



Board of Directors Meeting

April 30, 2014

12 Noon



AGENDA

Board of Directors

April 30, 2014, Atlantic City, NJ

12 noon – 2 p.m.

530-881-1212, ID 374-542-301

- I. Introductions
- II. Minutes
- III. Year End Financials 2013 and State Reports
- IV. Review of Statute
- V. Recommended Changes to NORA Regulations
- VI. Statute and Budgetary Items
- VII. State Association Activities and Budgeting
- VIII. Draft Proposed Budget
- IX. Research and Development
- X. Education and Training
- VII. Old Business
- VIII. New Business
- IX. Adjournment



Minutes

October 16, 2013, 11 a.m. Eastern Time

712-432-0460, 1090765

I. Introductions

Mr. Edward Noonan called the meeting to order at 11:08 am EST and directed Mr. John Huber to call the roll. Mr. Huber called the roll and the following members of the Board were Present.

Ralph Adams
Nancy Allen
Sam Bell
Robert Boltz
Jim Buhrmaster
Dr. Tom Butcher
Judy Delaney
Allison Heaney
John Huber
Nancy Kister
John Maniscalco
Mike Neish
Edward Noonan
Carla Romita
David Schildwachter
Charles Stafford
Jeff Whitham
Jack Woodfin

Mr. Huber indicated a quorum was present.

II. Minutes

A motion was made to approve the minutes of the meeting held at AREE on May 1, 2013. The motion was duly seconded and approved by voice.

III. Financials

a. August P/L and Balance Sheet

Mr. John Maniscalco, Treasurer, presented NORA's financial statements for the eight month period ending August 31, 2013. In regard to the Statement of Activities Mr. Maniscalco noted that Total Grants

and State Rebates amounted to \$61,509, with Total Operating Expenses to date totaling \$279,996. After factoring in Total Other Income of \$892,820, NORA ended the month of August with an Increase in Net Assets of \$551,315.

Addressing the Statement of Financial Position; NORA has \$2,177,933 in Total Assets offset by Total Current Liabilities of \$1,228,033, with the overall majority of that liability being \$1,190,133 in State Rebates Obligations. The end result is NORA being left with Net Assets of \$889,900 allowing NORA to continue its present rate of activity through 2014.

Mr. Ralph Adams made a motion to accept ratification of financials it was seconded by Ms. Nancy Allen and duly approved by voice.

b. State Reports

Mr. John Huber discussed state reports and the amount of money in the state accounts.

c. Audit Status

Mr. John Huber also discussed the state audit and that it is taking a bit more time this year and that when it is complete he will distribute it to the Board of Directors. There was a general discussion about the audit and state grants.

IV. Education and Training Update –

Status of Gold Certification

Mr. John Huber discussed the Gold Certification and that it has become an energy conservation course. There was a committee that was established to discuss the Gold Certification and the things that the course should focus on. There were questions raised about the Gold Certification and what it will entail moving forward. The committee discussed the Gold focusing more on technology and changes in the industry. Mr. Ralph Adams stated that the committee believes that the focus should be on technology, and that is the best way to provide value to heating oil consumers.

V. Research and Development Update

Mr. John Huber stated that the research projects are coming to an end. Mr. John Huber stated the B20 is the most significant project and that moving forward this will be the best option for the industry. Mr. John Huber discussed the contracts that will possibly bring in 75-100 thousand dollars for research regarding pyrolysis oils is the most significant contract pending.

NORA 's work on an advanced venting project has come to an end. The project provides an opportunity to improve efficiency in the home, and we need to consider retrofit applications in the future.

VI. Legislative Update on NORA

Mr. John Huber reported on behalf of NAORE, that legislative activity is productive, and there is hope of enacting legislation in this congress. Mr. John Huber discussed the bills that NORA might possibly be on in order to be reauthorized.

VII. Old Business

NONE

VIII. New Business

NONE

IX. Adjournment

Mr. Edward Noonan called for the meeting to be adjourned at 11:41 am EST.

National Oilheat Research Alliance
Statement of Financial Position
December 31, 2013

2013

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$1,826,717
Accounts Receivable	32,994
Prepaid assets	38,183
Publications inventory	27,958
Reserve for Inventory Obsolescence	<u>(14,000)</u>
Total current assets	1,911,851

PROPERTY AND EQUIPMENT

Office equipment	8,449
Computer equipment	<u>7,944</u>
Less: accumulated depreciation	<u>(16,374)</u>
Total property and equipment	<u>19</u>

TOTAL ASSETS

\$1,911,871

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Grants payable - research and development	<u>(101,334)</u>
Total Grants Payable	(101,334)
Accrued Salaries & Benefits	25,004
State rebate obligations	1,212,134
Accrued expenses	<u>26,719</u>
Total Current Liabilities	1,162,523

NET ASSETS:

Net Assets	<u>749,348</u>
Total Net Assets	<u>749,348</u>

TOTAL LIABILITIES AND NET ASSETS

\$1,911,871

National Oilheat Research Alliance
Statement of Activities
For the Twelve Months Ending December 31, 2013

	YTD 2013
Projects and State Rebates:	
Research and Development	\$175,919.67
Education and Training	18,656.87
State Rebates	153,665.60
Consumer Education / Website	140.00
Total Grants and State Rebates	<u>348,382.14</u>
Operating Expenses:	
Salaries and Consultants	266,157.89
Employee Taxes	12,876.62
Retirement Plan	18,995.64
Rent and Telephone	20,648.12
Office Supplies	1,808.48
Equipment Maintenance	3,784.74
Insurance (D & O, L)	8,605.17
Dues, Memberships & Subscriptions	1,145.54
Public and Staff Travel	698.24
Meeting Expense	3,848.83
Bank Fees	2,598.35
Accounting Fees	87,238.18
Total Operating Expenses	<u>428,405.80</u>
Other (Income)/Expenses:	
Interest Income/Expense	(421.58)
Other Income	(852,678.16)
Depreciation and Amortization	289.39
Other Income	(73,535.95)
Other Expense	63,098.11
Total Other (Income)Expenses	<u>(863,248.19)</u>
TOTAL EXPENSES	<u>(434,842.39)</u>
TOTAL EXPENDITURES	<u>(86,460.25)</u>
INCREASE/(DECREASE) IN NET ASSETS	<u><u>\$86,460.25</u></u>

National Oilheat Research Alliance

For the Twelve Months Ending December 31, 2013

	<i>APPROVED</i>	<i>Disbursed in 2009</i>	<i>Disbursed in 2010</i>	<i>Disbursed in 2011</i>	<i>Disbursed in 2012</i>	<i>Disbursed in 2013</i>	<i>Remaining</i>
CONNECTICUT							
E & T '10 Grant	\$188,385.68		\$188,385.68				
TOTALS FOR CONNECTICUT	188,385.68		188,385.68				
IDAHO							
E & T '08 Grant	6,273.83	6,273.83					
E & T '09 Grant	29,814.53						29,814.53
2010 - Unassigned	1,714.00						1,714.00
TOTALS FOR IDAHO	37,802.36	6,273.83					31,528.53
INDIANA							
2009 - Unassigned	21,434.16	3,507.49		2,705.30	4,081.79	3,132.84	8,006.74
2010 - Unassigned	4,660.00						4,660.00
CONS-ED '08 Grant	14,620.02	9,752.79	3,835.25	1,031.98			
E & T '08 Grant	6,005.27	6,005.27					
TOTALS FOR INDIANA	46,719.45	19,265.55	3,835.25	3,737.28	4,081.79	3,132.84	12,666.74
KENTUCKY							
CONS-ED '09 Grant	84,266.25	83,397.14	524.50	221.76	122.85		
E & T '09 Grant	58,499.00	8,122.24	14,922.89	2,199.25	3,621.15		29,633.47
CONS-ED '10 Grant	9,701.68						9,701.68
E & T '10 Grant	14,552.52						14,552.52
TOTALS FOR KENTUCKY	167,019.45	91,519.38	15,447.39	2,421.01	3,744.00		53,887.67
MASSACHUSETTS							
CONS-ED '09 Grant	881,900.87	607,801.13	274,099.74				
E & T '09 Grant	181,397.00	165,719.14	15,677.86				
CONS-ED '10 Grant	89,088.00			11,083.43	30,001.00	8,044.50	39,959.07
E & T '10 Grant	131,183.30			120,531.25	7,746.00	3,044.88	(138.83)
TOTALS FOR MASSACHUSETT	1,283,569.17	773,520.27	289,777.60	131,614.68	37,747.00	11,089.38	39,820.24
MARYLAND (MID-ATL)							
CONS-ED '09 Grant	337,158.65	147,996.31	145,001.43	44,160.91			
E & T '09 Grant	33,910.35	25,000.00	8,910.35				
CONS-ED '10 Grant	56,422.00			23,039.13	33,382.87		
E & T '10 Grant	22,981.00			2,022.32	2,779.63	3,287.50	14,891.55
TOTALS FOR MARYLAND	450,472.00	172,996.31	153,911.78	69,222.36	36,162.50	3,287.50	14,891.55
MAINE							
CONS-ED '09 Grant	243,000.00	164,066.81	78,933.19				
E & T '09 Grant	299,977.77	201,703.68	98,274.09				
CONS-ED '10 Grant	56,230.58		56,230.58				
E & T '10 Grant	74,537.00		74,535.42				1.58
TOTALS FOR MAINE	673,745.35	365,770.49	307,973.28				1.58

National Oilheat Research Alliance

For the Twelve Months Ending December 31, 2013

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MICHIGAN							
CONS-ED '09 Grant	\$123,766.00		\$48,766.00	\$40,000.00	\$25,000.00	\$10,000.00	
E & T '09 Grant	128,422.00		5,000.00	20,000.00	25,000.00	30,500.00	47,922.00
2010 -Unassigned	39,126.00						39,126.00
TOTALS FOR MICHIGAN	291,314.00		53,766.00	60,000.00	50,000.00	40,500.00	87,048.00
NORTH CAROLINA							
CONS-ED '10 Grant	70,006.02		70,006.02				
E & T '10 Grant	10,460.67		10,460.67				
TOTALS FOR NORTH CAROLINA	80,466.69		80,466.69				
NEW HAMPSHIRE							
CONS-ED '10 Grant	57,928.02		57,928.02				
E & T '10 Grant	13,943.01		13,943.01				
TOTALS FOR NEW HAMPSHIRE	71,871.03		71,871.03				
NEW JERSEY							
CONS-ED '09 Grant	574,500.00	384,915.00	189,585.00				
CONS-ED '10 Grant	2,993.09		2,993.09				
E & T '10 Grant	189,822.28		129,947.11	59,061.81			813.36
TOTALS FOR NEW JERSEY	767,315.37	384,915.00	322,525.20	59,061.81			813.36
NEVADA							
E & T '02 thru '08 Grants	3,573.83						3,573.83
CONS-ED '07 Grant	6,442.86						6,442.86
TOTALS FOR NEVADA	10,016.69						10,016.69
OHIO							
CONS-ED '08 Grant	151,879.31	82,833.80	44,555.06	3,035.00	20,705.45	750.00	
CONS-ED '09 Grant	42,958.54					2,535.00	40,423.54
E & T '09 Grant	100,295.57	29,131.14	(4,000.00)				75,164.43
2010 - Unassigned	51,066.00						51,066.00
TOTALS FOR OHIO	346,199.42	111,964.94	40,555.06	3,035.00	20,705.45	3,285.00	166,653.97
OREGON							
E & T '08 Grant	2,391.90	391.86					2,000.04
CONS-ED '09 Grant	36,454.18	20,071.22	16,382.96				
E & T '09 Grant	2,743.86						2,743.86
CONS-ED '10 Grant	7,465.82	359.91	4,018.21		(127.48)		3,215.18
TOTALS FOR OREGON	49,055.76	20,822.99	20,401.17		(127.48)		7,959.08

National Oilheat Research Alliance

For the Twelve Months Ending December 31, 2013

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PENNSYLVANIA							
CONS-ED '09 Grant	\$960,491.52	\$420,938.90	\$201,623.44	\$150,000.00	\$150,000.00		\$37,929.18
E & T '09 Grant	335,300.00	50,000.00	285,300.00				
E & T '10 Grant	282,309.64			150,000.00	100,000.00		32,309.64
TOTALS FOR PENNSYLVANIA	1,578,101.16	470,938.90	486,923.44	300,000.00	250,000.00		70,238.82
RHODE ISLAND							
CONS-ED '09 Grant	143,000.00	73,914.68	69,085.32				
E & T '09 Grant	156,228.48	68,740.00	87,488.48				
E & T '10 Grant	63,911.26	3,000.00		60,911.26			
TOTALS FOR RHODE ISLAND	363,139.74	145,654.68	156,573.80	60,911.26			
SOUTH CAROLINA							
CONS-ED '09 Grant	40,813.91	40,813.91					
E & T '09 Grant	1,896.27	482.77	1,413.50				
E & T '10 Grant 2010	5,264.93						5,264.93
TOTALS FOR SOUTH CAROLINA	47,975.11	41,296.68	1,413.50				5,264.93
VIRGINIA							
CONS-ED '08 Grant	238,203.93	134,404.88	86,991.51	8,188.66	8,618.88		
E & T '08 Grant	90,831.52	17,175.21	19,371.67	8,787.76	6,676.34	1,269.48	37,551.06
2009 - Unassigned	270,954.63			52,808.01	3,048.62	22,154.18	192,943.82
2010 - Unassigned	63,855.00						63,855.00
TOTALS FOR VIRGINIA	663,845.08	151,580.09	106,363.18	69,784.43	18,343.84	23,423.66	294,349.88
VERMONT							
R & D '07 Grant	1,532.21	1,532.21					
R & D '08 Grant	1,431.36	1,431.36					
CONS-ED '08 Grant	31,390.96			31,390.96			
CONS-ED '09 Grant	94,480.43	41,571.79			41,102.28	11,806.36	
E & T '09 Grant	94,480.43	41,571.39	34,000.00	18,909.04			
CONS-ED '10 Grant	11,818.85					11,792.84	26.01
E & T '10 Grant	68,868.39				68,868.39		
TOTALS FOR VERMONT	304,002.63	86,106.75	34,000.00	50,300.00	109,970.67	23,599.20	26.01
WASHINGTON							
CONS ED '08 Grant	1,057.61	568.44		489.17			
2009 - Unassigned	58,419.72	22,655.99	13,800.00	17,510.83			4,452.90
2010 - Unassigned	1,211.00						1,211.00
TOTALS FOR WASHINGTON	60,688.33	23,224.43	13,800.00	18,000.00			5,663.90
WISCONSIN							
CONS-ED '10 Grant	15,417.29				502.79		14,914.50
TOTALS FOR WISCONSIN	15,417.29				502.79		14,914.50

