NEW YORK STATE

Department of State
Consumer Protection

Home Heating
with Oil and Propane

A Guide to Saving Energy and Money

DOS.NY.GOV/Consumer-Protection

DID YOU KNOW?

New York State consistently has one of the country's highest levels of petroleum consumption.[1] National and international factors commonly determine prices for heating oil, propane, natural gas, electricity, and other fuels, and the state or federal government generally cannot regulate them.

This guide assists consumers in shopping for heating oil and propane, reducing their home heating bills and encouraging conservation.

BECOME AN INFORMED SHOPPER

Consumers should use savvy shopping skills when purchasing heating fuel, including researching different providers, reviewing contracts thoroughly before purchase, and budgeting for the future.

▶ Shop Around

Fuel prices can vary between competitors, giving consumers an advantage when choosing a provider. Shop around to identify not only the best prices available but also to find a quality, dependable home heating service provider.

Consumers can find heating fuel providers through an online search or consumer review sites. Your neighbors can also provide helpful referrals.

Once you have identified a home heating provider, you can contact the Division of Consumer Protection at (800) 697-1220 to check if complaints have been filed against a company.

▶ Understand Pricing Options

Most home heating fuel dealers offer pricing options. Some consumers prefer the certainty of a fixed or capped price, while others are willing to accept a market price, which may fluctuate higher or lower than the fixed price. When deciding, weigh the benefits and risks of each potential pricing option and know the length of the contract period your heating fuel dealer offers.

Pricing options can include the following:

- **Market Price** – The cost is the prevailing price of heating fuel at the time of delivery.
- **Price Protection Plans** – The cost is stabilized according to a special pricing plan.
  - Locked Price - A single price per gallon cost is charged throughout the contract duration.
  - Capped Price - The price may vary, but it may not exceed the specified amount. This allows consumers to pay a lower price per gallon when market prices fall below the capped price.

[1] U.S. Energy Information Administration, New York State Energy Profile, (last visited Dec. 8, 2022), www.eia.gov/state/print.php?sid=NY.

- Budget billing - Estimated annual usage is spread evenly over 12 payments to afford consumers a stable monthly bill, with periodic adjustments to reflect actual usage.

Heating fuel prices often drop before the onset of cold weather compared to the peak winter season. Filling oil and propane tanks in the summer may save money.

The New York State Energy Research and Development Authority (NYSERDA) provides average weekly heating oil, propane, and kerosene prices by region in New York, which consumers can use to identify price trends.

To learn more about pricing trends in New York State, visit NYSERDA.NY.GOV/Researchers-and-PolicyMakers/Energy-Prices.

▶ Review Contracts Carefully

Before signing any document, consumers should carefully read contracts, including the fine print. At a minimum, contracts with heating oil and propane companies should be in writing and specify the following:

- **Contract Duration:** The start date and end date. Identify what, if any, circumstances permit the contract to be canceled.
- **Cost:** The price of heating fuel per gallon, any minimum fuel purchase or usage requirements and any deposit or prepayment amount required.
- **Billing:** The method and frequency of billing.

▶ Understanding Material Terms of Services

Material terms of service refer to the legally binding terms and conditions governing the use of a service. These terms can include details on the service's availability, performance, limits, any applicable fees, termination provisions, warranties, and user obligations. Material terms also specify how disputes will be resolved and any applicable laws and regulations.

Look for the following in the Material Terms of Services:

- Identify if the contract includes maintenance of the tank or heating equipment, emergency service, and automatic delivery, and if so, ensure the agreement contains clear terms on how each service will be provided to the customer
- Identify terms and conditions for leasing a tank, if applicable
- Identify any restrictions that may prohibit another company from filling the tank

IMPORTANT TIP ! Review contracts carefully for hidden costs, fees, or minimum purchasing requirements. Ask for clarification for any part of the contract that seems confusing or hard to understand, and always retain a copy of the final signed agreement.

▶ Leasing vs. Buying a Fuel Tank

If your home does not already have a fuel tank or need to replace the current one, you can choose between buying or leasing your fuel tank. Consider the benefits and risks of buying or leasing your tank from a fuel supplier.

