
 Needham Energy Inc. Needham Heights, MA
 Pallett Oil Co. Inc. Chesapeake, VA
 Patten Oil Co. Inc. Rutland, VT
 Premium Fuels DBA Al's Oil Shrewsbury, MA
 Putnam Fuel Company Inc. Goffstown, NH
 Rick Wenzel Oil Co., LLC Amherst, NH
 Rose's Oil Svc / Todd Oil Co. Rockport, MA
 Sorenti Bros. Inc. Sagamore Beach, MA
 Spring Brook Ice & Fuel Svc. New Britain, CT
 Squier & Co. Inc. Monson, MA
 Swanzey Oil, LLC West Swanzey, NH
 Swezey Fuel Patchogue, NY
 Total Fuel Services Corp. New Rochelle, NY
 Wagner Brothers Boylston, MA
 Wehof Forms Somerville, NJ
 Whiting Energy Fuels Northampton, MA
 Whitney Brothers Oil Co. Clinton, MA
 Wolfeboro Oil Co. Inc. Wolfeboro, NH

\$100 And Up...

Bousquet Oil Woonsocket, RI
 Cahill Fuel Co. Inc. Newton Lower Falls, MA
 Cape Ann Oil Gloucester, MA
 Clark HVAC Services Feeding Hills, MA
 Community Oil Co. Cambridge, MA
 Dinosaur Enterprises Ltd. Portland, ME
 Greeley's Oil Co. Inc. Halifax, MA
 Guy's Inc. Niantic, CT
 H L Fuel Co Inc West Lebanon, NY
 H. H. Snow & Sons Inc Orleans, MA
 Linwood Fuel Inc. Hyde Park, MA
 Murray Oil Co. Turner, ME
 Niccoli Bros. Oil Inc. Brockton, MA
 Perillo Brothers Farmingdale, NY
 Port Oil Billerica, MA
 Rowley Fuel Co. Inc. Adams, MA
 Rutland Fuel Co. Inc. Rutland, VT
 Sandy River Cash Fuel Strong, ME
 S-K Quality Fuel Inc. Oquossoc, ME
 Taylor Energy Broad Brook, CT
 Thomas Fuel Inc. Lunenburg, MA
 Wheeler Oil Company Inc Chester, 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.



Future Fuels, Equipment Dominate Industry Event

Refiners and Manufacturers Take Realistic Look at Emerging Possibilities

AT THE 2009 ATLANTIC REGION ENERGY EXPO (AREE), MUCH OF THE discussion was about diagnosing how energy prices became so volatile over the past year and how to deal with such unpredictability in the future.

In April at the 2010 AREE show, the discussion was clearly on the future of the home energy industry as a whole, with a focus on the new fuels and technology that can help keep the industry competitive in the face of potential environmental regulations, continued volatility and conversion to other fuels.

THE RISE OF INSTABILITY

The keynote address, from Michael Masters of Masters Capital Management, an expert on commodities markets, helped bridge the gap between the two events by taking an in-depth look at how energy prices lost their stability as speculators began investing in them.

Masters may have been stating the obvious when he noted, "It's no longer the case that supply and demand are the only factors in the

"If we hope to get to 80 percent emission reductions by 2050, we have to include biofuels. There's a lot of work left to get to B20 and maybe B100 is the next step. The interesting thing with B100 is there is no sulfur, and thus no corrosion."

- Dr. Tom Butcher, Brookhaven National Laboratory

price of oil today." However, he provided clear data to show how different the market has become since 2004 as compared to the previous 15 years.

"In general, from 1987 to 2003, when inventories rose, prices fell and when inventories fell, prices rose," Masters said. "In 2004,

things began to change. Prices continued to rise in 2005 as inventories increased."

While the commodities market was created to give those who dealt with such products a sense of price security, that changed when new investors started using them to place money long term, with no intent on receiving the product.

"Our belief, and we testified to this in front of Congress, is that investors had a large impact on the price of oil," Masters said. "This is different than ever before, as large institutional pension funds used commodities to park money. They were not active traders."

Instead of using inventories to track where prices might go, Masters looked at the investment money flowing into oil contracts. In 2008, he saw money flood into the indices in the first half of the year and saw prices skyrocket. In the second half of the year, as the economy contracted, \$70 billion came out of oil contracts and the price per barrel tumbled.

"Investors sold because they were scared of what happened to their counterparts like Lehman Brothers and wanted to have the money instead," he said.

With the economy still slowed and credit markets tight, Masters thought that investors would have learned their lesson and stay out of commodities markets, but admitted he was wrong.

"We saw \$100 billion enter the markets in 2009, with \$10 billion coming into the indices in the first two weeks of April alone," he said. "Oil went up from \$82 to \$87 per barrel."

While many investment companies have downplayed their role in driving energy prices, Masters finds the evidence incontrovertible.

"The derivatives markets are the dog and the spot markets are the tail," he said. "Oil has become a financialized product; the price is set by investors, not the producers and consumers. It used to travel in concert with the stock market, but it's now subject to speculative booms and busts, which makes it harder to hedge."

The only solution, according to Masters, is for the government to intervene with legislation that targets large, passive investors and prevents them from overtaking the market from those who actually need it.

(For more on the topic, see page 16 for an article from David Frenk of Balanced Markets, who works with Masters on market research.)

Continued on page 14...



New Terminal Position in Baltimore

Trucks and Supply

Right where you need them!

**DENNIS K. BURKE
TERMINAL
LOCATIONS**

CONNECTICUT

- New Haven (2)

MAINE

- Portland (2)

MARYLAND

- Baltimore

MASSACHUSETTS

- Braintree
- Everett
- Holyoke
- Revere
- Springfield

NEW HAMPSHIRE

- Newington
- Portsmouth

NEW YORK

- Albany

RHODE ISLAND

- East Providence
- Providence (2)



Fleet, supply and experience.

Burke's fleet of clean, metered trucks has a great reputation for delivering on time – every time, even when supply is tight. During winter months, we bank higher fuel inventories to cover any shortages and ensure continuous deliveries to our customers.

Burke has been delivering premium diesel, motor oil and gasoline for almost 50 years. From delivering loads of heating oil to the latest in biofuels – Burke is a name you can trust.

Burke's wide range of services completes the picture – from 24/7 emergency service to advice and products to help lower emissions. Specialty fueling fleet and hazmat-trained drivers make Burke's fuel transport services an attractive logistics solution. Outstanding service and quality products – *nobody does it better than Burke.*



THE EMISSIONS EXPERTS

Premium Diesel Fuel, Motor Oil and Gasoline

B5 & B20 Biodiesel • E85 Ethanol • Bioheat • Ultra Low Sulfur Diesel
284 Eastern Ave. • Chelsea, MA 02150 • 1-800-289-2875 • www.burkeoil.com

...Continued from page 12

FUELING THE FUTURE

Several seminars at AREE looked at how heating oil will have to change in order to not only break from the cycle of energy booms and busts, but also to compete with other fuels and new environmental regulations.

Al Mannato of the America Petroleum Institute (API), a trade association of producers and refiners, said there is remaining uncertainty about when ethanol amounts could be increased in gasoline and ultra-low sulfur diesel (ULSD) in heating oil due to supply concerns.

"API supports going to 500 ppm in 2014, but it's a big move for our members, given economic uncertainties, project financing and major construction lead times," he said. "To make the move by 2011 or 2012 is infeasible; we need all the Northeast states on the same schedule. A move to 50 ppm is more realistic than 15 ppm."

However, Kevin Lindemer, an energy consultant who did a study on moving to ULSD for the National Oilheat Research Alliance (NORA), said that a shift is possible for all heating oil stock if there are the right regulatory signals.

"Refiners do a very good job of producing what the market desires," he said, showing that the amount of each fuel type that is produced is very close to the supply necessary. "If you want to change it, you will probably need specific regulatory efforts."

He did not discount that it would require time and capital to move to ULSD as a base stock, though.

"From the standpoint of refiners, they will need to make significant investments," Lindemer said. "You can phase it in without pressuring Northeast refiners because of the ability to bring it in from elsewhere."

The historical precedent for making such a major change exists, Lindemer said, with previous environmental mandates showing a four or five year lead time in order to make the change. With the U.S. currently running significant distillate exports, along with lower volumes necessary if biofuel mandates are implemented, he expects enough fuel to be available.

Everyone in the industry, from refiners to customers, are concerned about the price impact that a switch to ULSD might have, but Lindemer's study showed that it would probably be minimal.

"At a wholesale level, ULSD prices are expected to average 1 to 3 cents per gallon above heating oil prices," he said. "The cost increase will be small compared to the volatility in the crude market. The impact on consumer price is expected to be minimal; most customers will probably not even notice."

Additionally, because of the lower sulfur content, customers will realize savings through less system service that will more than offset the potentially higher fuel cost.

Lindemer concluded with his study that there are two options for the industry to responsibly transition to ULSD. The first is to change the entire industry to ULSD with enough lead time for all refineries and the second is to phase it in on a state-by-state basis.

"The derivatives markets are the dog and the spot markets are the tail. Oil has become a financialized product; the price is set by investors, not the producers and consumers. It used to travel in concert with the stock market, but it's now subject to speculative booms and busts, which makes it harder to hedge."

— Michael Masters, Masters Capital Management

Either way, it will take government action.

"Past changes in refined product specifications were largely driven by environmental requirements," he said. "In all cases, the refining industry has met the regulations."

Paul Nazzaro, the petroleum liaison for the National Biodiesel Board (NBB), said that there is a "chicken and the egg" scenario developing among refiners, retailers and customers in regards to implementing biofuels more fully and that no one should be waiting passively for someone to make the first step.

"Everybody from retailers, wholesalers and related industries will benefit from this," he said. "There is plenty of fuel available to meet emerging demand."

TECHNICALLY SPEAKING

For the Oilheat industry to remain competitive in the future, innovative technology will need to be continually implemented alongside ULSD and renewable fuel sources, according to many speakers at AREE.

Dr. Tom Butcher, of Brookhaven National Laboratory, offered a seminar on some of his latest research and what the industry can expect in both the near and long term as it looks to integrate more efficient technologies.

While the government looks to reduce emissions on a mass scale, Butcher said that Oilheat systems offer the ability to drastically cut back on fuel use by simply using current technology.

"Half of the systems out there could save 25 percent of their fuel annually just by upgrading to a new system," he said.

While a 5 percent biofuel blend (B5) is currently approved for use in existing systems, Butcher has been working on the next generation of biofuels that may be used for heating, which he thinks will be necessary to

meet government targets.

"If we hope to get to 80 percent emission reductions by 2050, we have to include biofuels," he said. "There's a lot of work left to get to B20 and maybe B100 is the next step. The interesting thing with B100 is there is no sulfur, and thus no corrosion."

While it took years of research and testing to prove that B5 was compatible with current systems, Butcher noted that it won't be as easy to make the next leap for biofuels.

"We know we can use high blends of biodiesel if we change out pumps, but that's impractical," he said. "We have to make sure the fuel is safe for legacy systems."

Butcher said that this is pushing the industry forward on two paths of biofuels research, testing the safety of higher percentages of legacy systems and using B100.

"B100 could offer some interesting possibilities for the industry," he said.

Butcher also talked about his experience with technologies that are already available in Europe, where space and efficiency are more of a concern, which could be integrated into American homes, such as some vaporizing/atomization concepts that offer the potential for very compact, wall-hung units.

"There are fuel-fired heat pumps that offer a quantum leap in efficiencies up to 150 percent that are available with natural gas, but we've tried them with oil and it works great," he said.

Systems that include another fuel option in addition to a petroleum-based one will also help expand and sustain retailers as the main source for energy solutions for customers, according to Roger Marran of Energy Kinetics, who spoke about solar thermal systems at the conference.

"Solar thermal allows us to talk to new or future customers about renewable fuel options," he said, noting that installation of such systems is relatively easy for most companies to either perform or contract out to a partner.

He said that once you determine whether your company should offer solar thermal options—if it fits your company's vision and is technically feasible—there are several reasons that customers are looking for the technology.

"System payback [from fuel savings] is rarely an issue with solar customers, we've found," Marran said. "Their desire is often to use a renewable resource, help the environment or take advantage of available tax credits."

Presentations on wind and geothermal systems also showed how these technologies, which have been viewed as too expensive or large for residential use, have become more viable due to local, state and federal incentives and smaller-scale equipment. ☐

Your boiler just got
smarter.

Beckett[™]

PARTS & ACCESSORIES

www.beckettcorp.com

AquaSmart[™]

MODEL 7600 BOILER CONTROL

- Save money & energy
- Reduce inventory
- Reduce service call-backs



*Explore its potential with
our online training module:*

www.beckettcorp.com/aquasmart



The Price of Speculation

A Closer Look at How Volatility Came to Oil Markets

By David Frenk, *Balanced Markets*

COMMODITY DERIVATIVE MARKETS WERE created to reduce risk for producers and consumers, yet today they have the exact opposite effect, thanks to a new and dangerous breed of speculators.

Historically, supply and demand determined the prices of consumable commodities. Producers and consumers were both vulnerable to large swings in these prices. Derivatives markets were created to manage the risk of unforeseen price fluctuations due to factors like bad crop yields or recessionary demand shocks.

Through derivatives, producers and consumers of energy, food and other commodities, could effectively lock in a set

price for future transactions. In this way, an airline, for example, could keep its fuel cost risks under control, while fuel suppliers could ensure a steady flow of business. In many derivative markets, speculators helped provide liquidity: they would step in to take the other side of a derivative contract if no counterparty could be found, whenever they considered the risk worthwhile.

THE BUBBLE BEGINS

However, commodity derivative markets changed dramatically in 2004 when a new class of speculators—so-called “index speculators”—flooded the commodities market in general, and the oil market in particular, with a new wave of money. This wave peaked in 2008, creating a speculative bubble that burst in mid 2008. In March 2009, the bubble began to re-inflate even faster than it had in 2008.

The new breed of speculator, usually a large institution such as a pension fund or endowment, came on the scene with a radically different agenda than the

traditional speculator. Whereas traditional speculators made money by anticipating movements in supply and demand, these so-called “index speculators” were in for the long run; by their own admission, temporary fluctuations in supply and demand were not their concern.

Instead, index speculators wanted to buy and indefinitely hold a “basket” of commodities in order to diversify their portfolios. This wave of speculation created artificial demand, pushing prices higher and higher, as index speculators competed with actual end users for the resources available on the market. This long-term “investing” in commodities could also be called by another name: hoarding.

Unlike the physical buying and holding of goods, most commodity speculators deal strictly in paper and rarely take delivery of the commodities they are investing in. Yet, they still affect the price of physical oil because most physical oil is traded via separate long-term contracts pegged to futures prices, which are entirely determined by paper trading.

INTRODUCING VOLATILITY

If index speculation simply pushed prices permanently higher, that would be challenging enough for energy users. Higher

In order to fully restore the safe functioning of derivatives markets, the government must take steps to reinstate meaningful limits on speculative position sizes and severely restrict the phenomenon of passive index investment. If nothing is done, oil will continue to be highly volatile, causing major problems for the real economy.

costs could be managed by cutting capacity and raising prices for the general public. Indeed, this has already happened. More troubling than the dramatic price increases, however, is the volatility that speculation has introduced, hurting both energy users and energy producers.

Volatility creates uncertainty that makes it impossible for businesses to plan. Today's reality: index speculators have destabilized the very markets that were created to reduce uncertainty for producers and consumers.

When AIG and other dealers first marketed the idea of commodity index speculation in 2003, they focused on two main selling points. First, commodity prices were not correlated with the prices of other financial assets. This had obvious advantages to any financial institution looking to protect itself against a general sell-off in traditional financial assets.

Second, commodity prices were in backwardation (commodity futures were

The diversification value is gone. Excessive money flowing in from speculative sources has also helped destroy backwardation, putting the market into a perennial contango (the opposite of backwardation).

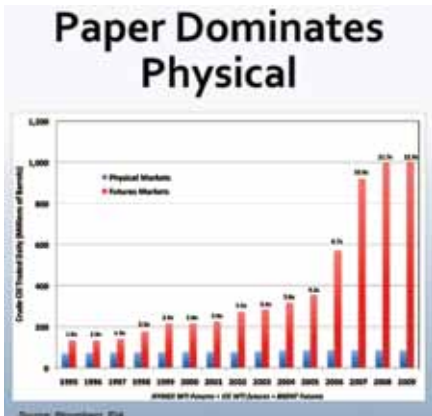
Each time prices begin to return to backwardation, a new wave of investment occurs, as managers perceive an opportunity to enter the market, equivalent to buying a stock as it rebounds after a dip. This influx of new money pushes prices back into contango, in a repeating loop. Because of the contango they have created, index speculators actually experience a negative roll-yield. Now, they have to pay to keep their bets on.

THE IMPACT OF SPECULATION

The speculators themselves don't understand this new phenomenon, because their models assume that their own behavior does not impact prices. Even managers who accept that placing a big order in the stock market will push up the price of the stock are unwilling to apply the same logic to commodities markets.

