

Testimony of Christopher LeBoeuf, Falmouth Energy

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Joint Committee on Telecommunications, Utilities & Energy

Good afternoon Chairman Golden, Chairman Barrett and members of the Committee. My name is Christopher LeBoeuf and I'm the president of Falmouth Energy in Falmouth, Massachusetts. I'm also the Chairman of the Board of Directors for the Massachusetts Energy Marketers Association.

On behalf of the members of our association, I commend the authors of **Senate 1821** and **House 1726** for their efforts to seek air quality improvements in our state and for trying to find solutions for the global problem of climate change.

Today however, our association voices its strong opposition to these legislative proposals because if enacted, they will have a detrimental impact on hundreds of companies and thousands of employees across the Commonwealth, and significantly affect the cost of our fuel and services to customers. If enacted **Senate 1821** and **House 1726** would – over time – raise the cost of home heating and diesel fuel as much as 45 cents per gallon.

For the average homeowner using about 800 gallons of heating oil per year this translates into a \$360 increase in their annual energy bill.

The heating oil industry in Massachusetts is comprised of about 500 mostly family-owned operations. These retail operations provide warmth and comfort to nearly one million homes statewide, and thousands of other customers including public buildings and a variety of commercial operations.

Our industry has been, and continues to be a partner in seeking and implementing methods to help reduce greenhouse gas emissions, and improve and foster energy efficiency without causing significant economic hardship to our customers and our businesses partners in Massachusetts. In fact, the advances made by our industry – many of which have been self-directed and not mandated by our state or federal government – are noteworthy.

For example, the total volume of heating oil currently sold in Massachusetts is about 750 million gallons annually. Over the past 15 years, this number has dropped by nearly 200 million gallons per year due in part to the heating oil industry's efforts to reduce fossil fuel use and provide energy savings to our customers by installing new, high efficiency oil-fired heating equipment in homes and businesses.

The ever-expanding use of renewable biofuels in home heating oil cannot be overlooked in terms of its contributions to air quality and energy efficiency in Massachusetts. Many retailers are now selling ultra-low sulfur heating oil with biofuel blends as high as 20%. Research has shown that this fuel blend is cleaner than natural gas, and the blend reduces heating system maintenance, which provides significant savings and improved energy efficiency for heating oil customers across the state.

When all retailers in Massachusetts begin offering biofuel blends of 20%, the volume of heating oil sold in our state will drop even further by as much as 150 million gallons annually.

My company is a good example of the evolution of our industry in the area of environmental stewardship. Our company began in 1919 as a wood and coal business. Formerly Falmouth Coal, we are now Falmouth Energy – providing comprehensive green-power, highly efficient energy solutions to customers throughout Barnstable and Plymouth counties including low sulfur home heating oil blended with renewable biofuels, solar PV, and ductless mini-split technology.

In closing, enacting carbon tax legislation will have a dramatic financial impact on my company, my customers and the entire heating oil marketplace. These proposals will literally put companies out of business. Good paying, highly skilled jobs will be lost and the Massachusetts economy will be severely damaged. Those who struggle to pay their heating bills every year will face even further hardship if **Senate 1821** and **House 1726** become law.

Instead of enacting this legislation, we encourage the state legislature to find ways to support our industry's dedicated efforts to help keep energy costs in check, and our work to promote energy efficiency so that we can further reduce fossil fuel use statewide and continue to lower our customers' energy bills.

Thank you for the opportunity to testify before your Committee.

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