National Oilheat Research Alliance

For the Twelve Months Ending December 31, 2013

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ESPA (NEW YORK)							
E & T '08 Grant	\$55,536.56	\$16,336.56	\$19,600.00	\$19,600.00			
CONS-ED '09 Grant	35,326.45		19,326.45	16,000.00			
E & T '09 Grant	19,111.46						19,111.46
CONS-ED '10 Grant	126,000.00	24,000.00				11,340.00	90,660.00
E & T '10 Grant	35,600.00	27,600.00					8,000.00
TOTALS FOR ESPA	271,574.47	67,936.56	38,926.45	35,600.00		11,340.00	117,771.46
NYOHA							
CONS-ED '09 Grant	526,049.00	13,101.00	281,189.47	88,013.82	116,547.53	24,185.69	3,011.49
E & T '09 Grant	100,000.00	42,032.50	41,809.89	16,157.61			
E & T '10 Grant	99,000.00			19,124.43	59,240.84	16,733.36	3,901.37
TOTALS FOR NYOHA	725,049.00	55,133.50	322,999.36	123,295.86	175,788.37	40,919.05	6,912.86
EASTERN							
E & T '07 Grant	90,112.00	70,112.00					20,000.00
E & T '08 Grant	47,475.90	6,369.76	40,000.00				1,106.14
CONS-ED '09 Grant	153,734.00	50,000.00	30,175.24	25,000.00		24,875.00	23,683.76
E & T '09 Grant	51,245.00						51,245.00
CONS-ED '10 Grant	20,063.00						20,063.00
E & T '10 Grant	6,688.00						6,688.00
TOTALS FOR EASTERN	369,317.90	126,481.76	70,175.24	25,000.00		24,875.00	122,785.90
WESTERN							
CONS-ED '07 Grant	205,918.04	205,918.04					
CONS-ED '08 Grant	16,010.00		10.00	16,000.00			
E & T '08 Grant	12,773.02					12,773.02	
CONS-ED '09 Grant	75,494.00					40,589.48	34,904.52
E & T '09 Grant	35,600.00						35,600.00
CONS-ED '10 Grant	9,853.00						9,853.00
E & T '10 Grant	3,284.00						3,284.00
TOTALS FOR WESTERN	358,932.06	205,918.04	10.00	16,000.00		53,362.50	83,641.52
CENTRAL							
CONS-ED '09 Grant	108,895.00	102,220.38	6,674.62				
E & T '09 Grant	46,669.05	23,535.00	23,134.05				
E & T '10 Grant	20,302.00						20,302.00
TOTALS FOR CENTRAL	175,866.05	125,755.38	29,808.67				20,302.00
HUDSON VALLEY							
CONS-ED '09 Grant	201,684.00	135,128.27	66,555.73				
E & T '09 Grant	10,615.00	7,112.04	3,502.93				0.03
CONS-ED '10 Grant	16,624.00		16,624.00				
E & T '10 Grant	11,083.00		11,083.00				
TOTALS FOR HUDSON VALLEY	240,006.00	142,240.31	97,765.66				0.03
LONG ISLAND							
CONS-ED '09 Grant	383,216.00	226,097.44	157,118.56				
E & T '09 Grant	127,400.00	75,166.00	52,234.00				
E & T '10 Grant	59,975.00					15,000.00	44,975.00
TOTALS FOR LONG ISLAND	570,591.00	301,263.44	209,352.56			15,000.00	44,975.00
TOTALS FOR NY STATE	2,711,336.48	1,024,728.99	769,037.94	199,895.86	175,788.37	145,496.55	396,388.77
TOTALS FOR REPORT	10,208,458.24	3,890,579.28	3,117,027.99	1,027,983.69	706,918.93	253,814.13	1,212,134.22

TITLE VII--NATIONAL OIL HEAT RESEARCH ALLIANCE ACT OF 2000

AS AMENDED IN 2014 (PL-113-79)

SEC. 701. SHORT TITLE.

This title may be cited as the `National Oilheat Research Alliance Act of 2000'.

SEC. 702. FINDINGS.

Congress finds that--

- (1) oilheat fuel is an important commodity relied on by approximately 30,000,000 Americans as an efficient and economical energy source for commercial and residential space and hot water heating;*
- (2) oilheat fuel equipment operates at efficiencies among the highest of any space heating energy source, reducing fuel costs and making oilheat fuel an economical means of space heating;*
- (3) the production, distribution, and marketing of oilheat fuel and oilheat fuel equipment plays a significant role in the economy of the United States, accounting for approximately \$12,900,000,000 in expenditures annually and employing millions of Americans in all aspects of the oilheat fuel industry;*
- (4) only very limited Federal resources have been made available for oilheat fuel research, development, safety, training, and education efforts, to the detriment of both the oilheat fuel industry and its 30,000,000 consumers;*
- (5) the cooperative development, self-financing, and implementation of a coordinated national oilheat fuel industry program of research and development, training, and consumer education is necessary and important for the welfare of the oilheat fuel industry, the general economy of the United States, and the millions of Americans that rely on oilheat fuel for commercial and residential space and hot water heating*

“(6) consumers of oilheat fuel are provided service by thousands of small businesses that are unable to individually develop training programs to facilitate the entry of new and qualified workers into the oilheat fuel industry;

“(7) small businesses and trained employees are in an ideal position—

“(A) to provide information to consumers about the benefits of improved efficiency; and

“(B) to encourage consumers to value efficiency in energy choices and assist individuals in conserving energy;

“(8) additional research is necessary—

“(A) to improve oilheat fuel equipment; and

'(B) to develop domestic renewable resources that can be used to safely and affordably heat homes;

'(9) since there are no Federal resources available to assist the oilheat fuel industry, it is necessary and appropriate to develop a self-funded program dedicated—

“(A) to improving efficiency in customer homes;

'(B) to assist individuals to gain employ-ment in the oilheat fuel industry; and

'(C) to develop domestic renewable resources;

'(10) both consumers of oilheat fuel and retailers would benefit from the self-funded program; and

“(11) the oilheat fuel industry is committed to providing appropriate funding necessary to carry out the purposes of this title without passing additional costs on to residential consumers.”.

SEC. 703. DEFINITIONS.

In this title:

(1) ALLIANCE- The term `Alliance' means a national oilheat research alliance established under section 704.

(2) CONSUMER EDUCATION- The term `consumer education' means the provision of information to assist consumers and other persons in making evaluations and decisions regarding oilheat fuel and other nonindustrial commercial or residential space or hot water heating fuels.

(3) EXCHANGE- The term `exchange' means an agreement that--

(A) entitles each party or its customers to receive oilheat fuel from the other party; and

(B) requires only an insubstantial portion of the volumes involved in the exchange to be settled in cash or property other than the oilheat.

“(4) COST-EFFECTIVE.—The term `cost-effective', with respect to a program or activity carried

out under section 707(f)(4), means that the program or activity meets a total resource cost test under which-

“(A) the net present value of economic benefits over the life of the program or activity, including voided supply and delivery costs and deferred or avoided investments; is greater than

'(B) the net present value of the economic costs over the life of the program or activity, including program costs and incremental costs borne by the energy consumer.” and

(5) INDUSTRY TRADE ASSOCIATION- The term `industry trade association' means an organization described in paragraph (3) or (6) of section 501(c) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code and is organized for the purpose of representing the oilheat fuel industry.

(6) *NO. 1 DISTILLATE*- The term `No. 1 distillate' means fuel oil classified as No. 1 distillate by the American Society for Testing and Materials.

(7) *NO. 2 DYED DISTILLATE*- The term `No. 2 dyed distillate' means fuel oil classified as No. 2 distillate by the American Society for Testing and Materials that is indelibly dyed in accordance with regulations prescribed by the Secretary of the Treasury under section 4082(a)(2) of the Internal Revenue Code of 1986.

‘(8) OILHEAT FUEL.—The term ‘oilheat fuel’ means fuel that—

‘ (A) is—

“ (i) No. 1 distillate;

“(ii) No. 2 dyed distillate;

“(iii) a liquid blended with No. 1 distillate or No. 2 dyed distillate; or

‘ (iv) a biobased liquid; and

‘ (B) is used as a fuel for nonindustrial commercial or residential space or hot water heating.’’.

(9) *Oilheat industry-*

(A) *IN GENERAL*- The term `oilheat fuel industry' means--

(i) *persons in the production, transportation, or sale of oilheat; and*

(ii) *persons engaged in the manufacture or distribution of oilheat utilization equipment.*

(B) *EXCLUSION*- The term `oilheat fuel industry' does not include ultimate consumers of oilheat.

(10) *PUBLIC MEMBER*- The term `public member' means a member of the Alliance described in section 705(c)(1)(F).

(11) *QUALIFIED INDUSTRY ORGANIZATION*- The term `qualified industry organization' means the National Association for Oilheat Research and Education or a successor organization.

(12) *QUALIFIED STATE ASSOCIATION*- The term `qualified State association' means the industry trade association or other organization that the qualified industry organization or the Alliance determines best represents retail marketers in a State.

(13) *RETAIL MARKETER*- The term `retail marketer' means a person engaged primarily in the sale of oilheat fuel to ultimate consumers.

(14) *SECRETARY*- The term `Secretary' means the Secretary of Energy.

(15) *WHOLESALE DISTRIBUTOR*- The term `wholesale distributor' means a person that--

(A)(i) *produces No. 1 distillate or No. 2 dyed distillate;*

(ii) *imports No. 1 distillate or No. 2 dyed distillate; or*

- (iii) transports No. 1 distillate or No. 2 dyed distillate across State boundaries or among local marketing areas; and
 - (B) sells the distillate to another person that does not produce, import, or transport No. 1 distillate or No. 2 dyed distillate across State boundaries or among local marketing areas.
- (16) STATE- The term `State' means the several States, except the State of Alaska.

SEC. 704. REFERENDA.

(a) Creation of Program-

(1) *IN GENERAL-* The oilheat fuel industry, through the qualified industry organization, may conduct, at its own expense, a referendum among retail marketers and wholesale distributors for the establishment of a national oilheat research alliance.

(2) *REIMBURSEMENT OF COST-* The Alliance, if established, shall reimburse the qualified industry organization for the cost of accounting and documentation for the referendum.

(3) *CONDUCT-* A referendum under paragraph (1) shall be conducted by an independent auditing firm.

(4) Voting rights-

(A) *RETAIL MARKETERS-* Voting rights of retail marketers in a referendum under paragraph (1) shall be based on the volume of oilheat fuel sold in a State by each retail marketer in the calendar year previous to the year in which the referendum is conducted or in another representative period.

(B) *WHOLESALE DISTRIBUTORS-* Voting rights of wholesale distributors in a referendum under paragraph (1) shall be based on the volume of No. 1 distillate and No. 2 dyed distillate sold in a State by each wholesale distributor in the calendar year previous to the year in which the referendum is conducted or in another representative period, weighted by the ratio of the total volume of No. 1 distillate and No. 2 dyed distillate sold for nonindustrial commercial and residential space and hot water heating in the State to the total volume of No. 1 distillate and No. 2 dyed distillate sold in that State.

(5) Establishment by approval of two-thirds-

(A) *IN GENERAL-* Subject to subparagraph (B), on approval of persons representing two-thirds of the total volume of oilheat fuel voted in the retail marketer class and two-thirds of the total weighted volume of No. 1 distillate and No. 2 dyed distillate voted in the wholesale distributor class, the Alliance shall be established and shall be authorized to levy assessments under section 707.

(B) *REQUIREMENT OF MAJORITY OF RETAIL MARKETERS-* Except as provided in subsection (b), the oilheat fuel industry in a State shall not participate in the Alliance if less than 50 percent of

the retail marketer vote in the State approves establishment of the Alliance.

(6) CERTIFICATION OF VOLUMES- Each person voting in the referendum shall certify to the independent auditing firm the volume of oilheat, No. 1 distillate, or No. 2 dyed distillate represented by the vote of the person.

(7) NOTIFICATION- Not later than 90 days after the date of enactment of this title, a qualified State association may notify the qualified industry organization in writing that a referendum under paragraph (1) will not be conducted in the State.

(b) SUBSEQUENT STATE PARTICIPATION- The oilheat industry in a State that has not participated initially in the Alliance may subsequently elect to participate by conducting a referendum under subsection (a).

(c) TERMINATION OR SUSPENSION-

(1) IN GENERAL- On the initiative of the Alliance or on petition to the Alliance by retail marketers and wholesale distributors representing 25 percent of the volume of oilheat fuel or weighted No. 1 distillate and No. 2 dyed distillate in each class, the Alliance shall, at its own expense, hold a referendum, to be conducted by an independent auditing firm selected by the Alliance, to determine whether the oilheat fuel industry favors termination or suspension of the Alliance.

(2) VOLUME PERCENTAGES REQUIRED TO TERMINATE OR SUSPEND- Termination or suspension shall not take effect unless termination or suspension is approved by persons representing more than one-half of the total volume of oilheat voted in the retail marketer class or more than one-half of the total volume of weighted No. 1 distillate and No. 2 dyed distillate voted in the wholesale distributor class.

(3) TERMINATION BY A STATE- A State may elect to terminate participation by notifying the Alliance that 50 percent of the oilheat fuel volume in the State has voted in a referendum to withdraw.

(d) CALCULATION OF OILHEAT FUEL SALES- For the purposes of this section and section 705, the volume of oilheat fuel sold annually in a State shall be determined on the basis of information provided by the Energy Information Administration with respect to a calendar year or other representative period.

SEC. 705. MEMBERSHIP.

‘(a) SELECTION.—

‘(1) LIST.—

“(A) IN GENERAL.—The Alliance shall provide to the Secretary a list of qualified nominees for membership in the Alliance.

