

**VFDA**  
*vermontfuel.com*

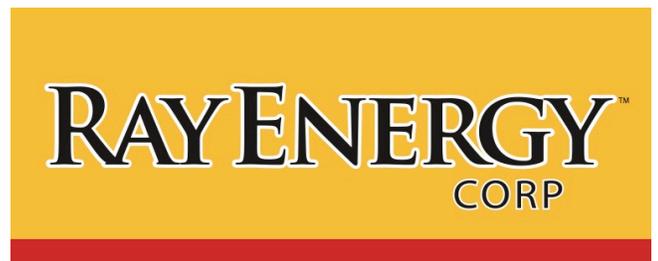
# Membership Meeting



Gas Supply Resources



## Meeting Sponsors



## Reception Sponsors

# Anti-Trust and Fair Competition Guidelines

The antitrust laws are a comprehensive charter of economic controls aimed at promoting free competition. These laws rest upon the premise that the preservation of free competition will yield the best allocation of economic resources, the lowest prices, the highest quality and the greatest material progress for the public welfare. Under the antitrust laws competitors may not restrain competition via agreements or understandings regarding the price, production or distribution of products and services. Competitors may not engage in any activity intended to restrict the competitive capabilities of their customers, suppliers, or other competitors. The antitrust laws are immensely complex and are often of unclear applicability. Unlawful agreements can be inferred from circumstantial evidence. A conviction for violating the antitrust laws may result in stiff fines, extended jail sentences for individuals who participated in the violation and forced disbanding of their trade association.

The guidelines that follow are designed to assist you in avoiding even the appearance of questionable activity.

## **The following will not be discussed:**

Current or future prices — What constitutes a “fair” profit — Standardization of prices  
Possible increases or decreases in prices — Pricing procedures — Cash discounts  
Credit terms — Control of sales — Allocation of markets— Freight allowances

The most important antitrust statutes applicable to VFDA activities are Section 1 of the **Sherman Act**, which prohibits conspiracies in restraint of trade and Section 5 of the **Federal Trade Commission Act**, which establishes broad prohibitions against unfair methods of competition and unfair or deceptive business acts or practices.

