



TO: John Huber, President
National Oilheat Research Alliance (NORA)

FROM: Gene Guilford, Executive Director
Independent Connecticut Petroleum Association

SUBJECT: **2009** funding under provision of
National Oilheat Research Alliance (NORA) Law

DATE: JANUARY 30, 2009

NORA has indicated the estimated allocation of funds for 2009 for the Independent Connecticut Petroleum Association at **\$895,352.72**; we are herewith submitting our grants application. This breakdown has been through review, debate and final approval of the ICPA Advertising Committee, who made the decisions with regard to the disposition of the Consumer Education Funds, where after the recommendations of the ICPA Ad Committee, were reviewed by the ICPA Finance Committee, the ICPA Executive Committee, and finally the ICPA Board of Directors. The disposition of the Education & Training funds were based on the decisions of the ITEC School Board, as well as the ITEC Board of Directors, that govern the ICPA Technical Education Center. The decisions of the ITEC School Board and ITEC Board were reviewed by the ICPA Finance Committee, the ICPA Executive Committee, and finally the ICPA Board of Directors. The disposition of the Research & Development funds, as well as the Administrative Expenses, was reviewed by the ICPA Finance Committee, the ICPA Executive Committee, and finally the ICPA Board of Directors.

As for the 2009 grants, Application of the Independent Connecticut Petroleum Association, is proposing to divide these funds into parts as follows:

A. Consumer Education	67.90%	\$607,944.49
B. Education & Training	24.25%	\$217,123.03
C. Research & Development	4.85%	\$43,424.62
D. Administration	3.00%	\$26,860.58

A. Consumer Education

\$607,944.49

1. We have done extensive research of consumers in Connecticut, as well as specific industry groups that we believe have some influence in our overall marketing goals [realtors, architects, hvac contractors, etc]. In the research we found that all consumers, regardless of profession, rank order their energy concerns as follows; [1] energy cost, [2] energy reliability of supply, and [3] energy's environmental impact.
2. We live in a state where new housing construction through the first half of 2008 was robust. In three out of eight counties, where we have competition with natural gas, we lost 8 out of 10 new homes to natural gas between 1990 and 2000. In the other five counties where we have no competition, we won all new housing. Needless to say, our concern is with the three counties we lost because those three are the largest population centers [Hartford Cty, New Haven Cty, Fairfield Cty].
3. We live in a state where there is very little conversion from oilheat to other fuels, though troublesome for the future is the reality that the majority of consumers do not understand any of oilheat's price advantages here in this state, and more troublesome among younger more educated consumers is that they tend to have a more negative impression of oilheat than natural gas.
4. We live in a state where the majority of consumers regard the most trustworthy sources of energy information to be [#1] independent consumer periodicals or groups, and [#2] our own service technicians. Our technicians rank ahead of every elected official except the Attorney General in consumer trustworthiness of energy information sources, and ahead of the media.
5. The ICPA board met in a strategic planning session in October, 2006 and settled on promoting our members and consumers use of biofuels as their top priority for FY07, FY08 and again in FY09. We have a solid program for energy efficiency with ads on television and radio and our oil heat system report card – and built on that with the creation of a BioHeat ad featuring the "new, alternative fuel of the future that is cleaner, more efficient with dramatically lower emissions with renewable content - the new heating oil for Connecticut. We have the best equipment and a new fuel for the future."
 - \$440,000 for advertising encouraging energy conservation using the same radio campaign as in 2008, the "I Am" program that was approved beginning in 2007 that emphasizes the reliability of Oilheat, as well as the "Your Energy Partner" radio that focuses oilheat's partnership with consumers as well as our modern, high efficiency equipment. We want to continue running our television commercial featuring the advantages of BioHeat, and ICPA's heating oil dealers embracing this development and featuring the advantages of a new heating fuel with domestic, renewable content that is cleaner has tremendous advantages for our fuel, really for the first time in decades. Done in the spring, fall and with the three-state consortium Tri-State. The Tri-State component will comprise \$120,000 of this \$440,000 and the three-state effort uses the national NORA media;