‘(B) REQUIREMENT.—Except as provided in subsection (c)(1)(C), members of the Alliance shall be representatives of the oilheat fuel industry in a State, selected from a list of nominees submitted by the qualified State association in the State.

“(2) VACANCIES.—A vacancy in the Alliance shall be filled in the same manner as the original

selection.

‘(3) SECRETARIAL ACTION.—

(A) IN GENERAL.—The Secretary shall Have 60 days to review nominees provided under paragraph (1).

(B) FAILURE TO ACT.—If the Secretary takes no action during the 60-day period described in subparagraph (A), the nominees shallbe considered to be members of the Alliance.’’.

(b) REPRESENTATION- In selecting members of the Alliance, the Alliance shall make best efforts to select members that are representative of the oilheat fuel industry, including representation of--

- (1) interstate and intrastate operators among retail marketers;*
- (2) wholesale distributors of No. 1 distillate and No. 2 dyed distillate;*
- (3) large and small companies among wholesale distributors and retail marketers; and*
- (4) diverse geographic regions of the country.*

(c) NUMBER OF MEMBERS.—Section 705(c) of the National Oilheat Research Alliance Act of 2000
(42)

U.S.C. 6201 note; Public Law 106–469) is amended—

‘(1) IN GENERAL.—The Alliance shall be com-

posed of the following members:

- “(A) 1 member representing each State participating in the Alliance.*
- “(B) 5 representatives of retail marketers,of whom 1 shall be selected by each of the qualified State associations of the 5 States with the highest volume of annual oilheat fuel sales.*
- ‘(C) 5 additional representatives of retail marketers.*
- “(D) 21 representatives of wholesale distributors.*
- ‘(E) 6 public members, who shall be representatives of significant users of oilheat fuel, the oilheat fuel research community, State energy officials, or other groups with expertise in oilheat fuel, including consumer and low-income advocacy groups.; and*

(2) FULL-TIME OWNERS OR EMPLOYEES- Other than the public members, Alliance members shall be full-time owners or employees of members of the oilheat fuel industry, except that members described in subparagraphs (C), (D), and (E) of paragraph (1) may be employees of the Alliance or an industry trade association.

(d) COMPENSATION- Alliance members shall receive no compensation for their service, nor shall Alliance members be reimbursed for expenses relating to their service, except that public members, on request, may be reimbursed for reasonable expenses directly related to participation in meetings of the Alliance.

(e) TERMS-

- (1) IN GENERAL- Subject to paragraph (4), a member of the Alliance shall serve a term of 3 years, except that a member filling an unexpired term may serve a total of 7 consecutive years.*
- (2) TERM LIMIT- A member may serve not more than 2 full consecutive terms.*
- (3) FORMER MEMBERS- A former member of the Alliance may be returned to the Alliance if the member has not been a member for a period of 2 years.*
- (4) INITIAL APPOINTMENTS- Initial appointments to the Alliance shall be for terms of 1, 2, and 3 years, as determined by the qualified industry organization, staggered to provide for the subsequent selection of one-third of the members each year.*

SEC. 706. FUNCTIONS.

(a) IN GENERAL-

(1) PROGRAMS, PROJECTS; CONTRACTS AND OTHER AGREEMENTS- The Alliance--

(A) shall develop programs and projects and enter into contracts or other agreements with other persons and entities for implementing this title, including programs--

- (i) to enhance consumer and employee safety and training;*
- (ii) to provide for research, development, and demonstration of clean and efficient oilheat fuel utilization equipment; and*
- (iii) for consumer education; and*

(B) may provide for the payment of the costs of carrying out subparagraph (A) with assessments collected under section 707.

(2) COORDINATION- The Alliance shall coordinate its activities with industry trade associations and other persons as appropriate to provide efficient delivery of services and to avoid unnecessary duplication of activities.

(3) Activities-

(A) EXCLUSIONS- Activities under clause (i) or (ii) of paragraph (1)(A) shall not include advertising, promotions, or consumer surveys in support of advertising or promotions.

(B) RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES-

(i) IN GENERAL- Research, development, and demonstration activities under paragraph (1)(A)(ii) shall include--

(I) all activities incidental to research, development, and demonstration of clean and efficient oilheat fuel utilization equipment“; including research to develop renewable fuels and to

examine the compatibility of different renewable fuels with oilheat fuel utilization equipment, with priority given to research on the development and use of advanced biofuels”; and

(II) the obtaining of patents, including payment of attorney's fees for making and perfecting a patent application.

(ii) EXCLUDED ACTIVITIES- Research, development, and demonstration activities under paragraph (1)(A)(ii) shall not include research, development, and demonstration of oilheat fuel utilization equipment with respect to which technically feasible and commercially feasible operations have been verified, except that funds may be provided for improvements to existing equipment until the technical feasibility and commercial feasibility of the operation of those improvements have been verified.

(b) PRIORITIES- In the development of programs and projects, the Alliance shall give priority to issues relating to--

- (1) research, development, and demonstration;*
- (2) safety;*
- (3) consumer education; and*
- (4) training.*

(c) ADMINISTRATION-

(1) OFFICERS; COMMITTEES; BYLAWS- The Alliance--

(A) shall select from among its members a chairperson and other officers as necessary;

(B) may establish and authorize committees and subcommittees of the Alliance to take specific actions that the Alliance is authorized to take; and

(C) shall adopt bylaws for the conduct of business and the implementation of this title.

(2) SOLICITATION OF OILHEAT INDUSTRY COMMENT AND RECOMMENDATIONS- The Alliance shall establish procedures for the solicitation of oilheat fuel industry comment and recommendations on any significant contracts and other agreements, programs, and projects to be funded by the Alliance.

(3) ADVISORY COMMITTEES- The Alliance may establish advisory committees consisting of persons other than Alliance members.

(4) VOTING- Each member of the Alliance shall have 1 vote in matters before the Alliance.

(d) ADMINISTRATIVE EXPENSES-

(1) IN GENERAL- The administrative expenses of operating the Alliance (not including costs incurred in the collection of assessments under section 707) plus amounts paid under paragraph (2) shall not exceed 7 percent of the amount of assessments collected in any calendar year, except that during the first year of operation of the Alliance such expenses and amounts shall not exceed 10 percent of the amount of assessments.

(2) REIMBURSEMENT OF THE SECRETARY-

(A) *IN GENERAL*- The Alliance shall annually reimburse the Secretary for costs incurred by the Federal Government relating to the Alliance.

(B) *LIMITATION*- Reimbursement under subparagraph (A) for any calendar year shall not exceed the amount that the Secretary determines is twice the average annual salary of 1 employee of the Department of Energy.

(e) *BUDGET*-

“(1) PUBLICATION OF PROPOSED BUDGET.—

Not later than August 1, 2014, and every 2 years thereafter, the Alliance shall, in consultation with the Secretary, develop and publish for public review and comment a proposed biennial budget for the next 2 calendar years, including the probable operating and planning costs of all programs, projects, and contracts and other agreements.”

(2) *SUBMISSION TO THE SECRETARY AND CONGRESS*- After review and comment under paragraph (1), the Alliance shall submit the proposed budget to the Secretary and Congress.

(3) *RECOMMENDATIONS BY THE SECRETARY*- The Secretary may recommend for inclusion in the budget programs and activities that the Secretary considers appropriate.

“(4) IMPLEMENTATION.—

“(A) IN GENERAL.—The Alliance shall not implement a proposed budget until the expiration of 60 days after submitting the proposed budget to the Secretary.

(B) RECOMMENDATIONS FOR CHANGES BY SECRETARY.—

(i) IN GENERAL.—The Secretary may recommend to the Alliance changes to the budget programs and activities of the Alliance that the Secretary considers appropriate.

(ii) RESPONSE BY ALLIANCE.—Not later than 30 days after the receipt of any recommendations made under clause (i), the Alliance shall submit to the Secretary a final budget for the next 2 calendar years that incorporates or includes a description of the response of the Alliance to any changes recommended under clause (i).”

(f) *RECORDS; AUDITS*-

(1) *RECORDS*- The Alliance shall--

(A) *keep records that clearly reflect all of the acts and transactions of the Alliance; and*

(B) *make the records available to the public.*

(2) *AUDITS*-

(A) *IN GENERAL*- The records of the Alliance (including fee assessment reports and applications for refunds under section 707(b)(4)) shall be audited by a certified public accountant at least once each year and at such other times as the Alliance may designate.

(B) *AVAILABILITY OF AUDIT REPORTS-* Copies of each audit report shall be provided to the Secretary, the members of the Alliance, and the qualified industry organization, and, on request, to other members of the oilheat industry.

(C) *POLICIES AND PROCEDURES-*

(i) *IN GENERAL-* The Alliance shall establish policies and procedures for auditing compliance with this title.

(ii) *CONFORMITY WITH GAAP-* The policies and procedures established under clause (i) shall conform with generally accepted accounting principles.

(g) *PUBLIC ACCESS TO ALLIANCE PROCEEDINGS-*

(1) *PUBLIC NOTICE-* The Alliance shall give at least 30 days' public notice of each meeting of the Alliance.

(2) *MEETINGS OPEN TO THE PUBLIC-* Each meeting of the Alliance shall be open to the public.

(3) *MINUTES-* The minutes of each meeting of the Alliance shall be made available to and readily accessible by the public.

(h) *ANNUAL REPORT-* Each year the Alliance shall prepare and make publicly available a report that--

(1) includes a description of all programs, projects, and contracts and other agreements undertaken by the Alliance during the previous year and those planned for the current year; and

(2) details the allocation of Alliance resources for each such program and project.

SEC. 707. ASSESSMENTS.

(a) *RATE.*—*The assessment rate shall be equal to $\frac{2}{10}$ of 1 cent per gallon of oilheat fuel.”; and*

(b) *COLLECTION RULES-*

(1) *COLLECTION AT POINT OF SALE-* The assessment shall be collected at the point of sale of No. 1 distillate and No. 2 dyed distillate by a wholesale distributor to a person other than a wholesale distributor, including a sale made pursuant to an exchange.

(2) *RESPONSIBILITY FOR PAYMENT-* A wholesale distributor--

(A) shall be responsible for payment of an assessment to the Alliance on a quarterly basis; and

(B) shall provide to the Alliance certification of the volume of fuel sold.

(3) *NO OWNERSHIP INTEREST-* A person that has no ownership interest in No. 1 distillate or No. 2 dyed distillate shall not be responsible for payment of an assessment under this section.

(4) *FAILURE TO RECEIVE PAYMENT-*

(A) *REFUND-* A wholesale distributor that does not receive payments from a purchaser for No. 1 distillate or No. 2 dyed distillate within 1 year of the date of sale may apply for a refund from the Alliance of the assessment paid.

(B) AMOUNT- The amount of a refund shall not exceed the amount of the assessment levied on the No. 1 distillate or No. 2 dyed distillate for which payment was not received.

(5) IMPORTATION AFTER POINT OF SALE- The owner of No. 1 distillate or No. 2 dyed distillate imported after the point of sale--

(A) shall be responsible for payment of the assessment to the Alliance at the point at which the product enters the United States; and

(B) shall provide to the Alliance certification of the volume of fuel imported.

(6) LATE PAYMENT CHARGE- The Alliance may establish a late payment charge and rate of interest to be imposed on any person who fails to remit or pay to the Alliance any amount due under this title.

(7) ALTERNATIVE COLLECTION RULES- The Alliance may establish, or approve a request of the oilheat fuel industry in a State for, an alternative means of collecting the assessment if another means is determined to be more efficient or more effective.

(8) PROHIBITION ON PASS THROUGH.—None of the assessments collected under this title may be passed through or otherwise required to be paid by residential consumers of oilheat fuel.”

(c) SALE FOR USE OTHER THAN AS OILHEAT- No. 1 distillate and No. 2 dyed distillate sold for uses other than as oilheat fuel are excluded from the assessment.

(d) INVESTMENT OF FUNDS- Pending disbursement under a program, project or contract or other agreement the Alliance may invest funds collected through assessments, and any other funds received by the Alliance, only--

(1) in obligations of the United States or any agency of the United States;

(2) in general obligations of any State or any political subdivision of a State;

(3) in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(4) in obligations fully guaranteed as to principal and interest by the United States.

(e) STATE, LOCAL, AND REGIONAL PROGRAMS-

(1) COORDINATION- The Alliance shall establish a program coordinating the operation of the Alliance with the operator of any similar State, local, or regional program created under State law (including a regulation), or similar entity.

(2) FUNDS MADE AVAILABLE TO QUALIFIED STATE ASSOCIATIONS-

(A) IN GENERAL-

(i) BASE AMOUNT- The Alliance shall make available to the qualified State association of each State an amount equal to 15 percent of the amount of assessments collected in the State.

(ii) ADDITIONAL AMOUNT-

(I) IN GENERAL- A qualified State association may request that the Alliance provide to the association any portion of the remaining 85 percent of the amount of assessments collected in the State.

(II) REQUEST REQUIREMENTS- A request under this clause shall--

(aa) specify the amount of funds requested;

(bb) describe in detail the specific uses for which the requested funds are sought;

(cc) include a commitment to comply with this title in using the requested funds; and

(dd) be made publicly available.

(III) DIRECT BENEFIT- The Alliance shall not provide any funds in response to a request under this clause unless the Alliance determines that the funds will be used to directly benefit the oilheat fuel industry.

(IV) MONITORING; TERMS, CONDITIONS, AND REPORTING REQUIREMENTS- The Alliance shall--

(aa) monitor the use of funds provided under this clause; and

(bb) impose whatever terms, conditions, and reporting requirements that the Alliance considers necessary to ensure compliance with this title.

(B) SEPARATE ACCOUNTS.—As a condition of receipt of funds made available to a qualified State association under this title, the qualified State association shall deposit the funds in an account that is separate from other funds of the qualified State association.’’.

“ (f) USE OF ASSESSMENTS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary and the Alliance shall ensure that assessments collected for each calendar year under this title are allocated and used in accordance with this subsection.

“(2) RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—

“ (A) IN GENERAL.—The Alliance shall ensure that not less than 30 percent of the assessments collected for each calendar year under this title 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 and the transition and facilitation of the entry of energy efficient heating systems into the marketplace.

