

ANNUAL REPORT

2016



National Oilheat Research Alliance

NORA 2016 Directors

NORA is governed by a Board that represents wholesalers and retailers in the industry in every state where NORA is active. Additionally, the Board includes representatives from the research and manufacturing communities. The Board meets twice a year and is responsible for the general governance of the Alliance.

The By-Laws established an Executive Committee to manage the organization. The members of the Executive Committee for 2016 were Mark Fitz, Eric Degesero, Dan Donovan, Jeff Jenkins, Michael Neish, Allison Heaney, Edward Noonan, Jeff Lykins, Steve Clark, Tom Santa, Steve Schooley and Roger Marran.

NORA 2016 Officers:

Chairperson
Allison Heaney

First Vice-Chairman
Tom Santa

Treasurer
Eric Degesero

President
John Huber

Greg Anderson

Justin Andress

Peter Aziz

Will Berry

Al Breda

Jay Buehler

Peter Buote

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Steve Clark

Kevin Conti

Chris Daly

Kirk Darby

Eric Degesero

Michael Estes

Larry Galgoci

Randy Grogg

Susan Hammond

Bruce Q. Harris

Allison Heaney

Michael Januario

Jeff Jenkins

Joe Keenan

Bob Long

Jeff Lykins

Roger Marran

Steve McCracken

John McCusker

George McQueeney

Matt Meehan

John Miles

Charles Miller

Natalie Mondsini

David Neil

Ted Noonan

Joe Phillips

Ken Russ

Stephen Sack

Tom Santa

Susan Santopietro

Ed Scott

Daniel Singer

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Joe Wills

Jeff Witham

Since its authorization by Congress in 2000, NORA has aggressively pursued its mission of improving the oilheating experience for its customers while driving technological innovation and technical education.

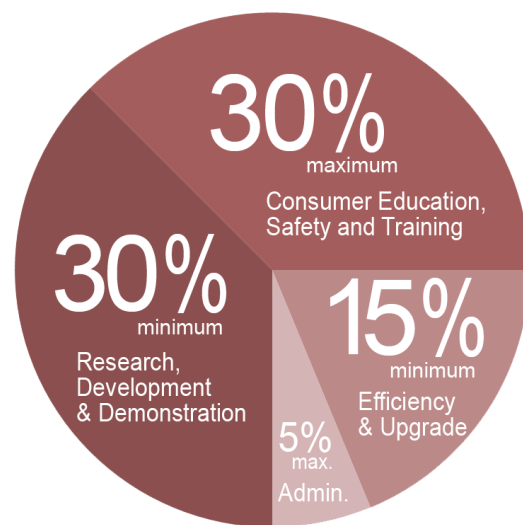
About NORA

The National Oilheat Research Alliance (NORA) was established by an Act of Congress in 2000. Through a referendum of the industry, NORA was put in place in 2001. Over the past 16 years, NORA has been the leading voice for the oilheating industry and its consumers.

Two of NORA's most impactful industry initiatives are:

1 The industry transition from a fossil-fuel-based product with sulfur levels of 2,000 ppm to a product with essentially no sulfur (less than 15 ppm) blended with biodiesel. This has led to a very clean, partially renewable fuel with a reduced carbon footprint while lowering greenhouse gases, and reducing the service demands of the heating equipment.

2 The ongoing elevation of industry technical education that includes a new online "learning" website that allows and encourages technicians to continuously upgrade their level of expertise to provide consumers with the most efficient, reliable, clean and safe heating available.



NORA's activities are varied...all with the goal of improving the oilheat product for it's consumers

Since its authorization by congress in 2000, NORA has aggressively pursued its mission of improving the oilheating experience for consumers by driving technological innovation and technical education.

These innovations are the forces that will carry oilheating through the 21st century, as oil-fired systems become more efficient and able to optimize their performance based upon operating conditions, while reducing the release of green house gases (GHG). This offers Oilheat the unique opportunity to meet GHG reductions being considered by both federal and state regulators.

One key player is the liquid fuel itself. With the assistance of NORA research funding and leadership, traditional heating oil is being phased out and replaced by a truly 21st century product that has effectively removed the sulfur from the fuel while adding

a renewable, GHG neutral component: biodiesel. The transition is already in progress and the sulfur from most states where oilheating exists has been reduced to near-zero levels. The removal of sulfur results in an extremely clean burning system, reducing the need for service tune-ups/cleanings, as well as eliminating sulfur and its byproducts from chimney emissions.

The addition of the advanced biofuel — biodiesel — truly raises the fuel's quality and performance characteristics. Renewable biodiesel is clean burning, GHG neutral and it reduces the need for petroleum. With much of the biodiesel coming from producers in the U.S. and the feedstocks from American agricultural products, the end product, when blended with heating oil, is called Bioheat®. Currently, the recommended volume of biodiesel that can be blended

into heating oil is 5%. At this blend, Bioheat® is considered the equivalent to traditional heating oil. NORA and its research partners are aggressively pursuing ever higher blends of biodiesel to take greater advantage of all Bioheat® has to offer.

NORA is investing resources in technologies that radically change how the liquid fuel is atomized for combustion. These new technologies (along with more efficient heat exchangers, appliances and smart controls), paired with ultra low sulfur biodiesel are examples of NORA's commitment and leadership to ensure that oilheating will continue providing clean, environmentally friendly and reliable comfort for the foreseeable future.

As the technology of oilheating advances, so must the knowledge base of the technicians who install these service these systems.



NORA's commitment to industry education was evident from its inception. The first goal was to update the education material already in existence. To that end, much of NORA's education library was updated. Since then, the Alliance has developed additional books, programs and continuing education resources. These cover all aspects of oilheating, including heating and hot water appliances, controls, delivery, and storage tanks.

The *Certified Technician Program* has been updated, and a new *Gold Certification* has been created with a new curriculum and all new text books. Along with these assets comes a process to "educate the educators" so that each technician receiving instruction will get the very best.

NORA has also invested in upgrading how education is delivered. Through the launch of a new online learning

website (*Learning.NORAweb.org*), NORA offers technicians resources to receive online training and continuing education credits. It also provides management with access to certification documents, training and additional training resources.

NORA has partnered with numerous trade associations, technical schools, independent trainers and manufacturers to provide or create content to broaden the range of the education offered.

Improving energy efficiency in the home is also a core mission of the Alliance. NORA's first step in this area was improve the way technicians and consumers understand efficiency.

Based on research conducted in partnership with NYSERDA, NORA developed an effective way to assess in-home and in-use efficiency. This

was translated into an easy-to-use web application that offers opportunities for both service professionals and customers to pick the right equipment for their home.

Additionally, a number of NORA states are using funds to encourage the replacement of aged and inefficient equipment. These rebates encourage customers to convert to high efficiency equipment and replace old storage tanks with modern safe tanks.

With NORA serving as vanguard, the oilheating industry is forging a path to more efficient, cleaner systems, as well as environmental sustainability, increased consumer comfort and a highly skilled workforce.



NORA Technical Workshop, Newport, RI

NORA activities cover a broad range of areas at the state, regional and national levels. The prescribed areas of involvement are: Research, Development & Demonstration, Consumer Education, Training & Safety, and Efficiency & Upgrades.

NORA Hosts Technical Workshop



A varied assembly of 50 industry professionals met in Newport, RI to hear about the latest in Oilheat technology advances.

The September workshop, hosted by the National Oilheat Research Alliance (NORA) and developed by NORA's Director of Research, Dr. Thomas Butcher, featured 21 presenters covering topics in four major areas: *Advanced Burner Concepts*, *Ultra Low Sulfur Heating Oil & Premium Fuels*, *Biofuels* and *Advanced Equipment*.

Additionally, opening presentations were included on the overview of NORA's Research Agenda along with two from European Oilheating trade associations. The first report from the Europeans was *Achieving 80% Reduction in CO₂ Emissions in Germany by 2050: Impact on Oilheat*, by Lambert Lucks of IWO, Germany. The second was *The Oilheat Situation in the U.K. and the Biodiesel Experience* by Paul Rose of OFTEC, England.

In Session I: *Advanced Burner Concepts*, the attendees heard from four speakers who highlighted biodiesel compatibility, modulating burner heat output, and vaporizing burners as well as burners that may enable the development of gas-fired appliances that run on liquid fuels.

Session II: *Ultra Low Sulfur Heating Oil (ULS) and Premium Fuels* addressed the positive impact of ULS on oil burner components, the possibility that ULS may be contributing to underground tank corrosion, and the labeling definition of "Premium" heating oil in the UK.

Session III: *Biofuels* focused on the status of the biodiesel industry, lab experience with higher blends of biodiesel in heating oil, and survey results. The surveys focused on fuel quality in the field and marketers' usage of biodiesel. There was also a report on the negative effects of blending raw vegetable oil into heating oil.

In the final session, Session IV: *Advanced Equipment*, presenters covered the *Fuel Savings Analysis Calculator* (a new NORA tool for selling oil-fired heating equipment); condensing boilers and advanced venting options to compete with condensing gas technology; thermal heat pumps; and high efficiency tankless coil boilers.