Nevertheless, in commodity markets, as in all markets, prices are determined by the intensity of buying versus selling; regardless of whether buying and selling comes from

Continued on page 18...

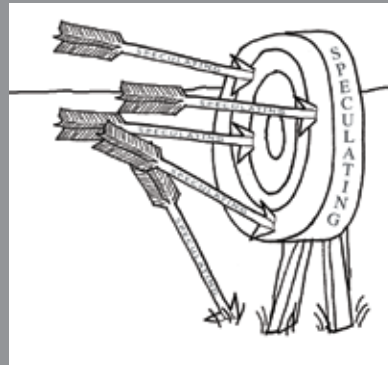


priced higher the further ahead you looked), so investors could lock in money by, in essence, "storing" commodities and benefiting from the appreciation.

In a backwardated market, speculators can profit even without a rise in oil prices through the so-called "roll yield." After an initial "investment," the speculator simply closes the futures contract as it nears expiration, and immediately initiates a new position of the same (or greater) size.

In other words, all the speculator needs to do is make an initial bet that prices will rise. If they do rise, he will reap the rewards. Even if they don't rise, he will make money simply by renewing the bet each month. He can't lose!

Sadly for the index speculators, in their eagerness to pile into a market too small to absorb them, they have destroyed the very opportunities they sought to capture. Oil prices now correlate strongly with the S&P500 and other financial assets.



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



Hit your sweet spot.

Call Angus Energy today at 1-800-440-0472 and we can help you find your target.



If you're not hedging... You're speculating • 800-440-0472 • info@angusenergy.com • angusenergy.com

...Continued from page 17

actual end users (supply and demand) or from speculators, it will impact price.

Speculators, flooding the markets en masse, have destroyed the original rationale for investing in commodities. In so doing, they illustrate the old adage that the best way to make a small fortune in commodities speculation is to start with a larger one.

Despite being burned, index speculators have made it clear they are not going anywhere unless forced to do so by regulatory reform. In fact, various surveys indicate that the problem is likely to worsen, with pension

Dealers reap large rewards for encouraging risky bets until the bottom falls out of the market. Then, when they take a large loss, they can parlay their sheer size to demand a taxpayer bailout. Needless to say, many of the largest dealers today are the very same institutions that were bailed out in 2008-9.

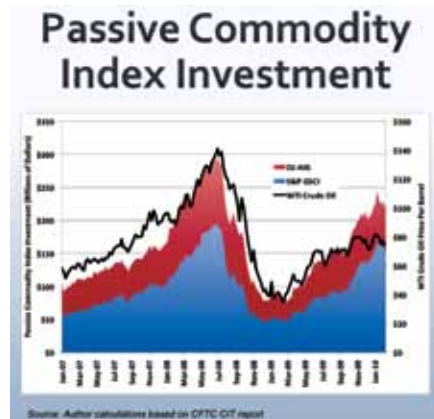
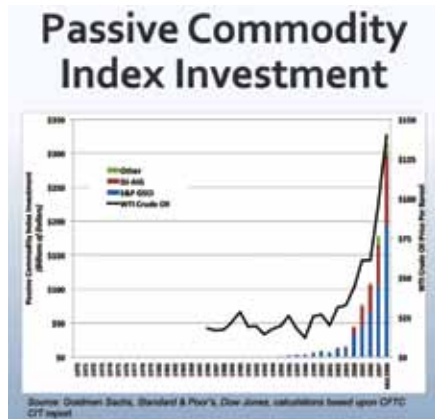
BRINGING NECESSARY REFORM

Not surprisingly, those dealers are resisting regulatory reform by whatever means they can. Initially, they argued that it is logically impossible for speculation to drive prices,

is deeply problematic since the incentives of speculators, banks and dealers are fundamentally misaligned with the interests of end users.

Financial regulatory reform to address these issues is currently under debate in Washington. The key proposals are vehemently opposed by derivatives dealers and even some end users who still haven't cottoned on to the raw deal they are receiving.

Proposed reform calls for derivatives to be traded on an open exchange, just as stocks are. Those contracts that cannot be brought



funds generally looking to increase their allocations to commodities over the short-to-medium term.

Why do they keep coming back for more pain? To understand, we need only to look at who is advising them: consultants who benefit from increased volume for their brokerage arms, and large dealers who can make a killing not just from commissions, but also from spreads (the gap between the price a buyer is willing to pay and the price the seller is willing to accept; dealers keep the difference).

This problem is made worse by the fact that most derivatives trading is done not on honest and open exchanges, but via Over-the-Counter (OTC) markets, where there is zero transparency or accountability. In fact, thanks to the Commodity Futures Modernization Act of 2000, OTC markets are even exempt from anti-fraud laws.

OTC dealers are able to push spreads as wide as possible by exploiting the fact that only they know the bids and offers from their customers, like in a closed-bid auction. These dealers silence objections from their customers by relaxing collateral requirements, which reduces the cost of using their services (since the collateral that would have to be put up can now be used elsewhere).

This undermines the purpose of collateral—to protect against excessive risk. Without it, the system becomes dangerously leveraged.

much less spur volatility. They insisted that speculation merely provides “liquidity” that makes it easier for real producers and consumers to transact. They argued that the perfectly concurrent increase in volatility and the sharp rise in index speculation was merely a correlation, not a cause-and-effect.

When their arguments were resoundingly defeated, they tried questioning the data. Here too, however, the evidence is overwhelming. Traditionally, to get a sense of supply and demand conditions for crude oil, you would look at inventory levels stored by producers (refiners).

This was generally a good predictor of oil prices, because supply and demand did indeed determine prices. Since 2004, however, inventories have become increasingly irrelevant to the price of oil; financial assets have supplanted inventories as the best predictor of oil prices.

The effect of excessive speculation is that the tail now wags the dog. In fact, the tail has grown so large it looks more like a boa constrictor winding its way around the rest of the animal, slowly choking it to death. In 2004, the futures market was less than four times the size of the physical market. By 2009, it was nearly 12 times the size.

Whereas spot markets historically determined price for derivatives, the opposite is now true. In crude oil today, the derivatives markets determine the spot price, which

on exchange must be cleared, with full public disclosure of volume and price, and appropriate collateral placed in the hands of a central counterparty. The result would be to make information about the structure, volume and pricing of derivatives deals public.

With these reforms in place, a large factory trying to hedge against fluctuations in the cost of gas would be able to look at what its competitors paid and get similar terms, not some amount devised by a Wall Street broker looking to make a killing. Without this middleman ensuring everyone can deliver on their bets, the likely result is another AIG-type meltdown, when a company enters into so many trades that it can't afford to cover them all if they go sour.

In order to fully restore the safe functioning of derivatives markets, the government must take steps to reinstate meaningful limits on speculative position sizes and severely restrict the phenomenon of passive index investment. If nothing is done, oil will continue to be highly volatile, causing major problems for the real economy.

Oil refineries are well aware of the dangers that a volatile liquid can pose. They invest heavily in safety measures to contain and manage it. Those in charge of derivatives markets should act accordingly. Deregulation in the name of liquidity promotes excessive volatility. And volatile liquids with no safety measures inevitably explode. ☒

EIA EXAMINES THE IMPACTS OF ALTERNATE FUTURE SCENARIOS ON ENERGY TRENDS

How will various scenarios for future economic growth and energy policies affect the projected U.S. energy use in 2035? That's a question that the Department of Energy's (DOE) Energy Information Administration (EIA) attempts to tackle in its May release of the full Annual Energy Outlook 2010.

In December 2009, the EIA released its reference case projections for 2035, but the new release includes 38 alternative cases that examine the sensitivity of those projections to various assumptions about future economic growth, oil prices and policies.

For instance, the reference case has U.S. energy use growing at .5 percent per year, but a slow-growing economy could hold that growth to only .1 percent per year, while an overheated economy could increase that to .9 percent per year.

The EIA reference scenario also assumes that various tax credits will expire without being renewed and that there are no new



policies, such as updated efficiency standards and fuel economy standards. In contrast, the "No Sunset" case continues current tax credits for renewable power, building efficiency,

industrial combined heat and power and biofuels, and it anticipates further increases in the Renewable Fuel Standard (RFS) after 2022.

In this scenario, the growth in energy use is nearly the same as in the reference case, but the shift to cleaner energy sources cuts energy-related carbon dioxide emissions by 2.3 percent. The "Extended Policies" case adds in updated appliance efficiency standards and newly proposed fuel economy standards, but drops biofuels tax credits, assuming the RFS is sufficient to stimulate biofuels demand. That case drops U.S. energy use in 2035 by 3 percent, while also cutting energy-related carbon dioxide emissions by 3.2 percent.

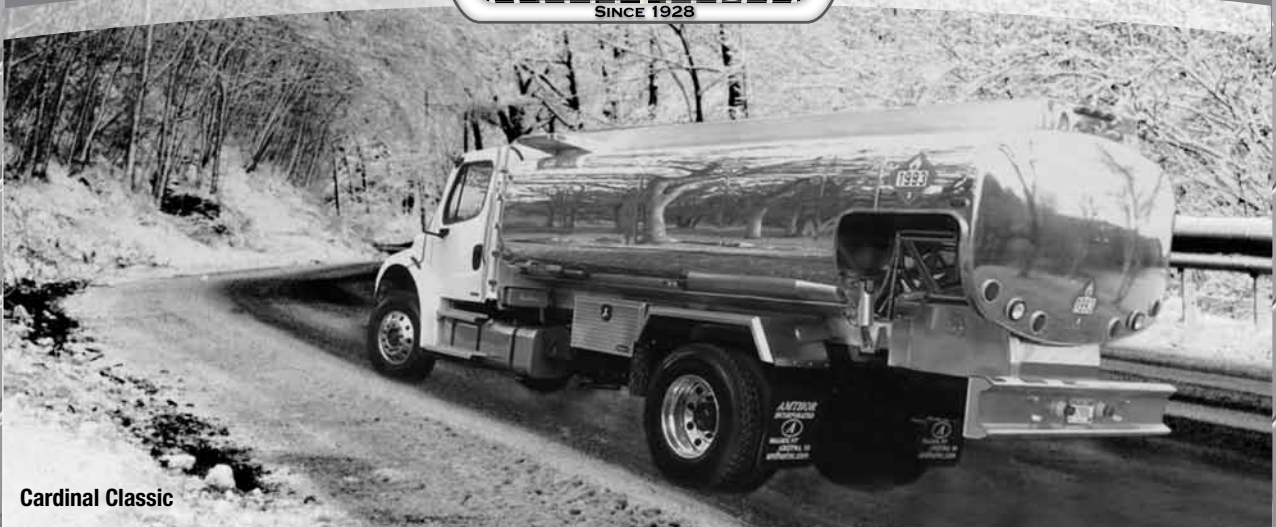
And what if homeowners adopted the most energy-efficient technologies, regardless of cost? That would cut residential energy use by 27 percent in 2035, demonstrating a clear benefit to overcoming the barriers to greater energy efficiency.

Tank Truck & Truck Body Equipment Specialists



845/778.5576

Gardiner, NY • Ask for Brian Amthor
AmthorWelding.com



Cardinal Classic

There goes another reliable
AMTHOR TANK TRUCK
headin' down the road!

- We're the Northeast's largest, most diverse factory-direct tank truck distributor.
- Service centers and on road service throughout the Northeast & New England.
- Choose from our popular Monarch and Cardinal tank models.
- Numerous rear canopy options available.
- Full line of brand new and pre-owned units ready for immediate delivery.
- Numerous financing & leasing options with competitive rates.
- Seven year warranty options-that's two years longer than anyone else.



Let's Not Miss the Pitch

By Michael Devine, Earth Energy Alliance; National Biodiesel Board

EARLIER THIS MONTH I RECEIVED A CALL FROM a heating oil dealer responding to my April article entitled “The Five Ps.” He asked me several questions about Bioheat®, how to market it to customers and how to integrate it into his business plan.

I asked him about his business and he told me that his oil sales were declining slowly over the last 10 years due to natural gas. When I asked him what efforts he and his staff made to retain the customers as an Oilheat account, he told me, “Well there’s not much to say. The customer made up their mind and at least our service department was able to install the natural gas system.”

“With the growth of the biodiesel industry, Oilheat now has the ability to distribute a renewable energy that improves operability and allows us to market a future liquid fuel that will reduce the nation’s carbon footprint and thereby reshape and redefine the Oilheat industry as we know it.”

I asked him once again why didn’t he make an argument about the benefits of Oilheat and he reluctantly admitted that he didn’t want to lose the equipment conversion and it seemed like they had already made up their mind.

“Are you kidding me?” and “That’s the best you’ve got?” were bouncing around my brain at the speed of light. I was furious at first, and then as the days went by, I simply felt sad. I am writing this article with this individual in mind, because the truth is, he is probably not the only heating oil dealer who is struggling with conversions to natural gas and looking for answers.

The Oilheat industry is in a war with natural gas—make no bones about it. When dealers roll over for the sake of an installation and sacrifice the loss of recurring revenues through distributing liquid fuel, then it’s time to either raise the white flag or dig in and fight for the industry.

To fight the fights, we need to understand and embrace the opportunities to deliver renewable energy to our customers and chart a new path through our collective “human element.”

The truth is, we have been declining and losing market share to natural gas in the last decade. In the 23 National Oilheat Research Alliance (NORA)-contributing states and the District of Columbia, 908,000 fewer homes were using Oilheat between 2000 through 2007, according to the U.S. Census Bureau.

These numbers are distressing, but

fortunately with the growth of the biodiesel industry, Oilheat now has the ability to distribute a renewable energy that improves operability and allows us to market a future liquid fuel that will reduce the nation’s carbon footprint and thereby reshape and redefine the Oilheat industry as we know it.

The Bioheat dealer has the opportunity to address conversions to natural gas simply and with compelling facts. Biodiesel is the most diverse fuel on the planet. It is made from regionally available, renewable resources that are abundant in the United States, including soybean oil, other plant oils, recycled restaurant grease and beef tallow and other fats.

Biodiesel has gone through extensive testing costing more than \$100 million over the past 15 years to develop its ASTM specification for the pure blending component B-100 meeting ASTM D.6751.

Biodiesel is the only alternative fuel to voluntarily complete EPA Tier I and Tier II testing to qualify emission characteristics and health effects.

The U.S. EPA recently released the results of the most comprehensive lifestyle greenhouse gas study of biodiesel that has ever been completed through the RFS-II rulemaking process.

Biodiesel from soybeans, animal fats and recycled cooking oil are now considered “advanced biofuels” by the EPA because they reduce greenhouse gas (GHG) emissions by more than 50 percent than petroleum diesel and heating oil.

The Department of Energy and the USDA say biodiesel reduces lifecycle carbon dioxide, a greenhouse gas, by 78 percent. Biodiesel also significantly reduces EPA regulated emissions with direct impact to human health and has a very high-energy balance.

Newly published research from the University of Idaho and the U.S. Department of Agriculture show that for every unit of fossil energy needed to produce biodiesel, the return is a positive 4.5 units of energy. Biodiesel made from soybean oil has a high-energy balance because the main energy source used to grow soybeans is the sun.

The increased demand for biodiesel is stimulating research and investment in developing new materials to make biodiesel: algae, camelina, jatropha, other arid land crops and waste materials including trap grease.

The result is that we will see additional feedstock volumes coming from fallow or low

production lands and utilizing innovative technologies. These are just some of the talking points that a Bioheat marketer can utilize to make a compelling sales pitch to any consumer who is considering natural gas.

What other tools does the oil dealer possess to win this war? A full-service heating oil dealer targets a two-hour response for an on-call emergency service call. How many plumbers, electricians, carpenters, pest control or any other home services provider can state that claim in the dead of winter?

The Oilheat dealer can provide multiple pricing program options such as capped pricing programs, a pre-buy program, fixed pricing programs and my favorite—market-pricing programs. Natural gas does not provide the consumers what the oil dealer can provide which are numerous pricing options; American consumers love purchasing options.

The Oilheat dealer is vested in the community—they sponsor Little League teams, are involved in civic organizations, members of the chamber of commerce. I wonder how many Oilheat dealers are Rotarians. Oilheat dealers support their churches and

synagogues and other religious outlets.

You are in and live in the same community as your customers. They know who you are and in many cases you would know them by name. How many Oilheat dealers have keys to their customers’ homes as a safety precaution?

This is a question that I love to ask when speaking to a group of dealers, because I see so many hands to go up. Yet, when I ask them how many of their own homes’ keys reside in other home service companies, no one raises their hand. Is it because the Oilheat dealer has gained the trust of the community over many years?

Unfortunately, I am limited to about 1,000 words in each monthly article; I would like to write 10,000 words on this subject.

If these talking points are not compelling enough to retain your customers from switching to methane, then e-mail me at mike@earthenergyalliance.com or call me at (203) 221-3044.