B) COORDINATION.—The Alliance shall coordinate with the Secretary to develop priorities for the use of assessments under this paragraph.

(C) PLAN.—The Alliance shall develop a coordinated research plan to carry out research programs and activities under this section.

“(D) REPORT.—

“(i) IN GENERAL.—No later than 1 year after date of enactment of this subsection, the Alliance shall prepare a report on the use of biofuels in oilheat fuel utilization equipment.

“(ii) CONTENTS.—The report required under clause (i) shall—

“(I) provide information on the environmental benefits, economic benefits, and any technical limitations on the use of biofuels in oilheat fuel utilization equipment; and

“(II) describe market acceptance of the fuel, and information on State and local governments that are encouraging the use of biofuels in oilheat fuel utilization equipment.

“(iii) COPIES.—The Alliance shall submit a copy of the report required under clause (i) to—

“(I) Congress;

“(II) the Governor of each State, and other appropriate State leaders, in which the Alliance is operating; and

“(III) the Administrator of the Environmental Protection Agency.

“(E) CONSUMER EDUCATION MATERIALS.—The Alliance, in conjunction with an institution or organization engaged in biofuels research, shall develop consumer education materials describing the benefits of using biofuels as or in oilheat fuel based on the technical information developed in the report required under subparagraph (D) and other information generally available.

“(3) COST SHARING.—

“(A) IN GENERAL.—In carrying out a research development demonstration, or commercial application program or activity that is commenced after the date of enactment of this subsection, the Alliance shall require cost-sharing in accordance with this section.

“(B) RESEARCH AND DEVELOPMENT.—

“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Alliance shall require that not less than 20 percent of the cost of a research or development program or activity described in subparagraph (A) to be provided by a source other than the Alliance.

“(ii) EXCLUSION.—Clause (i) shall not apply to a research or development program or activity described in subparagraph (A) that is of a basic or fundamental nature, as determined by the Alliance

“(iii) REDUCTION.—The Alliance may reduce or eliminate the requirement of clause (i) for a research and development program or activity of an applied nature if the Alliance determines that the reduction is necessary and appropriate.

“(C) DEMONSTRATION AND COMMERCIAL APPLICATION.—The Alliance shall require that not less than 50 percent of the cost of a demonstration or commercial application program or activity described in subparagraph

(A) to be provided by a source other than the Alliance.

“(4) HEATING OIL EFFICIENCY AND UPGRADE PROGRAM.—

“(A) IN GENERAL.—The Alliance shall ensure that not less than 15 percent of the assessments collected for each calendar year under this title 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.

‘(B) PLAN.—The Alliance shall, to the maximum extent practicable, coordinate, develop, and implement the programs and activities of the Alliance in conjunction with existing State energy efficiency program administrators.

‘ (C) ADMINISTRATION.—

“(i) IN GENERAL.—In carrying out this paragraph, the Alliance shall, to the maximum extent practicable, ensure that heating system conversion assistance is co-ordinated with, and developed after consultation with, persons or organizations responsible for administering—

“(I) the low-income home energy assistance program established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);“

(II) the Weatherization Assistance Program for Low Income Persons established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.); or

“(III) other energy efficiency programs administered by the State or other parties in the State.

“(ii) DISTRIBUTION OF FUNDS.—The Alliance shall ensure that funds distributed to carry out this paragraph are—

“(I) distributed equitably to States based on the proportional contributions of the States through collected assessments;

“(II) used to supplement (and not supplant) State or alternative sources of funding for energy efficiency programs; and

“(III) used only to carry out this paragraph.

“(5) CONSUMER EDUCATION, SAFETY, AND TRAINING.—The Alliance shall ensure that not more than 30 percent of the assessments collected for each calendar year under this title are used—

‘ (A) to conduct consumer education activities relating to oilheat fuel, including providing information to consumers on—

‘ (i) energy conservation strategies;

“(ii) safety;

“(iii) new technologies that reduce consumption or improve safety and comfort; “(iv) the use of biofuels blends; and

“(v) Federal, State, and local programs designed to assist oilheat fuel consumers;

“(B) to conduct worker safety and training activities relating to oilheat fuel, including energy

efficiency training (including classes to obtain Building Performance Institute or Residential Energy Services Network certification);

“(C) to carry out other activities recommended by the Secretary; or

“(D) to the maximum extent practicable, a data collection process established, in collaboration with the Secretary or other appropriate Federal agencies, to track equipment, service, and related safety issues and to develop measures to improve safety.

“(6) ADMINISTRATIVE COSTS.—

“(A) IN GENERAL.—The Alliance shall ensure that not more than 5 percent of the assessments collected for each calendar year under this title are used for

“(i) administrative costs; or

“(ii) indirect costs incurred in carrying out paragraphs (1) through (5).

“(B) ADMINISTRATION.—Activities under this section shall be documented pursuant to a transparent process and procedures developed in coordination with the Secretary.

“(7) REPORTS.—

“(A) ANNUAL REPORTS.—

“(i) IN GENERAL.—Each qualified State association or the Alliance shall prepare an annual report describing the development and administration of this section, and yearly expenditures under this section.

“(ii) CONTENTS.—Each report required under clause (i) shall include a description of the use of proceeds under this section, including a description of—

“(I) advancements made in energy-efficient heating systems and biofuel heating oil blends; and

“(II) heating system upgrades and modifications and energy efficiency programs funded under this section.

“(iii) VERIFICATION.—

“(I) IN GENERAL.—The Alliance shall ensure that an independent third-party reviews each report described in clause (i) and verifies the accuracy of the report.

“(II) COUNCILS.—If a State has a stakeholder efficiency oversight council, the council shall be the entity that reviews and verifies the report of the State association or Alliance for the State under clause (i).

“(B) REPORTS ON HEATING OIL EFFICIENCY AND UPGRADE PROGRAM.—At least once every 3 years, the Alliance shall prepare a detailed report describing the consumer savings, cost-effectiveness of, and the lifetime and annual energy savings achieved by heating system upgrades and modifications and energy efficiency programs funded under paragraph (4).

“(C) AVAILABILITY.—Each report and any subsequent changes to the report, described in this paragraph shall be made publicly available, with notice of availability provided to the Secretary, and posted on the website of the Alliance.”.

SEC. 709. COMPLIANCE.

(a) IN GENERAL.—The Alliance may bring a civil action in United States district court to compel payment of an assessment under section 707.

(b) COSTS- A successful action for compliance under this section may also require payment by the defendant of the costs incurred by the Alliance in bringing the action.

SEC. 710. LOBBYING RESTRICTIONS.

“(a) IN GENERAL.—No funds derived from assessments under section 707 collected by the Alliance shall be used to influence legislation or election or to lobby, , except that the Alliance may use such funds to formulate and submit to the Secretary recommendations for amendments to this title or other laws that would further the purposes of this title.

“(1) IN GENERAL.—Subject to paragraph (2),no funds derived from assessments collected by the Alliance under section 707 shall be used, directly or indirectly, to influence Federal, State, or local legislation or elections, or the manner of administering of a law.

“(2) 0INFORMATION.—The Alliance may use funds described in paragraph (1) to provide information requested by a Member of Congress, or an official of any Federal, State, or local agency, in the course of the official business of the Member or official.”.

SEC. 711. DISCLOSURE.

Any consumer education activity undertaken with funds provided by the Alliance shall include a statement that the activities were supported, in whole or in part, by the Alliance.

SEC. 712. VIOLATIONS.

(a) PROHIBITION- It shall be unlawful for any person to conduct a consumer education activity, undertaken with funds derived from assessments collected by the Alliance under section 707, that includes--

- (1) a reference to a private brand name;*
- (2) a false or unwarranted claim on behalf of oilheat fuel or related products; or*
- (3) a reference with respect to the attributes or use of any competing product.*

(b) Complaints-

- (1) IN GENERAL- A public utility that is aggrieved by a violation described in subsection (a) may file a complaint with the Alliance.*
- (2) TRANSMITTAL TO QUALIFIED STATE ASSOCIATION- A complaint shall be transmitted concurrently to any qualified State association undertaking the consumer education activity with respect to which the complaint is made.*
- (3) CESSATION OF ACTIVITIES- On receipt of a complaint under this subsection, the Alliance, and any qualified State association undertaking the consumer education activity with respect to which the complaint is made, shall cease that consumer education activity until--*
 - (A) the complaint is withdrawn; or*

(B) a court determines that the conduct of the activity complained of does not constitute a violation of subsection (a).

(c) Resolution by Parties-

(1) IN GENERAL- Not later than 10 days after a complaint is filed and transmitted under subsection (b), the complaining party, the Alliance, and any qualified State association undertaking the consumer education activity with respect to which the complaint is made shall meet to attempt to resolve the complaint.

(2) WITHDRAWAL OF COMPLAINT- If the issues in dispute are resolved in those discussions, the complaining party shall withdraw its complaint.

(d) Judicial Review-

(1) IN GENERAL- A public utility filing a complaint under this section, the Alliance, a qualified State association undertaking the consumer education activity with respect to which a complaint under this section is made, or any person aggrieved by a violation of subsection (a) may seek appropriate relief in United States district court.

(2) RELIEF- A public utility filing a complaint under this section shall be entitled to temporary and injunctive relief enjoining the consumer education activity with respect to which a complaint under this section is made until--

(A) the complaint is withdrawn; or

(B) the court has determined that the consumer education activity complained of does not constitute a violation of subsection (a).

education activity with respect to which a complaint under this section is made until--

(A) the complaint is withdrawn; or

(B) the court has determined that the consumer education activity complained of does not constitute a violation of subsection (a).

(e) Attorney's Fees-

(1) MERITORIOUS CASE- In a case in Federal court in which the court grants a public utility injunctive relief under subsection (d), the public utility shall be entitled to recover an attorney's fee from the Alliance and any qualified State association undertaking the consumer education activity with respect to which a complaint under this section is made.

(2) NONMERITORIOUS CASE- In any case under subsection (d) in which the court determines a complaint under subsection (b) to be frivolous and without merit, the prevailing party shall be entitled to recover an attorney's fee.

(f) SAVINGS CLAUSE- Nothing in this section shall limit causes of action brought under any other law.

“(g) NONCOMPLIANCE.—If the Alliance, or a qualified State association, or any other entity or person violates this title, the Secretary shall

“(1) notify Congress of the noncompliance; and

“(2) provide notice of the noncompliance on the Alliance website.”.

SEC. 713. SUNSET.

This title shall cease to be effective as of the date that is 18 years after the date on which the Alliance is established.

Attest:



Grants & State Rebates, Grant Review Policy

FUNDING

Grants & State

Rebates

Grant Review

Policy

The following is a brief summary of the major steps of the National Oilheat Research Alliance's grant review and rebate process, as approved by the full Alliance.

Funding Request

Documents

Database/Grant

Information

1. REVIEW CYCLES AND DEADLINES

Beginning in 2001, two grant review cycles will be scheduled in relationship with National Oilheat Research Alliance meetings. Each cycle shall have a due date or deadline by which a funding request must be received in order to be considered in that cycle. A funding request submitted after such deadline will automatically be held over until the next review cycle, unless the board agrees to grant special dispensation.

2. VERIFICATION.

Upon receipt, staff will verify that each funding request is complete and complies with Alliance rules and procedures, will assign it to an Advisory Committee for review, and shall notify the applicant.

3. INDUSTRY COMMENTS.

Immediately following each funding request due date, the staff shall distribute a summary of each funding request to the industry (and post such summaries on the Alliance's web site) and request comments. Not less than 30 days will be provided for industry comment.

4. REVIEW OF COMMENTS.

Following the expiration of the time period for industry comments, the staff shall review comments received and submit them to the National Oilheat Research Alliance along with Advisory Committee recommendations specified below.

5. ADVISORY COMMITTEE RECOMMENDATIONS.

The Advisory Committees shall conduct their evaluations of each funding request which falls under their mission area and make their recommendations to the Alliance not less than 30 days prior to the next scheduled National Oilheat Research Alliance meeting.

6. NATIONAL OILHEAT RESEARCH ALLIANCE CONSIDERATION.

At its regularly scheduled meetings, the National Oilheat Research Alliance may take up the funding recommendations and make its decisions regarding each funding request.

7. CONTRACT.

Following National Oilheat Research Alliance approval of a funding request, including any modifications or stipulations the National Oilheat Research Alliance may adopt with respect to it, the President shall enter into contract with each successful applicant.

8. PROGRESS REPORTS.

As provided in National Oilheat Research Alliance rules or contracts, all funding recipients shall make periodic progress reports to the President, who shall in turn make progress reports to the National Oilheat Research Alliance on all programs and projects.

9. POST-COMPLETION EVALUATION. Following completion of each program and project funded by the Alliance, the President shall make a post-completion evaluation report to the Alliance.

Part I. Expedited Grant Review.

The expedited grant review procedure is reserved for only those projects that must be urgently undertaken to preserve or promote the interests of the oilheat industry at large. All requests for funding will be considered under the regular review procedure unless, by a majority vote, the Alliance approves to consider the request under the expedited grant review procedure. An applicant must specifically request expedited review and, on its face, the funding request must be of an urgent nature or facing a deadline that could not be reasonably anticipated and that precludes consideration of the funding request by the regular review procedure.

Part II. Regular Grant Review.

The regular grant review procedure is intended to provide:

- a certain and predictable timetable for the evaluation of funding requests,
- notice to and request comments from the industry on such requests;
- sufficient time for Alliance staff to evaluate the comments and the funding requests, and to make its recommendations to the Alliance; and; sufficient time for members of the Alliance to consider requests prior to Alliance meetings.

Before December 1 of each year, the President shall publish a timetable for the next calendar year for the receipt and evaluation of funding requests. That timetable shall establish two specific grant review cycles, to be scheduled in relationship with Alliance meetings, that shall provide deadlines for the submission of funding requests, a period of not less than 30 days for industry notification and comment, and such additional time periods as needed for staff evaluation, Alliance evaluation, recommendation and consideration.