Dr. Butcher, commenting on the proceedings said, "The workshop had a wide variety of topics and opinions. I really enjoyed the open exchange of viewpoints on important industry challenges and future pathways. It's hard not to come away with new ideas from a workshop like this. With NORA's mandate to champion and stimulate technological advancements in Oilheating technology, we intend to host additional workshops in the future".

John Huber, NORA's president, summed up NORA's commitment to new technology as, "Advancing the application of new technologies to Oilheating is core to NORA's ex-

istence. These advances will surely enhance the customer experience through greater efficiency, reliability and versatility, while continuing Oilheat's position as an environmentally viable fuel well into the future."

Fuel Savings Calculator 2.0



NORA released a powerful sales tool that shows homeowners real possibilities for fuel savings when upgrading their oil-fired boiler or combination hot water systems.

The Fuel Savings Calculator (FSA) will help Oilheat salespeople overcome the limitations of the *Annual Fuel Utilization Efficiency (AFUE)* metric. AFUE is a measure of how efficient an appliance is in converting the energy in its fuel to heat over the course of a typical year, and the Federal Trade Commission requires all new furnaces or boilers to display their AFUE rating for the benefit of consumers.

Despite its mandated use, AFUE is ineffective at measuring boiler efficiency, and its ratings typically under-represent the energy-savings potential of new oil-fired boilers. Unlike AFUE, the data sets used in the FSA Calculator accurately reflect the efficiency of boilers and combination systems.

“The FSA Calculator 2.0 shows NORA’s commitment to energy efficiency,” said NORA President John Huber. “It provides a vital sales tool for PCs, tablets and smartphones that expresses the true savings potential of new oil-fired boilers and combination heat/hot water systems.”

NORA’S Director of Research, Thomas A. Butcher and fellow scientists at Brookhaven National Laboratory developed data sets that the calculator uses. A contractor can choose data for a system that closely resembles the installed system in a customer’s home, and compare it to one or more systems that the customer could install.

“The FSA is an important tool for the industry to evaluate and communicate with customers the efficiency savings from upgrades, which includes combined systems for heat and hot water, the energy use of the home and the weather where the home is,” according to Butcher.

FSA 2.0 is designed with a simple, clean interface in a responsive design that resizes automatically based on device type.

To get started with the new calculator, individuals and/or companies register with NORA (individual accounts can be linked under a single company). Users then indicate where they are located, and the FSA 2.0 will use localized degree-day data in its calculations. Each user logs in to a dashboard where they can view the audits they have done previously and add comments to them.

Audits are viewable in basic or advanced modes, which determines

the level of detail in the displayed information. In basic view, the display offers a simple expression of how much money can be saved with each replacement equipment type in four increments: five years, 10 years, 15 years and 20 years. Users can compare up to three new equipment types at a time.

Users can also prepare or revise audits using oil prices that they select and they can also select from a variety of preloaded equipment types to find the one that best matches the customer’s current equipment. Alternatively, they can enter basic, easy-to-find information to profile the system. They further have the ability to adjust the location for precise degree-day data and profile the customer’s house size using the number of rooms.

While providing valuable support for Oilheat equipment sales, the new FSA calculator will also assist NORA in assessing the energy savings of its programs. This is key to the industry’s development and also required by the NORA statute. The FSA calculator will automatically provide this information to NORA.

operated by NORA in cooperation with the New York Oil Heating Association (NYOHA) and the Oil Heat Comfort Corp. (OHCC). It is known as the *NORA Liquid Fuels Research and Development Laboratory* and the *NYOHA/OHCC Technical Training Institute*.

More than 50 visitors turned out for a Grand Opening celebration and tour. The building features a classroom that accommodates up to 20 students, a working lab with live-firing boilers and electronic testing and analysis equipment, and offices as well as a boardroom. It will host industry training and consumer education programs, enabling trainers to teach at a dedicated facility rather than renting space for events.

Renowned energy researcher Dr. Thomas A. Butcher keeps an office at the facility, where he will oversee NORA’s research and development projects while conducting research on heating equipment and liquid fuels.

One door over from Butcher sits John Levey, who serves as Director of Education for each of the associations sharing the facility. He is developing and directing a variety of education programs including Oilheat technician training (under the aegis of NORA) and a variety of training programs for the New York associations. These include air conditioning education for technicians and customer service training for office personnel.

NORA President John Huber said, “It is really exciting to have a brick-and-mortar presence of our own that we can all use together. This gives us a great opportunity to connect with people working in the industry and help them serve heating oil customers more effectively.”

Liquid Research Center Opens



Located in Plainview, NY, on Long Island, the 3,500-square-foot facility is

NORA Chairperson Allison Heaney, who is President of New York City-based Skaggs-Walsh, said the center will benefit the industry tremendously. "It is very exciting to have a research facility where Dr. Butcher can continue with his great testing of Bioheat® fuel and continue to assure that we are selling fuel of the highest quality," she said. "I also think it is amazing that both Long Island and New York City now have this space where we can bring our technicians together and train them to deliver even better service for our customers. It's a beautiful facility with boilers ready to fire that will allow students to work hands on with the equipment. I'm very excited to have it."

Dr. Butcher also expressed great enthusiasm about the opportunities that the new facility creates. "I think this is hugely important. Many groups can now come to this place and share their education and research," he said. "We will really help each other."

NYOHA CEO Rocco Lacertosa said the new facility gives the industry great credibility with young technicians. "It's a professional environment that reflects very well on our industry. Training is very important for technicians and companies, and now we have a great place to get together and learn."

OHCC CEO Kevin Rooney also sees tremendous benefits for heating oil companies and employees. "For the first time we have a research and development facility that is linked to a training facility. Technicians who come here not only will be able to work with the latest heating equipment in the field, they'll also have

the benefit of working with the pre-eminent technical expert in our field in Dr. Butcher."

Gold Certified Technicians' Program Revised



Gold Certified

Oilheat service technicians wishing to upgrade their NORA Silver Certification to the prestigious Gold level now have a revised and updated Gold program to follow.

To achieve Gold Certification status, a Silver Certification is a prerequisite, and the technician must successfully complete four of eight Gold certification topic modules.

Currently, six of the eight modules are available for credit including four brand new releases by NORA: *Advanced Air Flow*, *Advanced Hydronics*, *Advanced Efficiency*, and *Advanced Venting*. Additionally, NORA will be releasing *Advanced Controls* and *Advanced Steam* in the near future. The remaining two, *Oil Tank Installation and Maintenance* and BPI's program *Building Science Principles Reference Guide* are already in place.

As noted, beyond completing four of the eight courses, technicians must already hold Silver Certification and have an additional two years field

experience (past the three years required for the Silver Certification).

The four newest modules, *Advanced Warm Airflow*, *Advanced Hydronics*, *Advanced Efficiency* and *Advanced Venting*, are presented through live classes and will also be offered as on-line classes in the future. Each of the modules carries six continuing education credits that may be used for Silver Certification renewal, or the classes may be applied towards the Gold Certification upgrade. An accompanying training manual for each has been published and can be purchased as part of the certification program or as a standalone self-learning guide.

The manuals are available for purchase at the NORA Marketplace at NORASTore.org.

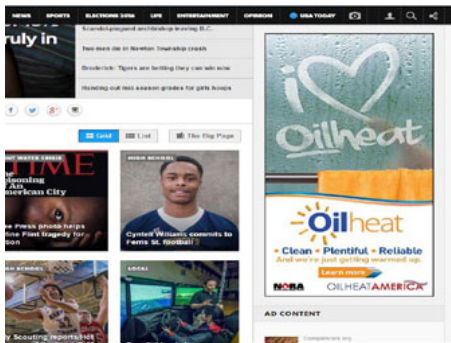
Technicians currently holding Gold status will not be affected by the new program, and their certification will remain valid. To obtain a renewal, the requirement for 24 CEUs during the five-year life span of the certification will remain in effect.

The four new modules have been developed by NORA in partnership with some of the industry's most knowledgeable trainers and technical experts, along with the *Oil and Energy Service Professionals* trade association.

John Huber, NORA's president, commented, "NORA's mission, as defined in the NORA statute and through its management, is to provide the best technical education possible to those technicians serving the millions of Americans heating their homes with oil. The NORA certification programs not only do this, they also give technicians goals to achieve and certifications to proudly carry while offering

the best service to their customers. The Gold Program raises the bar to a very high standard of excellence.”

Consumer Outreach Outperforms Expectations



An aggressive internet-focused consumer outreach program extolling the virtues of heating with Bioheat® (heating oil blended with renewable biodiesel) performed well above expectations.

NORA, through its Board of Directors and Executive Committee, allocated nearly \$1 million to ensure consumers understand the value of oilheating. The program ran January through April, 2016

The outreach program consisted of a digital media plan expected to lead to nearly 100 million impressions and more than 500,000 visits to NORA’s website *OilheatAmerica.com*. This effort was to ensure Oilheating customers understand the true value of oilheat and to influence them to retain oilheating in their homes.

NORA’s digital campaign commenced in mid-January and included search engine marketing* (SEM), Social Media Marketing** and Internet Display Advertising.***

Prior to launch, it was expected the plan would make approximately 88-million impressions and generate 552,028 clicks. In actuality, the impressions exceeded 99 million impressions and the clicks surpassing expectations by almost 20%, to 624,669.

