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Article published Jun 27, 2008

# State girds for winter crisis

By [Peter Hirschfeld](#) Vermont Press Bureau

MONTPELIER – As home heating oil prices chart record highs, lawmakers are counting on the federal government to plug a \$19 million hole in the state's low-income heating assistance program.

A panel of legislators met with state and federal officials Thursday to address an expected winter heating crisis. Administration officials unveiled a series of initiatives that would bolster efficiency programs and tap supplementary heating sources.

But the state needs federal money, officials said, to keep the state's neediest residents from going cold.

"We have to make sure we get money from the federal government to support (the Low Income Home Energy Assistance Program)," said Neale Lunderville, secretary of the Agency of Transportation.

Also of concern is the prospect that companies that provide heating oil to Vermonters could collapse because of the strain high oil costs are putting on small dealers.

Matt Cota, head of the Vermont Fuel Dealers Association, said rising prices threaten to undermine the oil delivery system as a whole in Vermont. The lines of credit necessary to purchase heating oil in advance, he said, have moved beyond the financial capacity of mom-and-pop dealers.

"Ten years ago the average heat-ing fuel company in Vermont needed \$1.25 million to purchase oil for the winter," Cota said. "At current prices that company will now need \$10 million."

Cota said dealers are having to put up personal property in order to extend their credit or sell off assets in order to maintain their cash flow. He said it's up to the state to back the estimated 50 fuel dealers statewide who will need help obtaining credit this winter.

"This is where Vermont Economic Development Authority or a similar entity could step in and be helpful," Cota said.

Lunderville serves as co-chair of a cabinet-level task force formed to address rising fuel costs in the state. It was in that capacity that he unveiled a host of programs, both new and old, intended to reduce overall energy consumption and help Vermonters of all incomes struggling with rising fuel costs.

"We certainly recognize the scope of the problem before us," Lunderville said. "Come the winter months, people are going to really struggle to pay their bills."

The new ideas include state-subsidized cut-your-own firewood lots, low-interest loans for energy conservation projects, redirecting up to \$5 million from a clean-energy development fund and staging 100 local energy-efficiency workshops around the state.

"This is a challenge of harnessing resources, from both inside government and with private and nonprofit partners we have around the state," Lunderville told lawmakers on the Joint Fiscal Committee.

As money for energy assistance grows scarcer, the number of Vermonters seeking help only increases. Lawmakers said they're just as concerned about those residents whose incomes are above the LIHEAP eligibility threshold of 185 percent of poverty.

"It's beyond frustration and worry," House Speaker Gaye Symington told the Joint Fiscal Committee. "People are frightened about what's ahead this winter."

Symington suggested the state enter into pre-buy contracts with fuel oil dealers on behalf of LIHEAP clients.

About three-quarters of Vermonters heat their homes with liquid fuels, compared with 9 percent nationwide. That disproportionate reliance on such a volatile commodity has only heightened the urgency of congressional efforts to increase LIHEAP funding.

Phil Fiermonte, an aide to Sen. Bernie Sanders, said recent developments on the federal front bode well for LIHEAP funding. Proposed legislation would double fuel-assistance funding to \$5.1 billion and send an additional \$20.5 million to Vermont – enough to fill the existing gap. Senate Majority Leader Harry Reid, Fiermonte said, has agreed to fast-track the bill so that it can bypass the Senate Committee on Appropriations and go to the floor for an up-or-down vote in the next 30 days.

"This is a potential public health emergency," Fiermonte said. "I think we have some hopeful news."

Steve Dale, commissioner of the Department of Children and Families, said that if federal aid fails to materialize, the state will be able to offer only about half the benefit it customarily provides to low-income residents. The state attempts to cover 60 percent of winter heating costs for Vermonters who meet eligibility requirements.

"What we're facing this winter is going to be unprecedented," Dale said. "Frankly, a substantial infusion is needed from the federal government to deal with this."

Lunderville said the programs introduced Thursday utilize the state's limited financial resources to deliver a substantial benefit. The cut-your-own firewood program, he said, would see professional loggers transport felled trees from state and town forests to lots around the state. Vermonters who met certain eligibility requirements, he said, would then be able to cut and split wood at those sites.

That program, though, is largely weather dependent. A rainy summer, he conceded, would likely prevent cut wood from drying in time for winter.

And he offered no details on a plan to repurpose \$5 million in the state's Clean Energy Development Fund.

"It's still a discussion in the very early stages," Lunderville said. "We want to work with legislators and the (fund's) investment committee to determine how best to use that money."

Renewable Energy Vermont, an organization that promotes clean energy development in the state, offered a measured response to the plan. While the organization supports using that money to provide incentives for alternative heating options, it vehemently opposes raiding the fund to provide direct heating assistance.

"This would derail the progress we are making towards a renewable energy future," said Andrew Perchlik, head of Renewable Energy Vermont.

Asked whether the governor would consider releasing some of the approximately \$140 million in so-called "rainy day" funds, Lunderville said that discussion was premature.

"Until we know where the feds are going to be, we don't know the breadth of

the problem," he said.

Sen. Susan Bartlett, a Lamoille County Democrat, said she would consider using some rainy day money for efficiency projects, but not to supplement LIHEAP funding.

"I'm not willing to empty rainy day funds into a program that Washington, D.C. has a responsibility for," she said.

Bartlett said the Joint Fiscal Committee will meet next in late July, when lawmakers will again come to the table to discuss how to address the heating "crisis."

"For me, it is remarkably overwhelming," Bartlett said. "But I feel better because we're now at the beginning of a truly comprehensive process."

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