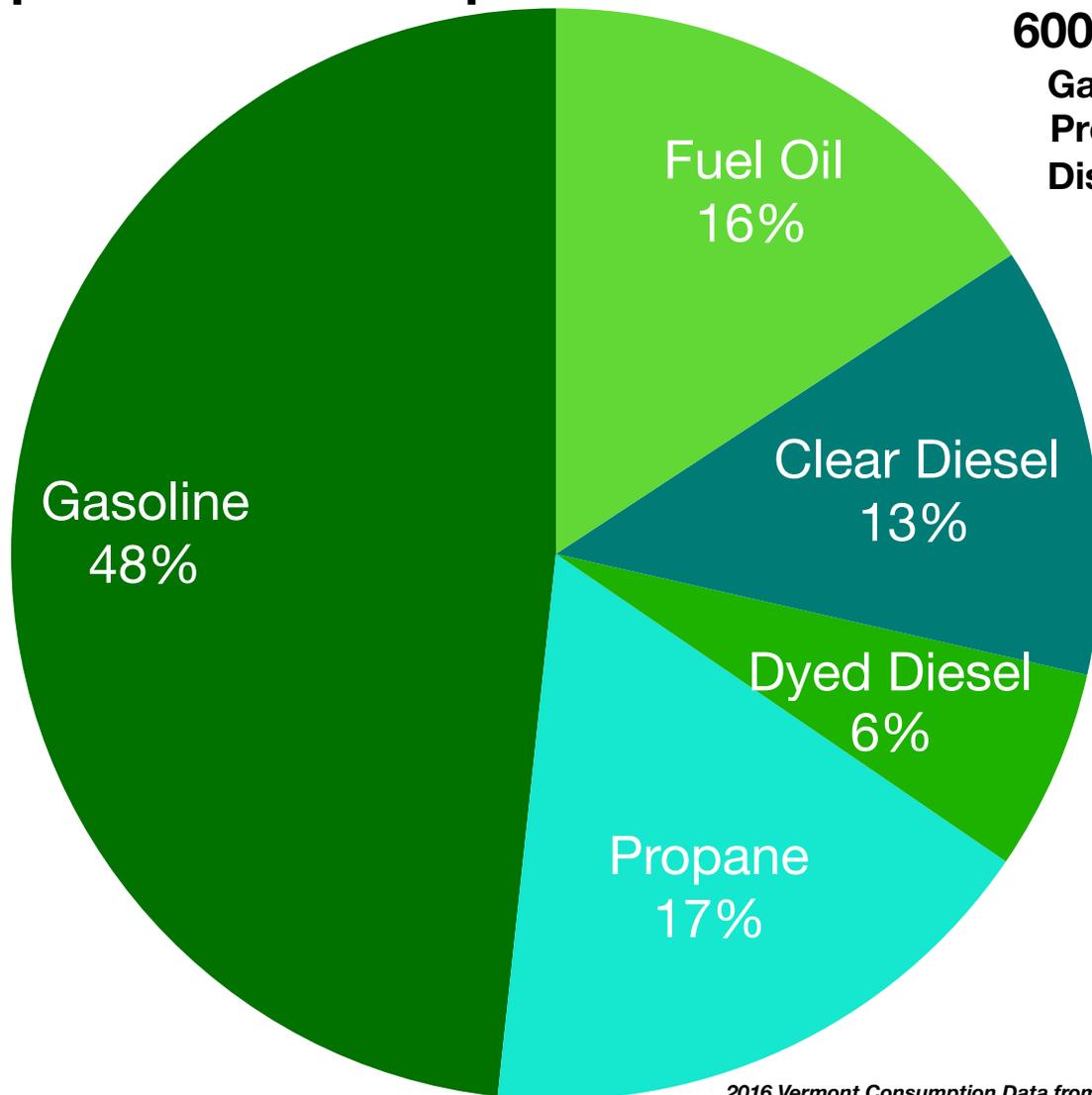
**All VFDA activities comply strictly in all respects with federal antitrust laws and state fair competition laws.**



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# Liquid Fuel Consumption in Vermont