- \$90,000 in the third year of a three year program of work with Build with Oil effort to halt the loss of 80% of the new home construction market in the state. In 2008 our contractor interviewed more than 250 individual home builders to assess their needs and to understand how their decisions are made. In 2008 we will construct the strategy to best work with and influence the decisions of these builders, now that we know how they think and why. \$30,000 of the \$90,000 is for materials to be purchased directly from the "Build With Oil" NORA program for direct mail and ads placed in Builder publications;
- \$20,000 for ICPA's HVAC contractor outreach program, started with NORA in 2007 through developing inserts used in conjunction with Oilheating Magazine and sent to more than 4,500 licensed HVAC contractors – featuring the latest in high technology oilheat equipment and developments
- \$58,000 in printing the popular Heating Oil System Report Card, "Tune-Up" bill stuffers, Ambassador of Oilheat brochures, "Warm Thy Neighbor" stuffers, "Your Partner" bill stuffers, "It's A Promise" bill stuffers, and "Dig This" bill stuffers and door hangers;

Total Consumer Education \$607,944.49

Education & Training: \$217,123.03

l) Salaries and Expenses for Instructors \$217,123.03

ICPA runs its own Technical Education Center (ITEC) under the auspices of the ICPA Education Foundation, a 501 (c) (3) organization that is licensed by the State of Connecticut's Commissioner of Higher Education as a private vocational technical training school. The core mission of the ITEC is to train individuals to enter the HVAC trades in the state. Each year, the HVAC trades have approximately 350-400 annual job openings left unfilled as the industry finds it increasingly difficult to replace workers lost to retirement. In 2004 ITEC began its first effort ever to engage the Connecticut Department of Labor and other job placement and retraining agencies in reaching beyond the oil industry to attract non-traditional students to the school. This grant will be used to provide training that enhances the safety of the general public and those who work on and service oil heating equipment within the scope of the Alliance's regulations at [(i) to enhance consumer and employee safety and training;]

Now ITEC, armed with approvals from the U.S. Department of Veterans Affairs and work with the U.S. Department of Labor, will compete to train unemployed workers seeking new professions. The Oilheat industry is regarded by the Department of Labor as one of the preferred, growing job markets for skilled laborers with promise of strong growth.

Here is what ITEC did in 2008, reflecting the services we intend to provide in 2009.

ITEC has designed its program following Connecticut's mandated curriculum. Upon completion of our 288-hour B program, students receive a certificate of completion that satisfies the state's educational requirements towards a B license. Should the student decide to further his or her career in HVAC, we offer an S program for an additional 288 hours. Combined with the B program, the total 576 classroom hours satisfy the state's educational requirements towards an S license. We have had 478 students attending B, S & D courses in 2008, with 249 students attending multiple classes.

For 2009 ITEC offers two online courses – Basic Electricity and Codes & Building Trade Safety. These distance learning courses enable a student to take the course entirely online. For more information see http://icpa.org/tec/itec_distance_classes.html With the addition of another class we expect to see many more students take advantage of our online curriculum in 2009.

ITEC holds license review seminars on a monthly basis. In 2008, 110 students attended our license review courses. We offer a combined review for the S, B and D - HVAC license categories, the EPA 608 Refrigeration Certification Exam, Plumbing License Review and Gas License Review.

ITEC also runs a number of seminars on a wide range of training subjects, each of which is held multiple times during the year, including:

- Low-Tech Training for Frontline People
- Ventilation
- AC Systems
- One Pipe Steam
- Electricity and Controls
- Radiant Heat
- Burner Boot Camp
- Home Inspectors Training

There were 308 attendees in 2008 that took advantage of these training sessions. We also invite equipment representatives to hold demonstrations and conduct seminars on various topics.

Throughout the past year ITEC attended 56 career fair programs at high schools around the state, conducted 18 in-house tours with various high schools, numerous individual tours and met with or provided materials to all of the state's high schools – introducing ITEC's programs and the oilheat industry to a new generation of future energy conservation technicians.

Total Education & Training **\$217,123.03**

C) Research & Development **\$43,424.62**

Our Research and Development efforts in 2008 comprised three projects; one involving utility regulation and the other involved global warming and environmental concerns. ICPA undertook a project to ensure that we had the research necessary to provide the *utility regulatory community* with information about environmental matters concerning the use of oil. ICPA also undertook a project to ensure that environmental regulators at the Connecticut Department of Environmental Protection understood the role of *heating oil in the global climate change* debate.

To ensure access to this important research, ICPA uses professionals to ensure the data generated is available to scientists, energy experts, government officials and the general public.

Total Research & Development **\$43,424.62**

D) Administration **\$26,860.58**

The costs of bookkeeping, accounting & audit, travel to NORA meetings and conducting regional petroleum marketer meetings throughout the state to gain feedback from the people who pay the bills as to how well they think their money is being spent.

Total Research & Development **\$26,860.58**