POLICIES, RULES AND PROCEDURES

of the

National Oilheat Research Alliance

National Oilheat Research Alliance

POLICIES, RULES AND PROCEDURES

1 . **Introduction and Interpretation.** This document sets forth Policies Rules and Procedures for the National Oilheat Research Alliance. Nothing herein shall be construed to conflict with the National Oilheat Research Alliance Act of 2000 (NORA), Public Law 106-469 (42 USC 6201, et. seq. note.) or the Bylaws of the National Oilheat Research Alliance. To resolve any conflict, refer first to NORA, then to the Bylaws, and finally to this document.

2. **Glossary of Terms**

- 2.1. **Administrative expenses** –Administrative expenses shall not exceed five percent (57%) of any funds collected in any fiscal year and shall include only those expenses which are reasonable and necessary for the Alliance, Section 706, plus any reimbursement within the statutory limitation of Alliance-related costs incurred by the Federal government.
- 2.2. **Assessment** – The amount of money payable to the Alliance shall be \$.002 per gallon on sales of heating oil within the states participating in NORA. The rules for collecting and the related forms are found at www.nora-oilheat.org.
- 2.3. **Retail Marketer** - A person engaged primarily in the sale of oilheat to ultimate consumers.
- 2.4. **Wholesale Distributor** – A person that produces or imports No. 1 distillate or No. 2 dyed distillate, or transports this product across state lines in bulk and sells the distillate to another person that does not produce or imports No. 1 distillate or No. 2 dyed distillate, or does not transport this product across state lines in bulk.
- 2.5. **Qualified State Association** – The industry trade association or other organization that the qualified industry organization or the Alliance determines best represents retail marketers in a State.
- 2.6. **Qualified Industry Organization** – The National Association for Oilheat Research and Education..

3. **Administrative Expense Exclusions**

- 3.1. **Program and Project Costs** Program and project costs are excluded from administrative expenses and include funds expended to:
 - 3.1.1. develop, maintain or carry out NORA programs and projects or the coordination of these activities with industry trade associations and others ;
 - 3.1.2. conduct a referendum on the Alliance's own initiative or upon a valid petition submitted by the industry ;
 - 3.1.3. costs incurred in the collection of assessments ;
 - 3.1.4. determine and impose late payment charges or interest charges;
 - 3.1.5. Other costs incurred by the Alliance related to grants, contracts or other agreements to the extent that the allocation of such costs is consistent with the allowable allocations for federal grants under the federal Office of Management and Budget's Circular A-122, "*Cost Principles for Non-Profit Organizations*."

3.2. Start-up Costs. Start-up costs shall not exceed 10 percent (10%) of costs in the first year.

4. Disclosure Policy. The Alliance shall keep minutes, books, and records that clearly reflect all of the acts and transactions of the Alliance and make public such information, The President shall comply with, and carry out, the following disclosure policy to ensure that the public has ready access to information about the Alliance and its actions.

4.1. Notice of Meetings. Public notice shall be given of all Alliance meetings by posting the date, time and location on the Alliance's Internet website (<http://www.nora-oilheat.org>) at least thirty (30) days in advance of the next Alliance meeting,

4.2. Written Notices. Meeting notices also will be sent in writing at least thirty (30) days in advance of the next meeting to the Secretary of Energy and to the following trade press:

4.2.1. – Indoor Comfort Marketing Oilheating

4.2.2. – Oil and Energy

4.2.3. – Oil Price Information Service (OPIS)

4.3. Minutes of Meetings. Following approval by the Alliance of the minutes of the previous meeting, the approved minutes shall be posted on the Internet ([http://www. Nora-oilheat.org](http://www.Nora-oilheat.org)) within ten (10) business days following the meeting at which the Alliance approved the minutes.

4.4. Budget Plan. The Alliance shall post on the Alliance's Internet web site (<http://www.nora-oilheat.org>) the bienniel annual budget plan for public review and comment. The budget plan should include the probable cost of all programs, projects and rebates to states. and contracts. The budget shall be bienniel and is to be developed in consultation with the Department of Energy.

4.5. Access to Alliance Documents. The public may have access to any of the documents listed in Section 4.7 of this document by submitting a written request to the President that includes the name and address of the requesting party and the proposed date and time for access, Access to information or documents may be made only during normal business hours. A request for access must be received at least fifteen (15) business days prior to the proposed access date.

4.6. Copies of Alliance Documents. The public may receive copies of any of the documents listed in Section 4.7 of this document by submitting a written request to the President that includes the name and address of the requesting party. Upon receiving a valid request, the President shall send via regular mail, postage prepaid, the documents to the requesting party within fifteen (15) business days of receipt of the request. If an alternative method of delivery is requested by the member of the public, the Alliance may, at its discretion, request reimbursement in advance for the delivery expenses.

4.7. Available Documents, The following information and documents are available to the public upon request:

- 4.7.1. Books and records that clearly reflect all of the acts and transactions of the Alliance. This information will include minutes of previous meetings and the annual budget plan.
- 4.7.2. The Annual Report identifying and describing all programs and projects undertaken by the Alliance during the previous year as well as those planned for the coming year and which details the allocation or planned allocation of Alliance resources for each such program and project,
- 4.7.3. The Policies, Rules and Procedures document.
- 4.7.4. The Funding Request Form specifying information required to submit a valid request to the Alliance for funds.
- 4.7.5. Copies of the National Oilheat Research Alliance Act.

5. Alliance Meeting

- 5.1. **Open Meetings.** All meetings of the Alliance shall be open to the public and shall be preceded by at least 30 days advance public notice. Provision shall be made to accommodate attendance by the public at all Alliance meetings
- 5.2. **Alliance Members Participation.** Except as provided in Section 5.3 of these rules, only duly appointed Alliance members shall participate in the official debate and vote upon matters before the Alliance.
 - 5.2.1. **Participation by Conference Telephone.** Members of the Alliance may participate in a meeting of the Alliance by means of conference telephone or similar device. Participation by such means shall constitute presence of the member at the meeting,
 - 5.2.2. **Alternates and Proxies.** The use of alternates and voting by proxy shall not be permitted.
- 5.3. **Ex-Officio Capacity.** The President shall serve in an ex-officio capacity to the Alliance and may participate in Alliance debate but shall not be entitled to vote on matters before the Alliance.
- 5.4. **Recognition by Chairman.** At the discretion of the Chairman, time may be set aside during Alliance meetings when the public may be invited to address the Alliance.
- 5.5. **Presentations.** Any person other than a Alliance member requesting time to make a presentation to the Alliance must advise the President at least ten (10) days in advance of the meeting.

6. Public and Industry Comment

- 6.1. **Solicitation of Comments.** To the extent reasonable, the Alliance shall solicit public and industry comment and recommendations on proposed changes to Alliance policies, rules and procedures, the ~~biennial~~[annual](#) budget plan, and on any significant plans, programs and projects to be funded by the Alliance.
 - 6.1.1. The Alliance shall provide at least thirty (30) days for submission of public or industry comments,
 - 6.1.2. Solicitation of industry and public comment shall be through notices published on the Alliance's Internet web site, made available to industry publications, and distributed to industry trade organizations.

6.2. Written Comments Required. All public or industry comments must be submitted in writing to the President to be considered by the Alliance in the adoption of final policies, rules and procedures, the annual budget plan, or significant plans, programs, and projects.

7. Funding and Grant Policies.

7.1. Contracts and Agreements. The Alliance shall enter into contracts or agreements to fund programs and projects which are designed to enhance consumer and employee safety and training, to provide for research and development of clean and efficient oilheat utilization equipment, and to inform and educate the public about oilheat.

7.2. Funding Priorities. In considering funding requests, the Alliance shall give priority to proposals for research and development, safety, consumer education and training.

7.3. Coordination to Avoid Duplication. In developing programs and projects for the Alliance funding, the Alliance shall coordinate its activities with industry trade associations and other persons to provide efficient delivery of services and to avoid unnecessary duplication of activities.

7.4. Matching Funds. The Alliance shall seek every opportunity to maximize the effectiveness of its funds. To this end, the Alliance may seek matching funds from the grant recipient or a third party for any grants authorized. Matching funds may be in the form of cash or in-kind services or products. Fifty percent matches are required for all demonstration programs, which may be either In-kind or cash. Research and development shall be cost shared at 20 percent, however, fundamental research may not require cost share, and the Alliance may waive this requirement if the Alliance determines it to be necessary and appropriate.

7.5. National Scope; Industry-wide Purpose. General assessment revenues (revenues other than those dedicated to rebates or returned to the states) shall be reserved for programs and projects that are national in scope or that serve a particular industry-wide interest in a region or target market sector. A state entity may utilize rebate funds for programs or projects that specifically reach consumers only in its state. Any organization including a state entity may seek funds to conduct or develop programs of national importance.

7.6. Review of Materials. Prior to the widespread dissemination of materials developed with NORA funds, and prior to affixing the NORA trademark to any materials, those materials shall be delivered to NORA headquarters for review to ensure they comply with all legal requirements.

8. Funding Request Procedures.

8.1. Funding Request Forms. All applications for funding shall be submitted to the President on standard Alliance Funding Request Forms (available on the Alliance's web site or upon request.) In addition to, a signed original Funding Request Form., applicants shall submit Funding Request Forms in an electronic format as specified by the Alliance in order to facilitate processing of funding requests. At a minimum, to be valid all applications submitted shall include the following information:

8.1.1. Applicant. Complete identification of the applicant, including name, address, phone, fax and e-mail addresses, If the applicant is a subsidiary of another entity, identify the parent.

8.1.2. Officers. Identification of officers or owners of the applicant, and the name of the contact person.

8.1.3. State Entity, If a state entity is requesting some or all of the funds from the state assessment rebate as provided for in Section 11 of this document, it shall clearly state the amount.

8.1.4. Summary. An Executive Summary of the project to be funded.

8.1.5. Priorities. A statement of how the project addresses the priorities listed in Section 7.2 of this document.

8.1.6. Time Line. A time line for completion of the project.

8.1.7. Deliverables. Anticipated results of the project and planned deliverables,

8.1.8. Detailed Budget, A complete statement of projected costs and a detailed budget. This budget shall include specific information on direct costs, salaries, overhead, and any subcontractor costs, fees or expenses.

8.1.9. Matching Funds. A detailed statement of how much the applicant is contributing toward the costs. This may be in cash or in-kind services. The applicant shall also indicate whether funding has or will be requested or is expected from any other source. The applicant shall identify the source and the amount of expected funding, the status of such funding, and any conditions imposed on the applicant with respect to the use of those funds.

8.1.10. Amount. The amount of the Alliance funding requested.

8.1.11. Evaluation Statement. Identification of the method(s) to be used by the applicant to evaluate the impact of the program or project upon its completion, as well as other measures that may be useful to the Alliance its evaluation of the project.

8.2. Acknowledgment of Funding Requests. The President shall promptly acknowledge in writing the receipt of each funding request and shall identify any information that may be missing or any additional information as the Alliance may require. The acknowledgment also shall indicate when the proposal will likely be considered for funding by the Alliance and when the applicant can expect a response.

8.3. Review by Advisory Committees. Where appropriate, the President shall submit funding requests to an advisory committee established by Alliance for evaluation and recommendations, if any, prior to presenting such requests to the Alliance for consideration.

8.4. Approval by Executive Committee. The Executive Committee shall have full authority to approve project funding requests between Alliance meetings, provided that two-thirds of the members of the Executive Committee vote to approve the funding requests. The Chairman shall report all Executive Committee funding decisions at the next meeting of the Alliance. This may only occur when the scope of the project and the expected expenditure has been previously presented to the Alliance and the Alliance has voted in favor of the project.

8.5. Approval by President All proposals for funding which meet the requirements of NORA and this document and which do not exceed the maximum amount of funding specified in this document may be approved by the President without specific review and approval by the Alliance.

8.5.1. Project Limitation. The maximum amount of funding for any single proposal which may be approved by the President shall be \$5,000.

8.5.2. Aggregate Limitation. In no event shall the President approve project funding which in the aggregate exceeds \$15,000 in any fiscal year.

8.6. Quarterly Report. The President shall provide the Alliance with an annual ~~quarterly~~ report on all projects that have been approved, both by the Alliance and by the President.

8.7. Pre-Meeting Summaries. Thirty (30) days prior to the next regularly scheduled meeting of the Alliance, the executive summary of each funding request received since the last meeting will be sent to Alliance members by the President with an itemization of the total amount of funding requested by all such proposals, a budget status report, and staff recommendations.

8.8. Alliance Discretion. Except as otherwise provided in this document, the Alliance shall decide, by majority vote, which projects shall be considered and/or funded and at what level,

8.8.1. Modification of Terms, In making its decision, the Alliance may make approval contingent upon modification of the terms of the proposal.

8.8.2. Oral Presentation. The Alliance may, at its discretion, require an applicant to make an oral presentation to the Alliance.

8.9. Expedited Review. Procedures may be developed for expedited review of proposals.

8.10. Notification of Alliance Action. As soon as practical and in no case more than 10 business days after action is taken by the Alliance on a funding request, the President shall notify the applicant of the action taken.

8.11.. Implementation of Alliance Funding Decisions. The President shall implement the decisions of the Alliance with respect to funding requests.

8.11.1. Contract Terms. Following Alliance approval of a funding request and prior to disbursement of funds, the President shall ensure that any terms, conditions or modifications adopted by the Alliance with respect to that particular funding request are incorporated into the contract to be entered into pursuant to Section 9 of this document.

8.11.2. Disbursement of Funds. The President shall have authority to disburse funds only in a manner consistent with this document and the terms, if any, specified in the Alliance's approval of a funding request.

8.12 State Local and Regional Programs. The Alliance is to coordinate its operations with state qualified organizations. A state is to receive at least 15 percent of the funds collected in the state, and may request additional amounts.

8.11.1 In the biennial budget, the Board shall determine allocations to states, and may specify the categories of expenditures to ensure the appropriate categories receive funds as required by the statute.

8.11.2 The Executive Committee will provide a listing of approved programs for state expenditures, which will be made available to the states. A program not listed may be funded and added to the list only upon acceptance of the Executive Committee. (Section 10.4)

8.11.3. A qualified state organization shall enter into a contract with NORA prior to using any of the funds set aside in the budget.

8.11.4. Upon completion of a project, a state shall complete a form provided by NORA detailing expenditures and the benefits of the program. (Section 10.8)

8.11.5. After reviewing and making a determination that said funds directly benefitted the oilheat fuel industry, the President shall authorize payment,

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9. Contract Terms.