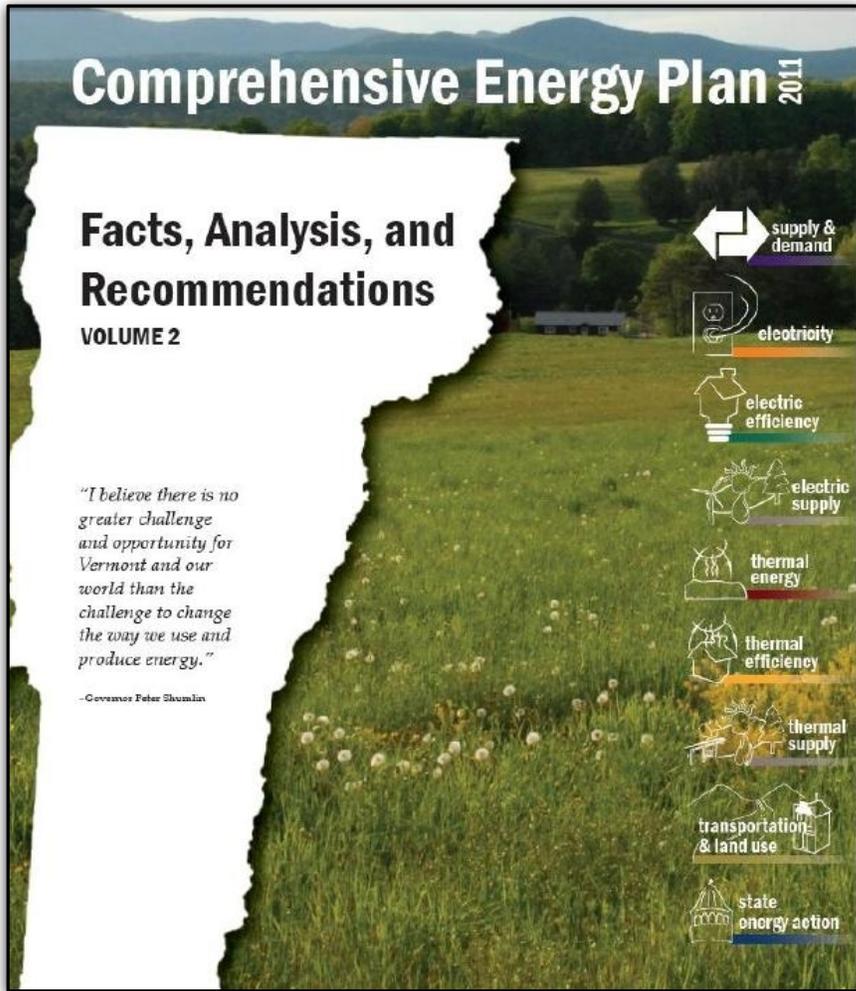
**600 Million Gallons**

**Gasoline: 300 million**

**Propane: 100 million**

**Distillate: 200 million**

*2016 Vermont Consumption Data from U.S. DOE EIA Updated April 2018*



The Vermont Comprehensive Energy Plan seeks to

**“virtually eliminate”**

the use of petroleum.

**90% Renewable by 2050**



# Norway

**No fuel oil heated buildings after 2020**  
**No gas or diesel cars sold after 2025**



# NO CARBON TAX

*STOP***THE**TAXES.COM



**Ten Year Implementation**  
5 to 51 — Heating oil and Diesel  
4.5 to 44— Gasoline  
3 to 29 — Propane

BILL AS INTRODUCED  
2019

H.463  
Page 1 of 16

**\$250 million**

1 H.463  
2 Introduced by Representatives Colburn of Burlington and Gonzalez of  
3 Winooski  
4 Referred to Committee on  
5 Date:  
6 Subject: Climate change; public service; taxation; greenhouse gases; carbon  
7 charge; electric bill rebates

**\$200 million**

BILL AS INTRODUCED  
2019

H.477  
Page 1 of 8

1 H.477  
2 Introduced by Representatives Gonzalez of Winooski, Burke of Brattleboro,  
3 Colburn of Burlington, Ralph of Hartland, and Sullivan of  
4 Burlington  
5 Referred to Committee on  
6 Date:  
7 Subject: Natural resources; taxation; fossil fuel; greenhouse gases; climate  
8 change; carbon charge

**Lawsuit to create tax in 2025**

BILL AS INTRODUCED  
2019

H.462  
Page 1 of 13

1 H.462  
2 Introduced by Representatives Colburn of Burlington, Copeland-Hanzas of  
3 Bradford, Gannon of Wilmington, Gonzalez of Winooski,  
4 Hooper of Montpelier, LaLonde of South Burlington, Lanpher  
5 of Vergennes, O'Sullivan of Burlington, Sheldon of  
6 Middlebury, Stevens of Waterbury, Till of Jericho, and  
7 Yacovone of Morristown  
8 Referred to Committee on  
9 Date:  
10 Subject: Conservation and development; air pollution control; greenhouse gas  
11 reduction; government accountability; climate change  
12 Statement of purpose of bill as introduced: This bill proposes actions to help  
13 address climate change.

# In past six weeks there have been more bill drafting requests than the past two years.

Paid Leave/Payroll Tax

Carbon Tax

Non-Compete Ban

Heating Fuel Tax Increase

Fossil Fuel Infrastructure Ban

Gas & Diesel Tax Increase

Energy Labeling

Surcharge Ban

Oil and Gas Equipment Incentives Ban

Licensing Fees

Act 250 Reform

\$15 minimum wage





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# No Heat on Night or Weekends Bill



BILL AS INTRODUCED  
2019

H.415  
Page 1 of 2

1 H.415  
2 Introduced by Representatives Donovan of Burlington, Chesnut-Tangerman of  
3 Middletown Springs, Christie of Hartford, Colburn of  
4 Burlington, Gonzalez of Winooski, Hooper of Burlington,  
5 Macaig of Williston, McFaun of Barre Town, Sullivan of  
6 Burlington, Till of Jericho, Troiano of Stannard, and Walz of  
7 Barre City  
8 Referred to Committee on  
9 Date:  
10 Subject: Commerce and trade; consumer protection  
11 Statement of purpose of bill as introduced: This bill proposes to prevent a  
12 heating company from charging extra for deliveries on weekends or holidays  
13 from October 15 through April 15.

