

# United States Senate

WASHINGTON, DC 20510

December 21, 2023

The Honorable Jennifer Granholm  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 2058

Dear Secretary Granholm:

In 2000, Congress authorized the creation of the tax-exempt, non-profit National Oilheat Research Alliance (“NORA”), a trade association whose mission includes promoting consumer education efforts on the benefits of heating oil. When Congress did so, it also expressly made it unlawful for NORA to engage in consumer education activity that compares oilheat to competing products — much less run consumer campaigns that falsely denigrate alternatives to heating oil. Nonetheless, across New England, NORA is financing and promoting anti-electrification efforts that take particular aim at clean, climate-friendly heat pump technology. We write to ask you to use your oversight authority over NORA to investigate and stop this illegal activity.

Congress authorized the creation of NORA in the Energy Act of 2000,<sup>1</sup> in response to heating oil price spikes and shortages at the turn of the century. Congress gave NORA tax-exempt status under Section 501(c) of the Internal Revenue Code of 1986, and authorized its funding through a “check-off program,” in which “a fraction of the wholesale cost of a product” — in this case, heating oil — “is set aside by the producer and deposited into a common fund to be used to benefit producers and consumers.”<sup>2</sup> In 2023, NORA anticipates collecting more than \$8 million in funds.<sup>3</sup>

Congress established as NORA’s mission “the cooperative development, self-financing, and implementation of a coordinated national oilheat fuel industry program of research and development, training, and consumer education.”<sup>4</sup> But Congress also imposed limits on those activities. NORA’s authorizing statute provides that “[i]t shall be unlawful for any person to conduct a consumer education activity, undertaken with funds derived from assessments collected by [NORA] . . . that includes . . . a reference with respect to the attributes or use of any competing product.”<sup>5</sup> In other words, although Congress authorized NORA to use its check-off funding to promote oilheat, Congress prohibited NORA from using that funding to discourage the use of heating oil alternatives.

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<sup>1</sup> P.L. 106-469.

<sup>2</sup> Anthony Andrews, *The Northeast Home Heating Oil Reserve and the National Oilheat Research Alliance*, CRS (Sept. 19, 2013), [https://www.everycrsreport.com/files/20130919\\_R43235\\_283fcbb25485f91dc16a3129d1f9f07b864d31a6.pdf](https://www.everycrsreport.com/files/20130919_R43235_283fcbb25485f91dc16a3129d1f9f07b864d31a6.pdf).

<sup>3</sup> National Oilheat Research Alliance, Budget 2022-23 at 1 (July 2021), <https://files.constantcontact.com/8da08e3e101/9192a138-a172-4844-92f5-891f4dabf03f.pdf>.

<sup>4</sup> 42 U.S.C. § 6201 note.

<sup>5</sup> *Id.*

One product that competes with heating oil is the heat pump. As the Department of Energy website explains: “Heat pumps are an energy-efficient alternative to furnaces and air conditioners. . . . During cold seasons, heat pumps move heat from the cool outdoors into your warm home. During warmer seasons, they move heat from your home into the outdoors. Because heat pumps transfer — rather than generate — heat, they are significantly more efficient than traditional heating systems.”<sup>6</sup> Indeed, a recent Oxford University study “found that not only do heat pumps have superior efficiency compared to oil and gas systems . . . they also perform reliably in temperatures well below 0°C (32°F).”<sup>7</sup> As heat pump technology improves, it is being widely adopted. Last year, annual sales of heat pumps surpassed gas furnaces by a wide margin.<sup>8</sup>

And heat pumps are not only more efficient than fossil fuel-powered furnaces, their use can contribute significantly to the fight against climate change. According to the International Energy Agency, “[s]witching to heat pumps cuts emissions of greenhouse gases and helps improve air quality. Accelerated deployment of heat pumps, in line with national climate targets, can reduce global CO<sub>2</sub> emissions by half a gigaton . . . by 2030.”<sup>9</sup>

It is therefore not surprising that heat pumps have caught NORA’s attention. According to a *Washington Post* report, “[i]nternal documents show that the National Oilheat Research Alliance, a trade association representing heating oil sellers, has funded campaigns fighting electrification that target New England homeowners and real estate agents.”<sup>10</sup> For example, in Massachusetts, a joint NORA and Massachusetts Energy Marketers Association flyer points to the state’s Clean Energy and Climate Plan, which “proposes the replacement of 1 million gas, propane and oil-fired residential heating systems with electric heat pumps by 2030 to help reduce carbon emissions,” but raises “fundamental questions and doubts about the feasibility of the plan . . . including the ability of the electric grid to handle the added electricity load of such a massive conversion to heat pumps.”<sup>11</sup> NORA provided \$5,000 in funds for the flyer.<sup>12</sup> In Maine, according to the *Post*, NORA funded a “Fuel Your Love” promotional campaign that “directs viewers to a [website dispensing home heating advice](#) that is peppered with overwhelmingly negative, and sometimes misleading, claims about electric-powered heat pumps.”<sup>13</sup>

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<sup>6</sup> U.S. Department of Energy, *Pump Up Your Savings with Heat Pumps* (May 30, 2023), <https://www.energy.gov/articles/pump-your-savings-heat-pumps>.