- 9.1. **Contracts Required.** Prior to the release of Alliance grant or rebate funding, all recipients of such funding shall execute a contract with the Alliance which will include terms governing the receipt and expenditure of funds.
- 9.2. **Product Availability to Industry.** The product of any project funded in whole or in part by a grant or rebate from the Alliance shall be made available to all industry participants of the oilheat industry on equal terms. In no event may the products be restricted to any group of industry participants or may pricing of the product discriminate among distinct groups of industry participants. For example, a NORA publication shall be made available to industry participants at the same cost, however, other organizations may choose to resell that product at a different cost to recoup their marketing expenses, but the product shall be sold to everyone at the same price. For example, if a state is conducting a training program and through a grant, NORA provides the educational materials, then the school shall not develop a discriminatory pricing schedule.
- 9.3. **Intellectual Property Rights.** In the event any project funded in whole or in part by a grant or rebate from the Alliance results in the development of distinct intellectual property rights, such as a patent, copyright or trademark, the Alliance shall have first right of refusal to a level of ownership of said property rights.
- 9.4. **Reports Required of Grantees.** Unless otherwise specifically provided in the grant contract or rebate agreement, grantees and rebate recipients are required to provide progress reports on a specified timeline, a final report and such other reports as may be deemed necessary to enable the President to monitor the use of Alliance funds.
- 9.5. **Production and Inventory Costs; Sales Risks.** Generally, the Alliance funds shall be used to cover project development costs. In the case of projects leading to the production of materials which the grantee may produce and distribute (e.g., books, pamphlets, brochures, audio-visuals and multi-media materials), the cost of production, inventory and the risk of sales shall be borne by the grantee who shall be entitled thereby to a reasonable return on the risk. All sales of such materials shall be subject to the provisions of this document.
- 9.6. **Audit Rights of the Alliance Preserved.** The Alliance shall have the right to audit the books of an a grant or rebate recipient with respect to the expenditure of funds provided by the Alliance,
- 9.7. **Return of Unused Funds.** Immediately following the completion of a project or program funded by the Alliance, the grant or rebate recipient shall return any unused funds to the Alliance.
10. **State Programs.** Compliance with NORA Section 6(e) requirements for coordination with State Programs shall be in accordance with the following policy.
- 10.1. **Assessment Rebate.** The coordination program shall be an assessment rebate of at least 15 percent.
- 10.1.1. **Calculation.** The assessment rebate shall be calculated based on the gallons of oilheat identified as sold within the state by collections. Refunds shall be included in that calculation. ~~In preparing budgets, and submittals, data from the energy Information Administration will be used, with periodic adjustments during the year to conform to actual collections.~~

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10.2. Recipients. Only one entity per state or region shall be recognized as the Alliance rebate recipient.

10.3. Rebate Recipients. All payments of assessment rebates shall be made to a qualified state association, as defined in Section 2.5 of this document.

10.4. Basis of Rebate Payments. Assessment rebates shall be paid only upon approval by the Alliance of a specific program or project . In the biennial budget, NORA shall establish the funds allocated and available for rebate programs in a state. The state association may use those funds in acord with the allocations established by NORA and shall as appropriate use those funds for programs identified by NORA as acceptable and of direct benefit to the heating oil industry and its customers.

10.5. Rebate Requests. Requests for assessment rebates or other grant funds shall be submitted by a state entity following procedures outlined in Section 8 of this document.

10.6. Statutory Requirements. To be approved by the Alliance, rebate programs and projects shall meet the requirements and limitations of NORA. A copy of the law is available upon request to the President. Particular emphasis shall be placed on priority issues. The Chairman shall appoint a Committee to determine appropriate projects, and this Committee shall be allowed to add new projects or modify existing projects. The Alliance shall have the right to review and modify these projects at every meeting.

10.7. Accounting and Reporting Requirements. The Alliance will ask each successful recipient to sign an agreement that outlines the accounting responsibilities for the use of funds and reporting requirements.

10.8. Disbursement of Funds. Upon completion of a project, the Alliance shall pay the appropriate vendor who did the work, or reimburse the state association if appropriate documentation is provided. If the Alliance provides funding in advance of a project, those funds shall be deposited ina separate account. States that receive funds shall used those funds to carry out purposes of the Act and to complete projects. In submitting request for payment, the state shall specify the amount of funds requested, the specific uses of the funds, a commitment to comply with this Title, and those requests shall be public. ~~approval of a project or program submitted by a state entity that will use assessment rebates exclusively, the Alliance shall disburse the funds in advance.~~ For projects or programs to be funded under Section 10.12 of this document, funds may be disbursed in advance or on a reimbursement basis, depending upon the project, the ability of the state entity to meet expenses in advance, and other factors determined by the Alliance.

10.9. Representation of More Than One State. If an entity represents more than one state, such as in the case of a foundation created by the industry to serve the needs of two or more states, the Alliance shall require a statement from the foundation or other entity that it represents the interests of each state as declared by the oilheat marketers within those states and that it shall use the funds equitably to benefit industry participants in all such states. The Alliance reserves the right to seek independent verification of such a representation.

10.10. Advisory to State Entities. The Alliance shall periodically advise all state entities of the amount of money available to them under the assessment rebate program. At the end of each calendar year, the Alliance shall provide by U.S. mail a notification to all state entities that clearly specifies:

10.10.1. the amount of assessment rebate money that the state entity was eligible to receive from the Alliance during the calendar year;

10.10.2. the amount of assessment rebate money that was disbursed by the Alliance to the state entity during the calendar year;

10.10.3. the amount of assessment rebate money, if any, remaining separately accounted in the state entity's name;

10.10.4. Unused Funds. After December 31, 2001, all assessment rebate money that is unused by a state entity, then and at the end of each successive calendar year, will be carried forward and separately accounted in the state entity's name. for one year. On a rolling basis, two years after the initial delegation to the state entity, NORA shall develop programs for the benefit of the oilheat industry in that state and execute those programs in a state where funds have not been spent after advising the state entity. ~~At the end of the retention year and following~~

~~notification of the state entity by registered U.S. mail and expiration of the 90day period provided for response to such notification, the Alliance may elect to transfer such funds to general revenues or may continue to maintain the funds separately.~~

10.11. Deference to State Entities. It is the intent of the Alliance to defer to the wishes of state entities with respect to the use of assessment rebate funds to the maximum extent possible, consistent with the Alliance's statutory and fiduciary obligations.

10.11.1. Prohibited Use of Funds, Section 8 of NORA prohibits the use of assessment funds to influence legislation or elections,

10.11.2. The Alliance shall not approve grant or rebate funds to state entities to support those aspects of newsletters, web sites, and other means of communications that report on or advocate industry policy and/or political positions-with respect to legislation or elections.

10.11.3 The Alliance shall also be barred from using funds to influence the mannor of administering a law. However, the Alliance may use funds to provide information requested by a Member of Congress or any official of any Federal, State or local agency, in the course of official business of the Member or official.

10.12. Funding In Excess of State Rebate. In the event that a foundation or qualified state association, requests funding for one or more projects, the cost of which exceeds the fifteen percent rebate funds that the foundation or state NORA is eligible to receive: the Alliance may, at its option, fund the excess from the general funds available.

10.12.1. Any state entity may request funding for any project or activity without regard to the state rebates and such requests shall be treated by the Alliance in the same manner as a funding request received from the general public. In the latter case, for such grants, the party making the request may be asked to match all or a portion of the project costs in order to maximize the effective utilization of Alliance funds.

10.13. Procedures; Disqualification. Procedures shall be implemented for processing, accounting and auditing of state rebates, including the method of reporting such activity to the Alliance. As necessary, under conditions to be determined, the Alliance may disqualify a recipient for misuse of funds. Funds which are misused are reimbursable to NORA, and NORA may estalbish procedures to ensure that misuse does not occur.

11. Significant Plans, Programs and Projects.

11.1. Definition. A significant plan, program or project shall be an single-proposal for funding which, if approved, would consume at least \$1.5 million of the Alliance's annual budget; or which would represent a substantial departure from the types of plans, programs or projects previously funded by the Alliance; or which would constitute a substantial departure from the priorities listed in Section 2.6 of this document.

- 11.2. Industry Comment.** In accordance with NORA Section 5(i), the Alliance shall solicit industry comment and recommendations on any significant plans, programs and projects prior to making a funding decision.
- 11.3. Method of Solicitation.** Industry comment and recommendations shall be solicited pursuant to procedures set forth in Section 6.1 of this document.

12. Collections and Enforcement. *A Manual on Assessment Procedures* shall be approved and published by the Alliance. This **Manual** shall contain the basic rules governing assessments and their payment to the Alliance, together with appropriate reporting forms, A copy is available upon request to the President.

13. Amendment of this Document. The Alliance may, by a majority vote, amend the Policies, Rules and Procedures document.

14. Use of Assessments

- 14.2 Collections and Assessments – The cost to administer the collections and assessments for this program will have a separate category and are not to be considered an administrative charge.
- 14.3 Research, Development and Demonstration – At least 30 percent of the funds collected under this title are used for research, development and demonstration. Such programs shall include the development of energy efficient equipment, and the transition and facilitation of the entry of energy efficient systems into the marketplace. Transition and facilitation may include providing information to technicians and companies on these technologies, rebates or incentives, and information that will inform consumers of energy efficient systems. If NORA demonstrates a singular product, then cost sharing of at least 50 percent will be provided.
- 14.4 Consumer Education, Safety and Training. – The Alliance shall ensure that not more than 30 percent of the assessments collected for each calendar year under this title are used to conduct consumer education activities relating to oilheat fuel, including providing information to sonsumers on energy conservation strategies, safety, new technologies, the use of biofuels blends and Federal, state and local programs to assist consumers, and to conduct worker safety and training activities, to carry out other activities recommended by the Secretary, and a data collection process to track equipment service and related safety issues.
- 14.5 Heating Oil Efficiency and Upgrade Program – The Alliance shall ensure that not less than 15 percent of the assessments collected for each calendar year are used to carry out programs to assist conusmers to make cost effective upgrades to more fuel effieicny heating oil systems, or to make modifications to improve the efficiency of the existing system, to improve the energy efficiency through cost effective energy programs, or to improve the safe operation of a heating system. The Alliance may use different outreach strategies including the web to inform consumers of the programs available under this program or other strategies they may use to effectuate this section.

Procedures for Identifying and Managing Conflicts and Potential Conflicts of Interest

“Conflict of Interest” defined.

A conflict of interest exists when any form of interest, direct or indirect, is of such a nature that it may cause a director, officer or employee to compromise or otherwise impair their judgments, decisions or actions exercised on behalf of the National OilHeat Research Alliance (hereinafter “NORA”). It is NORA’s policy that all directors, officers, members and employees, and other persons or organizations involved in or receiving the disbursement of NORA grants or other funds to avoid transactions or situations in which their personal interest will conflict or appear to conflict with those of NORA. The appearance of a conflict of interest can be just as harmful to NORA as an actual conflict of interest. The interests of NORA are penultimate and no director, officer, employee, immediate family member of the aforementioned or affiliate of the aforementioned shall seek any profit or other personal gain at NORA’s expense. An “immediate family member” shall mean spouses, parents, grandparents, children, grandchildren, or siblings, including any such relationships that arise through marriage or adoption. Business concerns, organizations or individuals are deemed to be affiliates of one another where (i) there is a business relationship existing between such persons, whether formal or informal or (ii) one either directly or indirectly controls or has the power to control the other, or a third party controls or has the power to control both. Control includes, in part, interlocking management or ownership, shared facilities and equipment, or common use of employees.

Identification of a Conflict of Interest or Potential/Perceived Conflict of Interest.

It is the responsibility of each and every director, officer and employee of NORA to identify, immediately disclose (according to the procedures below) and, whenever possible, avoid a conflict or the appearance of a conflict of interest.

Directors, officers and employees of NORA must be prudent in their personal borrowing, investment, and business activities to ensure that a conflict of interest or the appearance of a conflict of interest does not arise. This list of activities described in this policy are merely exemplary, not exhaustive, and NORA’s directors, officers and employees should avoid putting themselves in a position where personal interest- financial or other- might influence or give the appearance of influencing any decision, action or advice given by or on behalf of NORA.

Disclosure of a Conflict of Interest.

All situations involving a conflict of interest or a potential conflict of interest must be disclosed, in writing, to the executive committee of the board of directors of NORA (hereinafter the “Executive Committee”). These situations include, outside activities, financial interests, material transactions or relationships that present or that reasonably could be expected to give rise to a possible conflict of interest or the appearance of a conflict of interest. **Prior** disclosure of impending situations that may involve a conflict of interest, as well as, immediate disclosure of previously undisclosed situations is mandatory. In addition, each person is responsible for immediately reporting to the Executive Committee any known or potential conflict of interest of another individual affiliated with NORA.

Once a conflict is identified and disclosed to the Executive Committee, sufficient information must be provided to the Executive Committee so that it can make an independent evaluation of the situation. The individual disclosing the conflict or potential conflict must provide in writing to the Executive Committee with-in ten (10) business days of disclosure to the Executive Committee all material facts then known to them. The submission should include but need not be limited to:

- the parties involved in the situation;
- how the parties are related;
- the circumstances and details surrounding the transaction or relationship, including financial terms, and copies of any written agreements or descriptions of any oral agreements;
- the total monetary or other benefit that is involved (direct or indirect);
- NORA’S interest in the situation;
- a detailed analysis of why the situation is or would not be a conflict of interest to NORA;
- a brief written statement provided by the interested party if the individual disclosing the conflict is not an interested party; and
- procedures used to solicit proposals.

Members of NORA who are directly or indirectly involved in the situation or may have material information regarding the situation shall make themselves available to the Executive Committee for questioning.

Evaluation of the Conflict or Potential Conflict of Interest

Upon receipt of the written details of the conflict, a meeting of the Executive Committee must be convened with-in thirty (30) days. Notice of the meeting, along with a brief written summary of the details of the conflict shall be provided to all members of the Executive Committee five (5) days prior to the scheduled meeting. If one of the parties directly involved in the conflict or potential conflict is a member of the Executive Committee, then the chairman of the Executive Committee shall require the interested member of the Executive Committee to recuse himself from the conflict resolution process and abstain from attending any meetings regarding the conflict. The chairman of the Executive Committee in consultation with the disinterested members of the Executive Committee shall determine if the individual or parties involved with the potential conflict, other than an interested Executive Committee member should be invited to attend the meeting.