# Act 250 Reform



## Current

Commercial projects on more than 10 acres (if the town has permanent zoning and subdivision regulations) or on more than one acre (if it does not)

## Proposed

An Act 250 permit required on a parcel of any size that contains a river corridor, wetland, 15% slope or is above 2000'

## Proposed Approval Criteria

The development must avoid, minimize, or mitigate greenhouse gas emissions.





**4-cents a gallon for weatherization**



**5-cents a gallon for electric cars**

**4-cents a gallon for local roads**



# VFDA Compliance Bulletin

Updated November 2018

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## Vermont Taxes on Propane, Heating Oil, Kerosene and Dyed Diesel

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Fuel Tax expires on  
June 30, 2019

### Exemption Clarification

**Broaden the Base**

**Increase the Rate?**



#### **PDLF**

The 1-cent per gallon **Petroleum Distributors Licensing Fee (PDLF)** is paid on all gallons of heating oil, kerosene, and dyed diesel delivered in bulk in Vermont. Revenue from the PDLF goes to the Petroleum Cleanup Fund (PCF), which helps pay for pollution remediation and pro-active measures to reduce the occurrence of fuel spills. There are no municipal, agricultural, or manufacturing exemptions from the PDLF. The only exempt sales are those from a stationary pump and sales for re-sale. *The PDLF is NOT assessed on sales of propane.*



#### **Fuel Tax**

The 2-cent per gallon **Vermont Fuel Tax** is assessed on the sale of propane, heating oil, kerosene, and dyed diesel fuel delivered in bulk to a residence or business in Vermont. Revenue from the Fuel Tax funds the Vermont Low Income Weatherization Program. Similar to the PDLF, the Fuel Tax is not applicable on sales from a pump and sales for re-sale. There are no specific exemptions cited in the law. However, public schools, state governments, municipal governments, federal governments, and 501c-3 non-profit organizations are not considered a "residence or business" and thus not subject to the 2-cent per gallon Fuel Tax. While there is no Fuel Tax exemption form, the Vermont Tax Department has advised VFDA that a Sales Tax Exemption Certificate ([Form S-3](#)) should be filled out by the consumer and kept by the fuel seller in order to provide the basis for exemption.

**6%**

#### **Sales Tax**

The **Vermont Sales Tax** is applied to commercial sales of heating fuel, including heating oil, kerosene, propane, coal, pellets, wood chips, and chunk wood. The tax also applies to sales of dyed diesel sold in bulk, if the fuel is for non-propulsion use. There are exemptions for dyed diesel used for manufacturing, forestry, and agricultural. Consumers should submit [Form S-3F](#) and suppliers of fuel should have the completed form on file for all exempt consumers.

Since an apartment is considered a "residence" it fits under the sales tax exemption for sales of electricity, oil, gas and other fuels used in a residence, regardless of who pays the bill. A hotel and motel is considered a business and not a residence and so would pay the 6% sales and use tax on heating fuel. In the case of mixed use buildings, the portion of fuel used to heat the residence is not taxed, while the portion used to heat the business is taxed.

