

SAVE OIL, IMPROVE COMFORT AND CREATE JOBS: IT'S TIME FOR OILHEAT EFFICIENCY IN MASSACHUSETTS



Bill H 2741, “An Act further promoting energy efficiency and green jobs” will create a fund to serve the millions in Massachusetts who depend on heating oil, so they can cut energy expenses and improve comfort.

ENACTING LEGISLATION TO CREATE AN OILHEAT EFFICIENCY FUND WILL HELP MASSACHUSETTS:

- **Add thousands of jobs** — 167 job years will be created per million dollars of program investments, both within and independent of the energy efficiency sector.¹
- **Save consumers money** — Every \$1 dollar invested in energy efficiency pays the customer back over \$7.60 in direct oilheat savings.²
- **Boost our local economy** — Keeping more of our energy dollars circulating in-state rather than sending them outside our region.
- **Reduce greenhouse gases** — Potential to greatly expand oil savings, allowing the Bay State to remain on track to meet our aggressive carbon reduction goals and reduce other pollutants.

AN ISSUE OF FAIRNESS:

Unlike gas and electric customers, homes and businesses in Massachusetts that rely on oil currently have limited access to energy-saving programs, **spending between \$2.5 and \$3 billion a year on heating oil**. For many residents and businesses, oil is their **only** heating fuel option, with natural gas infrastructure out of reach and renewable energy systems not yet viable.³ It's time to give oil customers the same benefits that natural gas customers enjoy, by helping them insulate their homes and buildings and upgrade to efficient new oil-fired heating equipment.

OIL CUSTOMERS ARE STUCK WASTING ENERGY AND MONEY:

- **The price of heating oil in the Northeast has jumped 27% in the last two years**, now around \$4/gallon.
- Approximately 950,000 homes or **about 32% of Bay State homes rely on heating oil**, as do thousands more businesses, schools, and other public buildings. In some counties the figure tops 50% dependence on oil.
- Of multifamily housing units heated by oil, the property owner bears the cost of oil 78% of the time.⁴
- While the oilheat industry has upgraded thousands of aging heating systems, there are still many older systems in homes statewide, with limited options for assistance to upgrade and weatherize.
- Many of these heating systems are old and inefficient. In Boston alone, 40% of home oil heating systems are more than 20 years old.⁵

The Massachusetts Oil Heat Save Energy Coalition Includes:

Conservation Services Group • Conservation Law Foundation • Environmental Entrepreneurs (E2) • Environment Massachusetts • ENE (Environment Northeast) • Massachusetts Association for Community Action (MASSCAP) • Massachusetts Oilheat Council • Mass Energy Consumers Alliance • Mass Energy Directors Association • National Consumer Law Center, on behalf of its low-income clients • Northeast Energy Efficiency Partnerships (NEEP) • Low-Income Energy Affordability Network (LEAN) • Worcester Homeless Action Committee

- A 2010 oil heat efficiency pilot of 410 homes saved approximately 100,000 gallons of home heating oil per year. This amounts to an **average savings per homeowner of 210 gallons per year, or 30% of the oil consumed**. At current prices, this amounts to over \$800 in savings annually.
- Homeowners who heat with oil and upgrade their heating system could save on average 116% more on energy costs than would a neighbor who upgrades their natural gas equipment. The difference in potential savings is \$997 vs. \$461 in annual energy expenses.
- Massachusetts has already proven that investing in clean energy and efficiency leads to real job creation. Ranked number one in the nation in energy efficiency⁶, the Bay State saw jobs in the clean energy sector grow by 11.2 % last year, now employing over 71,000 people.⁷ **Expanding our award-winning efficiency programs to serve oilheat customers will foster job growth and significantly reduce energy expenses for all who participate in these programs.**
- While the Commonwealth should be proud of energy and global warming efforts, we are currently falling short of the carbon reduction targets of the Clean Energy and Climate Plan for 2020. **Meeting those goals will not be possible without addressing the need for an oilheat efficiency fund.**⁸

HOW THE OIL HEAT EFFICIENCY PROGRAM WILL WORK:

- Bill H 2741 will create an Oil Heat Energy Efficiency Fund paid for with a 2.5 cent assessment on each gallon of heating oil sold for heating in the state, producing estimated annual revenue of nearly \$20 million that will in turn **lower consumers' energy bills by more than \$120 million annually**.
- The legislation will enable oilheat retailers to offer broad energy efficiency solutions to their customers in tandem with existing electric utility programs. It will greatly expand efficiency offerings for customers of municipal electric companies.
- **This is not a tax flowing to state coffers**, but a regulated fund that participants can directly access to help control their energy costs —entirely consistent with what natural gas customers have available.
- The Fund will be closely coordinated with existing electric and gas programs offered statewide under the Mass Save® banner, as well as those offered by some municipal utilities. So regardless of fuel type, a customer could get an energy assessment and seamless delivery of weatherization services and efficiency rebates.
- The Fund will be administered with transparency, accountability and independence to this process to ensure that consumers get real savings.

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Factsheet, maps and statewide data available at: www.oilheatsaveenergycoalition.org

¹ ENE (Environment Northeast) report, <http://www.env-ne.org/resources/open/p/id/965>. Based on the heating oil cost of \$3.90/gal.

² Each \$1 invested projected to save 2 gals of oil. State price info is at: <http://www.mass.gov/eea/energy-utilities-clean-tech/home-auto-fuel-price-info/>

³ Town-by-town data on who heats with oil and where there is natural gas service: www.oilheatsaveenergycoalition.org

⁴ Multifamily report by ACEEE, pg. 14: <http://www.aceee.org/sites/default/files/publications/researchreports/e137.pdf>

⁵ According to a 2011 study by the Massachusetts Energy Consumers Alliance, <http://www.massenergy.org/heating-oil>

⁶ See ACEEE State Scorecard <http://aceee.org/sector/state-policy/scorecard>

⁷ Massachusetts Clean Energy Center report, <http://www.masscec.com/index.cfm/cdid/13913/pid/11150>

⁸ Analysis of the 2013-2015 statewide energy efficiency plans <http://www.ma-eeac.org/3%20Year%20Draft%20Plan%20November%202012.htm>

projects that at the current rate, Mass. will only reach about 52 % of the carbon reduction goals set forth in the Clean Energy and Climate Plan: <http://www.mass.gov/eea/air-water-climate-change/climate-change/mass-clean-energy-and-climate-plan.html>