

Northeast oilheat industry looks to biodiesel as savior

By [Luke Geiver](#) | October 11, 2011

In the early 1960s Vermont sold twice as many gallons of heating oil as the state does today, according to Matt Cota, executive director for the Vermont Fuels Dealers Association. “If there is ever going to be a renaissance in the industry,” Cota said, “it will be because of biodiesel.” Cota explained the reason for his support of biodiesel-blended heating oil as a driver for sustaining the use of heating oil in Vermont during a panel discussion on federal, state and local biodiesel-blended oil heat mandates at the Northeast Bioheat Workshop co-hosted by the National Biodiesel Board and *Biodiesel Magazine*. For Cota, and the others joining him on the panel, the use of biodiesel as a blendstock for traditional heating oil isn’t only about reducing greenhouse gases, utilizing a homegrown advanced biofuel as part of their heating oil efforts, or particularly predicated on the presence of local, state or federal mandates; but more importantly, as a means of survival.



Matt Cota, executive director of the Vermont Fuel Dealers Association, speaking at the Northeast Bioheat Workshop in Pittsburgh Oct. 11.
Photo: Ron Kotrba, Biodiesel Magazine

To illustrate that point, Michael Ferrante, president of the Massachusetts Oilheat Council, provided a sound bite of a commercial promoting natural gas as a source of home heat in the state of Massachusetts. The commercial, he noted, was cleverly worded to “confuse” listeners into thinking oilheat is “dirty” and “expensive.” The sad part about most the commercial, which also highlighted the fact that natural gas is cheaper to use than oilheat alternatives, Ferrante said, “is that most of it is true.”

Instances like the commercial Ferrante played during the panel, in combination with the steady decline in oilheat gallons as indicated by Cota, show, in part, why the oilheat industry has dedicated time, money and effort towards ramping up the use of biodiesel in its products, according to Ferrante. “If we don’t evolve, we will die, it is simple as that,” he said. Although natural gas may be cheaper on a Btu basis, biodiesel-blended heating oil produces fewer greenhouse gas emissions and can be as economical as natural gas, according to Ferrante. Because of that, Ferrante told the crowd on hand that although groups like his don’t have the type of budget that National Grid—the natural gas utility provider that spent roughly \$700,000 on the radio commercial that reached roughly 1 million homeowners in Massachusetts—does, his members and clients need to promote the use of biodiesel-blended heating oil because, he said, “biofuel is truly the answer.”

Cota explained that in his state, where clients call in the middle of the night if they run out of heating oil, his members have great relationships with the homeowners and because of that, are trying to tell the story of Bioheat and why it is beneficial to Vermont as well as the individual consumers. “I always say we are not oil companies,” Cota explained, “we will sell you Kool-aid if it will keep your house warm.”

While both Cota and Ferrante pointed out the competition between natural gas and biodiesel-blended heating oil that is happening in the Northeast and the need to promote and educate users on the truth of biodiesel-blended heating oil as a more environmentally friendly and just-as-efficient and economical option as natural gas, Cota also touched on the role of a totally different heating alternative that could provide competition to Bioheat in the Northeast—wood pellets.

From Cota’s perspective, biodiesel-blended heating oil makes more sense, at least for his state, based on the reality that in such a rural state, trucks can transport more heating energy via Bioheat per load as opposed to transporting wood pellets. “We can’t pack as much energy on the truck using wood pellets as we can using biodiesel-blended heating oil,” he said.

Shelby Neal, state regulatory director for the NBB, also spoke on the panel, explaining the NBB’s role in helping biodiesel mandates at all governmental levels. “Our role is really to try and provide some insurance to the industry,” Neal said. And at the state level, “activity is largely driven by our members, not the NBB.”

As Neal pointed out, and as Cota and Ferrante both agreed, the major states in the Northeast like New York will help lead the push to require Bioheat blends. Cota said his state was not willing to “go out on an island,” but was instead waiting for the other states to implement a policy change, at which time, he also noted, his state would be able to apply policy that has already been written and is waiting to be signed. Ferrante also added that his state is in a similar position to Vermont, waiting for the larger states in the Northeast to implement a Bioheat policy protocol to follow. But, it was Ferrante’s tone and sentiments that summed up the panel’s mood the best, regardless of the role of policy.

Biodiesel has to be in the heating oil market, he said. “Otherwise, there will not be an oilheat market after the next decade.”