#### **Itemizing Fuel Taxes and Fees**

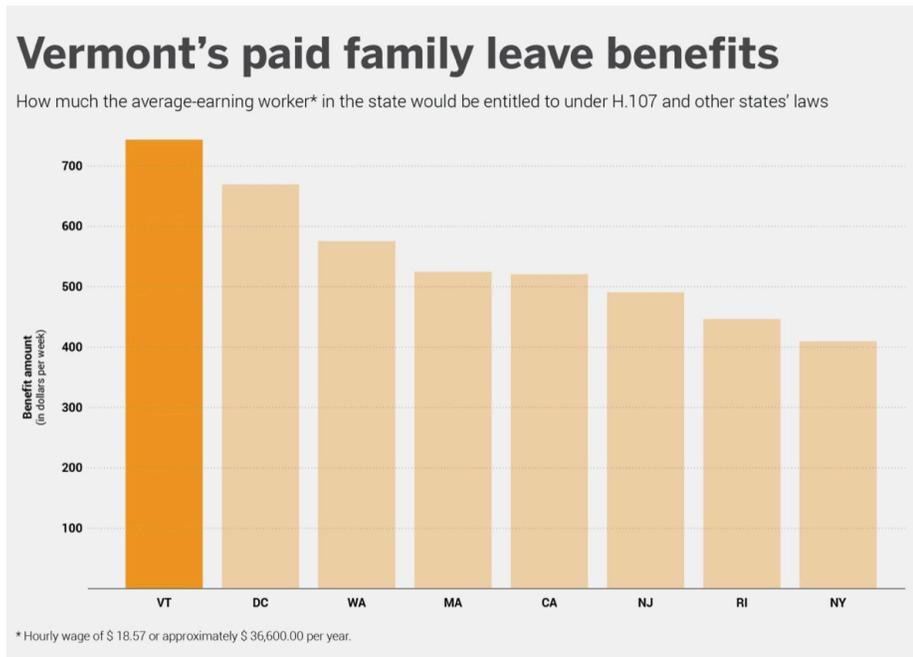
Where applicable, the 1-cent per gallon PDLF, the 2-cent per gallon Fuel Tax, and the Vermont Sales Tax can be itemized on a delivery ticket, invoice, or statement. The PDLF should be itemized separately and labeled as a fee, not a tax. Vermont law is more specific when it comes to itemizing the Fuel Tax. Where the tax is itemized, the delivery ticket, invoice, or statement must say: *"For support of Vermont's Low Income Home Weatherization Program."*

#### **Paying Taxes on Fuel**

Fuel dealers are required to pay the Fuel Tax and PDLF monthly. Fuel dealers can file online at [myVTax.vermont.gov](http://myVTax.vermont.gov) or by using [Tax Form FGR-615](#). The Vermont Sales and Use Tax is paid monthly using [Tax Form SUT-451](#).

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## \$15 minimum wage by 2024 — Paid Family Leave



Under H.107, all companies with 10 or more employees must enroll in an insurance program that replaces 100 percent of wages for up to 12 weeks of leave per year — taken for personal disability, to care for sick relatives, or for maternity and paternity. A payroll tax of nearly 1% would fund the insurance program, paying out \$100 million and costing \$12-\$13 million to develop. The program would run a deficit by its fourth year and the program won't pay out benefits for two years after the state starts collecting taxes for the program.

# **Electrification**



Action Plan to Accelerate Strategic Electrification in the Northeast

**"Move as many end uses as possible to renewable electricity and to use lower carbon fuels for remaining needs."**

**"Integration of these end uses into the electric grid is the only documented way to achieve state and local carbon emission reduction targets."**