For more information regarding biodiesel and Bioheat, please visit www.biodiesel.org and www.bioheatonline.com.

It’s a new ballgame folks; let’s not miss the pitch! 🏏



Smart Energy

PARADIGM
Condensing Oil-Fired Furnace



Hyper Efficient.
Maximized Savings.
Greenhouse Gas Friendly.
Remarkably Comfortable.

The KERR PARADIGM condensing oil-fired furnace represents a shift forward in oilheating technology.





Check out the complete line of High Efficiency, Energy Star® qualified Kerr oil-heat products at www.KerrEnergySystems.com



Charting a New Course

By Richard Goldberg, Warm Thoughts Communications Inc.

THE ROOTS OF THIS ARTICLE WERE PLANTED

last year, when Gene Guilford asked me to kick off the Independent Connecticut Petroleum Association's (ICPA) extraordinary 2009 annual conference.

Gene and his board were convinced they needed to shake up the thinking of Connecticut's fuel oil dealers, and accelerate the process of change. I agreed. The challenges we face are too hostile to abide a "same old" mentality.

On an industry-wide basis, they call for repositioning our fuel for a greener future. On an individual company basis, these challenges require us to adopt a more entrepreneurial approach, a willingness to break the old molds, and to rethink the way we market our companies.

My presentation at ICPA generated more positive feedback than perhaps any in my 20 years in this industry. Later, I was invited to kick off the Maine Oil Dealers Association's special "Crossroads" conference, which embraced a similar path, and which saw the association actually change its name to the Maine Energy Marketers Association (MEMA).

No matter where I've presented this message, it seems to strike a resonant chord. At the Atlantic Region Energy Expo (AREE) in April, one audience member, a friend for many years and a definite "old school" guy, came up to me and said, "You are dead on. I can't keep doing things this way. I need to change." You could have knocked me over with a feather.

So, I thought it would be helpful if I turned my presentation into a series of articles that outlined my key points. It won't have the video clips, the animated delivery, or even my service tech "rap song" which I'm sure is destined to be a YouTube hit some day. But it

will have the essence of my thinking.

And hopefully, that will be enough to encourage you to reconsider your approach and your options. You may not choose to do anything different. But maybe, just maybe, it will be a spark to rekindle your entrepreneurial fire.

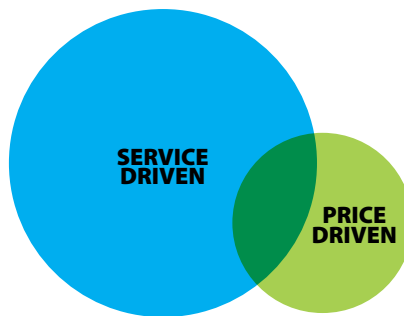
WE'RE NOT IN KANSAS ANYMORE

When we think back to the good old days, we can see an Oilheat world characterized by loyal, stable customers who had little access to competitive information; generally stable prices and straightforward competition.

with companies more concerned about upsetting the applecart than getting somewhere fast. Old employees invested in keeping things the same. Owners who were often more invested in preserving than innovating. And a general psyche that was defensive and resistant to change.

We were happy to look like and follow each other, chasing the same "full-service customer." We organized into highly collegial associations, and bitched about the same old stuff at the same old meetings. And we started to create a culture of "can't."

CUSTOMERS IN THE OLD DAYS

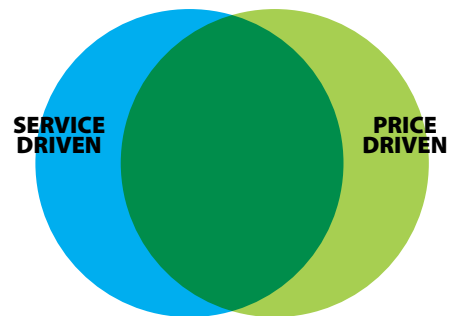


Depending on which state you lived in, competition from other fuels ranged from nuisance to challenging, though, in most places, the Oilheat market either stopped growing or grew only slightly each year.

It bred a generation or two of fuel dealers who were focused on incremental growth, incremental loss and keeping the family business together. We were battered by the occasional hurricane force of an oil embargo, Gulf War, underground tank regulation, etc., but otherwise, things were pretty stable (at least by today's standards).

As a result, we became an industry filled

CUSTOMERS TODAY



You can't do that, customers will go nuts;
Can't talk about price, only service;
Can't communicate with customers, it will just wake them up;
Can't make money on service, we'll lose our gallons;
Can't eliminate fixed prices, can't eliminate caps, can't offer caps, can't charge for caps (I've heard them all);
Can't switch to flat-rate billing and increase service revenue dramatically;
Can't sell propane or other fuels without destroying your base;
Can't run a discount company without destroying your base;

Can't provide service for natural gas equipment;
 Can't get lots of people on budget plans;
 Can't get techs to...
 Can't get drivers to...
 Can't get customer service reps to...

You get the picture. I chose these examples because we've demonstrated that you actually can do all of them. But it's not always easy. And in any event, there are lots more "can'ts" where these came from.

WELCOME TO OZ

None of this might matter too much, except our house seems to have fallen on the Wicked Witch of the East, and this Oz is a very inhospitable place.

In today's new world we have:

Hyper price volatility that keeps jarring our customers awake, creates a fundamental uncertainty about our product, and causes us to embrace risky, costly and difficult hedging programs to try and make things calmer.

Record prices that increase customers' incentive to shop around and which plays into the hands of oil competitors and the utilities.

Fewer gallons per home as a result of milder winters, greater equipment efficiency, homeowner conservation and use of supplemental space heaters (wood stoves, heat pumps, etc.). And this is not a temporary phenomenon. To paraphrase Bruce Springsteen "they say these gallons are going boy and they ain't coming back."

Climate change regulation, whether on the federal or state level, that seeks to tax our fuel into second-class status or regulate it into oblivion.

Increased conversions thanks to the current disparity between oil and natural gas prices, the aggressive subsidization by some utilities, image problems and more.

When you put it all together you get a recipe for grief. Shrinking market share, plus high fixed costs, plus fewer gallons, plus decent resale value of an automatic oil account, all create a strong rationale for increased competition.

And as you try to make up for the lost gallons by raising margins, you become even more vulnerable to the discounters who don't have the service and credit overhead, and the Big Oil Dealers who have to offer incentive deals to make up for the churn of their overcharged regular customers (the vicious cycle).

As if this weren't bad enough, you need to factor in a new breed of customers. Today's consumers don't think or act like their daddies and granddaddies. They are much less loyal; have much greater access to competitive information thanks to the Internet; believe

that shopping for a good deal is a virtue, not a vice; like to make "informed decisions" and have choices tailored to them; tend to undervalue traditional concepts of service, though they demand attention mightily; and have less money, in real terms, than they used to (a trend in place even before the great recession).

They also have more "green" sensibility, which currently works against us. Whether it's generation X, or Y, or millennials, or whatever you want to call them, they play by a different set of rules.

FINDING THE YELLOW BRICK ROAD

When you gaze at this landscape, there are wicked witches everywhere, and it can get pretty depressing. But I'm not telling you anything you don't already know. You are living it on a daily basis. All I'm doing is putting it in some perspective so you can see the bigger picture.

Some of you, faced with these scenarios, will throw up your hands and say "Enough, I'm outta here." But most of you like what you do. You have businesses that have been in the family for several generations that have great reputations in your communities.

You've encountered tough challenges before and gotten through them. You're not ready to throw in the towel, nor should you.

What's different is that this challenge has a very strong marketing component. This is as much a perception game as anything else. And if you look like most of your competitors, why shouldn't they try and find the same for less? If you don't find ways to stand out, and stand for things that matters to this new breed of customers, you will increasingly find yourselves in an untenable situation.

In this new world, you have got to figure out ways to get customers to buy more from you, at better prices, despite all the witches nipping at your heels. You must be willing to break some molds, to experiment, to focus more of your time and money on doing things different. Doing things better. Being more unique.

The good news is that some fuel companies are already taking these steps. In subsequent articles, I'll introduce some of them to you, and lay out some marketing strategies that could make a real difference. Until then, if you'd like to comment on this article, or check out my thoughts on related items, go to my blog at www.warmthoughts.com. ☞

How much do you love your accountant?

"Gray, Gray & Gray has been an essential part of the growth and continued success of our business. They are an invaluable resource to us."

*Jack Ford, CFO
 Peterborough Oil Co., Inc.*

Let's **ROLL UP OUR SLEEVES** together.
 Call Joe Ciccarello today to find out how we can help your oilheat business grow.

GG&G
 GRAY GRAY & GRAY, LLP

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





Fighting Back, Not Rolling Over

Telling the Truth About Natural Gas

Submitted by the American Energy Coalition

THE OILHEATING INDUSTRY IS STANDING AT a precipice: we're coming off a two-plus year span of record high prices; "fossil fuels" have been deemed the cause of most—if not all—the environmental concerns of global warming; carbon dioxide as a greenhouse gas is in the news daily; geopolitical concerns make crude oil imports a point of contention; and the natural gas industry has thrown its financial and political weight behind the causes of "cleanliness" and "efficiency."

Singularly, we have faced each of these issues before, and remained a viable industry. Combined, they form a "perfect storm" that threatens our very existence.

We already have in place the means to answer some of these challenges. The National Oilheat Research Alliance (NORA) and the industry have spent years fostering and publicizing Oilheat's efficiency, cleanliness and low-emissions. We know that new technologies and products like ultra-low sulfur fuels and Bioheat® make Oilheat as good, or better, for the environment than natural gas.

NORA is the make-up artist that "beautifies" our industry and ensures we put our best face forward. This effort has likely made a marked improvement in the public's perception of Oilheat, and hopefully will continue in the future with NORA's reauthorization. And yet, over the past decade, NORA states have lost nearly 1 million homes to natural gas according to the Census Bureau—or close to 1 billion gallons of oil sold each year.

So, with a well-funded organization promoting the benefits of a better, cleaner product, why are so many homeowners and businesses spending thousands of dollars to convert to natural gas, and what can we do about it?

That answer is clear—the natural gas industry is better funded, and has focused its attention on the "threats" from Oilheat with commercials showing that a system conversion is the equivalent of removing four SUVs from the road a year... stating that it's the "smart environmental" choice ... and let's not forget the heartstring-pulling images of "Floie" the polar bear following an adorable child through the streets, and being saved from extinction on the gas company's Web site.

We're being attacked daily, and "hopping on board" the "natural-gas-is-good" message by tying our message to theirs is not the answer.

FIGHTING BACK

The American Energy Coalition (AEC) was formed to do what NORA cannot—directly and competitively respond to these attacks by telling the truth about natural gas. AEC is made up of representatives from every stage of the Oilheat industry, from independent Oilheat dealers to equipment manufacturers, refiners, wholesalers, hedging firms and business management solutions.

Many have interests in both the oil and gas markets. But, like you, we are all on the frontlines of this fight and understand that

every one of those 1 million lost homes affects every one of us. Our future is at stake, and we will not sit by as Big Money spreads outright lies and undermines our livelihoods.

There has been much discussion in our planning sessions and throughout the industry about how best to fight. It is almost universally agreed that simply "going negative" is not the best answer. It is also agreed that the benefits of Oilheat, low-sulfur and Bioheat need to be broadcast loudly and repeatedly.

But while "going to beauty school" and making Oilheat look better—as has been suggested as the answer to all our ills—is important, it's just as important to practice self-defense. If your 15-year-old daughter is infatuated with a cool senior... or a bully is starting a fight... you have to stand up for what's right.

That means fighting back—telling your daughter the facts of life, and sometimes even bloodying the nose of the bully. It might not stop the relationship right away, and you might lose the fight ... but on the other hand, it could make a big difference in the long run. You'll never know until you try.

NORA, by law, cannot discuss other energy sources—period. For the past decade, \$12 million or more per year has been collected and distributed to "improve education and training for employees in the industry, provide customers more information, and develop new products for customers." But when the "other guys" misrepresent themselves... like that cool senior with your daughter... NORA can't say, "hey, that's just not true."

SOME PLAIN TALK

In the story of *The Emperor's New Clothes*, an entire country was hoodwinked by scam artists claiming, over and over again, that only



That pork didn't disparage chicken, but rode the tail feathers of chicken's ascendancy over beef. Well, the chicken industry wasn't holding hen parties and clucking over pork's supposed nutritional deficiencies. And consumers didn't have to decide to eat only chicken or pork for 30 years.

We'd rather look to other campaigns—those that have opened up conversations about important political issues and political opponents; or informed consumers about diseases and treatments; or even compared high-fat, high-calorie fast-food hamburgers with the nutritional benefits of a sandwich franchise's meals and completely repositioned the company as a diet and health-conscious choice.

We're not going to be "Oilheat, the other fuel choice." We'd rather try harder and fight before anyone else switches. Beauty school may be a great vocational choice, but you need a self-defense class to survive. ☒

the wisest would see the Emperor's finery—and so he paraded through the streets stark naked. Not until a child spoke the truth would anyone contradict the grifters' lies. We have to be that child.

When natural gas pushes its environmental friendliness and ignores the methane emissions throughout the recovery and transmission processes; when our government's leaders proclaim it a non-fossil fuel; when its non-renewable energy is considered the engine of the "green train;" and when retrieval methods praised as offering "jobs and new tax revenue" actually pose a dire threat to the country's groundwater supply; someone has to point a finger and tell the truth.

The truth is that even the International Panel on Climate Control has deemed methane as 72 times more dangerous as a greenhouse gas than carbon dioxide over a 20-year period. The truth is that natural gas is as much a fossil fuel as Oilheat, and we are the ones offering a renewable future.

The truth is that shale drilling may be the worst of natural gas's "big lies," as this method, which they claim will provide a 90-year supply of American fuel, may very well be responsible for reducing natural aquifers, contaminating what groundwater remains, releasing more methane into the atmosphere and destroying the natural environment. The truth is that the New York State Department of Environmental Conservation found that wastewater extracted from wells had radium-226 levels thousands of times the limit safe for people to drink; that two of the largest hydraulic fracturing companies have admitted to using diesel fuel in violation of their memoranda of agreement with the EPA; and that both Congress and the EPA

are in the middle of new studies on the relationship between hydraulic fracturing and drinking water.

It's our job to tell the truth. If we don't stand and fight... if we don't do everything in our power to make the powers that be, the government, legislators and public get the full story before they make a decision about their energy source, then we don't have a future at all.

That includes promoting Oilheat's renewability, higher efficiency and lower emissions... and reminding—or informing—the people about the issues natural gas doesn't like to mention. Few homeowners in our area are converting from Oilheat systems to coal, because coal is seen as "dirty" and environmentally harmful... it's our responsibility to make sure they think twice about switching to natural gas, too.

The country needs a diverse energy supply, and we have to be sure to be part of it. But all the advancements in the world won't mean a thing if the most memorable message people hear about Oilheat is coming from the natural gas industry. A strong, competitive and truthful marketing campaign is the best way to reach the homeowner and the legislature.

WHERE'S THE BEEF?

Some people affiliated with the Oilheat industry have suggested that since the natural gas industry is spending almost \$100 million in advertising, we should pull back, focus solely on the "new heating oil" of bioblends and ultra-low sulfur, and let the chips fall as they may.

NORA has been telling our pro-Oilheat story for years, and is legally barred from going further. If we don't supplement the NORA message by also telling the truth about natural gas, we're giving up without a fight.

We've also been told to look to the pork industry's "the other white meat" campaign.

American Energy Coalition Executive Committee

Michael Anton - CEO, HOP Energy

Christopher Behrens - Dowling Oil

Neil Bianco - Sr. Vice President & General Manager, Champion Energy

Dan Donovan - President and CEO, Star Gas/Petro/Meenan

Martin Romanelli - President, Romanelli & Son

Daniel Vessio - President, Nulite Fuel Oil American Energy Coalition Investment Committee

Phil Baratz - Managing Member, Angus Partners/Angus Energy

Kevin Beckett - CEO, R.W. Beckett Corp.

Bruce C. Bott - Vice President, ADD Systems

Judy Delaney - Regional Sales Manager, Global Companies LLC

Judy Garber - Executive Director of NAOHSM

Sid Harvey - President, Sid Harvey's

Tom Santa - President, Santa Energy Corporation

Eric Slifka - President & CEO, Global Partners LP

The American Energy Coalition brings together dealers, wholesalers, manufacturers, resellers and service providers in a united front to provide a competitive defense against attacks on the Oilheat industry. For more information or to become involved e-mail info@americanenergycoalition.com.

The Case for Biofuels

Nazzaro Believes Industry has Answered Quality, Supply Questions



PAUL NAZZARO, PRESIDENT OF ADVANCED FUEL SOLUTIONS, HAS BEEN SPENDING THE LAST eight years as the petroleum liaison for the National Biodiesel Board (NBB), educating fuel dealers on the latest information regarding biofuels.