Consider the Following When Buying a Fuel Tank:

- Allows consumers to switch fuel suppliers without contract penalties.
- Includes flexibility to shop around for different fuel suppliers if prices change. High demand creates delays or delivery when their usual supplier is unavailable.
- Unless enrolled in automatic delivery service, the consumer must monitor the supply level of the tank and order fuel accordingly.
- The consumer is responsible for the tank's maintenance, safety, repair, and installation.
- Higher upfront costs to buy the tank.

Consider the Following When Leasing a Fuel Tank:

- Provides convenience and reduces upfront costs. Some fuel suppliers offer free installation of leased tanks and automatic scheduled deliveries.
- Prevents consumers from having their tanks filled by other fuel suppliers.
  Note: Another supplier can refill liquified petroleum gas (propane) tanks when a qualified emergency exists, and the regular supplier cannot deliver, provided statutory requirements are met.[2]
- Contracts can include requirements for minimum fuel consumption and charge fees for not meeting these usage levels.
- To switch suppliers, consumers must wait until their contract ends, remove their current leased tank, and install a new tank from the new supplier.

Consumers should account for their circumstances to make the best decision on leasing or owning a fuel tank. Considering these facts can help avoid penalties, fees, or terms impractical for your needs.

▶ Check Your Receipts!

Heating fuel retailers must provide a receipt showing the delivery date, price per gallon, and how much fuel was delivered. Verify that the price the supplier charges aligns with your contract.

[2] N.Y.S. Agriculture and Markets Law §192-e.

CONSERVATION SAVES MONEY

Implementing simple changes can help you save money on your home heating bill. These tips can help you start lowering your heating bill:

▶ **Check Your Thermostat:** Each degree you lower your thermostat can reduce fuel consumption by approximately 3%. Installing a programmable thermostat can automatically adjust the temperature based on your home, work, and sleep schedule and provide an estimated cost savings of 10-20% on your monthly heating and cooling bills.

▶ **Improve Your Water Heater's Efficiency:** Water heating accounts for about 14% of your energy bill. Wrapping your water heater in insulation, lowering water temperatures, insulating hot water pipes, and limiting hot water use can all decrease your energy bill.

▶ **Weatherize and Insulate Your Home:** Help your home to retain heat during cold weather by insulating your attic and outside walls, sealing and insulating heating ducts, removing window air conditioners, wrapping wall air conditioners, and sealing any cracks around walls and windows.

▶ **Get Your Heating System Tested and Tuned:** Conduct annual checkups to help ensure the efficiency of your system. Replace your furnace filters at least every three months to keep your equipment running efficiently, and consider replacing the filters once a month during heavy-use months such as the summer and winter.

▶ **Use Radiators Efficiently:** Move rugs and furniture away from heating vents and radiators. Blocked ducts can disrupt air circulation and cause an imbalance in a home's heating system. Placing heat-resistant reflector panels between radiators and walls can help heat the room instead of the wall.

▶ **Use Appliances Efficiently.** Conserve energy with larger appliances, like setting your refrigerator no lower than 38-40 degrees and loading your dishwashers and washing machines to full capacity. Appliances with the EnergyStar label can save you 20% or more on your energy bills.

To learn more about EnergyStar, visit Energystar.gov.

▶ **Get a Home Energy Audit.** Conduct an energy audit of your home or apartment to determine where you can correct any problems or inefficiencies.

Contact NYSERDA at NYSERDA.NY.GOV/All-Programs/Residential-Energy-Assessment-Programs for more information.

STATE HEATING ASSISTANCE PROGRAMS

Did You Know? New York State is a national leader in developing energy efficiency and conservation programs. Through state agencies such as NYSERDA, Homes and Community Renewal (HCR), and the Office for Temporary and Disability Assistance (OTDA), New York consumers can access numerous programs to reduce home heating costs.

These programs include:

▶ **Assisted Home Performance with Energy Star.** Consumers who qualify can receive up to a 50% discount on energy efficient improvements for their home. A certified home performance contractor will inspect your home and provide recommendations for energy improvements. Homeowners may be eligible for low-interest financing for energy efficiency improvements.

