

The Truth Behind "Electrify Everything"

THE ECONOMICS

Electrification Increases Heating Prices and Dangerously Stretches Energy Supplies

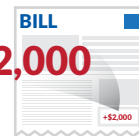


This is an electric heat pump, also called a mini-split. It runs on fossil-fuel-dependent electricity, costs thousands of dollars, and can't keep the average Northeast home warm on its own. It's an OK air conditioner, though.



Switching to electric heating costs between \$18,500 and \$42,000, far more than most people can afford.

Running an electric heat pump through the winter can add **+\$2,000** more than \$2,000 to a home's annual heating costs.

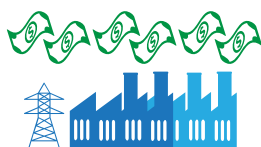
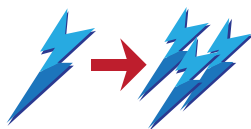


Rebates may be available for heat pumps, but these are paid for by utility ratepayers. The money really comes out of our electricity bills.



Electric utilities and their allies want to install more than 1 million heat pumps across the Northeast by 2030.

This could more than double electricity demand, adding 25,000MW to the existing 21,000MW peak winter load.



Wholesale electricity costs could jump from \$100/MWh to \$200/MWh, a windfall for power plants paid for by consumers.

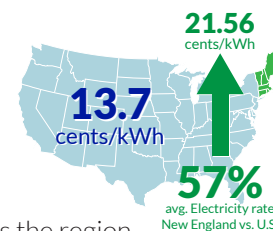
The grid can't support more electric heating. Grid operator ISO New England's president, Gordan van Welie says the Northeast is already at "heightened risk" of power outages during winter.

Meanwhile ... inflation. Electricity prices are already on the rise along with just about every other cost of living from rent to groceries. It's Economics 101: supply is not keeping up with demand.



The cost of electricity depends on natural gas supply. In February 2021, Texas's wholesale electricity price averaged \$1,485/MWh.

Homes in the Northeast already pay 57% higher electricity rates than the rest of the country, and prices may increase by another 13% this year.



Amid this backdrop, politicians across the region propose banning heating fuel and equipment. This would further limit critical energy supplies.

The Solution:



Bioheat® fuel can be used right here, right now at little to no added cost and with no new equipment or infrastructure required. It also helps reduce our region's carbon footprint, support grid reliability, and protect consumers' freedom of choice.

Sources: Sweetser, R.S., Albrecht, R., "The Economics & Environmental Performance of Biodiesel vs. Electric Heat Pumps," September 2019; Harrington, M., "Heat-pump promise falls short for North Babylon ratepayer," Newsday, March 14, 2021; Islam, N., Butcher, T.A., Levey, J., "Development of a Best Practices Guide for Integrated Hydronic and Ductless, Air-Source Heat Pump," New York State Energy Research Development Authority, May 2021; Black, J., "Final 2021 Heating Electrification Forecast," ISO New England, February 19, 2021; Hodge, T., "Wholesale electricity prices trended higher in 2021 due to increasing natural gas prices," U.S. Energy Information Administration (EIA), January 7, 2022; "Short-Term Energy Outlook," EIA, January 11, 2022.