During that time, the government has become far more interested in pursuing advanced fuels and a 5 percent biodiesel blend was approved to be included in heating oil. Despite those advances, he still encounters many who are not aware of the safety, reliability and marketability of biofuels. *Oil & Energy* recently asked Nazzaro about the state of the industry and how fuel dealers can learn more about it as state, regional and federal mandates begin to have an impact.

Like all new fuels, since opening discussions about Bioheat, there have been naysayers that think the fuel is not exactly what it is being presented to the general public. The enormous amount of technical and field data now available for those wishing to review and arrest their concerns are out there.

Combustion, fuel pumps, seals, nozzles, oil tanks both new and old and many more aspects of equipment performance have been tested on blends ranging from 2 to 20 percent, and with success. Countless field presentations by industry experts have been given and following each of these presentations the same general questions come up.

Will Bioheat prematurely plug my customer's filters? Will it freeze in the winter? Will it void the respective equipment manufacturer's warranties? Will it break down and drop sediment out of the oil adding to the sedimentation already in the storage tank? Will bugs be more apparent in this type of fuel? What types of modifications do I need to make to my current heating system and what are the costs associated with this? What will the price of this new fuel be? And the all-time favorite, will it even be ratably available if I commit to it prior to state mandates taking shape?

All great questions, and all have been pretty much addressed with confidence by industry leaders and biodiesel specialists. The bottom line is that no liquid fuel has been as rigorously tested as biodiesel.

Biodiesel even has a stability specification—something that today's heating oil doesn't even have—likely the reason our fuel quality issue is where it's at today.

I like to wrap up sessions by suggesting that if your fuel supplier is procuring on-specification biodiesel meeting ASTM D6751 and blending it properly with ASTM D396 home heating oil or ASTM D975 diesel fuel and exercising the standard best practices associated with maintaining fuel quality, then the downstream should have no concerns about any of the problems defined above.

It's about adhering to the basic principles of managing fuel quality throughout the supply chain, pure and simple.

Massachusetts became the first state to mandate a biofuel component in heating oil and Connecticut and other New England states are following suit. What is the latest on this legislation that dealers need to know about?

In Vermont: House Bill 549 was introduced into the Vermont General Assembly 2010 legislative session. The bill was introduced through the Natural Resources and Energy Committee and was believed to be able to

Polls show that some retailers still remain entirely unclear on what Bioheat® is and what impact it would have on the fuel they offer. Could you give a brief rundown of its properties and advantages it offers to fuel dealers?

Bioheat is a minimum blend of 2 percent to a maximum 5 percent of B100 biodiesel meeting ASTM D6751-09 blended with the balance of high or ultra-low sulfur heating oil, which meets its respective specification, designated ASTM D396.

The inherent benefits of Bioheat at these inaugural blends result in a direct reduction in sulfur content and unwanted stack emissions while providing energy security, environmental stewardship and most importantly a reduction in carbon intensive fuel oil. Imagine displacement of just 5 percent heating oil with a biodiesel blend that equates to 500 million gallons less fuel oil, which is similar to removing 700,000 cars off the road.

The biodiesel component, which blends nicely into the home heating oil, is virtually sulfur free, which will enable efficiency improvements in heating systems. Lower sulfur fuel allows for higher-efficiency equipment to be utilized making upgrading systems attractive for homeowners seeking the absolute optimum efficiency.

Recognizing our industry's desire to

transition to ultra-low sulfur diesel fuel for home heating makes the availability of a sulfur-free blending component like biodiesel the perfect fit. Without the biodiesel component, our transition to ultra-low sulfur fuel would be just one part of the industry's need to align with government regulations to burn cleaner and greener.

The biodiesel element delivers the non-petroleum element, which enables our industry to capture the energy independence factor while absolutely helping us to collectively reduce our carbon footprint. Bioheat will also help systems perform better by way of its cleaning benefits and unparalleled lubricity performance at even low blends like 2 to 5 percent.

The benefits for fuel dealers grow exponentially as the industry transitions to higher blends, ultimately capturing the value of the facts described in an ICF report demonstrating that ultra-low sulfur heating oil when blended with 12 to 20 percent biodiesel now exceeds the GHG emission profile of natural gas when the fuel's entire life cycle is taken into consideration.

What are some of the most common myths you encounter about Bioheat for use as heating oil or biodiesel in general?

make it out unanimously. Concern arose after the biodiesel excise tax credit was not extended; the committee became concerned about the potential price impact that this may cause in supporting the bill under the current economic state climate. Matthew Cota, who is the executive director of the Vermont Fuel Dealers Association (VFDA), would like to resubmit House Bill 549 in the 2011 General Assembly.

In Connecticut: Senate Bill 383, "An Act Requiring Biodiesel Blended Heating Oil and Lowering the Sulfur Content of Heating Oil Sold in the State," was passed by a very large margin in the Connecticut General Assembly. The bill is currently awaiting the signature of Gov. Jodi Rell.

The summary of the bill is as follows: This bill (1) reduces the maximum allowable sulfur content in heating oil and (2) establishes biodiesel blending requirements for such oil. The heating oil sulfur standard is reduced from the current 3,000 parts per million (ppm) to 50 ppm beginning July 1, 2011, and to 15 ppm beginning July 1, 2014.

The bill defines "heating oil" as heating fuel meeting the American Society of Testing Materials (ASTM) standard D396 or ASTM standard D6751. The biodiesel blending requirements begin at 2 percent in 2011, increasing in steps to 20 percent by 2020, if certain conditions are met.

The bill provides for a waiver from these requirements. The maximum allowable sulfur content and the biodiesel blending provisions do not take effect until Massachusetts, New York and Rhode Island each have adopted substantially similar requirements. The bill establishes a Distillate Advisory Board within the Department of Consumer Protection (DCP), with members appointed by the DCP commissioner. The board must advise the commissioner on progress in meeting the bill's requirements. The bill also establishes reporting requirements. Effective date: July 1, 2011, for the heating oil sulfur provision; October 1, 2010, for the biodiesel provisions.

In Maine: HP 1160, LD1632, item 1, or the 124TH Maine State Legislature, "An Act to Establish Biofuel and Ultra-Low Sulfur Requirements for Number 2 Heating Oil," was introduced this year in the 2010 legislative session. This bill was modified and resubmitted without the biodiesel provisions contained in the bill.

The General Assembly passed legislation that would require the state of Maine to reduce the sulfur content of heating oil to 50 ppm beginning in 2016 and further reduced to 15 ppm by 2018. Jamie Py, president of the Maine Energy Marketers Association (MEMA) feels that additional discussions regarding

the inclusion of biodiesel will be required this summer and fall.

There is a reasonable chance of having biodiesel reintroduced and passed in the 2011 legislative session as a critical component of reducing the greenhouse gas emissions through heating oil use in the state of Maine.

Recognizing our industry's desire to transition to ultra-low sulfur diesel fuel for home heating makes the availability of a sulfur-free blending component like biodiesel the perfect fit. Without the biodiesel component, our transition to ultra-low sulfur fuel would be just one part of the industry's need to align with government regulations to burn cleaner and greener.

What obstacles remain to biofuels being available for dealers in the Northeast? Will enough supply exist to fulfill potential mandates?

Currently there are nearly 2 billion gallons of capacity for biodiesel production in the United States and approximately 500 million gallons of biodiesel is produced each year. A 5 percent blend of biodiesel would require approximately 350 million gallons of biodiesel

to nourish the appetite of the home heating oil marketplace.

It is clear the numbers make sense and clear that if all the National Oilheat Research Alliance (NORA) demand came on all at once, which of course it will not, supply is satisfactory at this time.

What still challenges broad-based availability remains to be the unrest centered on the lack of a biodiesel tax incentive—still not available as of this article's preparation. When the tax incentive does become available, possibly Memorial Day, that leaves only seven months before it is set to expire again on Dec. 31, 2010.

The question remains, how does terminal business development personnel proceed to invest capital into much-required infrastructure to store, blend and distribute biodiesel and Bioheat if the tax incentive is so uncertain from year to year?

A prerequisite for long-term success with biodiesel and Bioheat market expansion sits squarely on the need for a multi-year tax extension (3 to 5 years) to ensure that investments made by regional fuel wholesalers and terminal operators is recouped.

So the supply/demand issue is not as much

Continued on page 28...

MARK YOUR CALENDAR FOR THESE UPCOMING NEFI CLASSES



BASIC OIL BURNER INSTALLATION & SERVICE TECHNICIAN COURSE

160 - Hour Basic Course of Study
Days: Monday - Friday: 7:00am to 3:30pm (4 Weeks)
 August 9 - September 3
 September 7 - October 1
 October 4 - October 29
 November 1 - November 24
 November 29 - December 24

AIR CONDITIONING

80-Hour Course of Study
Evenings:
 September 7 - November 11, Tues & Thurs, 6:00 - 10:00pm

GAS HEAT TRAINING COURSE FOR OILHEAT TECHNICIANS

80 - Hour Course of Study
Evenings:
 September 7 - November 11, Tues & Thurs, 6:00 - 10:00pm

CARLIN 'U' RESIDENTIAL OIL CLASS NEW ONE-DAY SEMINAR

NEW DATE: Wednesday, June 30, 2010
 8:00 a.m. - 5:00 p.m.

These classes held at the NEFI Technical Training Center in Watertown, MA. For classes at other locations, visit our website.

WWW.NEFI.COM/TRAINING



New England Fuel Institute
 20 Summer St.
 Watertown, MA 02471
 (617) 924-1000

...Continued from page 27

about do we have enough, it's about can companies that do not operate in state mandate climates justify the capital improvements to make Bioheat readily available on a ratable basis?

The federal tax credit for biodiesel is hoped to be renewed by Memorial Day and be retroactive for all of 2010. How important is this for the heating oil segment of the industry, and do you expect it to extend beyond 2010 or be an issue again next year? How can the industry prepare for this?

There's no debate that the tax credit is of paramount importance to catalyze activities that would lead to a robust market for these new fuels, biodiesel and Bioheat. However, the Oilheat industry is in a state of much-needed advancements and Bioheat is just one of those advancements.

I would suggest that with or without the tax incentive we have very little choice not to proceed with building out infrastructure to support the biofuels integration.

Recognizing that the industry is committed to its long-term future and its customers, they have collectively agreed to reduce greenhouse gas emissions, its emission of criteria pollutants and to improve efficiency.

An ambitious goal of reducing greenhouse gas emissions by 80 percent by 2050 has been established and the heating oil industry is, without question, advancing their agenda to move into a low-carbon future. Without the bio element, these goals would be challenging to attain.

So the question remains, do we actually have a choice in not proceeding even without the tax incentive in place, or even without NORA's reauthorization? We need to proceed on all fronts or our future will remain compromised.

Certainly I cannot answer with confidence or fact if the tax incentive is a thumbs up or not. I could give industry constituents a sense of hope by using phrases such as "we are working hard every day on Capitol Hill," "it is our thought that things work out in the end," etc., but personally feel establishing false hope based on no real facts is not an appropriate position to take at this time.

In addition to the biodiesel tax credit, NORA is also looking to be reauthorized in upcoming legislation. What importance does NORA have for the industry as it relates to biofuels?

In all that NORA does each and every day, it is clear that having a leadership group up front establishing and navigating the waters is of paramount importance. As the National Biodiesel Board's (NBB) petroleum liaison, I have had the pleasure of working closely with John Huber and the entire NORA staff for some eight years.

Without question, NORA has been

extremely helpful in allowing me and my associates to convey the educational elements of biodiesel and Bioheat throughout the states that NORA represents. Industry leadership has taken the time to explore, evaluate and approve the integration of biodiesel into home heating oil because they recognize the benefits associated with doing so.

The partnership between NORA and the NBB is clearly working. We no longer speak as or represent individual industries, we now represent one industry with one goal: build a long-term future for all companies, individuals and customers of Oilheat.

As Bioheat becomes available to dealers in the Northeast, how can dealers learn more about it to answer customer questions?

Through the National Biodiesel Board, many educational tools have been developed and deployed for those seeking information about Bioheat. The marquee tool clearly remains to be the interactive dealer/consumer Web site. Click onto www.bioheatonline.com as a fuel dealer and you will learn why you need to align with this new fuel.

Have your customer visit and allow them to better understand how Bioheat will be a commonsense fuel choice for years to come. The higher blend over time, the higher the reward for the consumer specific to energy independence, operational peace of mind and, of course, environmental stewardship.

The Bioheat conference being held at the Westin Hotel in Waltham in June will be the final of four events held to educate the fuel dealer on current state of affairs associated with Bioheat, the fuel, the markets, the mandate and the strategies best suited to market and sell the fuel to your independent geography.

NBB is committed to continued education and support of the Oilheat industry by continuing its support of the Bioheat Hotline established last year to facilitate quality and operational concerns which might otherwise aggravate the fuel dealer currently involved with the fuel.

Along with the hotline, NBB petroleum outreach programs moving into 2011 will be, as in the past, geared to the current climate that we find ourselves in. Planned for 2011, watch for webinars, core conferences and updated educational materials all geared to support NORA and its state leaders to serve you better as we transition into this new era of fuel marketing.

How should companies that offer Bioheat market it to their customers most effectively?

The first and most important message that an oil dealer should convey to their customers is that heating oil blended with biodiesel

produces a superior home heating fuel, period. The lubricity and solvency characteristics which are naturally inherent in biodiesel allows the fuel to cleanse the heating system and enables the pumps to move the fuel more easily from the tank to the nozzle.

Once the consumer feels comfortable about utilizing a better fuel, which will reduce fuel quality issues, then the oil marketer will have a more captive and interested audience, who will in almost all cases, embrace the ability to utilize a renewable energy that improves the home's carbon footprint with little or no increased cost and requiring no modifications to the heating system whatsoever.

The fuel marketer should also make the point that for every gallon of domestically produced biodiesel in the U.S., a gallon of foreign petroleum is not imported. Currently, the U.S. trade deficit is approximately \$40 billion per month, with petroleum imports making a large percentage of the trade deficit. Utilizing Biodiesel in Oilheat systems allows the consumer a conduit for going green; reducing greenhouse gases, improving the operability of the heating system and keeping American dollars at home.

Do technical hurdles remain in current equipment for using biofuels and with 5 percent blends approved by the UL and given an ASTM standard, what are the next steps for the industry? Are higher blends possible?

In an effort to prepare for increased percentages of biodiesel to be blended into home heating oil, both NBB and NORA decided that a proactive approach to accomplishing this task was necessary.

A working group was established with many from the first group that successfully amended ASTM D396 to include up to 5 percent biodiesel, charting the course for another ASTM encounter to amend D396 to include up to 20 percent biodiesel.

We're now entering our sixth month as a working group and have established a series of projects that necessitate our attention to amend ASTM D396. They are as follows and in no specific order: documentation of field experience with biodiesel blends, establish a rapid response to field issues, establish limits on biodiesel content based on oil burner legacy pump seal compatibility as well as limits on biodiesel content based on oil burner pump testing.

Testing started on our first project, which focuses on fuel pump durability with biodiesel. The group's intention is to channel progress back through leadership as it becomes available, then keep our industry partners updated through various communication modes. ☐

New York**NYSERDA EXTENDS BIOFUEL INITIATIVE**

The New York State Energy Research and Development Authority (NYSERDA) has extended their biofuel station initiative that will allow for 50 percent of the costs, up to \$50,000 per site, for new installations of biofuels dispensing equipment, storage tanks and associated piping equipment.

The New York State biofuel station initiative was launched in May 2007 and the objective is to increase the number of retail E85 and biodiesel service stations in New York through a comprehensive approach of providing incentives to both mid-stream distribution terminals and retail stations.



“NYSERDA’s biofuel station initiative has been successful in building an alternative fuel infrastructure throughout New York with more than 130 retail gas stations participating and the first 45 currently open,” said Jeffrey Gordon, NYSERDA director of communications. “E85 is a domestically produced alternative fuel that affords consumers a choice at the gas pump over conventional gasoline, is more environmentally friendly, will reduce our demand for imported oil, and will keep our energy dollars right here in New York. With continued support from our federal and State administrations, E85 ethanol will continue to play a role in NYSERDA’s efforts to help build a vibrant clean energy economy for the future.”

Approximately \$4 million is still available for retail fueling stations. Growth Energy is supplying the stations with pump image packaging that will allow for a consistent message across the state. Each kit will be reimbursed from the grant.

For more information, see www.nyserda.org.

Vermont**FUEL ASSISTANCE CHANGES NOW LAW**

Gov. Jim Douglas has signed into law a measure that will change who receives fuel assistance and how it is delivered. Under the old eligibility rules, approximately 27,000 Vermont families qualified for fuel assistance. Next season more than 36,000 will likely receive assistance.

Since the amount of federal assistance will stay the same (approximately \$25 million), that means the average benefit will decrease by about \$200.

Most significantly for fuel dealers, the law changes the payment system. Instead of a lump sum payment in November, dealers will be paid 24 hours after the delivery is made through an electronic funds transfer.