Table 1: Regional Commitments

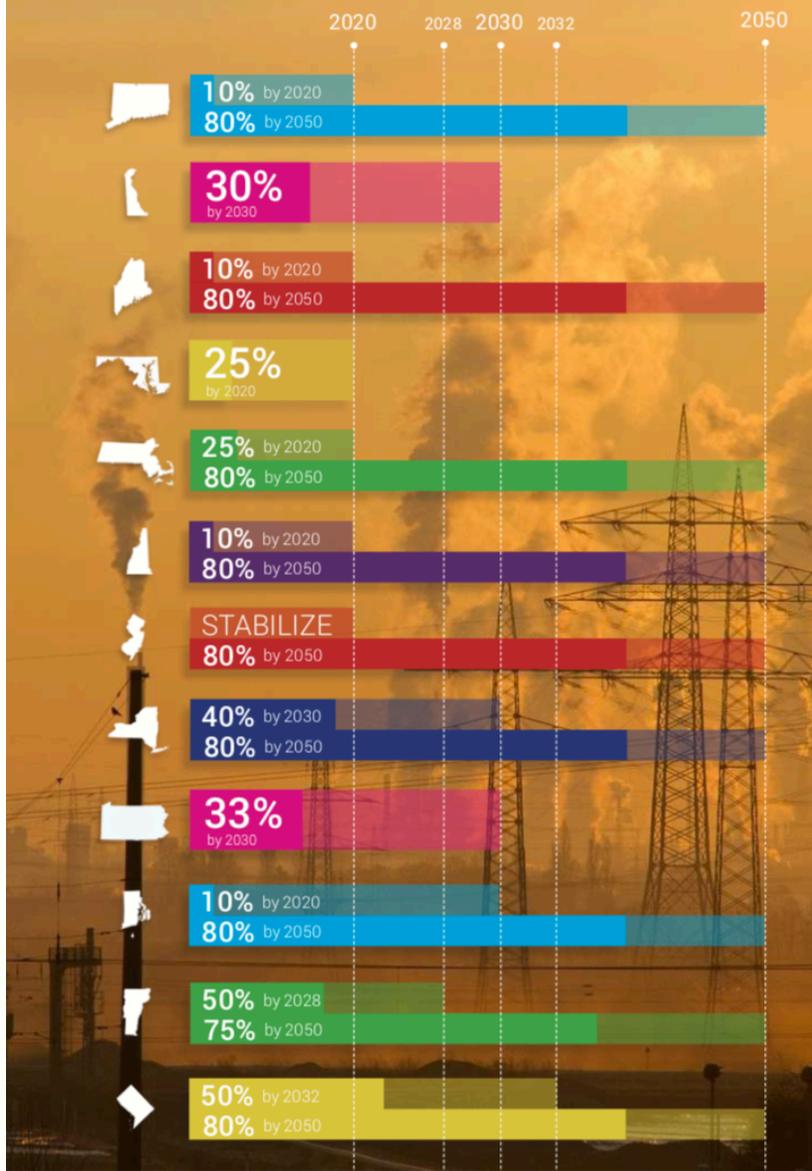
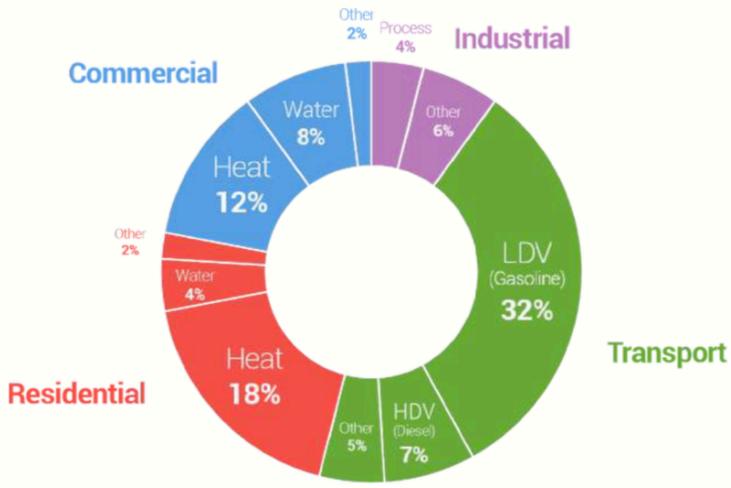


Figure X. Direct fossil fuel use by end use and sector in New York and New England. (Northeast Regional Assessment of Strategic Electrification, Northeast Energy Efficiency Partnerships, July 2017)



## ***Utility “Death Spiral”***



*Electric utilities face flat or falling demand for electricity and increasing costs of managing the infrastructure to deliver it.*

*In Vermont, Green Mountain Power predicts load will fall 4% over the next decade, which represents \$20 million to \$30 million in lost revenues.*

### **Vermont Electricity Sales**

<b>5,424,000,000 kWh</b>	<b>\$791,900,000</b>
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**Vermont electric utilities currently have regulatory permission to spend ratepayer money to build electric load.**



**Tesla Powerwall 2.0** [Contact Us](#)  
Popular back-up battery storage. Our pilot program is full...and we're working on a new one!