▶ **Comfort Home Program.** In select markets, consumers are eligible for a no-fee consultation on ways to seal and insulate their homes. Qualifying consumers may choose to select an improvement package at a reduced cost. Note: this is a pilot program.

▶ **EmPower New York℠.** Qualifying consumers can have a participating contractor assess their home and recommend free energy upgrades that would cut costs to their utilities and help them save money. On-site energy use education provides customers with additional strategies for managing their energy costs.

▶ **NYS Weatherization Assistance Program.** Eligible consumers can receive a free consultation with proposed solutions to weatherize their homes and lower their energy costs. Weatherization services include, but are not limited to, sealing cracks and holes to reduce heat loss, heating system repairs or replacement, and window and/or outside door repair or replacement.

▶ **Home Energy Assistance Program (HEAP).** Eligible consumers can receive assistance in paying for their home heating bills and repairing or replacing heating systems. The program focuses on low-income renters and homeowners and provides discounts of up to $900.

▶ **Residential Financing Options.** Consumers looking to finance their energy efficiency home projects can access different programs that allow for low-interest loans. The loans allow lower-income New Yorkers to secure financing that they would not have access to traditionally for projects costing more than $25,000.

▶ **Clean Heating and Cooling Campaign.** Throughout New York State, energy efficiency campaigns exist to support consumers switching to clean and green heating and cooling technologies. Qualified consumers can receive financing and rebate options for upgrades.

▶ **Residential Solar Electric Incentives and Financing.** NY-Sun makes going solar easier and more affordable for consumers. Qualified residents meeting income requirements can receive incentives and/or financing options.

For more information on these programs and other ways to conserve energy, visit NYSERDA at NYSERDA.NY.GOV; or visit NYSHCR at HCR.NY.GOV/weatherization. For the HEAP program, visit the Office of Temporary and Disability Assistance at OTDA.NY.GOV/PROGRAMS/HEAP/.

KNOW YOUR RIGHTS!

Consumers are armed with certain protections from delivery cut-offs during cold weather periods. From November 1 through April 15,[3] fuel companies must notify residential customers before refusing a requested delivery or suspending or terminating a scheduled delivery. These notification requirements depend on whether the customer has an automatic delivery contract and protect customers from sudden shutoffs in cold weather.

- **Automatic Delivery Customers** - Have a contract where suppliers deliver fuel as needed. Distributors determine the delivery schedule. These customers must receive written notice at least three days prior to suspending or terminating deliveries. Companies must also attempt to reach customers by telephone at least three times, at least three days prior to cut-off. The calls should:
  - Explain the reason for the cutoff.
  - Determine whether the customer is out of fuel or when more will be needed.
  - Ask if the customer can obtain fuel elsewhere or find alternative shelter and if not, inform a person designated by the customer and a social services district office.
  - Inform the customer that assistance may be available from a local social services office and provide contact information for that office.
  - Ask if the customer wishes another person to be notified of the cutoff.
- **Non-automatic Delivery Customers** - Only receive fuel by request. Companies are not required to provide advance notice of shut-off. However, they must notify other persons (as designated by the customer) if the customer is unable to secure an adequate alternative or find other shelter. Companies must also notify the social services district office.

NEED FURTHER ASSISTANCE?

Consumers requiring additional assistance to pay a home heating bill should consider contacting their County Department of Social Services, County Office for the Aging, the Salvation Army, Red Cross, United Way, or other community-based energy service programs.

Following the passage of Chapter 663 of the Laws of 2022, the Commissioner of Agriculture and Markets (AGM) and the Attorney General will collaboratively develop a propane consumer bill of rights, which will be posted on their websites after it becomes available.

COMPLAINTS

If you have a dispute with your home heating fuel company, first seek the company's assistance.

If you are unable to resolve that complaint, the Division of Consumer Protection's voluntary mediation service is available to assist you. Call the Consumer Helpline at 1-800-697-1220 to speak to a Consumer Advisor, or you may file a complaint online at DOS.NY.GOV/Consumer-Protection.

[3] N.Y. Comp. Codes R. & Regs. Tit. 9, § 7870.3.

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