While most of the changes will be put in place for the next winter, the payment-after-delivery system will not occur until 2011-12. Vermont Fuel Dealers Association (VFDA) members can access a detailed analysis of how the legislation will impact dealers on VFDA’s Web site at www.vermontfuel.com.

BOILER AND PRESSURE VESSEL LAW UPDATED

Gov. Jim Douglas has signed legislation that permits the installation of boilers and pressure vessels that are not ASME approved—providing that they are approved by the European Committee for Standardization and are less than 250,000 BTU. Boilers that don’t meet ASME standards and are over 250,000 BTU must be approved by the Vermont Commissioner of Public Safety.

NEARLY 6,000 GALLONS RAISED FOR ASSISTANCE PROGRAM

Thanks to the generosity of Vermont fuel dealers, along with local businesses and organizations, the Patch Chit Split the Ticket campaign provided nearly 6,000 gallons of free heating fuel to Vermonters in need this winter.

The fuel dealer assistance program has provided a safety net for low income Vermonters for more than twenty years. Many of this year’s recipients didn’t qualify for state fuel assistance and are often too proud to ask for help. Vermont’s heating fuel dealers are mostly small, family-owned businesses that see the need first-hand and are sometimes the first to respond in a crisis.

Companies that donated fuel or cash include: Abba Fuels Inc., AmeriGas, Ben & Jerry’s Incorporated – Community Action Team, Blair Discount Fuels, Blanchard Oil Company, Blouin Brothers Oil Inc., Boston Steel & Mfg. Co., Bourne’s Energy, Cota & Cota Inc., Dead River Company, Deerfield Valley Energy, Eastern Propane & Oil, Energy Co-op of Vermont, Fred’s Plumbing & Heating Inc., Fyles Brothers Inc., Gillespie Fuels and Propane Inc., Hart & Mead Inc., HB Fuels, Heritage Propane, Heritage Propane/Blue Flame Gas, Jack F. Corse Inc., John Leo & Sons Inc., Keyser Energy, Local Fuel Co. Inc., Merrill Gas Company, Miles Fuels, Northern Gas Transport Inc., Oil Supply Corp., Okemo Mountain Resort, Patten

Oil Co. Inc., Patterson Fuels, Perry’s Oil Service Inc., Pyrofax/ Morrisville, SEVCA Weatherization, Shaw Fuel Inc., Suburban Propane, Ted’s Gas Service Inc., Trans-Tech Tanks, West Oil Co. Inc., Williston Rotary and Wright’s Plumbing & Heating Oil.

New Jersey**GOVERNOR ISSUES RED TAPE REVIEW REPORT**

After 90 days of intense review, Gov. Chris Christie’s Red Tape Review Group issued its report.

Fuel Merchants Association of New Jersey (FMANJ) Executive Vice President Eric DeGesero said, “Of significant note to the Oilheat industry, the group’s report did not recommend the withdrawing of the regulation reducing the sulfur content of heating oil. That regulation now goes back through the regular rule-making process where it is awaiting the final review and sign-off from NJDEP Commissioner Robert Martin.”

The report recommended changes to the requirement that black seal operators monitor and record boiler operations hourly at schools and apartments. Also, the report questioned the continued prohibition of

Continued on page 33...

New Challenges Require New Capabilities.

RenRe

RenRe Energy Advisors Ltd.

Experienced Energy Industry and Finance Professionals

Delivering Innovative Solutions to Fuel Oil Distributors:

- **Advisory Services**
- **Risk Management**
- **Working Capital**
- **Asset Maximization**

Matthew J. Ide
Managing Director
Energy Advisory & Finance
(832) 592-0076
mji@renre.com

Jeffrey T. Simpson
Director
Energy Advisory & Finance
(832) 592-0077
jts@renre.com

**61 South Main Street • Suite 100
West Hartford, CT 06107**



be higher than \$159.

Because the majority of customers will consume an average of 800 gallons per heating season, this means TH has about 20 cent per gallon from each customer to go out and buy protection for the cap. TH has chosen to purchase wet barrels from a wholesale supplier and put options (or downside) to get the job done.

TH now has a choice to make. Downside protection which begins at the same level as the wet barrel buy of \$2.30 (“at-the-money”) will cost 27.5 cents per gallon. If TH covers 100 percent of the wet barrels at \$2.30, premium expense will exceed fees collected by 7.5 cents per gallon.

If TH wants to only spend what customers have paid, they could cover just 72.7 percent of their wet barrel gallons (20 cents divided by 27.5 cents) and stay within budget on premium expense. Let’s call this the ATM strategy.

TH could instead follow a traditional route and spend only 20 cents per gallon on downside insurance but cover 100 percent of their wet barrel commitment. If they do, TH will not begin receiving a payout until the market falls below \$2.15. We’ll call this the OTM strategy. Which choice is best? Take a look at the graph included.

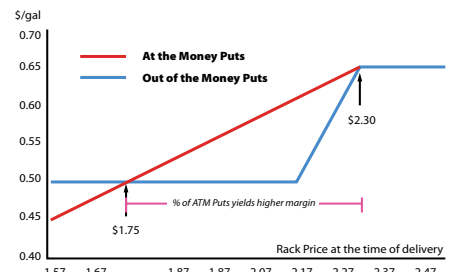


FIGURE 1 - CAP GALLON MARGIN REALIZED UNDER ALTERNATIVE HEDGING CHOICES

Figure 1 assumes a premium spend equivalent to 20 cents per enrolled gallon, a cap price of \$2.95, and a retail price consistently 65 cents above the rack. The graph shows that the ATM strategy, only covering 72 percent of the wet barrels, outperforms covering 100 percent of the wet barrels with OTM strategy for the first 55 cents of market decline.

I think this difference is wider than most people would guess initially. I also think it may appeal to hedgers who want to opt for some “participation” in the downside right away without paying ATM prices to do it.

What’s key here is to realize that volume purchased can play as big a role as premium spent. Try out a few alternatives of your own and see the differences. I am happy to give you the spreadsheet that created the graph seen in this article. ☑

Volume Matters When Pricing Programs

By Taylor Hudson, Hedge Solutions

WHEN I WENT TO THE ATLANTIC REGION ENERGY Expo (AREE) show in 2008, I spoke to a lot of new people. The incredible surge in oil prices had begun to move the industry toward a sea change in running price protection programs.

From the north, you had the fixed-price crowd watching with concern as the market rose to the highest levels ever. There was worry that if prices did not break, consumers would be unable to afford to heat their homes, but if prices did break lower, customers may not honor their fixed-price agreement. This group was generally looking to switch their traditionally fixed-price budget programs into capped-price budget programs.

From the southern heating oil region came companies who already ran cap-price programs. Their problem was a history of never charging customers for the protection in the past. Some subsidized the cap on their own when option premiums were cheaper, and others really ran fixed-price budget programs with no intention of ever dropping the price to the customer.

These dealers needed help taking cap plans from no fee to real fee—especially in the face of 45-cent option costs.

Two years later, the good news is that the companies I know who implemented appropriate fees for appropriate cap plans have in large part been successful doing so. I have not heard of a company going out of business because all the customers left for a competitor who did not charge a fee. That is encouraging.

It is interesting, however, to look at how this change altered the option-buying habits of the dealer. Rather than come in with fees that only covered a portion of the option’s cost, many dealers opted to go ahead and charge for “at-the-money” (ATM) options, which yielded the lowest strike prices and, therefore, the lowest possible cap price for their customer.

The amount of “out-of-money” (OTM) option sales declined because most dealers saw their counterparts going ahead and putting “at-the-money” price tags on the programs—and they followed suit.

Now that two seasons worth of programs have been marketed and delivered since that time, I am noticing that I spend a bit more time with clients on the goal of reducing premium spent to drive the cost of participation down for the customer.

This goal forces the dealer to choose one of two paths: higher strike call options that yield higher “cap” numbers for the customers to swallow (hard for most dealers to explain), or fixed-price contracts (with supplier or via NYMEX futures) in combination with “out-of-the-money” puts.

I see most dealers who are interested in reducing their premium charges opt for the OTM puts rather than higher strike call options, because the resulting cap offering from the call strikes is unattractive. Unfortunately this means the dealer will bear the risk of margin erosion in the cap plan (if the market falls) instead of the customer—a topic for another time.

If you find yourself in this situation, I wanted to review a choice you may not have considered in the past. Rather than covering 100 percent of your fixed-price hedges (destined for the cap program) with OTM puts, why not cover only a portion of the hedges, but with ATM puts? In either case we’ll assume the dealer spends no more than the fees collected from customers. Which strategy works best?

Take this example: TH Oil is marketing a cap program with a flat fee for participation and is under pressure to keep the fee down. Two years ago the fee was \$249, and last year it was \$199. This year, TH feels the fee cannot



MEMBERSHIP ENROLLMENT

New England Fuel Institute (nefi.com)

PO Box 9137 – Watertown MA 02471-9137

Business Address: 20 Summer Street, Watertown MA 02472

Phone 617-924-1000 – Fax 617-924-1022 - shane@nefi.com

ANNUAL MEMBERSHIP DUES beginning in 2010 are \$400.00 for retail/associate members and \$800 for wholesalers/refiners. NEFI operates on a calendar year and will prorate dues on a monthly basis for those joining after January 31.

NAME OF COMPANY:

NAME OF DESIGNATED REPRESENTATIVE:

TITLE:

MAILING ADDRESS:

CITY:

STATE:

ZIP:

PHONE:

FAX:

E-MAIL:

WEBSITE:

Attached find – or I have emailed same to joanne@nefi.com – the contact information for additional company contacts that should receive NEFI's publications, alerts, etc

TYPE OF MEMBERSHIP: Please Check ONE: Retail Fuel Dealer **or** ASSOCIATE MEMBER **or** WHOLESALER/REFINER

Note: In some states retail fuel dealer membership may be subject to membership in that state fuel association.

PLEASE PROVIDE A DESCRIPTION OF ALL THE PRODUCTS AND/OR SERVICES YOU PROVIDE: check any that apply: Heating Oil Kerosene Propane Diesel-over the road Diesel-Off Road Gasoline Bioheat or Biodiesel C-Stores Other _____

How did you hear about us?

Internet Publication (newsletter, magazine) State Association

NEFI Staff Member, Name _____

Fellow Retailer, Name _____

Other, Please Specify _____

PAYMENT/BILLING

____ **Optional** - Sign me up for subscription to Oil & Energy Magazine, a NEFI monthly publication - \$25 per year in U.S; \$60 Overseas, \$40 Canada

____ Check enclosed for \$400.00 (fuel retailers or associate members) **OR** \$800.00 fuel wholesalers or refiners, made payable to "NEFI" enclosed- or

____ Credit Card - Visa/MC/Amex Card Number _____

Exp. Date (mm/yyyy): _____ Name as it appears on card: _____

Signature: _____ Date: _____

____ Bill my company. NEFI will prorate dues based upon the month in which you join and invoice you

Send us information on:

Legislative and Regulatory Action Center (www.nefiactioncenter.com)

Marketing Opportunities with NEFI

Drug & Alcohol Testing Program for DOT Compliance

Exposition and Conferences

Education & Training with NEFI

Oil & Energy Magazine

FAX TO 617-924-1022

NEFI EXPO

JUNE 7 & 8, 2011



It may seem early, but it's not...

Our 2009 EXPO drew over 10,000 attendees, our largest show ever—with a 25% increase in booths! The 34th North American Heating and Energy Exposition will be held at the Hynes Convention Center on June 7 – 8, 2011.



THE 34th NORTH AMERICAN HEATING & ENERGY EXPO

OILHEAT BIOHEAT® DIESEL PROPANE SOLAR



For more information, contact
Tracy E. Goodwin, NEFI Vice President & Director of Events
at 617-923-5015 or email tracy@nefi.com.

www.NEFIEXPO.com

Join these other Oilheat and energy products and service providers who have made earlybird reservations for the 2011 ENERGY EXPO.

ADAMS Manufacturing Co.
 ADD Systems
 Alberta Custom Tee (2006) Ltd.
 Amtrol Inc.
 AVATAS Payment Solutions
 R.W. Beckett Corp.
 Billy Sweet Chimney Sweep
 Boston Environmental
 Boston Oilheat Financial Corporation
 Boston Steel & Mfg. Co.
 Dennis K. Burke, Inc.
 Cargas Systems
 Carlin Combustion Technology, Inc.
 The Creative Companies
 Crown Boiler Co.
 Crown Engineering Corp.
 C&S Scientific Corp.
 Degree Day Systems
 DRM, Inc.
 Energy Kinetics, Inc.
 Field Controls
 FISC Solutions
 FPPF Chemical Co., Inc.
 Global Companies, LLC
 Gray, Gray & Gray, LLP
 Green Energy Products, Inc.
 Hannay Reels Inc.
 Hedge Insite, LLC
 Hedge Solutions, Inc.
 W.B. Hill
 Kamco Products
 div. of Great Lakes Copper Inc.
 Kerr Energy Systems
 Lincoln Laboratory
 Lin's Propane Trucks
 Market Line Computers
 MID:COM
 Monitor Products, Inc.
 MPE Inc.
 Newmac Mfg.
 Northeastern Petroleum
 Service & Supply Inc.
 Onspot Automatic Tire Chains
 Peerless Boilers
 The Powderhorn Agency
 PriMedia, Inc.
 Riello Burners
 Sid Harvey
 Simpson Dura-Vent
 Spirotherm, Inc.
 Sprague Energy
 Stamberger-Sender Assoc.
 Taurus Systems Inc.
 tekmar Control Systems Ltd.
 Therma-Flow, Inc.
 Tjernlund Venting Products
 Total Control Systems
 Trans-Tech Industries
 Triangle Tube
 Trident Insurance Services, LLC
 Truck & Auto Repair
 UTILITY
 Viessmann Manufacturing Company
 Watts Water Technologies
 Wehof Forms
 Weil-McLain
 Williamson-Thermoflo
 WILO USA LLC

...Continued from page 29

coupons for the sale of milk. A change here may be a precursor for an initiative to change motor fuels sales laws.

The group also recommended the withdrawal or modification of 16 of the 128 rules (12.5 percent) that were frozen by Executive Order 1. While the first 90 days required agencies and departments to review frozen proposed rules and regulations, Executive Order No. 2 also called for the review of existing regulations for compliance with the common sense principles and were given 180 days to complete the task.

Pennsylvania

PPMCSA MEMBERS DISCUSS LIHEAP WITH SENATOR, DPW OFFICIALS

In late April, Pennsylvania Petroleum Marketers & Convenience Store Association (PPMCSA) met in the Lewistown office of Sen. Jake Corman, who had arranged a conference call with top officials in the state LIHEAP program.



Corman is the chairman of the Senate Appropriations Committee. Rusty Christoff, PPMCSA Vice President Jan Snedeker and John Kulik, PPMCSA executive vice president, represented the association.

The purpose of the meeting was to discuss SB1124, which includes a provision prohibiting the DPW from requiring vendors to provide discounts as a prerequisite to participation in the LIHEAP program. Over the last two years, LIHEAP has administered an oil discount pilot program in nine counties—Blair, Columbia, Clearfield, Wayne, Lackawanna, Luzerne, Montour, Northumberland and Wyoming.

Concerns were also expressed regarding problems with the E-Promise program, as well as the manner in which LIHEAP funds were distributed this past season. After hearing

the discussion between the industry and the department, Corman indicated that he would assign a staff person from the Appropriations

DEP ACCEPTING FUNDING APPLICATIONS FOR CLEAN ENERGY PROJECTS

More than \$16 million is available to help develop clean energy projects that will save energy and money for those who develop them, create jobs and improve the environment, Department of Environmental Protection Secretary John Hanger said recently.

The state funding is being made available through the Pennsylvania Energy Development Authority (PEDA). PEDA is a competitive grant program that finances innovative, clean energy projects and companies, and promotes the continued growth of Pennsylvania's green energy industry. The maximum award is \$1 million per project.

The PEDA program had been inactive for a number of years before Gov. Ed Rendell revived it in 2005. The program has invested more than \$75 million in 147 projects that leveraged an estimated \$1.1 billion in private investments. Those projects have been responsible for creating more than 1,700 permanent jobs and more than 1,400 temporary ones.

Applications must be submitted via the Environmental eGrant system at www.grants.dcnr.state.pa.us. Grants will be announced at the PEDA Board of Director's meeting on Friday, Aug. 27.

To view program guidelines, download an application or for additional information, visit www.depweb.state.pa.us, keyword: PEDA, or call the Department of Environmental Protection's Office of Energy and Technology Deployment at (717) 783-8411.

Connecticut

ULSD, BIOFUEL LEGISLATION PASSED

The Connecticut General Assembly recently passed legislation to incorporate biodiesel and lower the sulfur content in the state's heating oil supply. Bill No. 382 requires that all heating oil sold in the state must contain 2 percent biodiesel beginning July 1, 2011.