**Great Savings o... \$5,000 discount or 0% financing**  
Cut your carbon footprint and save with \$5,000 discount or 0% financing when you buy a 2019, all electric



**In-Home Level 2 EV Charger** **FREE**  
These programmable fast chargers will "refuel" your EV in 3-4 hours. Free when you buy a new electric vehicle.



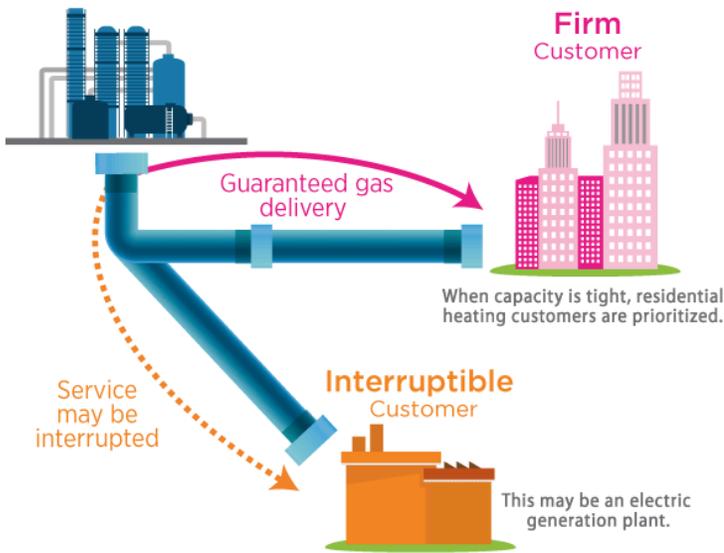
**Ductless Heat Pump** [Financing Options](#)  
Hyper-efficient heat pumps are great for any home and can be used to heat and cool all year long.

**\$300 per year**  
*Additional revenue from the sale of electricity to power an electric vehicle.*

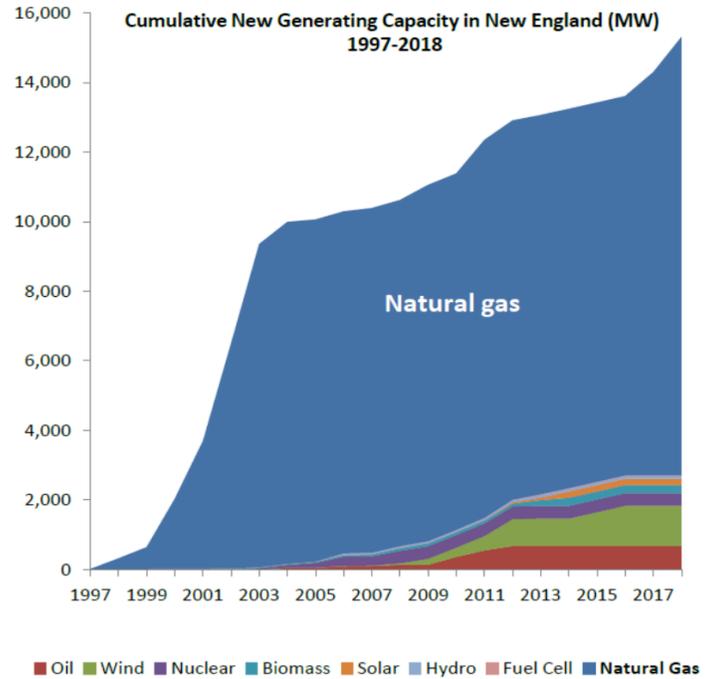
**\$600 per year**  
*Additional revenue from the sale of electricity to power a cold climate heat pump.*

