



July 29, 2021

The Honorable Martin Heinrich  
 United States Senate  
 Washington, D.C. 20510

Dear Senator Heinrich:

On behalf of the Energy Marketers of America (EMA) and its heating fuel state associations, we would like to comment on your efforts through the Zero-Emission Homes Act of 2021 to reduce greenhouse gas emissions by incentivizing the purchase of new energy efficient heating appliances through federal rebates and tax credits. We encourage you to recognize the importance of renewable fuels in this process by expanding the proposed tax credit structure to include liquid fuel heating appliances that operate with biodiesel.

The Energy Marketers of America (EMA) is a federation of 47 state and regional trade associations representing energy marketers who are mostly small, multigenerational family-owned businesses throughout the United States. Energy marketers represent a vital link in the motor and heating fuels distribution chain. EMA members supply 80 percent of all finished motor and heating fuel products sold nationwide including renewable hydrocarbon biofuels, gasoline, diesel fuel, biofuels, heating fuel, jet fuel, kerosene, racing fuel and lubricating oils. Moreover, energy marketers supply heating fuel to more than 5 million homes and businesses.

EMA believes improving residential and commercial energy efficiency is essential to achieve meaningful reductions in greenhouse gas emissions. Encouraging homeowners and businesses to improve energy efficiency through tax credits is vital to meeting this goal. We commend you for recognizing the importance of tax credits to incentivize the purchase of more efficient heating appliances by residential and commercial consumers. However, we would like to point out that, clean renewable biodiesel used for heating can achieve far greater reductions in greenhouse gas emissions than any alternatively powered heating appliance on the market today, including heat pumps.

Many states and liquid energy marketers are steadily increasing the biodiesel content in heating oil for use in residential and commercial heating equipment. Currently, heating fuel marketers in the Northeast, Pacific Northwest, Midwest and the Southeast are blending biodiesel into heating oil at percentages ranging from 5 to 100 percent. Pure biodiesel reduces carbon emissions by 80 percent when used in *existing* heating oil appliances. EMA and its members are working diligently to achieve 100 percent carbon emission reductions from liquid fueled heating appliances.

However, to reach this goal, liquid heating fuel consumers must replace their aging systems with new advanced technology liquid heating appliances. Unfortunately, the Zero-Emission Homes Act of 2021 does not include incentives for these consumers to continue this productive carbon reduction path. Instead, the tax credits are limited to purchasers of new heating appliances powered by electricity produced largely by burning coal and natural gas – two high carbon fossil

fuels that cannot match the greenhouse gas emission reduction levels of pure biodiesel. Encouraging consumers to change from a high efficiency boiler or furnace fired by biodiesel to electric appliances will likely increase demand for electricity generated by fossil fuels, and thus lead to higher greenhouse gas emissions.

Moreover, heat pumps often are inadequate for indoor heating in northern regions because they do not maintain adequate heating levels once outdoor temperatures fall below freezing. In fact, in these regions, any energy savings and reduction of carbon emission gained through efficiency will be lost several times over by continual running of heat pump equipment unable to reach the desired indoor heating level when temperatures drop below freezing.

For all these reasons, we urge you recognize the importance of renewable fuels in the proposed tax credit structure. This can be achieved by expanding tax credits for liquid fuel heating appliances that are Energy Star rated and certified by Underwriters Laboratory (UL) to operate with biodiesel. These new tax credits should be limited to consumers using biodiesel blends of 20 percent or more as well as those living in states with biodiesel blending mandates of any volume percentage.

This subject is enormously complicated, and we would welcome the opportunity to brief your staff on these issues, and work to develop legislation that would ensure meaningful reductions in greenhouse gases from the thermal sector as quickly and efficiently as possible.

Sincerely,

Energy Marketers of America  
Connecticut Energy Marketers Association  
Empire State Energy Association  
Energy Marketers Association of Rhode Island  
Fuel Merchants Association of New Jersey  
Indiana Food and Fuel Association  
Kentucky Petroleum Marketers Association  
Maine Energy Marketers Association  
Mid-Atlantic Petroleum Distributors Association  
Michigan Petroleum Association  
Nevada Petroleum Marketers & Convenience Store Association  
North Carolina Petroleum and Convenience Marketers  
Ohio Petroleum Marketers Association & Convenience Store Association  
Oregon Fuels Association  
Pennsylvania Petroleum Association  
South Carolina Convenience & Petroleum Marketers Association  
Vermont Fuel Dealers Association  
Virginia Petroleum & Convenience Marketers Association  
Washington Independent Energy Distributors  
Wisconsin Petroleum Marketers & Convenience Store Association

cc: Senate Energy Committee members