In 2012, the mandate increases to B5; in 2015, B10; in 2017, B15; and finally, in 2020, Connecticut will require 20 percent biodiesel in all heating oil. The bill also requires the sulfur content to be reduced to 15 parts per million by 2014.

There also must be sufficient in-state biodiesel production, meaning at least 50 percent of the annual mandated volume of biodiesel based on data from the Energy Information Administration. The bill also requires that the states of New York, Rhode Island and Massachusetts pass bills of a similar nature.

Marketing Ideas for the Summer Months

By Joe Rose, Propane Gas Association of New England

AT THE RECENT NATIONAL PROPANE GAS Association (NPGA) International Exposition, I purchased a Lehr propane powered leaf blower, a grass trimmer and a self-propelled lawn mower from one of our propane distributors.

What great marketing tools for the marketer to carry around when visiting a potential propane customer. When I stop by, I will show you mine. By now, some of you think I am nuts. How could showing a potential customer a grass trimmer that runs on disposable propane cylinders possibly benefit a propane marketer?

"The point is that marketing needs to be continuous, new and fresh, but it doesn't have to cost a lot of money. What it should do is get your staff enthused, and in turn they will get your customer base enthused."

Two reasons come to mind. The first is that this little demonstration of new technology points out to the potential customer that you are actively engaged in the latest technology that is environmentally friendly, much quieter and can add convenience and cost savings for your customers.

If you took the time to show them the grass trimmer, imagine the credibility you gain by discussing the latest in heating and water heating for the home. Secondly if you are good,

you just might sell the trimmer and leave it behind. Not a huge income producer, but a guaranteed referral tool, because everyone that your new customer comes in contact with will hear about you and the new trimmer.

This type of marketing is low cost, and guaranteed to add value to your business. What if you sent a newsletter this spring and inside you offered a demo of these new products at your customer's home?

Almost every customer needs additional appliances, a tune-up or GAS Check on existing appliances, and let's be serious, when was the last time an existing vendor offered to pay you a visit just for fun?

By the way, the offer alone does the trick to some extent, and if 200 customers want a visit, you should be able to sell 100 grass trimmers while reconnecting with your customers, even if you aren't the best salesperson.

This one example to improve the sales skills of your people, add a little no-cost wrinkle to your marketing, and get some quality face time with existing customers can benefit your company in a lot more ways, and I am sure that you are mentally listing them as you read.

Not only does this improve your marketing, but this sales training is very valuable for your service technicians and drivers. Imagine the fun of trimming up around a tank when

making a delivery and actually selling the trimmer. (Don't use the trimmer while making the actual delivery! Safety comes first.)

Every one of our drivers would think that was really fun, especially if the employee who sells the most trimmers gets one as a prize. A quick picture and a little press release about how this employee was helping the environment would certainly result in a newspaper story, which is just more free marketing.

The point is that marketing needs to be continuous, new and fresh, but it doesn't have to cost a lot of money. What it should do is get your staff enthused, and in turn they will get your customer base enthused.

Remember that marketing, like everything else in your operation, will reflect your attitude about it. So if you are not enthusiastic, then no one else will be either.

These exciting new products and many more will be on display on Aug. 10 and 11 at the Northeast Propane Show (NPS). Admission to the trade show is free.

There will be a series of seminars that you and your employees can attend for a reasonable fee if you choose to do so. One-hour technical sessions that qualify for technician continuing education will be offered at no charge.

I hope to see you all at the show and I'll show you my new trimmer! For more information, check out www.northeastpropaneshow.com. ☞



The Propane Gas Association of New England is proud to announce the inaugural

NORTHEAST PROPANE SHOW

August 10 & 11, 2010 / Holiday Inn, Boxborough, Mass.

www.northeastpropaneshow.com

Trade Show

Technical & Business Education Sessions

Sponsorship Opportunities

Silent Auction

...And More

Over 100 indoor exhibit spaces

An additional 25 outdoor exhibits



NPS
NORTHEAST PROPANE SHOW

*Propane burns brightest at
the Northeast Propane Show*

NPS Exhibitors Registered as of 5/30/2010

Abenaqui Carriers	LP Cylinder Service
Adams and Fogg	Marshall Gas
ADDs	Mississippi
American Welding & Tank	Morgan Stanley
Amtrol	NavTrack
Avatas	Nelson & Small
Berquist	NP&A
Blue Cow Software	Oil Equipment Manufacturing
Braley & Wellington	On Spot
Bulk Tank & Transport	Petroleum Tank Corp
Cargas	Powderhorn Agency
Cargotec	Presto Tap
CHS	Primedia
Consumer Focus (Boston Environ	Pro Image Communications
Davis Air Tech	Quality Gas
Dennis K Burke	Quality Steel
Destwin	Ray Murray
DiTech	Riello
East Coast Utilities	Rural Computer Consultants
Edos	Sid Harvey
Energi Insurance	Smart Hose
Enertrac	Tank Solutions
ER Stephen	Tarantin Tank
F.W. Webb	Total Energy
Fueling Technologies	Trans-Tech Energy
Gas Tite	Triangle Tube
Global Gas	Trident Insurance
H & H Sales Co Inc.	Trinity
Independent Technologies	USI New England
Intellidyne	Walter Morris
Kurtz Truck	Ward Certified Consulting
Lancaster	Warm Thoughts Communications
Leran Gas Products	Wehof Forms
Lin's	Westmor
LIT	Worthington Tank

Brought to you by The Propane Gas Association of New England with assistance from the New England Fuel Institute.



DOE AND USDA OFFER \$30 MILLION FOR BIOMASS RESEARCH AND DEVELOPMENT

The Department of Energy (DOE) and the U.S. Department of Agriculture (USDA) have jointly announced up to \$33 million in funding for biomass research and development. The funding will support projects and processes that produce advanced biofuels, bioenergy and high-value biobased products.



Advanced biofuels produced from these projects are expected to reduce greenhouse gas emissions by a minimum of 50 percent, as determined by the U.S. Environmental Protection Agency. Proposed projects must also integrate all three technical areas addressed by the Biomass Research and Development Initiative, namely feedstocks development, biofuels and biobased products development, and biofuels development analysis.

DOE has also released a new video that showcases how cellulosic biofuel technologies can help decrease U.S. dependence on foreign oil, spur growth in the domestic biofuels industry and provide new revenue opportunities to farmers in many rural areas of the country.

Shot at a harvesting equipment demonstration in Emmetsburg, Iowa, the video highlights a new way of producing ethanol from the cellulose fibers in corn cobs, not from the corn kernels. The technology generates a new opportunity for farmers to harvest and sell the cobs that they would normally leave in the field. To date, DOE has committed more than \$1 billion to 27 cost-shared biorefinery projects. The video can be found at www.youtube.com.

EPA: GHG EMISSIONS DOWN 2.9 PERCENT IN 2008

The U.S. Environmental Protection Agency (EPA) recently released its U.S. greenhouse gas (GHG) inventory report for 2008, which shows a 2.9 percent drop in GHG emissions from the previous year. The agency attributes the drop to a decrease in carbon dioxide emissions due to lower consumption of fossil fuels and electricity.

The 2008 GHG emissions for the United States were the equivalent of 6,957 million metric tons of carbon dioxide, which is 13.5 percent higher than 1990 emissions levels. Carbon dioxide dominates U.S. GHG emissions, contributing 85.1 percent of the total, with methane in second place at

8.2 percent, nitrous oxide at 4.6 percent, and other GHGs contributing the final 2.2 percent.

INTERIOR DEPARTMENT APPROVES CAPE WIND, THE FIRST U.S. OFFSHORE WIND FARM

After almost a decade of federal study and analysis, the U.S. Department of the Interior (DOI) approved the Cape Wind project, allowing the first U.S. offshore wind farm to move ahead. Cape Wind is a 130-turbine wind power project on submerged federal lands in Nantucket Sound off the Massachusetts coast.

DOI required the developer of the \$1 billion wind farm to agree to additional binding measures to minimize the potential adverse impacts of construction and operation of the facility. Located in a 25-square-mile section of Nantucket Sound, the project will have a maximum electric output of 468 megawatts (MW), with an average anticipated output of 182 MW. That's enough to meet 75 percent of the electricity demand



for Cape Cod, Martha's Vineyard and Nantucket Island combined. The Cape Wind developer hopes to begin construction by the end of this year.

DOI took several steps to minimize the visual impacts, including reducing the number of turbines from 170 to 130, reconfiguring the array to move it farther away from Nantucket Island and to reduce its breadth when viewed from Nantucket, requiring the developer to paint the turbines off-white to lessen contrast with the sea and sky, reducing nighttime lighting, and minimizing daytime lighting.

DOI also issued a Request for Interest (RFI) for renewable energy development off the coast of Delaware. Delaware officials have approved a proposal by Bluewater Wind Delaware LLC for the construction of a 200-MW offshore wind farm, but the company is still required to apply to DOI's Minerals Management Service for an offshore lease, which may entail competing with other companies.

UNEP: ONE-THIRD OF COUNTRIES HAVE MADE PROGRESS ON CLIMATE IN 2010

A new analysis of 95 countries responsible for 97 percent of global economic activity has found that 32 made significant improvements in the first quarter of 2010. In addition, 46 percent of the countries have demonstrated

some improvement in climate accountability.

The findings are the result of the Climate Competitiveness Index (CCI) 2010, produced by the nonprofit institute AccountAbility in partnership with the United Nations Environment Programme (UNEP). The index rates countries on their climate



accountability, based on a climate strategy that is clear, ambitious, and supported by stakeholders, as well as their climate performance, which tallies each country's capabilities and track record on delivering its strategy.

The CCI finds Germany, China and the Republic of Korea to be outstanding examples of countries that have made significant improvements, while Sweden, Denmark, Germany, Japan, and France show the most consistent progress toward climate goals. The United States and the United Kingdom earn kudos for climate accountability, while Switzerland and Austria are strong on performance. But this is one index where no country has yet earned a perfect score. The UNEP and AccountAbility intend to update the new index annually.

ENERGY-EFFICIENT HOUSING PARTNERSHIPS REQUEST FOR PROPOSALS AVAILABLE

On behalf of the U.S. Department of Energy's (DOE) Building Energy residential research program, the National Renewable Energy Laboratory (NREL) has issued a Request for Proposals (RFP). The purpose of this RFP is to select Building America research teams to develop cost-effective solutions that improve the quality and energy efficiency of new and existing U.S. homes.

Subject to the availability of funds, NREL anticipates awarding up to 15 Task Ordering Agreements (TOAs), each with a period of performance of approximately 4.5 years. Initial funding for Task Orders under each TOA will range from \$500,000 to \$2.5 million for the first year, with possible funding of up to \$5 million for each subsequent year. Price participation of at least 20 percent will be required for each Task Order award.

Building America forms research partnerships throughout all facets of the U.S. residential building industry to conduct whole-systems research that will be needed to improve the efficiency of new and existing

Continued on page 39...



New England Fuel Institute Education Foundation, Inc.

I hereby make application for enrollment in the Technical Course(s) as indicated on this form. Please mark the course(s) you wish to attend. Then mark location and date. Register early. Classes are limited in size.

APPLY USING THIS FORM OR APPLY ONLINE AT www.nefi.com/training

BASIC OIL BURNER INSTALLATION & SERVICE TECHNICIAN COURSE

160 - Hour Basic Course of Study

TUITION: NEFI MEMBERS @ \$2,195 NON-MEMBERS @ \$2,395

Books & Laboratory Fees are \$200 Additional

Total for NEFI MEMBERS = \$2,395; NON-MEMBERS \$2,595

AIR CONDITIONING

80—Hour Course of Study

TUITION: NEFI MEMBERS @ \$2,075 NON-MEMBERS @ \$2,275

Books & Laboratory Fees are \$150 Additional

Total for NEFI MEMBERS = \$2,225 NON-MEMBERS = \$2,425

GAS HEAT TRAINING COURSE FOR OILHEAT TECHNICIANS

80-Hour Course of Study

TUITION: NEFI MEMBERS @ \$1,595 NON-MEMBERS @ \$1,895

Total for NEFI MEMBERS = \$1,595 NON-MEMBERS @ \$1,895

Name _____ Phone _____

Home Address _____

Email: _____

Employer _____

Business Address _____

Position Held _____

Please find \$ _____ enclosed as a payment for enrollment in the course(s) designated above.

A \$50 non-refundable application fee is required for courses with tuition over \$1,000. For courses where tuition is \$1,000 or less, a 5% non-refundable application fee is required. This application fee will be credited toward your total tuition expense.

A check for the \$50 application fee must be enclosed with this application form. Tuition payments must be received in full by the second day of the course. Tuition may be paid in advance.

Expenses for education including application fees, travel, meals and lodging, undertaken to maintain and improve professional skills, provide an income tax deduction. (See Treasury Regulation 1.16205. Coughlin vs. Commissioner, 203F, 2d, 307.)

Please note: The New England Fuel Institute Technical Training Center will accept tuition payments by American Express, VISA or MasterCard.



Name on Card _____

Card No. _____ Expires _____

For office use only

Cash Received: Amount _____ Date _____

Check Received: Amount _____ Date _____ No. _____

Billed: Amount _____ Date _____ Inv. No. _____

An Affirmative Action Equal Opportunity Employer

This school is licensed by the Mass Dept. of Elementary & Secondary Education, Office of Proprietary Schools. Any comments, questions or concerns about this school's license should be directed to: Massachusetts Department of Elementary & Secondary Education, Office of Proprietary Schools, 350 Main Street, Malden, MA 02148-5023, Tel: 781-338-6048, proprietaryschools@doe.mass.edu. Veterans benefits available.

Fill out application form completely and mail to: New England Fuel Institute Education Foundation, Inc.,

PO Box 9137, Watertown MA 02471-9137, Or fax to: 617-924-5962 or register online at www.nefi.com/training

Please sign me up to receive Education & Training notices from NEFI: Name: _____

Address: _____ Tel: _____ Email: _____

2010 SCHEDULE

BASIC OIL BURNER INSTALLATION & SERVICE

TECHNICIAN COURSE

NEFI TECHNICAL TRAINING CENTER WATERTOWN, MASS.

Days/Monday—Friday: 7:00am to 3:30pm (4 Weeks)

- January 11—February 5
- February 8—March 5
- March 8—April 2
- April 5—April 30
- May 3—May 28
- June 1—June 25
- June 28—July 20
- [Watertown Days - School Vacation July 26—August 6]
- August 9—September 3
- September 13—October 8
- October 18—November 12
- November 22—December 17
- [Watertown Days School Vacation Dec 20-Dec 31]

Evenings 6:00—10:00pm (20 weeks)

- February 9—June 24, Tues & Thurs.
- September 7—January 27, 2011, Tues & Thurs.

SPRINGFIELD, MA

Mon., Tues., Wed, Evenings 6-10 pm

- January 19—May 5 (15 weeks)
- September 7—December 15 (15 weeks)

HYDE PARK, VT

- Evenings / February 2 - June 17, Tues. & Thurs. 6-10pm
- Days / July 6—August 2, Mon—Fri, 7am—3:30 pm

WHITE RIVER JUNCTION, VT

- Evenings / February 2 - June 17, Tues. & Thurs. 6-10pm
- Days / July 6—August 2, Mon.—Fri, 7am—3:30pm

CLAREMONT, NH

- Evenings / Oct 4—Feb 16, 2011, Mon & Wed. 6-10 pm

WARWICK, RI

- Evenings / September 9—February 7, 2011, Mon. & Thurs. 6-10pm
- Days / June 7—July 2, Mon—Fri, 8am—4pm (4 weeks)

GAS HEAT TRAINING COURSE

NEFI TECHNICAL TRAINING CENTER WATERTOWN, MASS.

- Evenings/March 9—May 13 Tues & Thurs. 6:00—10:00pm
- Evenings/September 7—November 11, Tues & Thurs. 6:00—10:00pm

AIR CONDITIONING COURSE

NEFI TECHNICAL TRAINING CENTER WATERTOWN, MASS.

- Evenings/February 2—April 8, Tues & Thurs. 6:00—10:00pm
- Evenings/September 7—November 11, Tues & Thurs. 6:00—10:00pm
- Days/May 4—June 3, Tues & Thurs. 7:00am—3:30pm



New England Fuel Institute Education Foundation, Inc.

The industry leader in oil heating, propane and heating fuel technical education.

MASSACHUSETTS

Watertown

NEFI Technical Training Center
20 Summer St. Watertown MA 02472

Springfield

Springfield Technical Community College
West End Bldg 32
One Armory Square
Springfield MA 01105

NEW HAMPSHIRE

Claremont

Sugar River Valley Reg. Tech Ctr.
111 South Street
Claremont NH 03743

RHODE ISLAND

Warwick

New England Institute of Technology
2500 Post Road (Rte. 1)
Warwick RI 02886

VERMONT

White River Junction

Hartford Area Vocational Center
1 Saunders Avenue
White River Junction VT 05001

Hyde Park

Green Mountain Tech & Career Ctr.
Route 15 West
Hyde Park VT 05655

The NEFI Technical Training Center also offers courses in:

CETP Propane
Air Conditioning
Gas Heating Training
Hazmat Training
Refrigerant Recovery R-410A
EPA Section 608
Mass. Burner Code Training
CMR 4.0
Business Courses such as Credit & Collections, Customer Service and more.

