



On behalf of the heating fuel and heating service industry in Vermont, I offer the following perspective with regards to the proposed amendment to Section 28d in H.433, which would ban the installation of new oil or gas fired heating equipment in buildings under the control of the Agency of Transportation.

We can not recommend this policy change. An air source electric heat pump (ASHP) is not a “fuel switching” technology. When the heat is needed most – on a cold night in the middle of January– an ASHP is inefficient, costly, and relies on fossil fuel power plants.

According to data collected by the New York State Energy Research and Development Authority, it costs nearly \$20,000 to convert a home from oil to electric heat, which is about twice the price of a high efficiency boiler. According to testimony by the Public Service Department in February before the Vermont House Energy Committee, ASHPs **do not** provide a cost savings to the consumer over traditional fuels. See page 16 of the PSD report found here: <https://tinyurl.com/8hest8tk>

Even if it was less expensive to install and operate, electric heat can not entirely replace the combustion burner in an existing building– even one that is weatherized. The same data from NYSERDA reveals that 88% of nearly 10,000 homes that installed a ASHP in New York over the past three years required another source of heat. According to the Vermont Department of Public Service, an ASHP replaces about 40% of a building’s heat load. The heating service professionals that are members of VFDA are the ones installing air source electric pumps. Most educate their customers about the need to keep their backup heat source because they know the damage that frozen pipes can cause to a home.

This warning became all too real for Vermonters on February 12, 2021. Many Vermonters received a warning that their electric utility intended to “manage” their ASHP remotely to lower electricity consumption during the winter peak demand. This is not surprising and understood as necessary because Vermont requires the most amount of electrons during the coldest nights of the winter. This is also when the New England power grid relies on coal, natural gas, and oil to provide the electricity that powers heat pumps.

There is no question that we will continue to sell, install, and service ASHPs in Vermont. At the current pace, I expect 80,000 Vermont homes to have one before the end of the decade. But when we install them, we can not suggest consumers abandon combustion heat. Doing so is irresponsible from a financial and environmental perspective.

On behalf of heating fuel and heating service providers, I urge you to not adopt language that would prohibit the AOT from installing heating equipment that best suits their facility. The oilheat industry is moving ahead with higher blends of renewable liquid fuel. A ban on liquid fuel burners would impede Vermont's efforts to be meet our climate goals. It would also make AOT buildings less warm and more costly to heat.

Thank you for your consideration.

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Vermont Fuel Executive Director