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Home Heating Fuels Industry economic impact report released

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BRUNSWICK, Maine — Jan. 29, 2019 — A report titled *The Economic Contribution of Maine's Heating Fuel Industry 2018*, released Tuesday, sheds new light on the home heating fuel industry's contributions to employment, wages, secondary jobs, tax revenue, and communities in Maine. The report was produced by Stepwise Data Research of Portland and funded by Maine Energy Marketers Association (MEMA).

The report's release coincides with the start of the Maine Legislative session, and one of MEMA's goals in funding it was to give legislators third-party data to help them fully understand the economic impacts of their energy policy decisions.

To complete the report, Stepwise used a range of specialized public and proprietary secondary data sources, a survey and interviews with MEMA members, and customized economic models from the University of Southern Maine's Center for Business and Economic Research.

Highlights from the report appear below in four categories: economic impact, market trends, and workforce development.

Economic Impact

The industry's **direct economic impact** includes transactions like fuel delivery and heating equipment maintenance. Stepwise found that these activities support 5,000 jobs (most provided by fuel dealers and heating contracting companies) and \$255 million in annual payroll, with yearly employee wages averaging \$44,300 — slightly higher than the state median of \$43,900.

The industry's **indirect economic impact** includes Maine's heating fuel companies' purchases of supplies and equipment from local vendors, as well as employees' local spending, which supports local businesses and jobs in healthcare, hospitality, and retail. This economic activity supports another 4,500 jobs and \$215 million in payroll.

Combined, the direct and indirect contributions of Maine's heating oil industry account for 9,500 jobs and \$440 million in earnings. This income also translates to an estimated \$25 million in state government revenue and \$11 million in local property tax revenue.

Market Trends

Market Share - Report data showed a decline in home heating oil usage and consumption since 2000. During that time, the share of homes using fuel oil or propane as their primary source of heat has decreased from 85 percent to 73 percent, bringing the current total to 400,000 Maine homes.

Average Consumption - Mainers' average annual fuel consumption has fallen from 1500 gallons in the 1980s to less than 700 gallons today. This is partly due to industry innovations like modern boilers, weatherization, and more efficient, cleaner-burning fuel. This trend is likely to continue on its own, without any government-mandated programs, given the continued pace of innovation and the many home heating options consumers have today.

Type of Oil – The report notes one factor that may slow the decline in households switching to other energy sources: a new, cleaner-burning type of oil with emissions equivalent to natural gas. Ultra-low sulfur heating oil (ULSHO), introduced in July, is the cleanest heating fuel ever produced. It has virtually no sulfur, can be used in existing oil heating systems, and lowers heating bills by burning more efficiently. ULSHO emits almost zero particulates, and cuts sulfur dioxide emissions by 99 percent and nitrous oxide emissions by 10 percent compared with traditional heating oil. Emissions from this cleaner heating oil are equivalent to natural gas, according to research conducted at [Brookhaven National Laboratory](#).

Workforce Development

Workforce Data - The heating fuel industry needs to recruit and replace an aging workforce. More than half of workers employed by the heating fuel industry are over 45, so recruiting the next generation of HVAC-R technicians now is crucial. One data point that may help recruit new talent is the wage premium enjoyed by experienced heating oil workers. Stepwise reports that experienced technicians can earn \$22,000 more than entry-level technicians, and experienced heavy-duty truck drivers can earn \$18,000 more than entry-level drivers.

Workforce Education + Training - To help train the next generation of technicians for a career in the trade, Maine Energy Marketers Association recently invested more than \$500,000 in its state-of-the-art HVAC-R technical school, MEMA Technical Education Center. The school has a 95 percent job placement rate, with many students finding employment before graduation.

About Maine Energy Marketers Association

MEMA has more than 300 members including 125 heating oil, propane, biofuels, pellets, electricity, motor fuels providers as well as convenience store owners who serve more than 415,000 Maine households and keep nearly 1 million Maine people warm and cozy. MEMA also has more than 175 associate members who provide goods and services to Maine's petroleum dealers and their customers.

In addition, our members own and operate 70% of Maine's 1,300 convenience stores, through which we sell more than 1 billion gallons of gasoline and diesel fuel. Our members also sell more than 90% of all the propane sold in our state each year.

About MEMA Technical Education Center

MEMA members own and operate the state's leading non-profit 501c(3) HVAC-R training facility, MEMA Technical Education Center (MTEC). Overseen by an all-volunteer Education Committee comprised of business owners and associates currently working in the industry, MTEC's curriculum continually evolves to reflect relevant trends, advancements and industry best practices, ensuring your employees possess the qualifications necessary to provide unsurpassed service to your customers.