<sup>7</sup> Michelle Lewis, *Heat pumps are more efficient than oil and gas heating in subzero temps – Oxford study*, Electrek (Sept. 12, 2023), <https://electrek.co/2023/09/12/heat-pumps-oxford-study/>.

<sup>8</sup> Elena Shao, *As Heat Pumps Go Mainstream, a Big Question: Can They Handle Real Cold?*, N.Y. Times (Feb. 22, 2023), <https://www.nytimes.com/interactive/2023/02/22/climate/heat-pumps-extreme-cold.html>.

<sup>9</sup> International Energy Agency, *Executive Summary – The Future of Heat Pumps* (last accessed Sept. 30, 2023), <https://www.iea.org/reports/the-future-of-heat-pumps/executive-summary>.

<sup>10</sup> Anna Phillips, *Heat pumps are defying Maine’s winters and oil industry pushback*, Wash. Post (Feb. 7, 2023), <https://www.washingtonpost.com/climate-environment/2023/02/07/maine-gas-industry-heat-pumps/>; Maine Energy Facts, *Heat Pumps* (2023), <https://www.maineenergyfacts.com/heat-pumps/>.

<sup>11</sup> Massachusetts Energy Marketers Ass’n, *Efficiency Matters in Massachusetts* (last accessed Sept. 30, 2023), [https://massenergymarketers.org/resources/industry-energy-news/links/MEMA\\_Mass-Efficiency\\_Matters-17149.pdf](https://massenergymarketers.org/resources/industry-energy-news/links/MEMA_Mass-Efficiency_Matters-17149.pdf).

<sup>12</sup> <https://noraweb.org/wp-content/uploads/form-maker/OjaxoBugFq.pdf>.

<sup>13</sup> Phillips, *supra* n.10.

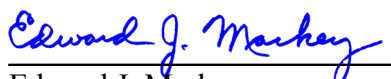
These NORA-funded consumer education materials are replete with “reference[s] to the attributes or use of” heat pumps, a “competing product” of heating oil, in violation of the Energy Policy Act. In authorizing NORA’s creation and bestowing non-profit and tax-exempt status on it to encourage and facilitate consumer education, Congress explicitly prohibited efforts like this.

To help us better understand NORA’s activities and the Department of Energy’s oversight of them, please respond to the following questions in writing by January 31, 2024:

1. Does the Department of Energy believe that the NORA-funded anti-heat pump consumer education campaigns identified in the *Washington Post* and in this letter violate the Energy Policy Act’s provision that “[i]t shall be unlawful for any person to conduct a consumer education activity, undertaken with funds derived from assessments collected by [NORA] . . . that includes . . . a reference with respect to the attributes or use of any competing product”?
2. Has the Department of Energy been aware of NORA-funded anti-electrification consumer education campaigns? If so, has the Department of Energy reviewed any of these materials for accuracy and compliance with the Energy Policy Act? If not, why not?
3. Has the Department of Energy taken any steps in response to NORA-funded anti-electrification consumer education campaigns? If so, what steps? If not, why not?
4. Has the Department of Energy designated a staff person to oversee NORA and sought reimbursement from NORA for “costs incurred by the Federal Government relating to” it under Section 706(d)(2) of the Energy Act of 2000?

With winter beginning today and colder weather coming to New England, our constituents — some by choice, some by necessity — will be looking at changes to their home heating systems. The Department of Energy should not allow NORA to abuse its statutory authority and mislead consumers into thinking that heat pumps aren’t up to the job of efficiently and effectively providing them with clean-energy warmth.

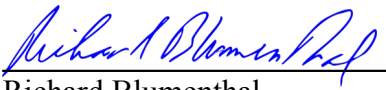
Sincerely,



Edward J. Markey  
United States Senator



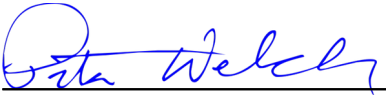
Elizabeth Warren  
United States Senator



Richard Blumenthal  
United States Senator



Sheldon Whitehouse  
United States Senator



Peter Welch  
United States Senator