



TO: Glenn Keith, Department of Environmental Protection
FROM: Michael Ferrante, President, Massachusetts Oilheat Council
DATE: February 18, 2011
SUBJECT: DEP Proposed Ultra Low Sulfur Heating Oil Regulations

The Massachusetts Oilheat Council (MOC) is a statewide industry trade association with over 350 members. Established in 1955, MOC represents retail heating oil and biodiesel companies; wholesale suppliers of heating oil, residual oils and biodiesel; and all of the major manufacturers of home heating oil boilers, furnaces, water heaters and fuel oil burners.

On behalf of MOC's Board of Directors and our membership statewide, I submit the following comments and Oilheat industry research in support of the Department of Environmental Protection's (DEP) proposed regulations to reduce the sulfur content in home heating oil (#2 distillate) and residual oils (#4 and #6 oils) in accordance with MANE-VU.

▪ **Oilheat Industry Overview in Massachusetts & the United States**

-Number of Oilheated households in Massachusetts – 950,000
Source: National Oilheat Research Alliance (NORA) & U.S. Census

-Number of households in the U.S. using heating oil for space heating & hot water production – 8 million
Source: NORA & U.S. Census

-Of the approximately 8 million households in the U.S that use heating oil to heat their homes, 6.4 million households, or roughly 80 percent, are located in the Northeast region of the country.

- Number of heating oil gallons used last year in Massachusetts for space heating and hot water production – *800 million. Source: NORA

*This number has dropped significantly over the past ten years due to heating system efficiency and conservation. The number can also fluctuate if the weather is either warmer or colder through the heating season of October through March.

-Number of heating oil gallons used last year in the Northeast – Approximately 5.1 billion gallons of heating oil were sold to residential consumers in the Northeast, or 82 percent of total residential fuel oil sales. The remaining 18 percent of annual sales are in the mid-Atlantic region and other parts of the country.

-Nationwide research indicates that Oilheating systems in use today use substantially less fuel than they did 20 years ago. An average home that used more than 1,200 gallons of heating oil in 1989 now uses only 900 gallons, or 25% less. This decrease in usage is attributable to advances in equipment efficiency and household conservation. New heating oil systems have AFUE ratings from 83 to 94 percent.

Source: NORA & America Petroleum Institute

- **Oilheat Industry Resolution**

In September 2009, Oilheat representatives from across the country convened in Baltimore, Maryland and unanimously agreed to pursue enacting state laws and or regulations that would lower the sulfur content of home heating oil as quickly as possible, and to begin blending this fuel with biofuel at levels up to 5%.

- **NORA Study**

A study conducted by the National Oilheat Research Alliance (NORA) in 2010 supports the Oilheat industry's resolution and the benefits of a shift to ultra low sulfur heating oil. The NORA study is included with these written comments.

- **MOC Position on DEP's Proposed Regulations**

MOC supports DEP's efforts "to pursue the implementation of the low sulfur fuel strategy with 500 ppm percent sulfur by weight for distillate oil and 1.0% sulfur by weight for residual oils by 2014, with further respective reductions to 15 ppm and 0.5% by 2018," and DEP's plans to amend 310 CMR and incorporate these limits.

Thank you for the opportunity to submit comments to DEP.

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