One of the Key Performance Indicators was click-through. This indicates, not only exposure to a message, but follow-through as well. The click-through rate for the SEM was exceptionally high at 2.70%, significantly more active than the 2.20% anticipated.

The true measure of the program’s success is reflected in the traffic to *OilheatAmerica.com*. Visits were increased exponentially (+9,000%) year-over-year. Total sessions were 352,540 during the campaign compared to 3,669 the previous year. Over 40% of the traffic was from returning visitors, indicating high intent, loyalty and interest. Additionally, more than 210,000 new users came to the site, and they didn’t just come and leave: Page views were 420,788, an increase of 5,506% year-over-year.

The top three ad copy performers were *Environmental*, *Green* and *Alternative* messages. Messaging on the *Cost of Oilheating* had the highest click-through rate of a whopping 7.51%.

**Search engine marketing (SEM) is a form of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (SERPs) primarily through paid advertising.*

***Social media marketing is the process of gaining website traffic or attention through social media sites. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it across their social networks.*

****Display advertising is advertising on web sites. It includes many different formats and contains items such as text, images, flash, video, and audio. The main purpose of display advertising is to deliver general advertisements and brand messages to site visitors.*

Social Media Campaign



In support of the *OilheatAmerica.com* website, NORA instigated a media outreach awareness campaign to drive more consumers to the website. The *OilheatAmerica* social media accounts on Facebook, Twitter and Google+ were updated several times a month, with posts about the core attributes of Oilheat as described on the website: Safe, Renewable, Efficient, Clean, Domestic, Abundant and Independent.

Content was non-competitive, and geared to educate consumers on the benefits of Oilheat, including informative posts on the value of high-efficiency upgrades, the importance of annual system tune-ups; the safe maintenance, installation and abandonment of oil storage tanks, ultra-low sulfur heating oil, clean, renewable Bioheat® fuel, regional and statewide mandates, weatherization and heating assistance program and much more. Many posts were seasonal in nature

offering holiday greetings, reminders to “clear a path” to the fill pipe, money-saving conservation tips, and storm preparedness checklists. Through social media accounts, users could also find the warning signs of a potential storage tank release and the multitude of ways Oilheat dealers can assist when buying or selling a home. They also received updates on the most recent technological breakthroughs.

Thanks in part to social media marketing efforts, as well as *OilheatAmerica's* superior organic search rankings, there were more than 400,000 visits to the *OilheatAmerica.com* website, with nearly 500,000 page views. Visitors came from all 50 states and the District of Columbia. Furthermore, site traffic confirmed that consumers are interested in efficiency, cleanliness and Bioheat®/ULSO - the three leading pages after the home page.

By the end of 2016, *OilheatAmerica* had more than 200 followers each on both Facebook and Twitter. Each post reached hundreds of users across the platforms: in aggregate, they were shared, retweeted, reacted to, or engaged in some other manner thousands of times, attracting visitors from *OilheatAmerica.com*, *NORAwab.org*, *bing.com* and *google.com*.

The *OilheatAmerica* tweets were regularly promoted through Twitter's emails to users and *OilheatAmerica* likes and follows thousands of organizations, media channels, and individuals from all walks of life.

New Learning Website



As the need for technical training increases, so does NORA's commitment. As a result, NORA released a new online learning website at *Learning.NORAwab.org*.

This new site replaces the previous *NORAwab.org* site and gives technicians, managers, instructors and NORA better management of the education delivery and tracking process.

When accessing the site, visitors can view their NORA certifications as well as track their continuing education units (CEUs) required for certification renewal and upgrading.

Additionally, the site offers a variety of online courses that provide two CEUs each for viewing online videos and successfully completing short online quizzes.

The site also provides training centers and individuals the flexibility to choose online testing for both Bronze and Silver certifications. This greatly enhances the test-taking experience while offering real-time grading and certifications issuance.

By recording grades, the site keeps NORA and test-givers informed of student results while providing insight into the testing process, including topics that may need more attention in the classroom.



NORAwab.org

Best Practices



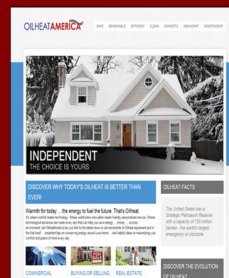
Advanced Fuels



Research



Consumer Education



Industry Education





Samples of state activities and programs

State activities

NORA is an alliance of more than twenty-one state and local associations representing heating oil marketers across the U.S. Each state association is qualified to request rebates from NORA for programs that meet the criteria of the NORA Statute. These programs all operate under the four tenants of NORA: Research, Development & Demonstration, Consumer Education Safety & Training, and Efficiency & Upgrades.

CONNECTICUT

From May through July, the **Connecticut Energy Marketers Association** (CEMA) conducted a consumer education program on Bioheat® through television and radio outreach. This campaign was based on the research that was gleaned from the largest consumer attitude study ever conducted in Connecticut, which gave CEMA clear and unbiased data on what the fuels strengths and weaknesses are.

The study allowed CEMA to leverage the messages that resonate most with consumers. The study empirically demonstrates that Bioheat® is the most compelling reason to heat with oil. Unfortunately, eight out of ten consumers are not familiar with Bioheat®. The CEMA campaign leverages those two very important facts to help educate consumers about the fuel. CEMA also developed a website—*Bioheatnow.com*—that talks about the exciting developments in our industry when it comes to cleanliness and efficiency, tapping into the key messages that consumers are looking for.

CEMA is educating realtors on the benefits of Oilheat with the *PRO\$ Program*. A combination of PRO\$ team members and CEMA member volunteers completed 20 presentations reaching approximately 400 realtors. CEMA has also completed nearly 200 office visits across the state to disseminate pro Oilheat materials in areas where presentations were not made. Pro-oil materials are critical to spreading the word about the benefits of oilheating, and ultimately getting the message into the hands of homebuyers and

sellers. However, CEMA doesn't simply send out mailings of materials, it only provides materials to realtors and brokers who request them. To date, more than 90 offices have requested our materials, not counting offices that received them during office presentations, office visits or at trade shows.

CEMA also undertook a study to improve its understanding of the sulfur content in home heating oil and the amount of biodiesel being blended. CEMA retained the Center for Environmental Sciences & Engineering (CESE) at the University of Connecticut to analyze fuel samples in accordance with ASTM Standards using CESE Standard Operating Procedures. The study demonstrated that on average heating oil contained a 7% blend of biodiesel and between 200ppm to 300ppm sulfur content.

NORA funding was also used to provide technical education to people looking to become Oilheat technicians. Nearly 40 classes educated students about basic installation and repair, systems analysis in houses, customer consultations on equipment, home comfort troubleshooting, and how to provide efficiency recommendations. CEMA also provided two high school graduates with scholarships to study Oilheat.

CEMA utilized NORA funding to conduct an *Upgrade & Save Program* that was developed to promote the installation of higher-efficiency oil-fueled heating equipment and new aboveground storage tanks in Connecticut. Research has proven that property owners with new, higher-efficiency equipment are

more satisfied with their comfort and their comfort provider.

Eligible equipment for the program is as follows:

- Oilheat systems with an AFUE of 90% or more will receive a \$650 rebate
- Oil-fired boilers with an AFUE of 85% to 89% will receive \$300 rebate
- Oil-fired furnaces with an AFUE of 83% to 89% will receive \$300 rebate
- Installation of a new, aboveground double-wall/safety tank will receive a \$300 rebate
- Installation of a new above ground single-wall tank will receive a \$150 rebate

In 2016 CEMA accomplished the following with its rebate program:

- 130 licensed Oilheat contractors participated
- 365 heating systems installed
- 50 new Oilheat tanks installed; five replaced underground storage tanks (USTs)
- Average efficiency of new heating systems installed: 86.12%
- 34,675 gallons saved through a 9.5% increase in efficiency in the first year
- \$85,647 dollars saved in fuel purchase based on \$2.47/gallon average heating oil price, per Nov-May CT DEEP price survey statewide average
- 22.38 lbs CO₂ saved per heating oil gallon burned

Total CO₂ saved on 34,675 gallons not consumed = 22.38 x 34,675 = 776,026 lbs CO₂ saved = 388 tons of CO₂ saved through the CEMA/NORA upgrade and save program.

DELAWARE MARYLAND

The **Mid-Atlantic Petroleum Distributors Association** (MAPDA) has continued strong efforts to put its modest NORA funding to maximum effect. MAPDA has focused on two primary priorities: upgrading heating oil storage tanks to improve customer safety and the overall perception of oilheat through working with homebuyers, home sellers and realtors to help them make better decisions about heating oil at the point of real estate transactions.

Launched in 2016, the MAPDA Heating Oil Storage Tank Rebate Program was a resounding success. The program provided rebates of \$250 for any heating oil storage tank that was upgraded to a new model. Nearly 800 heating oil customers received a new tank as part of the program, and the feedback from dealers was very positive.

The heating oil industry is most vulnerable to losing customers at the point of the real estate transaction. That's because new buyers are often not familiar with heating oil and realtors, who are viewed as home experts, are often not skilled at explaining or helping buyers understand the benefits and value of heating with oil. MAPDA has continued to adopt the *Partnership for Realty and Oilheat Success* (PRO\$), the industry's largest real estate outreach program, as the vehicle to address this critical need.

