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Senator Kerry, Senator Snowe, Members of the Committee,

My name is Michael Stoddard, and I am an attorney at Environment Northeast, a non-profit organization that researches and advocates innovative environmental policies. I live and work in Portland, Maine.

Rockport, ME
Boston, MA
Providence, RI
Hartford, CT
New Haven, CT
Charlottesville, VA

Environment Northeast is at the forefront of state and regional efforts to combat global warming with solutions that promote clean energy, clean air, healthy forests, and a sustainable economy. On behalf of our organization, I want to thank this Committee for giving us the opportunity to testify today.

In our testimony, we briefly recap our view of the problem presented by our present lack of tools to control heating oil costs. These include:

1. Between 70-80% of homes in many northeast states rely on petroleum-based fuels such as fuel oil, kerosene or propane to heat their homes.
2. The average household in the Northeast consumes 1,000 gallons per year, which at the current price will cost \$4,700;
3. Because petroleum heating fuels must be imported to the Eastern states, more than \$11 billion leaves the region each year
4. Demands on federal fuel assistance for low-income households are rising but the funds are covering less of the households heating need; the federal Weatherization Assistance Project funding is so low it would take 35 years to treat every eligible home; and despite their good work, these programs do not provide heating help to small business, commercial or middle income residential customers.
5. Perhaps the biggest problem of all is that while customers of electricity and natural gas have access to large and growing energy efficiency programs to help them gain control over their energy costs, heating oil customers do not.

As explained in more detail in our written testimony, Environment Northeast is proposing that the federal government and the states coordinate on a major new initiative to help consumers and the U.S. economy gain control over escalating oil and propane costs. Working together, federal and state government should implement a comprehensive effort to develop and fund energy efficiency programs for petroleum-based heating fuels.

The benefits of a national energy efficiency program for heating oil, kerosene and propane would be many, and include the following:

1. Small businesses and commercial property owners, and residential homeowners of all income levels, will finally have access to energy efficiency programs regardless of whether they use electricity, natural gas or oil to heat their buildings;
2. Individual home owners can cost-effectively cut their energy use by 20%, delivering a cost savings of more than \$1,000 at current oil prices;
3. Businesses will cost-effectively reduce their consumption and heating bills by 7-9% every year;
4. Money that formerly left the states to import fuels can be saved to trickle down into the local economy;
5. Good, steady new jobs will be created for heating system technicians, building contractors, and weatherization specialists;

The heating fuel efficiency programs we propose can be implemented along two paths:

- For small businesses, commercial and multi-family building owners, and residential customers other than low-income, every state in the U.S. will offer market-based efficiency programs, designed to function like current electric and natural gas efficiency programs;
 - market-based efficiency programs for heating fuel will ultimately require a national budget of around \$1 billion annually that should start lower and be ramped up to that level over a 3-5 year period;
 - \$1 billion/year is our approximation of what it would cost to capture all cost-effective heating fuel efficiency opportunities, the standard we are moving to in the electric and natural gas programs.
- For income eligible residential buildings, the Weatherization Assistance Program budget should be expanded to around \$3 billion per year over five years in order to weatherize every home that receives LIHEAP fuel aid, whether they use oil, natural gas, propane, kerosene, or electricity for heating and cooling.
 - \$3 billion/year is approximately what it would cost to invest \$2,500 (the WAP average cost) in efficiency upgrades in a LIHEAP-eligible home to 1/5th of all homes now receiving LIHEAP assistance.

Opponents of this proposal may try to paint this as a defeatist call for Americans to accept that their only course of action is to use less, spending the winter wrapped in sweaters and blankets, and reading by candlelight. Senators, please don't give them the satisfaction of perpetuating this myth.

Energy efficiency is not the same as conservation. Energy efficiency means using better technology to get the same amount of output from your heating, lighting, appliances and business equipment as you did before, but using less energy in the process. It means keeping your living room heated to the same temperature with less energy because you've tuned up your boiler, insulated your attic, and installed a programmable thermostat. Efficiency means lighting up work spaces in small businesses using compact fluorescents or LEDs that are 75% more efficient than incandescent lights. Energy efficiency means standing up and taking control of the situation, not sitting back to let the situation control us. The one thing energy efficiency does NOT mean is making do with less.

So how do we take control? We take control by investing, just the same as electric utility efficiency programs have been doing successfully for decades. We invest tactically to help consumers put energy efficient products into their businesses and homes. We invest in the difference between the cost of an average product and the cost of the high efficiency product. And for those who are not low income, we leverage public dollars by cost-sharing with the customer. Energy efficiency programs represent the best traditions of how Americans respond when our country needs to make a major transition. This is one of those times.

We need a comprehensive energy efficiency program for those customers who heat their businesses and homes with oil.

Thank you.