

Testimony in Support of HB 5380, An Act redefining “Class I Renewable Energy Source” to include certain useful thermal energy generated from biodiesel and creating a homeowner-generated useful thermal energy program.

Sharon Peterson
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My name is Sharon Peterson. With my father and my brother, I am co-owner of Apple Oil Company in West Haven, CT, a home building and home heating company serving over 8,000 consumers in the greater New Haven area since 1957. Our family also builds increasingly more efficient homes and is committed to energy efficiency. Our industry as a whole is primarily comprised of similar small family-owned businesses, many of which span several generations, and provide great, locally-based customer service. We are committed to improving the energy product we deliver to our customers.

I am here today to testify in favor of H.B. 5380. I am opposed to HB 5478 because HB 5380 is a much better approach.

Since 2005, Apple Oil has been buying and selling Bioheat. At a 1.7 percent blend of biofuel with heating oil, our delivered heating fuel is cleaner than natural gas (Source: National Oilheat Research Alliance (NORA) report to the US Congress in 2015). Only biofuels, at higher blends, have the potential to be carbon neutral and to meet to goals of the Paris Accords. I am particularly proud of our industry and our product.

In support of the goal we share with the State of Connecticut of improving the environmental impact of our energy choices, I was selected by our trade association, CEMA, to chair a committee tasked with investigating a market-based pathway to achieve our common goal. Our group, like this bill, focused on the Thermal Renewable Energy Credits (TREC)s as the best method to provide incentives through the free market to facilitate the increased blending of biofuel into liquid heating fuels. I am very pleased that CT, like Massachusetts and New Hampshire, is proposing to include biofuel in their renewable portfolio standard.

We know that biofuels, liquids that store energy more efficiently than batteries, can achieve the goals that residents and voters have set for themselves and do more much more. As we saw during the two-week severe cold period in January 2018, deliverable liquid fuels that

are stored right here in Connecticut can meet the peak and instantaneous demands for electricity when other conventional and solar sources fail. (As recently as January 2018, 35% of the electricity generated in the NEPOOL distribution area was created using petroleum. Biofuels can be substituted and achieve our environmental goals.) Including biodiesel in the Class 1 designation allows CT to take a more fuel-diversified approach, which will benefit consumers and the environment.

By embracing biofuels as part of the TREC program, we can leap frog into both energy cleanliness and independence.

TRECs work through economic forces of supply and demand to spur the use of renewable energy products. A TREC is created at the point that the blended renewable fuel is delivered to the consumer. This credit is verified and approved by the governing body. TRECs allow wide participation by encouraging individuals to use biofuel. The credit allows economic incentive for companies to buy the product, to create storage, or to use existing or biodiesel dealer truck and tank storage. The credit system is flexible and adapts quickly to market conditions, allowing for disruptions in supply or in temperatures. The credit system also self-terminates as soon as even more environmental friendly products and technological innovations come to market. (In contrast, mandates lock governments, businesses, and consumers into one pathway, regardless of future improvements or innovations.) With a credit system, companies can deliver to environmentally conscious homeowners at even higher biofuel blends to strive towards carbon neutrality.

We can also benefit from the fact that liquid fuels flow across state lines as easily as electricity does. I strongly suggest that the supply of biodiesel be broadened to be inclusive and to coincide with the boundaries of the New England Pool Generation Information System (NEPOOL). This would more closely match the geography in which the credits are bought and sold, and allow for a greater supply of biofuels into the marketplace. It would also prevent monopolies of supply. To qualify for the credits, the dealer would need to sell the product to a consumer in CT. The MA credit program has successfully implemented this approach and has already added millions of gallons of Biodiesel to the fuel supply in that State.

Thank you very much for your time.

Sharon Peterson

Apple Oil Company, Inc.

Treasurer