The PRO\$ Program, in collaboration with volunteers from Maryland and Delaware heating oil companies, has educated and trained thousands of

realtors. It has also distribute tens of thousands of pro-oil and pro-energy efficiency materials to buyers and sellers and provided solutions to help keep oil-heated homes to stay with oil.

KENTUCKY

In Kentucky, NORA funds continued to be utilized in innovative ways to help sustain the Oilheat industry in 2016.

The **Kentucky Petroleum Marketers Association** launched an initiative that garnered attention across the state and beyond. Every tanker truck supplying Oilheat to customers in the Commonwealth was offered Bioheat® branded vinyl wrapped graphics.

The first truck wrapped was that of Woodford Oil (serving KY and WV). The truck was unveiled at the annual *Kentucky Petroleum Marketers Association Tank & Technical Conference* in Lexington.

The project enjoyed considerable popularity and resulted in an estimated 60% of companies that deliver Oilheat in the state participating by the close of 2016. Several newspaper outlets ran notices about the trucks, which further increased the brand's exposure to the public.

In addition, the updated graphics and positive messaging contributed to improving the trucks overall image with customers. In fact, the campaign caught the attention of *Fuel Oil News* and landed the cover and lead article in the January 2017 edition. The following month, the magazine followed up with a feature on Woodford Oil as a result of their participation in the project.

MAINE

The **Maine Energy Marketers Association** (MEMA) created a digital education effort that helped Maine citizens understand the cleanliness, value and current applications of today's modern Oilheat. The message of the program was *Modern Oilheating systems, in well-insulated homes, allow homeowners to achieve the same amount of warmth using 40% less fuel. This reduces emissions while lowering heating costs.*

MEMA has created education programs for customer service personnel to be fully able to talk to customers about the facts of heating oil.

MEMA also engaged in an education program for home inspectors, so that the home inspector community understands the benefits of Oilheat, biofuels and the cleanliness of using oil. The inspector can speak positively about Oilheat once they understand its efficiency and cleanliness. Further, the home inspector program fully educates inspectors on proper installation and operation of home oil tanks, ensuring high quality tanks remain and poor ones are upgraded at the time of the real estate transaction.

Finally, with the help of NORA, MEMA is training dozens of technicians, giving them the latest skills needed to install high efficiency boilers and furnaces, integrate other fuels into the central system and understand and promote renewable liquid biofuels (Bioheat®) use in the home.

NORA provides the people of Maine the opportunity to better understand the role and environmental benefits

of renewable liquid biofuels, the high-efficiency operation of today's modern Oilheating equipment, and the expertise of the professionals who install and service Oilheat equipment.

MASSACHUSETTS

In 2016 and into 2017, the **Massachusetts Energy Marketers Association** (MEMA) utilized its NORA funding in several ways to meet or exceed the program's stated goals.

For industry training and education, MEMA held very successful NORA Silver and Gold certification classes; subsidized scholarships to Bronze certification classes; and continued to train Oilheat technicians on NFPA- 31. The association also held several other education sessions to advance the skills of customer service representatives as well as owners and general managers of heating oil companies. MEMA also organized and implemented key programs to advance energy efficiency and the use of Bioheat® fuel in Massachusetts.

MEMA developed the *Efficiency Matters* newsletters—a ready-to-use newsletter offered at no cost to heating oil companies. Over 200,000 newsletters were sent to Oilheat customers across the state in 2016-2017. Additionally, MEMA offered retailers Bioheat® marketing/customer education materials at no cost in the form of direct mail pieces, digital advertising and print advertisements.

To further advance the importance of energy efficiency and renewable Bioheat® fuel, MEMA developed a statewide media campaign that utilized major and small market

radio stations, major daily and weekly newspapers, online digital banner ads and a cable TV campaign with COMCAST/Xfinity.

MEMA also created and launched a significant Oilheat equipment rebate program to improve energy efficiency and equipment safety. The program includes a \$300 rebate for customers installing a new, efficient boiler or furnace and an additional \$200 for a new heating oil storage tank. The program was one of the key messages in the statewide media campaign cited above.

The association continued to fund a program for the education of realtors, so that Oilheat equipment and heating oil can be properly and factually presented in the home buying/selling marketplace.

Finally, MEMA joined with the Connecticut Energy Marketers Association and the National Biodiesel Board to fund a research and development project to create a state-of-the-art metering system to help improve accurate blending of biofuels with heating oil in field-constructed storage tanks

MICHIGAN

The **Michigan Petroleum Association** continues to run statewide radio ads promoting Oilheat's cleanliness, efficiency and safety along with the benefits of Bioheat®. The radio ads hit a cross section of talk shows and radio networks across the entire state. The Detroit Tigers game program also focuses on the benefits of Oilheat—clean, efficient, safe and renewable. A statewide internet campaign is bringing information to Oilheat

customers in Michigan through search engines and social media with content-based advertising to help ensure consumers in Michigan understand the value of Oilheat.

These outreach ads focus on consistent temperature and quick, clean, safe, reliable and plentiful heat. Michigan will be running TV ads on the Michigan Out of Doors statewide TV program that advocate for the advantages of Oilheat for home and environment through renewable sources such as Bioheat®.

NEW HAMPSHIRE

To date, more than 25,000 heating oil customers have received the *Efficiency Matters* newsletters, more than 2,000 customers are following the **Oil Heat Council of New Hampshire** (OHCNH) Facebook page, and more than 1,500 visitors have explored the website.

Over the course of the past year, OHCNH has utilized NORA funds to educate homeowners, real estate agents and home inspectors about the benefits of oil heat.

Nearly 100 New Hampshire real estate agents attended the NORA and New Hampshire Real Estate Commission approved class, *Oil Heat: A Real Estate Perspective*, worth one continuing education unit (CEU).

Over 50 New Hampshire home inspectors attended the NORA and American Society of Home Inspectors (ASHI) approved class, *Oil Heat & The Home Inspector*, worth two CEUs.

A statewide print and online advertising campaign took place in the fall of 2016 and drove roughly 2,500 New Hampshire homeowners to the OHCNH's *cleanOilheatnh.com*

consumer-facing website. Once there, they were able to view information about oilheat, the site's blog proved to be particularly popular.

A Google AdWords campaign ran throughout New Hampshire's heating season and sparked over 14,000 page views on the *cleanOilheatnh.com* website.

New Hampshire is working on a rebate program for oilheat efficiency upgrades. The program, *NH Saves with Oil*, was set to begin in the summer of 2017.

With the help of NORA funds, the OHCNH was able to offer *Critical Awareness* training to technicians and fuel delivery drivers, and NORA silver training to both members and nonmembers. The Council also expanded the number of training classes, seminars and speakers for membership to attend. OHCNH, along with the Vermont Fuel Dealers Association, has scheduled a joint *Customer Service Superiority* seminar.

NEW JERSEY

2016 saw a significant expansion of NORA activities in New Jersey under the direction of the **Fuel Merchants Association of New Jersey (FMA)**. FMA led the charge to develop the *NORA Oilheat Consumer Attitude, Perception & Behavior Research Study*, which ultimately captured responses and insights from nearly 3,000 Oilheat users across the Northeast.

FMA expanded its outreach to the real estate community, through the *Partnership for Realty and Oilheat Success (PRO\$)* program. More than 1,000 agents were trained and educated in-person, and tens of thousands of pieces of pro-oil and pro-energy efficiency collateral were made

available to realtors and homeowners to help them make better decisions during the transaction of an oil-heated home.

Two issues of the *Efficiency Matters* in New Jersey newsletter were created and distributed to more than 125,000 Oilheat homeowners, promoting energy efficiency, Bioheat®, and saving energy and money with Oilheat. More than 100 Oilheat customer service representatives, technicians, drivers and other customer-facing employees attended the *Keeping Your Customers with Oil* employee training sessions.

Finally, FMA launched an innovative new social media campaign called *Love My Oilheat New Jersey*, which has grown to have more than 5,000 followers in a little over a year. NORA-funded efforts in New Jersey were an enormous success and have laid the groundwork for even stronger results in the future.

NEW YORK

New York City

The **New York Oil Heating Association (NYOHA)** has provided education to Oilheat consumers and the general public on the benefits of Bioheat®. The *Hot Ideas* newsletter was available to all oilheat retailers to insert into invoices and statement mailings to inform customers. In addition, NYOHA has engaged with several local Real Estate agencies throughout the five boroughs of New York City to educate them on how to sell homes that use Bioheat®.

The largest campaign to date was last fall and winter, when radio spots on local AM and FM stations ran to promote Bioheat® to consumers at large. This program covered the five

boroughs of New York City with some spillover into nearby markets, such as parts of Long Island, New Jersey and Connecticut.

Working with the *Bronx Design & Construction Academy*, NYOHA's CEO arranged a delivery of B100 biofuel for the HVAC program to use in blending experiments. This program combined all four pillars of NORA: *Consumer Education, Professional Education, Improving Energy Efficiency and Safety & Research Projects*.

