



New England Fuel Institute

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STATEMENT REGARDING THE 2012 STATE OF THE UNION ADDRESS

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OILHEAT GROUP CAUTIOUS AS OBAMA CALLS FOR MORE OIL AND GAS PRODUCTION

Washington, DC, January 24, 2012 –

Statement from Michael C. Trunzo, President, New England Fuel Institute

“On behalf of the 2.6 million New England households that heat with oil, and the 8.6 million households nationwide, the New England Fuel Institute calls on President Obama to make good on his promise of ramped-up production of ‘homegrown’ energy such as American crude oil and biofuels when he gives his State of the Union address this evening.

“The President and the Congress need to put their words into action and lead our country down the road to energy independence by approving the Keystone XL pipeline, improving U.S. energy infrastructure and lifting prohibitions on domestic oil production. This will help all of America by lowering the cost energy across-the-board and not tying our fate to one single energy source, such as natural gas. Such actions will also result in more affordable, stable heating oil and motor fuel prices, not to mention the creation of tens of thousands of industry-related jobs.

“The federal government must restore its commitment to a fuel-neutral energy strategy focused first and foremost on energy conservation and efficiency. The U.S. heating oil industry has been a leader in this regard, and is currently bringing to market an ultra-clean burning and biofuel-blended product called “Bioheat®” that will slash heating bills and protect the environment by burning as clean as, if not cleaner than natural gas. The federal government’s commitment to growing American jobs with the domestic Bioheat® industry needs to be restored by bringing back the biodiesel tax credit that expired at the end of last year.

“Through improvements in the efficiency of heating technology, the heating oil industry has reduced per-consumer energy consumption by 35%. That can be built upon and made more successful through a renewal and strengthening of the residential energy efficiency tax credits that expired last year.

“NEFI has criticized President Obama for rejecting the Keystone XL pipeline and for policies that restrain U.S. production off-shore and other areas, such as the major finds in the Bakken formation. According to experts, by fully utilizing these resources and investing in infrastructure, the U.S. could produce millions of barrels per day of its own oil and supplant imports from troubled regions, such as the Middle East.

“NEFI cautions the Federal government not to ‘put all its eggs into one basket’ by focusing exclusively on natural gas as a cure to U.S. energy needs. For 17 out of the last 20 years, gas prices have tracked higher than oil and while prices have been relatively low recently they will not remain low forever. Natural gas producers are already contemplating a cut in production due to the low prices. Price pressures have also caused an increase in petitions by producers for natural gas exports. According to a recent U.S. Energy Information Administration report, gas prices could rise 54% by 2018 as a result of natural gas becoming a world commodity.

“Before taking the considerable financial gamble of converting to other fuels, oilheat consumers should consult their local Oilheat retailers and professional HVAC technicians, among the most trusted sources of energy information and advice by consumers. These industry professionals have assisted millions of consumers with weatherizing their homes, installing the latest ultra-efficient oilheat systems and providing convenient and accessible payment options and loan programs to make energy conservation more affordable for every American home and business. We stand ready to do more.

“Government should never pick winners and losers in our economy. The nation's Oilheat industry will continue to bring the greatest value, competition among thousands of independent local retailers affording real consumer choice, and the latest in energy efficiency technology – but only if the federal government remains fuel neutral and plays an appropriate role in encouraging domestic energy production and energy conservation.

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The New England Fuel Institute (NEFI) is a non-profit and non-partisan trade association that represents more than 1,200 mostly small business home heating oil, Bioheat® and other fuel retailers and related services companies. For more information visit www.nefi.com.