Visit our website for a complete list of course offerings or inquire by phone at 617-923-5019 for the current schedule

www.nefi.com/training

New classes added throughout the year so check back often.

NORA Education Credits



As you may be aware, the National Oilheat Research Alliance (NORA) administers the Silver and Gold Certification program for Oilheat technicians. This program is designed to acknowledge skill levels attained in both the field and continuing education classes by working Oilheat technicians and other participants.

Successful completion of NEFI's Basic 160-Hour Oilheat Technician course satisfies the educational requirement for Bronze apprentice status.

The Oilheat Masters Program, the Air Conditioning, Electrical Procedures courses and others qualify for NORA Continuing Education Credits (NORA CEUs).

These NORA credits accrue to your benefit when applying for certification or recertification under the Silver and Gold program. The number of credits varies with the nature and duration of each course. For more information, log on to www.noraed.org, or phone -866-924-1100.



New England Fuel Institute Education Foundation, Inc.

Technical Training Center

PO Box 9137, 20 Summer Street, Watertown MA 02471

PHONE (617) 923-5019

FAX (617) 924-5962

E-mail: school@nefi.com

Visit our website at www.nefi.com



homes. These improvements are accomplished through research, technology, and simulation development on small and large scale programs, systems integration, large-scale field implementation and evaluation, and effective communication of key research results and strategies.

For details, see www.nrel.gov.

GLOBAL CLEAN ENERGY INVESTMENT HITS \$27.3 BILLION IN FIRST QUARTER OF 2010

Despite the recession, several recent reports indicate that the clean energy sector continues to remain strong globally, despite the economic turbulence. An April 12 report from Bloomberg New Energy Finance noted that worldwide financial investment in clean energy reached \$27.3 billion in the first quarter of 2010, up 31 percent from the first quarter of 2009, but down 13.6 percent from the fourth quarter.

The financial analyst's quarterly figures cover asset financing of wind farms, solar parks, biofuel plants, and other projects, as well as public market, venture capital, and private equity financing for clean energy companies. While China dominated the asset financing with investments of \$6.5 billion, Bloomberg's figures report a slight increase in asset financing in the United States, rising from \$2.4 billion in the fourth quarter of 2009 to \$3.5 billion in the first quarter of 2010. Global venture capital and private equity investment hit \$2.9 billion in the first quarter, up from \$1.7 billion in the previous quarter, but public market investment fell to \$2 billion, down from \$5.8 billion.

In another study, the Clean Edge research firm tallied revenue for wind power, biofuels, and solar photovoltaic (PV) technologies in 2009, and found that they grew 15.8 percent to \$144.5 billion worldwide. The report's authors noted that this was somewhat surprising, given the sour economy. Clean Edge highlighted the robust activity for installing new wind farms, which attracted \$63.5 billion, up from \$51.4 billion in 2008. The report also noted that sales of biofuels reached \$44.9 billion last year.

U.S. SOLAR INDUSTRY REPORTS STRONG GROWTH IN 2009

The U.S. solar industry reported strong growth in 2009, overcoming harsh economic conditions to post a 36 percent increase in revenues, which totaled \$4 billion. The Solar Energy Industries Association (SEIA) released its 2009 annual report in April, showing that overall U.S. solar electric capacity grew by 37 percent, doubling the size of the residential photovoltaic (PV) market and adding three new concentrating solar power (CSP) plants.

Residential grid-tied PV installations showed the strongest growth, jumping from 78 megawatts (MW) to 156 MW. The industry group said state and federal policy support, along with reductions in technology costs, helped boost the industry, while creating 17,000 new jobs nationwide. SEIA said signs are pointing to a continued strong showing in 2010 for the U.S. solar industry.



According to SEIA, California's 220 megawatts (MW) of new solar capacity led the United States in 2009, trailed by New Jersey at a distant second with 57 MW. Following New Jersey are Florida, Arizona, Colorado, Hawaii, New York, Massachusetts, Connecticut and North Carolina.

In terms of new solar capacity per capita in 2009, Hawaii was the leader with 10.4 watts, while Nevada has the most cumulative solar electric capacity per capita, at 38 watts. Internationally, the United States ranked fourth in new solar electric capacity in 2009 with 481 MW, behind Germany's 3,000 MW, Italy's 700 MW, and Japan's 484 MW.

EPA HELPS PARTNERS FIND COMMERCIAL ENERGY EFFICIENCY SAVINGS

The U.S. Environmental Protection Agency (EPA), in partnership with several states and utilities, has announced a new Energy Star pilot program designed to further improve commercial building energy efficiency.

The Building Performance with Energy Star program will link eight Energy Star partner utilities and state energy efficiency programs throughout the country in a pilot designed to strategically pursue whole-building energy improvements with commercial customers.

The new effort includes a number of Energy Star elements to improve energy efficiency, including: measuring energy use with EPA's online energy measurement and tracking tool on building performance, finding energy efficiency opportunities based on whole building assessments, and creating a delivery network for whole-building efficiency services.

One benefit of this pilot program will be to help business customers identify buildings that could most use an efficiency tune-up and then to give technical assistance and incentives for the projects that will yield the largest energy savings. Energy use in

commercial buildings accounts for 17 percent of U.S. greenhouse gas emissions, at an energy cost of more than \$100 billion per year.

REGIONAL CLIMATE INITIATIVES RELEASE WHITE PAPER

The three regional climate initiatives in North America, the Northeast and Mid-Atlantic Regional Greenhouse Gas Initiative (RGGI), the Midwestern GHG Reduction Accord (the Accord), and the Western Climate Initiative (WCI) have joined in a cooperative effort to share experiences in the design and implementation of regional cap-and-trade programs, inform federal decision making on climate change policy, and explore the potential for further collaboration among the three regional programs in the future.

Together, these 23 U.S. states and four Canadian provinces account for approximately one-half of the U.S. population, over one-third of U.S. greenhouse gas emissions, over three-quarters of the Canadian population and one-half of Canadian greenhouse gas emissions. These diverse jurisdictions share a commitment to building a new, green economy and reducing greenhouse gas emissions.



These regional initiatives are now releasing a joint white paper entitled "Ensuring Offset Quality: Design and Implementation Criteria for a High-Quality Offset Program." This paper outlines the common vision shared by the three regional initiatives regarding the key design and implementation criteria necessary to establish a high-quality offset program. That vision includes a recognition of the potential value of offsets and a commitment to ensuring their integrity.

All three regional programs incorporate an offset component in order to reduce compliance costs and increase compliance flexibility for sources covered by the programs. Each regional initiative is committed to preserving the integrity of its program by requiring that emissions reductions achieved through offset projects are real, additional, verifiable, permanent and enforceable.

In addition, the regional initiatives agree that any offset program should be based on uniform standards, not a case-by-case review of specific projects. Offset programs must also have adequate transparency, credible verification and administrative flexibility.

The white paper is available at www.rggi.org.

2011 AHR Expo on Record-Setting Pace for Las Vegas Show

WITH THE ECONOMY SHOWING SIGNS OF improvement and Las Vegas hosting the Show for the first time, the 2011 AHR Expo (International Air-Conditioning, Heating, Refrigerating Exposition) is on track to be the largest Western states event in the Show's 80-year history.

According to Clay Stevens, president of International Exposition Company, which manages and produces the AHR Expo (www.ahrexpo.com), more than 1,360 companies have already reserved over 300,000 square feet of exhibit space for the 2011 event from Jan. 31 to Feb. 2, at the Las Vegas Convention Center.

"The recession has created pent-up demand for new equipment and energy-savings solutions, and as the world's largest HVAC/R event, we are expecting close to 50,000 HVAC/R professionals from over 120 countries to seek these solutions at the 2011 AHR Expo," he said.

Stevens cited several reasons why the 2011 event is on track to be such a successful event.

- Economists predict, after a steady 2010 recovery, the economy will accelerate even more in 2011.

- With new lead-free legislation and government energy-efficiency incentives, and new standards, HVAC/R professionals will be seeking insights from numerous educational sessions being offered by ASHRAE and other leading industry organizations.

- An abundance of reasonably priced hotel rooms and inexpensive flights will allow companies to send more people, especially as the improving economy enables them to ease off on their travel restrictions.

Show management said more than three-quarters of the 1,825 companies from the 2010 Show in Orlando have already reserved their space for 2011. Based on these preliminary figures and the other factors mentioned previously, Stevens said they are on track to surpass the last AHR Expo held in the West that attracted 37,000 HVAC/R professionals and featured 1,672 exhibitors.

A wide range of expanded pavilions and educational sessions will provide attendees with insights into all segments of this constantly changing marketplace. Industry experts will be providing educational content on such topics as: building automation and

control, radiant and hydronic heating, solar and geothermal systems, energy efficiency, energy recovery and other energy saving strategies, indoor air quality, building systems integration, green building initiatives/sustainability, information technology and business management and mold and moisture control.

In addition, the show will also include special features that offer practical information, certification and continuing education credits. These include: new product technology theaters, building automation and control showcase, a software center and various certification testing.

The 2011 AHR Expo is endorsed by 31 leading HVAC/R industry associations and is co-sponsored by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) and the Air-Conditioning, Heating and Refrigeration Institute (AHRI). The Heating, Refrigeration and Air-Conditioning Institute of Canada (HRAI) is an honorary sponsor. ASHRAE's winter meeting is also held concurrently with the AHR Expo each year. ☐



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

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

- Special group rates
- Three program options, one which covers orthodontics for dependent children
- Service backed by a world-class Guarantee Of Service ExcellenceSM program

Please contact:

Donna Carcerano, Benefits Administrator
New England Fuel Institute
PO Box 9137, Watertown, MA 02471-9137
(617) 923-5020 direct line
donna@nefi.com



nefi™ NEW ENGLAND FUEL INSTITUTE INSURANCE
www.nefiinsurance.com



BLACKMER LAUNCHES WEB SITE DEDICATED TO SMART ENERGY INITIATIVE

Blackmer is working to create access to the most energy-efficient, environmentally friendly and bottom-line beneficial technologies for use in manufacturing operations throughout the world.

To help communicate this commitment and give its customers access to information about the energy-saving benefits of Blackmer pumps, the company has launched the Blackmer Smart Energy Web site at www.BlackmerSmartEnergy.com.

This Web site is a key component in Blackmer's new Smart Energy Flow Solutions initiative, which has been created as a way to illustrate how manufacturing operations

around the globe can benefit by incorporating Blackmer pumping equipment and technologies into their energy-management processes and procedures.

One of the most unique areas of the

new Web site is the energy calculator. This allows users to calculate just how much energy they would save if they were to introduce Blackmer pumping equipment into their operations.

After the user enters the current energy costs in cents per kilowatt hour and the existing (Pump A) Brake Horsepower being used, a comparative Brake Horsepower from a Blackmer pump is entered with the expected annual savings in energy costs automatically calculated.

Other features of the new Web site include information and links to Blackmer's Smart Energy products; access to a 20-page "Smart Energy Flow Solutions Pump Guide, which has been designed to show how Blackmer pump technology can deliver superior energy-saving advantages in process applications; links to U.S. federal legislation that affects energy usage; comparative data of which to be aware when selecting a pump; and Smart Energy tips and FAQs.

Blackmer is a member of the Pump Solutions Group (PSG). For more information on PSG, visit www.pumpsog.com.

BOSTONIAN GROUP ACQUIRED BY MARSH & MCLENNAN AGENCY

The Bostonian Group recently announced that it has been acquired by Marsh & McLennan Agency (MMA), a subsidiary of Marsh Inc., one of the world's leading insurance brokers and risk advisers. Bostonian Group will become MMA's platform company

for benefits (employee benefits, retirement services, executive compensation) and commercial property and casualty in New England.

This affiliation will allow the company to increase the breadth and depth of their service offerings, such as enabling access to market research, benchmarking reports and technology, as well as additional purchasing power around professional services (e.g. actuarial, ERISA and compliance).

MMA was established in 2008 to meet the needs of small to mid-sized businesses.

According to the company, MMA selected Bostonian Group to complement its growing portfolio of other regional companies including Haake Companies, one of the largest independent agencies in the Midwest; the NIA Group, one of the largest independent insurance agencies in the New York metropolitan area; Insurance Alliance, one of the largest independent insurance agencies in the Southwest; and Thomas Rutherford Inc., one of the largest insurance brokers in the U.S. based in Roanoke, Va.



Delta Dental of Rhode Island

WE ARE PLEASED TO WELCOME

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

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

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



Please contact:
Donna Carcerano
Benefits Administrator

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

(617) 924-1000 ext. 220

www.nefiinsurance.com

Local Availability

NE 860-882-0213
NY 585-223-5982
PA/MD/DE 215-953-5080



**Solid Fuel & Oil Furnaces
Oil Boilers**

www.NewmacFurnaces.com
e-mail: newmac@ca.inter.net
902-662-3840 (ph) 902-662-2581 (fax)

Think you've gotten your credit card processing rates to the lowest possible level? THINK AGAIN.



866-849-8800 | www.avataspayments.com

TOTAL FUEL™ WINDOWS 98/NT/XP

- Degree day forecasting
- Accounts Receivable
- Burner service
- Customer control & credit
- Budgets, Collection letters
- Extensive tax reporting
- Tank & truck control

And many more features . . .

MARKET LINE

1-800-210-1498

www.mlcsoft.com
sales@mlcsoft.com

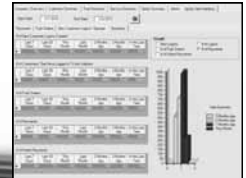
Market Line Computers
1-800-284-4877



**Interface to Meters,
Mobile & GL**

Fully Integrate
your website
with IgniteWeb

**Hedging
Module
Marketing
Tools
Powerful
Reporting**



Powerful Dashboard



Track your
Company's
progress
easily!

**Sophisticated
Budget
Recalculations**

Smart K Forecasting

Call for a live demo
888.499.2583

or visit us at www.bluecowsoftware.com

Fuel Dealer System

DON'T MISS IT
HOW MUCH
TIME DO YOU LOSE...

**LET KSI
SHOW YOU
HOW EASY
IT CAN BE**



- ◆ Tracking Degree Days for Automatic Deliveries
- ◆ Processing Budget Plan Customers
- ◆ Calculating Figures for Tax Purposes
- ◆ Collecting Money from Past Due Accounts
- ◆ Billing Your Customers and Creating Statements
- ◆ Creating Customer Route Schedules
- ◆ Tracking Profit and Loss

**System Designed for Customers
Who Have 1-100 Computer(s)
with Single or Multi Location(s).**

**DON'T GO THROUGH ANOTHER
HEATING SEASON WITHOUT IT.**

**Customer's From
Maine to Alaska!**

Over 25 Years

Serving the
Petroleum Industry



**K-SYSTEMS
Incorporated**

800-221-0204

Software • Hardware • Service • Support
www.ksystemsinc.com

YOUR INDEPENDENT STATE ASSOCIATIONS:

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



INDEPENDENT CONNECTICUT PETROLEUM ASSOCIATION

Executive Offices:

10 Alcap Ridge
Cromwell, CT 06416

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

Eugene A. Guilford, Jr.
Executive Director & CEO

gene@icpa.org
www.icpa.org



MAINE ENERGY MARKETERS ASSOCIATION

MAINE ENERGY
MARKETERS ASSOCIATION
25 Greenwood Road
PO Box 249
Brunswick, ME 04011

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



MASSACHUSETTS OILHEAT COUNCIL

Michael Ferrante, President
118 Cedar Street
Wellesley Hills, MA 02181
Ph: 781-237-0730
800-722-0623 (MA Only)
Fax: 781-237-2442

mferrante@massoilheat.org
www.massoilheat.org



Oil Heat Institute of Rhode Island

1177 Jefferson Blvd.

Warwick, RI 02886-2253

Phone: 401-921-2105

E-mail: julie@ohi.necoxmail.com

www.oilheatinri.com



Oil Heat Council of NEW HAMPSHIRE

www.nhoilheat.com

Phone: **603-895-3808**

Fax: **603-895-3325**

Email: ohcnh@nhoilheat.com

VFDA Vermont Fuel Dealers Association

250 MAIN STREET, SUITE 301
MONTPELIER, VT 05602

802-223-7750 PHONE
802-223-7751 FAX

INFO@VERMONTFUEL.COM
WWW.VERMONTFUEL.COM

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



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

OIL&ENERGY
OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

**CLASSIFIED RATES:
BIG RESPONSE — LITTLE \$**

\$40 gets you four lines of text (approx. 25 words) for 2 issues of *Oil & Energy* and 4 months on www.nefi.com
Photos are accepted at \$30 additional. Additional text lines at \$10. **To obtain these rates, ads must be placed online at: www.nefi.com/classifieds.**
For regular rates not submitted online and for display classifieds, call 617-924-5962.