The relevant standards to be applied by the Executive Committee when analyzing the potential conflict are, “*a fair and commercially reasonable arms length transaction*” or “ *materially no more/less favorable than that could be obtained from a disinterested third party under the same or similar circumstances*” or “*not directly or indirectly adverse to the interests of NORA.*”

The members of the Executive Committee are encouraged to explore every aspect of the situation during the meeting and may call additional meetings if deemed necessary to make a fully informed decision on the matter. Additionally, the Executive Committee may request that individuals with material information regarding the potential conflict attend the meeting and address the committee regarding the situation.

If after reviewing all the information made available to it, the Executive Committee determines that it does not have sufficient information to make an informed decision regarding the conflict, the committee shall decline approval without the need for a vote on the matter. Within ten (10) days of the Executive Committees’ final meeting on the matter, the committee must vote to approve/not approve the situation. A quorum, consisting of at least fifty percent (50%) of the Executive Committee must be present for a vote. At least seventy-five percent (75%) of the Executive Committee comprising the quorum must vote to approve the transaction or relationship’s continuation for it to be validated. With-in five (5) days of the vote by the Executive Committee, notice shall be provided to the individuals and parties involved informing them as to whether the transaction or relationship has been approved/not approved. The decision made by the Executive Committee is final.

State Grants and Disbursements

1 ~~_____ The Executive Committee of NORA will prepare a list of projects that have been funded pursuant to the NORA statute, and this will be listed on the NORA website, and they will be identified by category in conformance with the Act. }
_____, On April 1st of each year, the states will give an estimate or allocation to major categories of activities and likely expenditures in the following year. This will be used for general budget planning.~~

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2) ~~_____ The state entity shall then be entitled to invoice NORA for activities that are in conformance with the statute and are identified pursuant to (1) above. These invoices shall specify the amount of funds, in detail the specific uses for which the funds are requested, a contractual commitment to comply with the title. The NORA President shall determine whether those requests are adequate and submit for payment. In the President’s discretion, funds may be withheld if the activities are not within the scope of the identified list. The Executive Committee will then be called upon to determine whether such funds shall be disbursed. On August 1st, NORA will distribute the grant total based on the budget for each of the states, and their percentage allocation based on the previous year’s collections and refunds.~~

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3) ~~_____ On September 15th, the states will submit applications for grants for the following year. The grants will describe the projects that will be undertaken the following year.~~

4) ~~_____ The Finance Committee on behalf of the Board will review the grants, and shall approve allocations to the states for the amount established on August 1, 2005. The Board may also approve grant applications that are sufficiently specific and carefully describe projects for the following year. For example, a state is to be allocated \$625,000. The state could send in a grant application for the following purposes, 50,000 to conduct a real estate outreach program using Vendor X, 75,000 to sponsor silver certification programs in the state, 300,000 for media purchases in support of the NORA consumer education activities and 200,000 for education programming in the states.~~

~~_____ The Board may approve grants for the real estate outreach program, the silver certification program, the media purchases, but would be discouraged from approving the general education programming.~~

35) NORA shall develop a general contract subsequent to the Board Meeting for the general allocation. The contract shall specify that spending by the states during the year shall be ratable. The contract shall allow additional projects to be included if they are approved by the Executive Committee or the Board of Directors. This contract will be an evergreen contract.

~~_____ In the example above, a contract would be entered into for \$625,000, \$425,000 would be specified in accordance with the well described projects, and 200,000 would be described to be put aside for future use and subject to approval of the Executive Committee or the Board of Directors.~~

46) In accordance with the ratable schedule, the states would send invoices or other bills needing payment to NORA. Those bills _ would be processed if they are within the specified and described activities. NORA’s accountant would keep records of each payment. Projects not clearly identified in the grant application would not be funded.

The ratable schedule established by NORA is 44 percent on May 1st of each budget year, 15 percent on August 1st of each budget year, 8 percent on November 1st of each budget year, and 33 percent on February 1st of the budget year. These schedules are designed to reflect NORA’s payment schedules under which NORA receives funds 25 days after the end of the calendar quarter.

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7) ~~_____ Over the course of the year, the state would be able to submit changes to its budget or its allocations. These would be reviewed by the Executive Committee or Board, and on approval, NORA would be authorized to dispense funds for those activities.~~

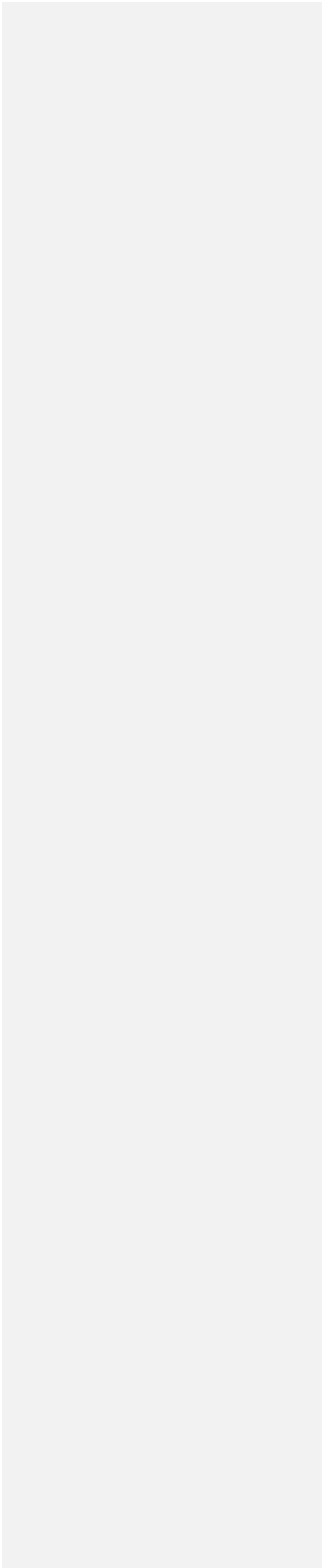
58) Direct payments to states. States may need funds to pay staff, or to reimburse the state for bills that the state paid that NORA is not fully responsible for. Staff expenditures, and expenses of the state association shall be limited to 2.53 percent of the total allocation to the state. Such expenditures shall include staff time to execute NORA projects, such as marketing time in support of a silver class or time to book a hotel, administration and review of contracts. These expenditures shall also include travel for staff to attend oilheat functions. It shall not include staff time for lobbying, participation in meetings focused on legislative activities. It shall not include a distributed cost for the office such as rent, or insurance for the association. The 2.53 percent expenditures for the state may only be increased by the Board of Directors on request of the state with a full description of the expenses and the reason that they must exceed 2.53 percent. All of these expenses shall be invoiced and described to NORA in its submissions, and shall be billed at the usual and customary rate of the Association.

Administration shall include oversight of projects, which may include accounting fees, legal fees, and management supervision. It shall also include outreach to the industry, meetings, and marketing.

The 2.53 percent limitation shall not apply to states that directly hire employees to provide direct services. These services shall include instruction of technicians, education of real estate agents, builders and other affiliated industries.

69) NORA shall provide periodic reports to the states on the expenditures made on behalf of their state and such reports shall be provided upon request.

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(f) USE OF ASSESSMENTS.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary and the Alliance shall ensure that assessments collected for each calendar year under this title are allocated and used in accordance with this subsection.

2014 1,534,5000 Minimum, 2015 2,604,000 Minimum

‘(2) RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—

(A) IN GENERAL.—**The Alliance shall ensure that not less than 30 percent of the assessments collected for each calendar year under this title 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 and the transition and facilitation of the entry of energy efficient heating systems into the marketplace.**

(B) COORDINATION.—The Alliance shall coordinate with the Secretary to develop priorities for the use of assessments under this paragraph.

‘(C) PLAN.—The Alliance shall develop a coordinated research plan to carry out research programs and activities under this section.

(D) REPORT.—

“(i) IN GENERAL.—No later than 1 year after date of enactment of this subsection, the Alliance shall prepare a report on the use of biofuels in oilheat fuel utilization equipment.

“(ii) CONTENTS.—The report required under clause (i) shall

“(I) provide information on the environmental benefits, economic benefits, and any technical limitations on the use of biofuels in oilheat fuel utilization equipment; and

(II) describe market acceptance of the fuel, and information on State and local governments that are encouraging the use of biofuels in oilheat fuel utilization equipment.

(iii) COPIES.—The Alliance shall submit a copy of the report required under clause (i) to—

(I) Congress;

‘(II) the Governor of each State, and other appropriate State leaders, in which the Alliance is operating; and

(III) the Administrator of the Environmental Protection Agency.

(E) CONSUMER EDUCATION MATERIALS.—The Alliance, in conjunction with an institution or organization engaged in biofuels research, shall develop consumer education materials describing the benefits of using biofuels as or in oilheat fuel based on the technical information developed in the report required under subparagraph (D) and other information generally available.

(3) COST SHARING.—

(A) IN GENERAL.—In carrying out a research development demonstration, or commercial application program or activity that is commenced after the date of enactment of this subsection, the Alliance shall require cost-sharing in accordance with this section.

(B) RESEARCH AND DEVELOPMENT.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Alliance shall require that not less than 20 percent of the cost of a research or development program or activity described in subparagraph (A) to be provided by a source other than the Alliance.

(ii) EXCLUSION.—Clause (i) shall not apply to a research or development program or activity described in subparagraph (A) that is of a basic or fundamental nature, as determined by the Alliance

(iii) REDUCTION.—The Alliance may reduce or eliminate the requirement of clause (i) for a research and development program or activity of an applied nature if the Alliance determines that the reduction is necessary and appropriate.

(C) DEMONSTRATION AND COMMERCIAL APPLICATION.—The Alliance shall require that not less than 50 percent of the cost of a demonstration or commercial application program or activity described in subparagraph (A) to be provided by a source other than the Alliance.

DISCUSSION

This section develops and establishes a minimum budget for annual expenditures for research and development. It also alters the traditional definition of research and development to include activities that will support the research and development activities undertaken by NORA. These include developing information about bioheat and developing a formal report on that fuel. Additionally, research and development activities are to include the **transition and facilitation of the entry of energy efficient heating systems into the marketplace. Thus, in planning activities pursuant to this section, the budget must accommodate and ensure these activities occur. To that end, we should consider undertaking these activities in research and development.**

- 1) Under this section NORA will continue its active research and development program. To date our efforts have focused on developing alternative biofuels, high efficiency appliances, improved controls, assessing fuel quality, better understanding of efficiency and new evaluative tools for the industry. These activities will be expanded.
- 2) Supporting the current trademark of bioheat, and ensuring that dealers and customers understand that the trademark represents a quality fuel with biodiesel blended into it. This may require the use of mass communication tools such as the internet, or more traditional activities such as brochures.
- 3) Transitioning and facilitating the entry of energy efficient appliances into the market are also required to occur under this section. This would indicate that greater emphasis must be put on having all employees being aware of the availability of the new efficient equipment. Additionally developing effective communication tools for existing consumers of oilheat is also important. This could include the development of advanced tools for analyzing the current equipment in the home, making employees aware of those tools, and employing them at oilheat consumer homes. Additionally, the concept of efficiency and the use of energy is not well understood. Thus, utilizing the internet or other communication channels to ensure that there is accurate information available about the impact of new efficient equipment is essential to aid its transition into the marketplace.

2014 \$767,250 2015 1,302,000

“(4) HEATING OIL EFFICIENCY AND UPGRADE PROGRAM.—

(A) IN GENERAL.—The Alliance shall ensure that not less than 15 percent of the assessments collected for each calendar year under this title 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.

‘(B) PLAN.—The Alliance shall, to the maximum extent practicable, coordinate, develop, and implement the programs and activities of the Alliance in conjunction with existing State energy efficiency program administrators.

‘(C) ADMINISTRATION.—

‘(i) IN GENERAL.—In carrying out this paragraph, the Alliance shall, to the maximum extent practicable, ensure that heating system conversion assistance is coordinated with, and developed after consultation with, persons or organizations responsible for administering—

‘(I) the low-income home energy assistance program established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 etseq.);“

(II) the Weatherization Assistance Program for Low Income Persons established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 etseq.); or

(III) other energy efficiency programs administered by the State or other parties in the State.

(ii) DISTRIBUTION OF FUNDS.—The Alliance shall ensure that funds distributed to carry out this paragraph are—

‘(I) distributed equitably to States based on the proportional contributions of the States through collected assessments;

(II) used to supplement (and not supplant) State or alternative sources of funding for energy efficiency programs; and

(III) used only to carry out this paragraph.

DISCUSSION – This is a new program that will expand NORA’s ability to improve home efficiency. A key feature of this section is the requirement to work with other partners involved in improving efficiency. The statute uses the terms to the greatest extent practicable, thus indicating that the Alliance and the states should use their best efforts to develop plans in this area with LIHEAP Administrators, Weatherization Administrators, state energy officials, or other parties in the states. This section provides NORA a unique opportunity to work with and educate these officials on the special needs and advantages of our industry.

Additionally, it will require us to implement and undertake many of the activities contemplated in Chapter 4 of “Efficient Oilheat, an Energy Conservation Guide” which describes “Low Cost and No Cost Heating System Adjustments” These include ensuring technicians have a better understanding of the impact of excess air on the heating system, the need for a periodic tune-up and cleaning, reducing the firing rate, and using automatic setback thermostats.

It is likely that NORA will be required to purchase some equipment for distribution. However, NORA will need to provide information to the industry on how these activities save energy, and appropriate strategies to reduce energy consumption in the home. Facilitating the communications to the homeowners will also be critical.