The students learned how different blend levels of the fuel, from 2% to 100%, would react in different environments. In addition, they compiled a detailed report and presented it to Dr. Thomas Butcher NORA's Director of Research, at the joint NYOHA/Oil Heat Comfort Corp (OHCC) Technical Training Institute and NORA Liquid Fuels & Development Laboratory in Plainview, NY.

Upgrade & Save... New York City's Energy Efficiency and Safety Rebate Program had more than 20 companies participating in the program. They installed new energy-efficient heating equipment throughout the five boroughs of New York City. *Upgrade & Save* provided rebates of \$500 for a new higher efficiency boiler or furnace, \$100 for a new oil burner and controls and \$200 for a new above-ground storage tank.

NORA funding supports the *New York City-Oilheat Realty Partnership Program*, a NYOHA program that protects market share by promoting Oilheat to Real Estate professionals. Some of the tools used are: the *NYREALTY Newsletter*, the Realty website and the creation and distribution of consumer materials.

According to NYOHA, "NORA funds

have been instrumental in providing consumer education on the benefits of energy efficiency. We have been able to provide rebates toward upgrading their heating technology as well. These benefits allow New Yorkers to save money and reduce their footprint, all while allowing them to stay safe and warm all winter long.”

NORTH CAROLINA

The **North Carolina Petroleum Marketers Association** sponsored North Carolina State University and the University of North Carolina sports marketing football/ basketball programs with radio/ print and stadium ads, driving web traffic to The NC Oilheat web site (*NCOilheat.org*), which includes sections for homeowners, real estate professionals, contractors, home inspectors and building professionals.

Social Media included *Facebook*, *Twitter*, *YouTube* and *Google*, with a *Realtor Live* webinar in the spring of 2016.

Additionally, NC Oilheat provided an oilheat webinar to the NC Realtors Association and sponsored NC HVAC trade shows with oilheat giveaways.

The association approved \$65,000 for heating oil equipment rebates at \$1,000 per unit and approximately \$16,000 for new heating oil aboveground tank rebates at \$500 per tank.

Approved mass marketing pamphlets were mailed to every HVAC licensed contractor in the state containing rebate information.

Also approved was Thermo Pride Oil Unit donations to seven Community Colleges to help provide training to HVAC technicians as needed.

OHIO

There is a significant need for the heating oil industry to focus its efforts on helping new home buyers understand the benefits of heating with oil, as well as to work with realtors who are often forced to answer energy-related questions that they are not prepared to answer. The more our new customers can understand about our fuel, our technological advancements, and the companies that make up our industry, the better chance we have of keeping them as customers.

To that end, the **Ohio Petroleum Marketers & Convenience Store Association** (OPMCA) has relaunched the *Partnership for Realty & Oilheat Success* (PRO\$) in Ohio. The PRO\$ Program aims to engage with realtors, and train and educate agents so they can better serve their clients, ultimately get pro-oil and pro-energy efficiency materials into the hands of homeowners and get heating oil companies to engage with realtors in their local service areas.

A robust program is active in the state, consisting of:

- In-office presentations that provide an opportunity for member companies to present to and educate realtors on the benefits of heating oil and energy efficiency topics
- Office visits that expose hundreds of realtors to the OPMCA message and materials
- Trade show engagement, such as the Ohio Association of Realtors Convention in September, that gets the OPMCA message in front of thousands of Ohio realtors.

- Social Media that connects Ohio realtors with the OPMCA message online, as we push content they can use to promote their listings and answer their clients' questions.

OREGON WASHINGTON

The **Pacific Northwest Oil Heat Council** has used NORA funds to promote home heating and fuel efficiency equipment through informational ads in the Northwest using major sport publications such as *Seattle Mariners Annual Program*, *University of Washington Huskies Football Programs*, *Washington State University Football Programs*, and the *Seattle Seahawks Programs*.

These efforts generated a response with field calls into the office on how to learn more about biofuels and increased efficiency through improved equipment.

PENNSYLVANIA

The **Pennsylvania Petroleum Association** (PPA) utilized NORA funding through both statewide and locally endorsed initiatives. The primary focus of these programs included the following:

- **Employee Education & Training:** Over 75 different training opportunities were held across the state for individuals employed by oilheat dealers. This included numerous technical NORA accreditation opportunities, HazMat/DOT training for petroleum drivers, and non-technical programs for managers and customer service personnel. Overall there were 1,100+ individuals from 165+ organizations who took part

in NORA supported education initiatives in 2016.

- **Educating Oilheat Consumers:** A combination of television, radio, and digital advertising were implemented in different media markets across the state. The common theme of these advertising campaigns included educating consumers that oilheat is a reliable home energy resource, promoting Bioheat®, and encouraging energy savings through conservation.
- **Outreach to Professionals** Interacting with Oilheat Homes: Professionals such as HVAC contractors, real estate agents, and home inspectors are important stakeholders within the Pennsylvania heating oil industry. Tailored programs were created for these professionals with the intention of improving their expertise on dealing with homes heated with oil. HVAC contractors attended technical training for oil heating systems. Real estate agents were educated to better understand the 10% to 30% of oilheated homes they sell within their various markets. Home inspectors were provided with a mix of general and technical training that will allow them to make more informed recommendations during the real estate transaction of an oil-heated home.

RHODE ISLAND

NORA has allowed the **Oil Heat Institute of Rhode Island** (OHIRI) to bring awareness, as well as offer and participate in many programs to further educate consumers on

the benefits of advanced heating oil (Bioheat®), energy efficiency recommendations, and equipment replacement/upgrades.

The Oilheat industry has a tightening labor pool due to an aging workforce and difficulty attracting younger workers to a career in the trades. With the support of NORA funds, the OHIRI has conducted *Basic Oil Heat Technician and Pipefitter* courses for 60 individuals in the last three years. Employees in the field—fuel delivery drivers and service technicians—are the main spokespeople and trusted contacts with the home owner. They are the eyes and ears of what the heating oil consumer is experiencing firsthand. OHIRI has offered education programs developed by industry partners to maximize and help these frontline employees with the tools to better serve customer needs by providing whole home energy efficiency products and services.

Customer service representatives (CSR) also play a key role with the heating oil consumer. OHIRI has offered classes that help the CSR better understand the technical aspects of customer needs. Combined, continuing education for the employee in the field, as well as the back office CSRs, will further the efforts of promoting the use of intelligent and evolving heating oil as well as equipment.

In 2016, OHIRI launched the *Upgrade & Save* rebate program incentivizing replacement of inefficient boilers/ burners and heating oil tanks. There are 21 Rhode Island Oil dealers participating, with 87 boiler/furnace replacements completed, and 21 tank replacements, with a total of \$48,750 safety and efficiency rebates awarded Rhode Island heating oil consumers.

Other programs and initiatives that OHIRI has participated in and offered with NORA funding include:

- 2015–2017: Bioheat® education, distribution of energy efficiency ideas, general consumer awareness and hands-on children's educational activity through community events such as the *Great Outdoors Challenge* and sporting events at the Providence Convention & Sports Center
- Realtor outreach and education: website and resources for RI realtors on the benefits of promoting oil heated home listings.
- Tech Advantage: improving profitability and client interaction for service technicians
- Radio campaign(s): Bioheat® radio campaign with iHeart Media pinpointing certain demographics, Coxmedia digital advertising and television advertising the benefits of *Oilheat/Upgrade & Save RI Safety/ Efficiency* program
- *Upgrade & Save Rhode Island* rebate program 2016–2017; 2017–2018
- OHIRI website upgrade : upgraded www.warmth4ri.com website to serve as a consumer and heating oil dealer resource.

VERMONT

Vermont Oilheat technicians have benefited from the NORA training program. Over the past two years, the **Vermont Fuel Dealers Association** held over 30 training seminars that provide heating technicians with NORA credit hours. More than 500 Oilheat technicians have attended these seminars and benefitted greatly from the knowledge and expertise provided by NORA trainers.

NORA has been crucial to Vermont's efforts to develop regulations for the inspection and installation of Oilheat tanks. *NORA's Tank Program* is now the certification standard for tank inspectors and installers.

NORA has also helped develop a seminar that provided continuing education credits for Vermont realtors. More than 200 realtors have participated in the *NORA Tank Seminar*, which informs realtors of Oilheat tank safety and *Vermont Aboveground Storage Tank Regulations*.

In addition, the University of Vermont Center of Rural Studies is conducting an analysis of the implementation of energy efficiency measures and renewable energy installations, as well as the training needs for home energy companies in order to advance the installation of more energy-efficient heating equipment.

VIRGINIA

The **Virginia Petroleum, Convenience & Grocery Association** focused on helping Virginia oil distributors provide excellent service and helped customers save money heating their homes with high efficiency heating equipment.

A primary project in 2016 was to train members' employees to perform outstanding customer service. Fourteen half-day sessions were held in four locations. The topics included the best ways to explain products and services and answer questions customers may have about services. Also included were ways to help customers realize the savings and improved comfort levels of modern high-efficiency oil-fired

equipment, as well as ways to properly handle customers when issues need resolution.

Virginia continued the rebate program from 2015, now known as *Upgrade & Save Virginia*. Rebates for high efficiency, oil-fired equipment installations and replacement of aboveground heating oil tanks were continued. Added this year was chimney relining, when required by building inspection departments, for replacement of oil-fired boilers and furnaces. The rebate amount was lowered for new equipment to provide benefits to even more Virginia residents.

