



## Legislative and Regulatory Action Center

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### 2015-16 NEFI Public Policy Agenda

The New England Fuel Institute (NEFI) remains committed to advancing the public policy goals including legislative and regulatory priorities of the mostly small-business home heating industry in the region and beyond. This public policy agenda was written with the input of NEFI members and supporters. It aims to provide NEFI and its affiliates with a framework for identifying specific legislative and regulatory issues of interest, and to help guide association professionals as they communicate the industry's concerns to lawmakers, regulators and the general public. The NEFI public policy agenda was drafted by the NEFI Government Affairs Committee and approved by the Board of Directors on March 12, 2014. It may be subject to revision.

#### ***Pro-Consumer Energy***

Technological breakthroughs in oil exploration and recovery, energy efficiency and alternative fuels have put North American energy independence within reach. However, not all American businesses and consumers are benefitting equally from this new "energy renaissance." Smart policies can help to bring more secure, stable and affordable energy to all Americans, spur economic growth and job creation, and strengthen security by making our nation less dependent on energy from unstable or hostile countries. Therefore, we support policies designed to:

- **Remove barriers to American energy production** and unleash the full potential of the American economy. This includes policies that promote the safe and environmentally secure production of traditional energy sources such as crude oil. Support for alternative fuels such as biodiesel are increasingly important to our industry as many marketers have embraced biodiesel-blended heating oil known as Bioheat®. Blends of up to 20% could eliminate 1.3 billion gallons of conventional fuel and 9.26 million metric tons of carbon dioxide emissions nationwide each year. Therefore, NEFI supports the inclusion of biodiesel in the Renewable Fuels Standard (RFS) and keeping volumetric requirements on parity with current production levels. NEFI also strongly supports preservation of the \$1 per gallon tax credit for biodiesel blenders.
- **Invest in energy infrastructure and transportation.** In order for all Americans to benefit from today's energy revolution, petroleum and biofuels must be able to move to markets where they are needed, including and especially the Northeastern United States. Policymakers should lift Jones Act restrictions on sea-borne vessels and permit the construction of new pipelines, storage facilities and terminals.
- **Promote energy efficiency and conservation.** We are ready to work with policymakers in the region and the nation's capital to educate consumers on conservation best practices" and to increase the efficiency of our fuels. Our industry is building on an already impressive track record on energy efficiency through the introduction of a lower-sulfur and cleaner-burning fuel that will reduce carbon emissions, improve system performance, bring to market a new generation of ultra-efficient heating technologies and maximize consumer savings. Studies have shown that bio-blended and lower-sulfur heating oil rivals natural gas in the areas of fuel efficiency and environmental security.

#### ***Market Fairness & Competition***

The home heating oil industry employs more than 150,000 people nationwide and represents billions of dollars in economic activity and investments in a cutting-edge fuel delivery infrastructure that is ready to bring the heating fuels of tomorrow to American homes today. These businesses are often intimately involved in their communities and have relationships with their customers that span several generations. From the futures market to the retail market, our members deserve the opportunity to compete on an equal playing field. Government policies must avoid providing a direct or indirect competitive advantage to other industries. Therefore, we urge policymakers to:

- **Embrace a "fuel neutral" approach to energy policy.** Policymakers at all levels of government should embrace an "all of the above" – *not an "eggs in one basket"* – approach to energy policy. Our nation and the New England region will benefit from a diverse energy portfolio that encourages competition and consumer choice in the home heating market. Elected officials and bureaucrats should not be telling their constituents which

fuel is best for them based on a perception (albeit inaccurate) that one fuel is more environmentally secure than another or that it will maintain an indefinite price advantage. Americans should be free to decide which fuel is best for their families.

- **Acknowledge the risks of increased reliance on natural gas.** Natural gas is 90% methane, a highly explosive and environmentally dubious element (methane is 86 times more potent a greenhouse gas than carbon dioxide over 20 years). Much of the existing gas infrastructure is aging or obsolete. A recent government report found these pipelines released 69 billion cubic feet of gas into the atmosphere in 2011 alone; equal to carbon emissions from six million automobiles. Gas leaks cost consumers more than \$20 billion over ten years and have resulted in nearly 800 significant incidents including explosions that killed 116 people, injured 465 others and caused more than \$800 million in property damage. Before investing in new natural gas infrastructure, existing lines should be repaired or replaced and at the expense of utilities, not taxpayer or ratepayers.
- **Limit financial speculation in the energy markets.** Futures and swaps markets were established as tools for risk mitigation and price discovery for bona fide hedgers. While speculators are necessary for the proper function of these markets, scores of recent studies have found that a failure to properly monitor and limit speculative activity can exacerbate price volatility, unhinge markets from real world supply and demand, and create the opportunity for market manipulation. We urge the full implementation and enforcement of new and existing trading rules to ensure market transparency, prevent fraud and manipulation, and limit excessive financial speculation.

### ***Regulatory Relief for Small Energy Providers***

Escalating costs of compliance with federal regulations continues to burden America's mostly small business home heating fuel dealers. Unnecessary, duplicative or costly regulations stifle growth and competitiveness throughout our industry and have a negative effect on our employees, consumers and local economies. We are ready to respond to our members' needs in this regard. Therefore, NEFI will:

- **Pursue relief from harmful or costly regulations.** NEFI will continue to be a voice for its members before federal regulators and their representatives in New England and encourage smart, effective and responsible regulations that are sensitive to the needs of consumers and small businesses. Acknowledging the small business nature of our industry, NEFI will oppose one-size-fits-all regulations that unfairly impose the same compliance burdens on both large producers and small energy distributors. We will continue to advocate for lower regulatory fees, the adoption of cost-reducing compliance alternatives, reductions in administrative burdens and reporting requirements, and an increase in regulatory exemptions for small businesses.
- **Provide cost-saving compliance assistance.** NEFI will continue to provide members with timely guidance on federal regulations that aims to reduce compliance costs; avoid heavy fines or fees associated with non-compliance; and increase the efficacy of related business operations. This includes timely regulatory alerts, bulletins and newsletter updates.
- **Provide new education and training seminars.** NEFI will increase its offering of members-only webinars, seminars and other educational programs. Seminars on new regulatory changes, refresher courses on current regulatory requirements and other technical educational courses will be offered.

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