**Vermont is winter peaking and relies on ISO-NE in winter which relies on natural gas for power generation.**

**Interstate Pipeline**



Source: PJM <https://learn.pjm.com/three-priorities/keeping-the-lights-on/gas-electric-industry/natural-gas-electric-market.aspx>



VELCO Testimony: <https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Energy%20and%20Technology/Witness%20Documents/Electric%20Utilities/W-John%20Flynn-VELCO%20Introduction%20-1-25-2019.pdf>

**When natural gas is interrupted, electric utilities and large industrial users of natural gas rely on distillate infrastructure to keep the lights and heat on in the winter.**



## State of the Grid: 2018

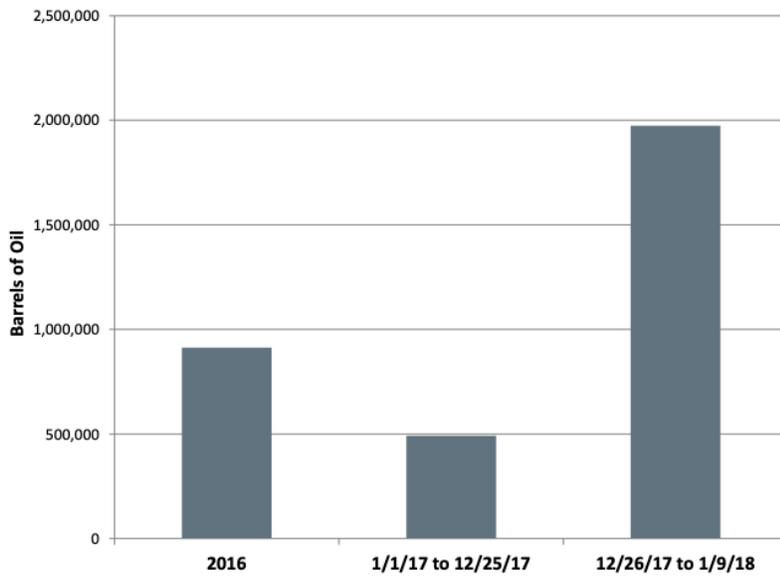
ISO on Background

### 2018 Bomb Cyclone



### Generator Oil Burn: Two Weeks vs Twelve Months

NE generators burned 2 million barrels of oil in 2 weeks—more than twice the amount of oil used in all of 2016



2 million barrels =  
84 million gallons

Vermont homes require  
approximately 72 million  
gallons of distillate per year.

## **Vermont Fuel Conference — May 6 & 7, 2019**

**Jackson Gore at the Okemo Mountain Resort**

More information at [vermontfuel.com/okemo](http://vermontfuel.com/okemo)



### ***Tentative Schedule***

#### **Monday, May 6**

- 9:00 am Exhibitor Set-up and Registration**
- 10:00 am Executive Board Meeting**
- 11:00 am Trade Show Opens**
- 11:45 am Welcome/Fuel Fundamentals**
- Noon Lunch**
- 1:00 pm Business Seminar 1 — Business Seminar 2**
- 1:45 pm Trade Coffee Break**
- 2:30 pm Business Seminar 3 — Business Seminar 4**
- 4:00 pm Host Bar Reception**
- 5:30 pm Dinner, Raffle, and Awards**
- 8:00 pm Hospitality Suite**

#### **Tuesday, May 7**

- 8:30 am Golf Scramble**

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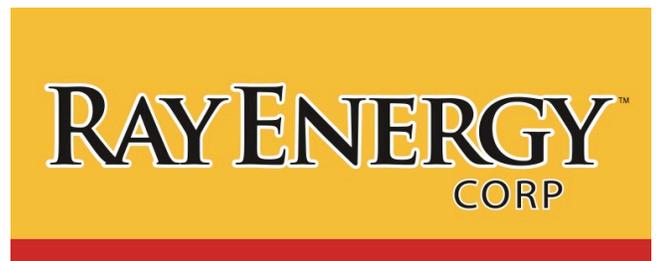
marketplaceinsurance.com



Gas Supply Resources



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