With this program, the Virginia Petroleum, Convenience & Grocery Association was able to help homeowners upgrade to high-efficiency equipment that will save them money on their annual heating bills and eliminate situations dangerous to the environment and their homes.

Upgrade & Save Virginia allowed for 131 equipment installs and 155 tank replacements in 2016. The program also assisted with 20 required chimney linings. The average efficiency improvement is 14.6% with approximately 13,388 total gallons saved the first year. In addition, tank replacements eliminated many tanks that were nearing failure.

Virginia also had two more training programs in the fall of 2016, including a two-day Oilheat service class designed to help newer technicians learn about servicing oil heating systems. A HazMat training class, held in Northern Virginia, was the same program run in 2015 and included both HM-126 requirements and the *NORA Heating Oil Delivery Video*.

WISCONSIN

The **Wisconsin Petroleum Marketers and Convenience Association** (WPMCA) launched one of the most ambitious consumer-facing campaigns that the Wisconsin heating oil industry has seen. Taking full advantage of NORA funds, WPMCA launched *Love My Oilheat Wisconsin*, a multi-faceted effort aimed at promoting the benefits of heating oil and the value of Wisconsin's heating oil dealers.

Love My Oilheat Wisconsin incorporates a variety of components to make more homeowners aware of just how far heating oil has come. The campaign includes:

- A customer-facing website promoting heating oil's benefits
- A robust *Love My Oilheat Wisconsin* Facebook page to engage with thousands of homeowners across the state
- Pay Per Click and search engine optimization to drive more customers to the website
- *Efficiency Matters in Wisconsin* consumer newsletters to give dealers added tools to promote a pro-oil message
- Rebate funding to help customers upgrade their systems and tanks



Financial report The following pages contain the complete financial report for the National Oilheat Research Alliance for its 2016-2015 fiscal years.

Audit Report Contents

Independent Auditor's Report	p. 21
Financial Statements	
Statements of Financial Position, <i>December 31, 2016 and 2015</i>	p. 23
Statements of Activities, <i>For the Years Ended December 31, 2016 and 2015</i>	p. 24
Statements of Cash Flows, <i>For the Years Ended December 31, 2016 and 2015</i>	p. 25
Notes to Financial Statements	p. 26
Supplementary Information	
<i>Supplemental Schedules of Expenses by State/Jurisdiction For the Year Ended December 31, 2016</i>	p. 32

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
National Oilheat Research Alliance, Inc.
Alexandria, Virginia

Scope

We have audited the accompanying financial statements of the National Oilheat Research Alliance, Inc. (the Alliance), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

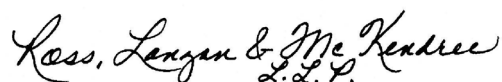
The Board of Directors
National Oilheat Research Alliance, Inc.
Alexandria, Virginia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Expenses by State/Jurisdiction on pages 13-16 for the year ended December 31, 2016, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CERTIFIED PUBLIC ACCOUNTANTS

June 11, 2017

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	ASSETS	
	2016	2015
CURRENT ASSETS		
Cash	\$ 9,448,186	\$ 8,209,832
Assessments receivable	2,818,269	2,519,503
Other current assets	<u>21,318</u>	<u>398,279</u>
Total current assets	12,287,773	11,127,614
PROPERTY AND EQUIPMENT, NET	78,122	37,344
OTHER NONCURRENT ASSETS	<u>21,146</u>	<u>21,146</u>
TOTAL ASSETS	<u>\$ 12,387,041</u>	<u>\$ 11,186,104</u>
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Accounts payable	\$ 712,334	\$ 298,113
Refunds payable	392,990	324,823
State grants payable	4,034,053	3,504,165
Obligation for unallocated state rebates	2,930,877	2,314,389
State grant rebates remaining under NORA Public Law 106-469	-	601,592
Other current liabilities	<u>24,584</u>	<u>37,505</u>
Total current liabilities	8,094,838	7,080,587
OTHER NONCURRENT LIABILITIES	<u>9,657</u>	<u>-</u>
TOTAL LIABILITIES	<u>8,104,495</u>	<u>7,080,587</u>
NET ASSETS		
Unrestricted undesignated net assets	410,200	774,998
Designated net assets-		
Pre-2014 reauthorization net assets	55,933	472,266
State grants and rebates made after year end	-	404,660
National spending not yet incurred-		
Research, development, and demonstration - not yet obligated	1,903,954	1,851,379
Research, development, and demonstration - obligated under contract	1,778,415	517,195
Heating oil efficiency and upgrade - not yet obligated	93,635	73,551
Heating oil efficiency and upgrade - obligated under contract	-	-
Consumer education, safety, and training - net yet obligated	40,409	11,468
Consumer education, safety, and training - obligated under contract	<u>-</u>	<u>-</u>
Total unrestricted net assets	<u>4,282,546</u>	<u>4,105,517</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,387,041</u>	<u>\$ 11,186,104</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CHANGE IN UNRESTRICTED NET ASSETS		
REVENUE AND GAINS/LOSSES		
Assessments revenue, net of refunds	\$ 8,604,725	\$ 9,728,432
Other income, net of cost of sales of \$43,519 in 2016 and \$70,547 in 2015	<u>47,008</u>	<u>19,247</u>
Total revenue and gains/losses8,651,7339,747,679
EXPENSES		
Program expenses:		
Research, development, and demonstration	1,477,747	1,382,176
Heating oil efficiency and upgrade	1,373,239	1,366,329
Consumer education, safety, and training	2,757,703	2,847,074
Unallocated state rebates	<u>2,042,506</u>	<u>1,736,928</u>
Total program expenses7,651,1957,332,507
Administrative costs248,101249,248
General and special projects:		
Assessment and collection costs	118,876	180,385
Annual report costs	40,199	34,369
Expenditures of pre-2014 reauthorization funds	<u>416,333</u>	<u>14,966</u>
Total general and special projects	<u>575,408</u>	<u>229,720</u>
Total expenses	<u>8,474,704</u>	<u>7,811,475</u>
CHANGE IN UNRESTRICTED NET ASSETS	177,029	1,936,204
NET ASSETS, BEGINNING OF YEAR	<u>4,105,517</u>	<u>2,169,313</u>
NET ASSETS, END OF YEAR	<u>\$ 4,282,546</u>	<u>\$ 4,105,517</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 177,029	\$ 1,936,204
Adjustments to reconcile change in unrestricted net assets to net change in cash from operating activities:		
Depreciation and amortization	24,029	9,277
Changes in assets and liabilities:		
Assessments receivable	(298,766)	349,660
Other current assets	376,961	(292,513)
Other noncurrent assets	-	(21,146)
Accounts payable	414,221	104,222
Refunds payable	68,167	(40,674)
State grants payable	529,888	1,651,989
Obligation for unallocated state rebates	616,488	1,408,008
State grant rebates remaining under NORA Public Law 106-469	(601,592)	(172,810)
Other current liabilities	(12,921)	4,749
Other noncurrent liabilities	<u>9,657</u>	<u>-</u>
Net change in cash from operating activities	1,303,161	4,936,966
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(64,807)</u>	<u>(13,321)</u>
NET CHANGE IN CASH	1,238,354	4,923,645
CASH, BEGINNING OF YEAR	<u>8,209,832</u>	<u>3,286,187</u>
CASH, END OF YEAR	<u>\$ 9,448,186</u>	<u>\$ 8,209,832</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - THE ORGANIZATION

The National Oilheat Research Alliance, Inc. (the Alliance) is a non-profit trade organization developed under the National Oilheat Research Alliance Act of 2000 (NORA), Public Law 106-469, legislation passed by the United States Congress and signed into law in November 2000. The law was amended in 2014 under NORA Public Law 113-79. The Alliance was created to educate consumers about the benefits of oilheat, to perform research and development, to encourage heating oil efficiency and upgrades, and to provide technical training to provide better customer service. The Alliance's Board consists of members from the oilheat industry, retail markets, wholesale distributors, public members, and representatives from the states with the highest oilheat sales. The Alliance was incorporated on January 31, 2001. Funding under the NORA Public Law 106-469 ceased on February 6, 2010. On February 7, 2014, the NORA Public Law 113-79 extended the provisions of NORA Public Law 106-469 to February 6, 2019. Funding under NORA Public Law 113-79 resumed effective April 1, 2014.

Pursuant to NORA Public Law 113-79, Congress established a limit on the use of assessments revenue of 30 percent for consumer education, safety, and training; a minimum of at least 30 percent of assessments revenue for research, development, and demonstration; a minimum of at least 15 percent of assessments revenue for heating oil efficiency and upgrade; and a limit on the use of assessments revenue of 5 percent for administrative costs. In the years ended December 31, 2016 and 2015, the Alliance was in compliance with these percentages.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of Accounting

The financial statements have been prepared on the accrual basis of accounting following the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which is the sole source of authoritative generally accepted accounting principles in the United States of America (GAAP). The Alliance reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that could affect certain reported amounts of assets, liabilities, revenue, and expenses, the disclosure of contingent assets and liabilities at the date of the financial statements, and functional allocations during the year. Actual results could differ from those estimates.