2014 \$1,534,500 2015 2,604,000

‘(5) CONSUMER EDUCATION, SAFETY, AND TRAINING.—The Alliance shall ensure that not more than 30 percent of the assessments collected for each calendar year under this title are used—

(A) to conduct consumer education activities relating to oilheat fuel, including providing information to consumers on—

‘(i) energy conservation strategies;

(ii) safety;

‘(iii) new technologies that reduce consumption or improve safety and comfort; ‘

‘(iv) the use of biofuels blends; and

‘(v) Federal, State, and local programs designed to assist oilheat fuel consumers;

“(B) to conduct worker safety and training activities relating to oilheat fuel, including energy efficiency training (including classes to obtain Building Performance Institute or Residential Energy Services Network certification);

“(C) to carry out other activities recommended by the Secretary; or

“(D) to the maximum extent practicable, a data collection process established, in collaboration with the Secretary or other appropriate Federal agencies, to track equipment, service, and related safety issues and to develop measures to improve safety.

DISCUSSION – The consumer education, safety and training activities put a hard cap on expenditures in this category. Consumer education has traditionally been thought of as advertising, and thus the focus and limitations of this section will be to ensure that our expenditures stay under the limit. Thus, our ability to carry out a mass media advertising program using television will be very limited. It should also be noted that this section contemplates a coherent consumer education program that focuses on energy conservative strategies, safety, new technologies that reduce consumption and improve safety and comfort, the use of biofuels blends and federal state and local programs.

This section also discusses worker safety and training. These training activities will include our basic technician training, and energy efficiency training.

A new activity is to try to implement a data collection process to track equipment, service and safety issues in an effort to improve safety.

(6) ADMINISTRATIVE COSTS.—

“(A) IN GENERAL.—The Alliance shall ensure that not more than 5 percent of the assessments collected for each calendar year under this title are used for

“(i) administrative costs; or

“(ii) indirect costs incurred in carrying out paragraphs (1) through (5).

“(B) ADMINISTRATION.—Activities under this section shall be documented pursuant to a transparent process and procedures developed in coordination with the Secretary.

Discussion – This section establishes a cap on administrative costs of 5 percent. NORA’s Finance Committee is recommending that the 3 percent administrative fee be ended, and instead, states should be paid for actual activity and those activities will be linked to activity areas. Similarly, NORA will be allocating staff time to particular projects.

REBATE PAYMENT REQUEST

_____ hereby requests payment to the following contractors or other service providers for projects that benefitted the heating oil industry.

\$_____, Vendor and Address _____

\$_____, Vendor and Address _____

Project Code # _____

Type of Expenditure

Research Development and Demonstration _____

Consumer Education, Safety, and Training _____

Heating Oil Efficiency and Upgrade _____

Detailed Description

Co-funding, Amount \$ _____

Please describe contributor and whether an in-kind contribution

I hereby declare that the funds used were done in compliance with the Act.

_____ Date _____

After review of the project, it has been determined that the funds will be used to benefit the oilheat fuel industry

_____ Date _____

President, NORA

Worksheet for State or Regional Association Expenses

Please Submit Directly to MBuzas@cpas4you.com

In the case that the expenditures on the Rebate Request include expenses of paid staff of the organization, please complete the following.

Staff Member _____ Hours Worked _____

Billing Rate _____ If a billing rate is determined in the market, use that rate. If a billing rate is not established, total the amount of compensation, including all fringes and divide by total number of hours worked in a year. Do not include an allocation for rent or other overhead charges, or profit. Please attach copies of materials developed for this program.

Date: _____

Total Reimbursement _____ Billing Rate x Hours Worked

Description of Activities

Under penalty of perjury, I hereby affirm the information contained above is true and accurate to the best of my knowledge.

Signature _____ Date _____

Income		2014	2015
Collections and Assessments			
	Collections	5,160,000.00	8,750,000.00
	Collection Costs	70,000.00	95,000.00
	Net Collections	5,090,000.00	8,655,000.00
In Kind Contributions			
Sales Revenue		60,000.00	75,000.00
Other Revenue (Grants, etc)		25,000.00	25,000.00
Total Income		5,175,000.00	8,755,000.00
Proogram Expenses			
Consumer Education and Training (Max 30%)		1,527,000.00	2,596,500.00
	Central States	400,000.00	400,000.00
		1,127,000.00	2,196,500.00
Research Development and Demonstration (Min. 30%)		1,527,000.00	2,596,500.00
	Central States	1,300,000.00	2,000,000.00
50% Matching Required	Demonstration	227,000.00	596,500.00
	Central States		
Home Energy Efficiency Program (Min 15%)		763,500.00	1,298,250.00
	Central States	100,000.00	100,000.00
		663,500.00	1,198,250.00
State Rebates (Unallocated Funds)		1,074,500.00	-
	Research and Development		1,958,750.00
	Home Energy Efficiency		
Office Unallocated Expenses			
Salaries and Consulting (Admin)		60,000.00	75,000.00
Accounting (Admin)		100,000.00	100,000.00
Insurance (Admin)		10,000.00	10,000.00
Taxes		20,000.00	20,000.00
Postage		5,000.00	5,000.00
Annual Report		15,000.00	15,000.00
Rent (Admin)		15,000.00	15,000.00
Travel		10,000.00	10,000.00
other			
Total Unallocated Expenses		235,000.00	250,000.00
Other Expenses/ (income)			
Cost of Goods Sold		50,000.00	60,000.00
Interest		(2,000.00)	(5,000.00)
Total Other Expenses		48,000.00	55,000.00
Net Revenue/(Expense)		0.00	0.00

Research and Development Meeting at BNL

June 3 and 4, 2014

The reauthorization of NORA presents a rare opportunity to create a new liquid fuel R&D program that can help the industry maintain a competitive position far into the future. It is critical, however, that the topics and research investments be well planned. On behalf of the leadership of NORA, I would like to invite you to participate in the NORA Research Planning Summit to be held at Brookhaven National Lab on June 3 and 4, 2014.

This will be a workshop format where the details of the new NORA program, industry market state, preliminary ideas for R&D themes, and preliminary thoughts about the management of NORA R&D projects will be discussed. Attendees will be expected to actively participate in steering the R&D topics, priorities, and research management plans.

The meeting will begin with a working lunch at 12:00 noon on Tuesday June 3 and conclude at noon on Wednesday, June 4th. A full agenda will be sent out shortly. For travel planning, information can be found on the BNL website (<http://www.bnl.gov/visiting/>). The Hotel Indigo (www.indigoeastend.com) offers complimentary shuttle service to BNL but not to the Islip airport. The BNL room rate is \$119 and this includes breakfast. We will reserve a block of rooms there after we have a better idea of attendance.

The number of participants is very limited. **Please RSVP by reply to this email** as soon as possible but not later than May 15. An RSVP is necessary to arrange gate clearance at BNL. Please provide in your response the following information:

I will / will not attend the Summit: _____

Name: _____

Company: _____

Phone: _____

U.S. Citizen?* _____

Do you expect to stay at the Hotel Indigo? _____

*Non-US citizens can certainly participate but will have to register in advance. BNL will provide additional information in this case.

Meeting Purpose	Research Planning
Date	February 28, 2014
Participants	John Huber
	Tom Butcher
	Rich Sweetser

Passing of Subtitle D of the Farm Bill titled “Oilheat Efficiency, Renewable Fuel Research and Jobs Training”, is providing the opportunity to assess current industry practices and issues, develop a research plan for the future. This outline is a starting point for this effort.

1. **Current (#2) and Future (ULSD) Fuel Quality** (Refiners, Additives, current levels of Bioheat).
 - a. A field program will be crafted to assess current fuel problems with respect to cold flow (cloud point) and #2 fuel stability. This likely will include fuel tank sampling before and after fills to assess suspended solids and gums. A filter delta pressure test may be conducted to determine filter fouling in relationship to tank fills.
 - b. Based on the field test results, mechanical counter-measures may be designed to prevent or ameliorate filter plugging.
 - c. Investigate the feasibility of developing a portable analyzer to determine key fuel quality parameters like cloud point, biodiesel content, etc.
 - d. Provide NORA laboratory testing of suspected problem fuels.

2. Renewable Fuels Research

- a. Work with NBB, NYSEDA and industry stakeholders to increase the use of B-20 in the market
- b. Work with NBB, NYSEDA and industry stakeholders to establish the use of B-100 in the market
- c. Continue the work with DOE on bio-oils a potential future fuel
- d. Continue the work with innovators like Biofine Renewables as they develop Ethyl Levulinate as an additive to bioheat

3. Controls

Integrated boiler, furnace, heat distribution, and control systems that cost effectively achieve the highest possible annual efficiency for the production of space heat and domestic hot water. Proving that the integration of modern staged burners with post-combustion purge strategies hold great promise as energy and economic efficiency strategies that will benefit consumers.

Investigate next generation learning thermostats to determine if there is a role for improving system performance. Explore potential for web-based monitoring and energy use analysis.

4. Heating Systems

- a. Compact and low cost
 - i.

0+ boiler – how can we lower the cost of high efficiency oil boilers. Perhaps consider trends in England’s low cost condensing boiler market.



Research

- ii. W
all hung boiler – these boilers exist in Europe and with the advent of ULSD in many states, we should examine their applicability and/or adaptation for the US market.
- iii. 9
0+ furnace – answer the question if a natural gas furnace, with all its cost advantages, can be redesigned to accept a new and innovative oil combustion system. If yes, that who are the industry’s new partners to accomplish this. If no, what new low cost and highly efficient designs for the future.
- b. Next generation tankless coil – tankless coils offer the industry a means to compete with NG boilers plus DHW heaters. Significant heat exchanger developments have been made over the years, but have not been applied to this aspect of the business. New designs specifically aimed at fast heat up with limited standby losses, improved insulation, low off-cycle vent flow, and innovative controls could significantly improve operating economics of these systems.
- c. Integrated controls – controls are recognized an important energy efficiency solution, integrating system level controls with the boiler will improve efficient operation. The economics and efficiency gains should be explored.

5. Deployment

A major field evaluation effort to assess best practices and technologies that will universally lead to marketable solutions for a wide variety of consumers will be undertaken. This field study will encompass

- a. Current and future audit practices and tools leading to actionable energy conservation measures (ECMs)
- b. Develop a NORA field assessment kit to deliver Bioheat solutions for the consumer
- c. Measure ECM results including furnace/boiler upgrades, burner upgrades, controls upgrades, flue upgrades and appropriate combinations.
- d. Highlight specific examples of retrofit upgrades that have led to significant oil use reductions through improved boilers and furnace, control concepts, and/or renewables integration.

6. Combustion

- a. Develop the fuel flexible burner of the future. This burner should be capable combusting a wide variety of fuels and fuel blends and have much greater tolerance for low quality and degraded fuels.
- b. Assess the operation and economics of current high turndown oil burners like Carlin’s EZ-H₂L and determine if there is room for performance and/or cost improvement in this type of oil burner.
- c. Concepts for low cost, full modulation.

7. Future Concepts

A technical watch function with respect to developed worldwide within the industry and outside the industry follows progression bioheat – heat pumps, and microCHP systems to determine the viability in the US market will be developed.

8. Resiliency



Research

NJ, NY and Connecticut, in particular, are developing electric grid resilient energy solutions (Microgrids, Combined Heat and Power, etc.) and these state are spending millions of dollar to achieve these new policy goals. NORA should be developing and deploying (with state help) the heating resilient home. Electricity is essential but the lack of electricity is not always life threatening. Lack of heat on fridged nights is life threatening. Developing boilers with low power burners, circulators and control valves and combining these with a simple battery backup systems (may be DC) could provide state policymakers with the heating resilient home.

9. Collaborations

Technical and policy collaboration with key stakeholder needs to be reestablished and grown. The following lists of industry organizations form the initial outreach effort:

ACEEE - American Council for an Energy-Efficient Economy - US Policy

AHRI - Air Conditioning, Heating and Refrigeration Institute

ASHRAE - American Society of Heating, Refrigeration, and Air Conditioning Engineers

CANMET - Natural Resources Canada's CanmetENERGY - R&D

EUROFUEL - European Heating Oil Association

IWO - The Institute for Heating and Oil Technology - Germany

COHA - Canadian Oilheat Association

NESCAUM - Northeast States for Coordinated Air Use Management

NYSERDA - New York State Energy Research and Development Authority

Other State Energy Offices, possibly ASERTTI / NASEO

DOE - U.S. Department of Energy, Different Groups

OFTEC - Oil Firing Technical Association - UK and Ireland

Universities - TBD

10. A Bioheat Workshop is planned for May 20 (1:00 pm) to May 21 (12:00 noon) to fully develop NORA's research program for the next five years. Beside the NORA Board and other key industry participants the following people were recommended to be invited:

a. Evgueniy Entchev - CANMET

b. Alex Lekov – LBNL

c. Harvey Sacks, others – ACEEE

d. Ray Albrecht – Biomass Thermal Energy Council

e. Paul Nazzaro – Advanced Fuel Solutions

f. Everett James – ThermoPride

g. Bob or Andy Babington – Babington Technology

h. Peter Douglas – NYSERDA

i. Judy Jarnefeld – NYSERDA

j. Ayk Yilmaz – AHRI

ADVANCED TRAINING

NEW GOLD CURRICULUM

Nora is currently working with the Organization for Energy Service Professionals (OESP) to revamp its Gold Program to better reflect the needs of the advanced service professionals in the industry and to ensure that our training was relevant to the oilheating companies and serviced the needs of oilheat consumers.

The initial meeting of NORA/OESP representatives was held on January 30th in Baltimore , MD. At that meeting it was decided that the new gold program will include six different topics and a Silver Certified Service Technician will need to successfully complete four of the topics to advance to Gold Certification. Each topic will have a team leader who will coordinate the efforts of the individual teams. The teams and their leaders are:

- Advanced controls – Al Breda
- Air distribution and warm air heating – Ralph Adams
- Energy conservation – Bob Hedden
- Hydronics – Bob Boltz
- Steam – Angel Gonzalez
- Venting - Judy Garber

Although each of these topics is included in the current NORA Silver Certification program, these new programs will include advanced concepts that will enable Service Technicians to deliver a higher level of service to Oilheat customers.

The end product should be a booklet that will be the basis of a 4-hour training program.

A second workshop was held in conjunction with OESP on March 29th, where 50 service managers and trainers outlined the scope of the booklets. A follow-up workshop will take place at the OESP road show in mid-May.

Our goal is to have each of these books completed next spring, so they can be the basis of training initiatives in 2015.