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Guess who's pumped about 'green' energy now

By [Peter Hirschfeld](#)

Vermont Press Bureau

MONTPELIER – Pleas for cleaner, "greener" oil came from a different source last week – fuel dealers.

Vermont's oil-heat industry and renewable-energy advocates make odd bedfellows. But the groups stood united Thursday in support of a proposal to spruce up the No. 2 oil used in nearly 140,000 Vermont homes.

Lowering sulfur content and adding biodiesel to heating-oil blends, they said, will improve energy efficiency and decrease greenhouse gas emissions.

But for fuel dealers, it's also about long-term financial survival. As the sector watches more environmentally friendly fuel sources encroach on its market share, industry leaders are asking lawmakers to help put heating oil on the crest of a green energy wave.

"One hundred years ago, people realized it made more sense to heat with oil than with coal or wood," said Matt Cota, executive director of the Vermont Fuel Dealers Association.

"If we want to be around for another 100 years, we need to create a cleaner, more efficient product."

As it stands, heating oil can't very well advertise its green credentials. Alternative fuels – natural gas and wood pellets among them – emit less pollution. And efficiency-minded policymakers have offered federal incentives to encourage their use.

Oil dealers want in on the action, and industry representatives are pursuing region-wide legislation they say would elevate the fuel's green status.

"If we want to claim the mantle of the cleanest heating fuel out there, we need to get this ultra-low-sulfur fuel with the biodiesel blend," Cota said. "If we're in

a legislative and political environment in which less environmentally friendly fuels are not receiving incentives, and people are getting incentives to switch away from us, we need to fix that part of the equation."

The low-sulfur and biodiesel components of that equation aren't really connected. But they represent parallel paths the industry must follow to achieve its new goal. The only way to get there, Cota says, is through a regional mandate that would set new standards for heating oil used in Northeast states. The six New England states, combined with New York, Pennsylvania and New Jersey, consume more than 80 percent of all heating oil used in the nation.

"It's up to the industry to demand cleaner, greener fuel, because people do have a choice out there in the marketplace," Cota said. "If policymakers want people to consume cleaner fuel, we need the ability to provide it to them, and the only way to do that is a Northeast mandate."

High sulfur contents in heating oil, according to Bob Hedden, executive director of the Oilheat Manufacturers Association, compromise efficiency by gumming up the works in boilers and furnaces. To illustrate his point Thursday, Hedden produced a plastic tray filled with ugly brown chips of crystallized sulfuric acid.

"This is the stuff we're trying to get rid of," Hedden said, telling lawmakers it came out of a heat exchanger. "This is what happens when you burn sulfur."

The stuff accumulates quickly even in top-shelf boilers and furnaces, and consumers pay around \$100 for an annual system tune-up.

Perhaps more importantly, Cota and Hedden said, sulfur residue prevents consumers from availing themselves of condensing technologies that can increase efficiency by as much as 6.5 percent.

Hedden and Cota are asking Vermont lawmakers to adopt a bill that would require maximum sulfur contents of 15 parts per million, well below the 3,000 to 5,000 parts per million now found in much of the heating oil used in this state. Since Vermont alone doesn't have the market power to alter refineries' decisions, the legislation wouldn't take effect until surrounding states approved similar laws.

They face some resistance, though, from the petroleum industry. Joe Choquette, who represents the American Petroleum Institute in the Vermont

Statehouse, said oil refiners aren't opposed to making the low-sulfur transition. But the timeline, and ultra-low-sulfur contents, spelled out in the House legislation, he said, are far too aggressive. Choquette said eliminating sulfur from heating oil – which constitutes about 10 percent of all diesel fuel used in the United States – will require significant capital expenses.

"It's not often my friend (Cota) and I disagree," Choquette said. "And we're not at odds with the oil-heat industry per se, but I do urge you to go slow with this bill."

Waiting until 2018, and setting a content goal of 50 parts per million, Choquette said, would make more sense.

"It would allow us to make investments in a logical timeline and achieve a goal we all want to get to," he said.

Refineries already produce ultra-low-sulfur diesel, thanks largely to the kind of sweeping legislation Cota and Hedden are seeking. An EPA standard established earlier in the decade mandated that all on-road diesel meet the 15 parts per million threshold. Diesel for off-road vehicles – tractors, skidders or other nonregistered vehicles – can't have more than 500 parts per million.

The second prong in the proposed legislation requests a minimum biodiesel content of 5 percent by 2013. Proponents concede that there's currently no way to supply the tens of millions of gallons of biofuel that would be necessary to replace 5 percent of the 6 billion gallons of heating oil used annually in the Northeast. But they say it's an achievable goal.

"It's a chicken-egg problem," Hedden said. "We have the technology. What we need now is a mandate so we can commercialize, something to give people comfort to spend huge amounts of money to build the next generation of biofuel stocks."

The request has thrilled biofuel supporters in Vermont, who say the mandate could jump-start the state's budding biodiesel industry – which would likely rely on crops including soy, sunflower and canola.

No one knows exactly how much biofuel was produced in Vermont last year, but educated estimates put the number at about 76,000 gallons. Netaka White, biofuels director for the Vermont Sustainable Jobs Fund, estimates total production capacity, however, likely exceeds 4 million gallons. Getting there, he

said, would require the kind of mandate the oil industry is seeking.

"A number of primarily economic factors are going to have to come into play, and this mandate is one of the keys to provide the market signal," said White, also secretary of the board of directors at Renewable Energy Vermont, an organization that has offered its support for the bill. "It would be the biggest single trigger that's happened in the six or seven years I've been working in this field."

Cota says the new biofuel market would decrease U.S. reliance on foreign oil, and White says it could create an untold number of new jobs in the agricultural and science fields in Vermont and New England.

Vermont lawmakers opted to shelve the proposed legislation pending relevant news from Washington, D.C., regarding the extension of biofuel tax credits that expired at the end of last year. But they will draft a resolution offering their support for new sulfur and biofuel standards. Cota will present the resolution to Washington, D.C., lawmakers at an oil-heat summit next month.

"We know we need to get there, and we know we need a regional mandate to get there," Cota said. "It could be state-by-state legislation. It could be a federal mandate. However we do it, we need this to get done."