Property and Equipment

Property and equipment purchased in excess of \$1,000 are recorded at cost. Depreciation and amortization of furniture, equipment, website development costs, and computers is computed by using the straight-line method over the estimated useful lives of the assets. Estimated useful lives by category are three to five years for furniture, equipment, and computers and five years for website development costs.

Assessments Receivable

An estimate of assessments to be received, but not remitted to the Alliance as of year end, is recognized. Receivables are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts. As of December 31, 2016 and 2015, no allowance for uncollectible accounts was considered necessary by management.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)Assessments Revenue

The NORA Public Law 113-79 requires wholesale distributors of No. 1 distillate and No. 2 dyed distillate to remit an assessment of two-tenths of one cent per gallon at the point of sale to the Alliance. If the No. 1 distillate or No. 2 dyed distillate is imported after the point of sale, the assessment is to be made when the product enters the United States of America. Assessments are due to be remitted to the Alliance at least quarterly.

Under NORA Public Law 113-79's collections rules, any dyed distillate or blends are subject to assessment. Some of this fuel is used for non-heating applications and is refunded. Assessments revenue is presented in the accompanying statements of activities net of refunds recorded of \$1,282,170 and \$1,185,051 for the years ended December 31, 2016 and 2015, respectively.

Income Tax Status

The Alliance received a determination letter from the Internal Revenue Service (IRS) that it has been granted an exemption from federal income taxes and it qualifies under Section 501(c)(6) of the Internal Revenue Code. The Alliance believes its operations are consistent with the nature of their exemption granted by the IRS. There is no current liability for income taxes on unrelated business income and no temporary differences resulting in deferred taxes as of December 31, 2016 and 2015.

The Alliance is required to measure, recognize, present, and disclose in its financial statements uncertain income tax positions the Alliance has taken in the tax years that remain subject to examination or expects to take on an income tax return. The Alliance recognizes the tax benefits from uncertain income tax positions only if it is more likely than not the tax position will be sustained on examination by tax authorities. The Alliance recorded no liability for uncertain income tax positions for any open tax years.

Subsequent Events

The Alliance has evaluated subsequent events through June 11, 2017, which is the date the financial statements were available to be issued.

Reclassifications

Certain 2015 amounts have been reclassified to conform with 2016 classifications.

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

The Alliance has exposure to credit risk on its cash and investments held in broker-managed accounts. The assets are insured by the Securities Investor Protection Corporation (SIPC), which protects investors for up to \$500,000 including a maximum of \$250,000 for claims of cash if the brokerage firm holding the assets becomes insolvent, but it does not insure the underlying assets of \$9,448,186 as of December 31, 2016. Management does not consider this a significant concentration of credit risk.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Alliance has entered into operating lease agreements for office space and a liquid fuels research center. Total rent expense under these leases was \$92,118 and \$20,448 for the year ended December 31, 2016 and 2015, respectively. Future minimum lease payments are as follows for the years ending December 31:

2017	\$	77,407
2018		79,729
2019		82,121
2020		<u>84,584</u>
Total	\$	<u>323,841</u>

From time to time, the Alliance may receive inquiries from government agencies, because of the nature of its funding sources. Management does not expect the result of such inquiries to impact the financial information of the Alliance.

NOTE 5 - PROGRAM SERVICES

The NORA Public Law 113-79 places requirements on how the Alliance can spend the assessments it collects. At the beginning of each year, the Alliance makes an estimate of what total assessments are anticipated to be in the coming year. Grants are made to state organizations and national campaigns are undertaken based on the estimates. Actual assessments revenue differ from the estimates. The difference between the estimates and actual assessments are to be reflected in the grants made in future years. The law establishes strict percentage allocations for program spending and these percentages are tied to the revenue received from assessments. Management has developed procedures to ensure these percentages are reflected in budgets and carried forward as appropriate. Variances between the percentages disclosed in the program descriptions below are descriptive of the current year's operations and management believes they do not indicate non-compliance with the statute.

Research, Development, and Demonstration

The NORA Public Law 113-79 requires the Alliance to ensure not less than 30 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used by qualified state associations or the Alliance to conduct research, development, and demonstration activities relating to oilheat fuel, including the development of energy-efficient heating systems to be placed into the marketplace. This also includes the Alliance, in conjunction with an institution or organization engaged in biofuels research, to develop consumer education materials describing the benefits of using biofuels as or in oilheat fuel based on the technical information developed.

In 2016, the Alliance granted or expended \$1,477,747 for the research, development, and demonstration program, including \$1,013,234 in grants and spending of past years assessments revenue. The Alliance also budgeted \$2,200,000 in additional national spending from 2016 assessments revenue to be spent subsequent to year end for the research, development, and demonstration program making the total for 2016, 31 percent of net assessments revenue. Additionally, unallocated state rebates of 2016 assessments revenue will be used for the research, development, and demonstration program.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROGRAM SERVICES (continued)Heating Oil Efficiency and Upgrade

The NORA Public Law 113-79 requires the Alliance to ensure not less than 15 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used by qualified state associations or the Alliance to carry out programs to assist consumers (i) to make cost-effective upgrades to more fuel efficient heating oil systems or otherwise make cost-effective modifications to an existing heating system to improve the efficiency of the system, (ii) to improve energy efficiency or reduce energy consumption through cost-effective energy efficiency programs for consumers, or (iii) to improve the safe operation of a heating system.

In 2016, the Alliance granted or expended \$1,373,239 for the heating oil efficiency and upgrade program, including \$166,096 in grants and spending of past years assessments revenue. The Alliance also budgeted \$100,000 in additional national spending from 2016 assessments revenue for the heating oil efficiency and upgrade program, of which \$93,635 remained unspent as of December 31, 2016, making the total for 2016, 15 percent of net assessments revenue. Additionally, unallocated state rebates of 2016 assessments revenue will be used for the heating oil efficiency and upgrade program.

Consumer Education, Safety, and Training

The NORA Public Law 113-79 requires the Alliance to ensure not more than 30 percent of the assessments collected for each calendar year under the NORA Public Law 113-79 are used (i) to conduct consumer education activities relating to oilheat fuel, including providing information to consumers on energy conservation strategies, safety, new technologies that reduce consumption or improve safety and comfort, the use of biofuel blends, and federal, state, and local programs designed to assist oilheat fuel consumers, (ii) to conduct worker safety and training activities relating to oilheat fuel, including energy efficiency training, (iii) to carry out other activities recommended by the Secretary of Energy, or (iv) to establish a data collection process to track equipment, service, and related safety issues to develop measures to improve safety.

In 2016, the Alliance granted or expended \$2,757,703 for the consumer education, safety, and training program, including \$196,552 in grants and spending of past year's assessments revenue. The Alliance also budgeted \$325,000 in additional national spending from 2016 assessments revenue for the consumer education, safety, and training program, of which \$40,409 remained unspent as of December 31, 2016, making the total for 2016, 30 percent of net assessments revenue program.

Unallocated State Rebates

In addition to the specific program commitments discussed previously, the Alliance has committed \$2,042,506, which is 24 percent of net 2016 assessment revenue, for state rebates that have not yet been allocated to a program specified in the NORA Public Law 113-79. The Alliance plans to allocate these state rebates to the research, development, and demonstration and/or heating oil efficiency and upgrade programs. State organizations develop detailed plans for use of the rebates to do work under these programs. These funds will be allocated between programs in accordance with the requirements of NORA Public Law 113-79 as discussed previously.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - STATE GRANTS PAYABLE AND OBLIGATION FOR UNALLOCATED REBATES

Under NORA Public Law 113-79, the Alliance has entered into various agreements with state organizations, which may require periodic payment of grant funds. The outstanding grant liability by program is as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Research, development, and demonstration	\$ 983,492	\$ 859,871
Heating oil efficiency and upgrade	1,838,954	1,376,589
Consumer education, safety, and training	1,211,607	1,267,705
Unallocated state rebates	<u>2,930,877</u>	<u>2,314,389</u>
Total	<u>\$ 6,964,930</u>	<u>\$ 5,818,554</u>

NOTE 7 - STATE GRANT REBATES REMAINING UNDER NORA PUBLIC LAW 106-469

Under NORA Public Law 106-469, the Alliance entered into various grant agreements, which may require periodic payments of grant funds. The outstanding grant liability, which is recorded as a current liability in the accompanying statements of financial position, was granted to state organizations in accordance with NORA Public Law 106-469. As of December 31, 2015, \$601,592 remained outstanding and was fully expended in the year ended December 31, 2016.

NOTE 8 - ADMINISTRATIVE EXPENSE CAP

NORA Public Law 113-79 requires the Alliance to limit expenditures for “Administrative” costs to five percent of revenue generated by assessment remittances beginning April 1, 2014. In 2016, the Alliance expended \$248,101 for Administrative expenses, which was three percent of net assessments revenue in the year ended December 31, 2016. Thus, management believes the Alliance is in compliance with NORA Public Law 113-79.