Advertiser Index

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

- Amthor, p. 19
www.amthornewengland.com
- Angus Energy, p. 17
www.angusenergy.com • 800-440-0472
- Association Block, p. 43.....
- Avatas Payment Solutions, p. 42.....
www.avataspayments.com • 866-849-8800
- Beckett, p. 15.....
www.beckettcorp.com • 800-645-2876
- Blue Cow Software, p. 42.....
www.bluecowsoftware.com • 888-499-2583
- BP • US Fuels Marketing, p. 6.....
www.bp.com
- Delta Dental, MA, p. 48.....
www.nefinsurance.com
- Delta Dental, NH, VT, p. 40
www.nefinsurance.com
- Delta Dental, RI, p. 41.....
www.nefinsurance.com
- Dennis K. Burke, p. 13
www.burkeoil.com • 800-289-2875
- DR Micro , p. 42.....
www.drmmnet.com • 800-255-5242
- Global Companies LLC, p. 2, 47
www.globalp.com • 800-685-7222
- Gray, Gray & Gray, p. 23.....
www.gggcpas.com
- Gulf Oil Ltd. Partnership, p. 5
www.gulfoil.com • 800-446-4853
- K-Systems Inc., p. 42
www.ksystemsinc.com • 800-221-0204
- Kerr Heating, p. 21
www.kerrenergysystems.com
- Market Line Computers, p. 42.....
www.mlsoft.com • 800-210-1498
- NEFI, p. 3, 10-11, 27, 28-29, 31, 37-38, 45
www.nefi.com • 617-924-1000
- Newmac, p. 42
www.newmacfurnaces.com • 888-291-0990
- Northeast Propaneshow, p. 35.....
www.northeastpropaneshow.com
- RenRe Energy Advisors Ltd., p. 29.....
www.renreim.com • 832-592-0076
- Sprague, p. 9
www.spragueenergy.com • 800-225-1560

NEFI SEEKS EDUCATORS – TECHNICAL AND BUSINESS

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 160 hour basic oil heat technician and installation course. This course entails both classroom and hand-on heating instruction using live heating equipment and follows an industry-standard curriculum. We are looking to fill a part-time position (nights) teaching adult students from around the region.

All classes are taught in both the classroom and in our state-of-the-art lab at The Springfield Technical Community College in Springfield, Mass.

Candidates must have a valid Massachusetts oil burner license.

Send resume and letter of interest to Bob Messia, Principal Instructor, bob@nefi.com, or:

Att: Bob Messia, Principal Instructor
New England Fuel Institute
20 Summer St.
Watertown, MA. 02471

POSITION AVAILABLE

Fuel Sales Manager Seeking ambitious sales manager to develop new products and services. Inside and outside sales and customer support. Well-respected/established customer base. Central and Eastern NH
Send resume and letter of interest to: pdonohoe3@msn.com

COMING NEXT MONTH IN OIL&ENERGY

Price Protection & Hedging

Fuel price volatility has made hedging a necessity for many retailers. We poll the experts in the field about the latest trends and what plans their companies offer.

Don't forget to visit us online for access to features, past issues, advertisers and more.

www.nefi.com/oilandenergy



TECHNICIAN POSITION WANTED

This recent graduate of the NEFI Basic Oilheat Technician Training program (160 hour training) is seeking employment.

Jeremy Silva

58 West Hodges Street
Norton, MA 02766
Tel: 508-838-9266
Email: ontopsilva@aol.com
Course completion date April 30, 2010

POSITION AVAILABLE

Pricing Specialist Coordinator

Recommend pricing levels to achieve margin performance & competitiveness. Hedging, futures purchasing/planning. Ordering and inventory control of liquid products.

Contact:
Joe Trefethen, General Mgr
Palmer Gas/Ermer Oil Company
13 Hall Farm Road Atkinson, NH 03811



GOT TICKETS? WE DO!!!

We are a leading provider of Fuel Delivery Tickets. Please call John for a price quote before your next order. (800) 519-3691 / www.meterticket.com



WEBSITE DESIGNS FOR FUEL OIL DEALERS!

Custom designed layouts, lowest costs. Website hosting only \$12.95/month. Allow customers to order / pay online. Websites that work for fuel dealers. www.oilwebs.com

**IRVING ENERGY
DISTRIBUTION & MARKETING**

Distribution Manager - Claremont, NH
Irving Energy is the regional refining and marketing company serving customers in Eastern Canada and New England. We are looking for a talented and committed leader to join our management team. For further position details, please visit our website @ www.irvingoil.com.

HAZMAT TESTPREP SOFTWARE

Based on CDL manual for each state. Makes preparation simple and quick.
www.whitemountainschools.com

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

June 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			

July 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

13-16 North Carolina Petroleum and Convenience Marketers Summer Convention, Hilton Head Marriott Resort, Hilton Head, S.C. www.ncpcm.org

14 International Fuel Ethanol Workshop and Expo, America's Center Expo Center, St. Louis, Miss. www.fueethanolworkshop.com

15 2010 Biofuels Conference, Westin, Waltham, Mass. www.massoilheat.org

17 Oil Heat Council of New Hampshire (OHCNH) Annual Golf Outing, Stonebridge Country Club, Goffstown, N.H. www.nhoilheat.com

21-23 National Biodiesel Board (NBB) Membership Meeting, L'Enfant Plaza, Washington, D.C. www.biodiesel.org

24-25 Independent Connecticut Petroleum Association's 60th Anniversary Annual Meeting, (866) 521-ICPA, www.icpa.org

19-20 Pennsylvania Petroleum Marketers & Convenience Store Association Summer Conference, Sheraton Erie Bayfront Hotel, Erie, Pa. www.ppmcsa.org

August 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				

4-6 Northeast Biomass Conference, Westin Copley Place, Boston, Mass. www.biomassconference.com/northeast

10-11 Northeast Propane Show, Holiday Inn, Boxborough, Mass. www.northeastpropaneshow.com

NEFI Member Benefits



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

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

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

For more information, please contact

Donna Carcerano at:

Phone: 617-924-1000

Fax: 617-924-1022 or 617-924-5962

This plan is managed by Bostonian Solutions and Fort Dearborn Life Insurance Company



BOSTONIAN SOLUTIONS

Look further. See more.



FMCSA LAUNCHES SEARCHABLE ONLINE CDL DRIVER SAFETY HISTORY DATABASE

The Federal Motor Carrier Safety Administration (FMCSA) has launched a new online pre-employment screening service that allows employers to look-up the driving records of CDL/HAZMAT drivers that they are considering for employment.

The program allows prospective employers to view drivers' safety records for a fee. By using driver safety information during pre-employment screening, petroleum transporters will be able to make a better assessment of the potential safety risks of prospective driver-employees and ensure that drivers cannot hide their poor safety records.

Under the FMCSA program, large transporters must pay a \$100 annual base fee to use the system and an additional \$10 for every driver history requested. The annual fee for fleets of fewer than 100 trucks is \$25. An individual driver can get his or her own report for \$10.

The FMCSA screening program allows access to five years of driver crash data and three years of inspection data regardless of the state or jurisdiction. PSP also gives drivers additional opportunities to verify the data in their driving history and correct any discrepancies.

Prospective employers however, must first obtain written consent from the driver to search his or her driving record in accordance with federal privacy laws. For complete details on the Pre-Employment Screening Program's fees for driver safety records and how carriers and drivers can participate, visit www.psp.fmcsa.dot.gov.



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

ONE STEP FORWARD

ON FRIDAY, MAY 28, THE U.S. HOUSE OF Representatives finally approved a bill that included a \$1-per-gallon biodiesel tax credit by a vote of 215-204. The measure would be retroactive to Jan. 1, 2010.

The industry has been campaigning hard for this incentive to pass since before it even expired at the end of 2009, but President Barack Obama's ambitious legislative agenda ran into an increasingly resurgent Republican party and candidates wary with the specter of elections in November. This made the biodiesel credit just one of many items the government was looking to advance.

The hard work is still not over, of course. Even though the House has approved the measure, it must now go to the Senate, where it faces a potentially more difficult battle. Sen. Chuck Grassley, an Iowa Republican, is a proponent of the bill, but must still help resolve questions about offsetting the entire bill's cost before it proceeds.

The revised House bill also includes an increase in the per-barrel tax for the Oil Spill Liability Trust Fund from 8 cents to 34 cents. According to the Petroleum Marketers Association of America (PMAA), this would increase refined product prices from about two-tenths of a cent per gallon to 8-tenths of a cent per gallon.

Senators are expected to take up the bill when they return from their Memorial Day recess on June 6. This gives the industry some necessary time to continue reaching out to their representatives and showing their support for a retroactive biodiesel tax credit as soon as possible.

If the credit is finally brought back, that still leaves several legislative questions for the rest of 2010 as the home energy industry continues to support new fuels and equipment.

Constituents should also press their representatives to look beyond 2010 and create a longer-term biodiesel tax credit, as well as push for support of the National Oilheat Research Alliance (NORA), which is critical for pioneering equipment testing and education.

In addition, expanding equipment incentives to include more Oilheat systems would benefit the industry from manufacturers down to the customers who will realize energy savings from having more efficient equipment.

To reach your senators directly, call the Capitol switchboard at (202) 224-3121 or visit www.nefactioncenter.com for the latest developments. ☐

Ultra-Low Sulfur / 15 ppm and under

Low Sulfur / 15 ppm+ to 500 ppm

District	Week Ending		
	5/21/10	5/14/10	Year Ago
East Coast (PADD I)	20.7	20.1	19.3
NEW ENGLAND	2.4	2.3	2.3
MID-ATLANTIC	9.1	8.9	8.6
SOUTH TO FLA.	9.2	9.0	8.3
Midwest (PADD II)	25.5	25.2	26.4
Gulf Coast (PADD III)	33.2	34.3	29.7
Rocky Mtn. (PADD IV)	2.8	2.8	2.6
West Coast (PADD V)	10.5	10.3	9.7
U.S. Total	92.7	92.7	87.7

District	Week Ending		
	5/21/10	5/14/10	Year Ago
East Coast (PADD I)	4.8	4.8	8.3
NEW ENGLAND	0.2	0.2	0.7
MID-ATLANTIC	2.7	2.7	3.9
SOUTH TO FLA.	2.0	2.0	3.7
Midwest (PADD II)	2.6	2.3	3.6
Gulf Coast (PADD III)	6.3	6.6	6.3
Rocky Mtn. (PADD IV)	0.3	0.3	0.3
West Coast (PADD V)	1.1	1.0	1.2
U.S. Total	15.0	14.9	19.6

Greater than 500 ppm (0.05%) Sulfur

TOTAL DISTILLATE STOCKS

District	Week Ending		
	5/21/10	5/14/10	Year Ago
East Coast (PADD I)	34.7	34.9	31.0
NEW ENGLAND	7.0	7.3	7.4
MID-ATLANTIC	25.6	25.5	21.4
SOUTH TO FLA.	2.1	2.1	2.2
Midwest (PADD II)	1.4	1.6	2.0
Gulf Coast (PADD III)	7.1	7.3	7.0
Rocky Mtn. (PADD IV)	0.1	0.1	0.1
West Coast (PADD V)	1.6	1.4	0.9
U.S. Total	44.8	45.3	41.0

District	Week Ending		
	5/21/10	5/14/10	Year Ago
East Coast (PADD I)	60.2	59.7	58.6
NEW ENGLAND	9.5	9.7	10.4
MID-ATLANTIC	37.3	37.0	33.9
SOUTH TO FLA.	13.3	13.0	14.2
Midwest (PADD II)	29.4	29.0	32.0
Gulf Coast (PADD III)	46.5	48.2	42.9
Rocky Mtn. (PADD IV)	3.2	3.2	3.0
West Coast (PADD V)	13.2	12.7	11.9
U.S. Total	152.5	152.8	148.4

Weather Summary

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

The weather for the nation, as measured by population-weighted heating degree-days from July 1, 2009, through May 22, 2010, has been 1 percent cooler than last year and 0 percent cooler than normal.

Location	Current	Normal	% Change
	7/1/09 thru 5/22/10	7/1/09 thru 5/22/10	Current vs. Normal
Boston	5,107	5,540	-8%
Chicago	5,943	6,407	-7%
Hartford	5,381	6,034	-11%
New York	4,219	4,741	-11%
Philadelphia	4,320	4,732	-9%
Pittsburgh	5,472	5,751	-5%
Portland	6,258	7,127	-12%
Providence	5,057	5,670	-11%
Raleigh	3,425	3,451	-1%
Richmond	3,687	3,901	-5%
Washington	3,845	4,041	-5%

Oil & Energy Securities Recap

Company	Symbol	5/27/10	4/26/10	Change
Ashland Inc.	ASH	54.98	62.18	-7.20
BP-Amoco	BP	44.86	58.11	-13.25
ChevronTexaco	CVX	73.49	82.76	-9.27
Conoco Philips	COP	51.35	58.26	-6.91
ExxonMobil	XOM	60.91	69.30	-8.39
Global Partners	GLP	21.08	22.95	-1.87
Hess Corp.	HES	53.95	65.30	-11.35
LUKOIL	LUKOY	49.00	59.45	-10.45
Marathon Oil	MRO	31.20	33.01	-1.81
National Grid Plc	NGG	41.05	50.00	-8.95
Occidental	OXY	81.22	87.48	-6.26
Royal Dutch Shell Plc	RDSA	52.73	61.24	-8.51
Star Gas	SGU	4.39	4.31	+0.08
Sun	SUN	29.39	31.21	-1.82
Tesoro Petroleum	TSO	11.52	13.30	-1.78
Total	TOT	47.22	57.03	-9.81
Valero Energy	VLO	18.50	20.12	-1.62

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.

GLOBAL PREMIUM FUELS

YOUR EXPRESSWAY TO PERFORMANCE

Four-season use of Global's enhanced fuels can provide cleaner and more efficient systems than conventional distillate — Heating Oil Plus for home heating, DieselOne for on the road excellence, and SubZero for absolute cold weather flow of heating oil and diesel fuel. Better performance for your customers leads to better results for you. Talk to Duane McLevedge or your Global sales representative about these performance driven fuels.



- So. Portland, ME
HO Plus
- Burlington, VT
Diesel One & HO Plus
- Chelsea, MA
Diesel One & HO Plus
Biodiesel & Bioheat®
- Danvers, MA
Diesel One
- Jamaica Plain, MA
HO Plus
- Needham, MA
HO Plus
- New Bedford, MA
Diesel One & HO Plus
- Revere, MA
Diesel One & HO Plus
- Sandwich, MA
Diesel One & HO Plus
- Springfield, MA
Diesel One
- E. Providence, RI
Diesel One & HO Plus
- Terminal Rd., Providence, RI
Diesel One & HO Plus
Biodiesel & Bioheat®
- Bridgeport, CT
Diesel One
- New Haven, CT
Diesel One & HO Plus
- Plainfield, CT
Diesel One & HO Plus
- Wethersfield, CT
Diesel One & HO Plus
- Albany, NY
Diesel One & HO Plus
- Inwood, NY
Diesel One & HO Plus
- Glenwood, NY
Diesel One
- Newburgh, NY
Diesel One & HO Plus
- Oyster Bay, NY
Diesel One & HO Plus
- Macungie, PA
Diesel One & HO Plus

ONE PICTURE IS WORTH A THOUSAND SMILES.



KEEP YOUR EMPLOYEES AND THEIR FAMILIES SMILING BY ENROLLING IN THE NEFI-SPONSORED DELTA DENTAL PLAN OF MASSACHUSETTS

This is the ideal dental insurance plan for NEFI member companies, large and small, who operate in Massachusetts. Your company must have two or more employees.*

Each employee and family can choose their own dentist from a list of over 96% of all practicing dentists in Massachusetts.

There is never any paper work — employees simply present their Delta Dental ID card at the time of service. Plus, there are provisions for obtaining some coverage if an out-of-state or non-participating Massachusetts dentist is used.

This is a very cost competitive plan with your choice of two plans, starting at just \$27.78 per month for individuals, \$74.67 for families. Extensive diagnostic, preventative, basic restorative and emergency care are provided in both plans A and B. Plan B provides extra coverage for major restorative treatment.

To obtain a Pdf file with all coverage details and expenses, visit www.nefiinsurance.com, or contact Donna Carcerano, NEFI Benefits Administrator for a brochure and application form. She can be reached at 617-923-5020; email to donna@nefi.com

**THIS IS ANOTHER IN A SERIES OF SERVICES AND BENEFITS AVAILABLE TO YOU
AS A MEMBER COMPANY OF THE NEW ENGLAND FUEL INSTITUTE**

* Companies with ten or fewer employees need to enroll 100% of eligible staff, while firms with over ten employees must enroll 75% or more of eligible staff. An eligible employee is an employee who works 17.5 hours or more per week on a regular basis.