NOTE 9 - COLLECTION COSTS

The Alliance has also developed an audit system for collections compliance and has the legal authority to conduct audits to ensure member compliance. Collection costs include the costs incurred to process annual assessments, to publicize the collection system, and to ascertain compliance as stipulated by NORA Public Law 113-79. Collection costs were \$118,876 and \$180,385 for the years ended December 31, 2016 and 2015, respectively.

NOTE 10 - DESIGNATED NET ASSETSPre-2014 Reauthorization Designated Net Assets

As discussed previously, NORA Public Law 113-79 became effective April 1, 2014. The Alliance designated the remaining net assets under the former NORA Public Law 106-469 for use in a national oilheat education program. As of December 31, 2016 and 2015, \$55,933 and \$472,266, respectively, remained unspent and are designated for future use.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - DESIGNATED NET ASSETS (continued)State Grants and Rebates Made After Year End Designated Net Assets

The Alliance establishes a budget for net assessments revenue and makes state grants and obligations for state rebates based on this budget. Actual results were not substantially different than this initial budget.

National Spending Not Yet Incurred Designated Net Assets

Included within the budget is \$3,816,413 and \$2,453,593 in national spending of assessments revenue, which had not yet been incurred as of December 31, 2016 and 2015, respectively. The Alliance has designated net assets in these amounts for future program spending, some of which, the Alliance has approved contracts to expend.

NOTE 11 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Furniture	\$ 5,641	\$ 3,372
Equipment	68,206	8,449
Website development costs	45,450	45,450
Computers	10,724	7,944
Less: accumulated depreciation and amortization	<u>(51,899)</u>	<u>(27,871)</u>
Total	<u>\$ 78,122</u>	<u>\$ 37,344</u>

Total depreciation and amortization expense on property and equipment for the years ended December 31, 2016 and 2015, was \$24,029 and \$9,277, respectively.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -
RESEARCH, DEVELOPMENT, AND DEMONSTRATION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Amounts Granted/ Expended in 2016	2016 State Grants Made After Year End	2016 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 61,195	\$ -	\$ -	\$ 61,195
Delaware	3,784	-	-	3,784
Idaho	213	-	-	213
Indiana	1,027	-	-	1,027
Kentucky	6,483	-	-	6,483
Maine	36,637	-	-	36,637
Maryland	20,230	-	-	20,230
Massachusetts	71,887	-	-	71,887
Michigan	11,695	-	-	11,695
Nevada	100	-	-	100
New Hampshire	25,147	-	-	25,147
New Jersey	43,699	-	-	43,699
New York -				
NYOHA	33,024	-	-	33,024
UNYEA	25,925	-	-	25,925
HVOEC	15,226	-	-	15,226
OHILI	28,703	-	-	28,703
ESEA	11,431	-	-	11,431
North Carolina	18,079	-	-	18,079
Ohio	17,572	-	-	17,572
Pennsylvania	81,353	-	-	81,353
Rhode Island	15,266	-	-	15,266
South Carolina	7,042	-	-	7,042
Virginia	20,014	-	-	20,014
Vermont	13,762	-	-	13,762
Washington	1,578	-	-	1,578
Washington, D.C.	303	-	-	303
Wisconsin	15,270	-	-	15,270
NATIONAL	<u>891,102</u>	<u>-</u>	<u>2,200,000</u>	<u>3,091,102</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 1,477,747</u>	<u>\$ -</u>	<u>\$ 2,200,000</u>	<u>\$ 3,677,747</u>

In addition to these amounts, the unallocated state rebates detailed in the accompanying supplemental schedule of expenses by state/jurisdiction - unallocated state rebates will be used for either this program or for the heating oil efficiency and upgrade program.

See independent auditor's report.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -
HEATING OIL EFFICIENCY AND UPGRADE
FOR THE YEAR ENDED DECEMBER 31, 2016

	Amounts Granted/ Expended in 2016	2016 State Grants Made After Year End	2016 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 134,910	\$ -	\$ -	\$ 134,910
Delaware	8,343	-	-	8,343
Idaho	470	-	-	470
Indiana	2,264	-	-	2,264
Kentucky	14,293	-	-	14,293
Maine	80,771	-	-	80,771
Maryland	44,600	-	-	44,600
Massachusetts	158,481	-	-	158,481
Michigan	25,782	-	-	25,782
Nevada	220	-	-	220
New Hampshire	55,439	-	-	55,439
New Jersey	96,338	-	-	96,338
New York -				
NYOHA	72,805	-	-	72,805
UNYEA	57,155	-	-	57,155
HVOEC	33,567	-	-	33,567
OHILI	63,279	-	-	63,279
ESEA	25,201	-	-	25,201
North Carolina	39,857	-	-	39,857
Ohio	38,740	-	-	38,740
Pennsylvania	179,352	-	-	179,352
Rhode Island	33,655	-	-	33,655
South Carolina	15,525	-	-	15,525
Virginia	44,124	-	-	44,124
Vermont	30,340	-	-	30,340
Washington	3,479	-	-	3,479
Washington, D.C.	668	-	-	668
Wisconsin	33,665	-	-	33,665
NATIONAL	<u>79,916</u>	<u>-</u>	<u>93,635</u>	<u>173,551</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 1,373,239</u>	<u>\$ -</u>	<u>\$ 93,635</u>	<u>\$ 1,466,874</u>

In addition to these amounts, the unallocated state rebates detailed in the accompanying supplemental schedule of expenses by state/jurisdiction - unallocated state rebates will be used for either this program or for the research, development, and demonstration program.

See independent auditor's report.

NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -
CONSUMER EDUCATION, SAFETY, AND TRAINING
FOR THE YEAR ENDED DECEMBER 31, 2016

	Amounts Granted/ Expended in 2016	2016 State Grants Made After Year End	2016 National Spending Not Yet Incurred	Total
STATE GRANTS-				
Connecticut	\$ 256,781	\$ -	\$ -	\$ 256,781
Delaware	15,879	-	-	15,879
Idaho	895	-	-	895
Indiana	4,308	-	-	4,308
Kentucky	27,205	-	-	27,205
Maine	153,736	-	-	153,736
Maryland	84,889	-	-	84,889
Massachusetts	301,645	-	-	301,645
Michigan	49,073	-	-	49,073
Nevada	419	-	-	419
New Hampshire	105,519	-	-	105,519
New Jersey	183,365	-	-	183,365
New York -				
NYOHA	138,573	-	-	138,573
UNYEA	108,787	-	-	108,787
HVOEC	63,891	-	-	63,891
OHILI	120,442	-	-	120,442
ESEA	47,966	-	-	47,966
North Carolina	75,862	-	-	75,862
Ohio	73,735	-	-	73,735
Pennsylvania	341,370	-	-	341,370
Rhode Island	64,057	-	-	64,057
South Carolina	29,549	-	-	29,549
Virginia	83,983	-	-	83,983
Vermont	57,747	-	-	57,747
Washington	6,622	-	-	6,622
Washington, D.C.	1,272	-	-	1,272
Wisconsin	64,076	-	-	64,076
NATIONAL	<u>296,057</u>	<u>-</u>	<u>40,409</u>	<u>336,466</u>
TOTAL STATE GRANTS AND NATIONAL SPENDING	<u>\$ 2,757,703</u>	<u>\$ -</u>	<u>\$ 40,409</u>	<u>\$ 2,798,112</u>

See independent auditor's report.


NATIONAL OILHEAT RESEARCH ALLIANCE, INC.

SUPPLEMENTAL SCHEDULE OF EXPENSES BY STATE/JURISDICTION -
 UNALLOCATED STATE REBATES
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Amounts Granted/ Expended in 2016	2016 State Rebates After Year End	2016 National Spending Not Yet Incurred	Total
UNALLOCATED STATE REBATES-				
Connecticut	\$ 213,059	\$ -	\$ -	\$ 213,059
Delaware	13,175	-	-	13,175
Idaho	742	-	-	742
Indiana	3,575	-	-	3,575
Kentucky	22,573	-	-	22,573
Maine	127,560	-	-	127,560
Maryland	70,435	-	-	70,435
Massachusetts	250,285	-	-	250,285
Michigan	40,717	-	-	40,717
Nevada	347	-	-	347
New Hampshire	87,553	-	-	87,553
New Jersey	152,144	-	-	152,144
New York -				
NYOHA	114,979	-	-	114,979
UNYEA	90,264	-	-	90,264
HVOEC	53,012	-	-	53,012
OHILI	99,935	-	-	99,935
ESEA	39,799	-	-	39,799
North Carolina	62,946	-	-	62,946
Ohio	61,180	-	-	61,180
Pennsylvania	283,246	-	-	283,246
Rhode Island	53,150	-	-	53,150
South Carolina	24,517	-	-	24,517
Virginia	69,683	-	-	69,683
Vermont	47,915	-	-	47,915
Washington	5,494	-	-	5,494
Washington, D.C.	1,055	-	-	1,055
Wisconsin	<u>53,166</u>	<u>-</u>	<u>-</u>	<u>53,166</u>
TOTAL UNALLOCATED STATE REBATES	<u>\$ 2,042,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,042,506</u>

These unallocated state rebates will be allocated to either the research, development, and demonstration or the heating oil efficiency and upgrade programs based on detailed plans for use of the rebates to be submitted by the states.

See independent auditor's report.



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