

Need-to-know Guide for Heating Fuel Providers

This guide for heating fuel providers in Maryland will help you navigate the Maryland Heating Fuel Provider Reporting Program.

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REGULATION SUMMARY:

Beginning in 2026, heating fuel providers will need to submit reports each quarter.

Heating fuel providers include companies that deliver natural gas, fuel oil, propane, kerosene, coal, and other heating fuels, including biofuels, for final sale or consumption in Maryland.

In the reports, heating fuel providers must include the monthly amount of fuel they delivered in Maryland, specifying the county the fuel is delivered to, the sector it is being delivered to, and the fuel type(s) being delivered.

Heating fuel providers must keep all records related to this new reporting program for at least five years.

WHO COUNTS AS A HEATING FUEL PROVIDER?

Heating fuel providers include companies that deliver natural gas, fuel oil, propane, kerosene, coal, and other heating fuels, including biofuels, in Maryland for final sale or consumption. Other heating fuels that are not motor gasoline or diesel for road vehicles must also be reported. If you only deliver motor gasoline or diesel for transportation, then this regulation does not apply to you.

The Department will stand up a registration process for all heating fuel providers. Any questions about inclusion or exclusion in the program will be answered through this registration process.



REPORTS ARE DUE EVERY 3 MONTHS

Reporting period	Due date
Jan - March (Q1)	June 1
April - June (Q2)	Sept 1
July - Sept (Q3)	Dec 1
Oct - Dec (Q4)	March 1

REPORTS WILL NEED TO SPECIFY EACH FUEL SEPARATELY

All heating fuels, except those explicitly excluded in the "Do not report these fuels" category below, must be reported.

These are common fuel types		Do not report these fuels
Biofuel	No. 2 Fuel Oil	Diesel fuel used in road vehicles
Biomethane	No. 4 Fuel Oil	Motor gasoline
Coal	No. 5 Fuel Oil	Wood and wood-derived fuels
Hydrogen	No. 6 Fuel Oil	Solid Waste
Kerosene	Other Fuel Oil	
Natural Gas	Propane	
No. 1 Fuel Oil	Other (specify)	

ON REPORTS, HEATING FUEL PROVIDERS MUST SEPARATE DELIVERIES BY SECTOR (PART OF THE ECONOMY)

On the reports, heating fuel providers will need to break down their fuel deliveries by the different types of sectors it is delivered to: residential,



commercial, industrial, electric power, and other energy-consuming sectors.

Note: If a heating fuel delivery is to the electric power sector or industrial sector, even if the owner of the facility is a commercial business, providers should categorize this delivery as a delivery to the electric power or industrial sector, respectively.

For companies with specific rate classes tied to the use of a heating fuel, existing classifications can be used to determine if it meets the sectoral definitions. The section below provides some additional guidance.

SECTOR DEFINITIONS AND COMMON ENERGY USE TYPES

Residential:

<u>Includes</u>: Living quarters for private households.

<u>Common energy uses associated with this sector</u>: Space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running other appliances.



Common Residential Types

- Single-family dwellings (attached, detached, townhomes)
- Mobile homes
- Multi-family dwellings, regardless of metering setup (e.g. apartments, condominiums, etc.)

Commercial:

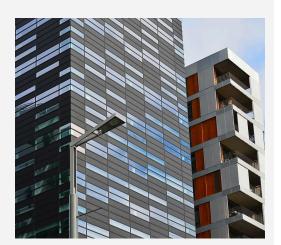
<u>Includes</u>: Service-providing facilities and equipment, including: businesses, federal, state, and local government facilities, institutional living quarters, private and public organizations, and sewage treatment facilities.



<u>Common energy uses associated with this sector</u>: Space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running other equipment.

Common Commercial Types

- Offices
- Hotels
- Restaurants
- Recreational facilities
- Retail stores
- Wholesale stores
- Schools and universities
- Houses of worship
- Healthcare facilities
- Warehouses
- Government (local, state, and federal) agencies
- Transportation centers
- Military installations



Industrial:

<u>Includes</u>: Facilities and equipment used for producing, processing, or assembling goods. This sector includes agriculture, construction, forestry, manufacturing, mining, and oil and gas extraction. <u>Common energy uses associated with this sector</u>: Process heat and cooling and powering machinery, with lesser amounts used for facility heating, air conditioning, and lighting.





Common Industrial Types

- Agriculture
- Construction
- Forestry
- Manufacturing
- Mining
- Oil and gas extraction

Electric power:

<u>Includes:</u> The primary business is to produce and sell electricity or electricity and heat to the public, including electric generating stations and combined heat and power plants. Electric generating stations are separately defined in COMAR 20.79.01.02(23).

<u>Common energy uses associated with this sector</u>: electricity production at a facility that sells electricity, or electricity and heat, **to the public**.

Electric power (all for sale to the public)

 Electric utility generation facilities



Other energy-consuming sectors: This includes any heating fuel delivery for final sale or consumption in Maryland not to any of the four above sectors. Heating fuel providers should generally select this category for uncommon cases, for example when delivering a heating fuel to the transportation sector, e.g. natural gas-fueled buses. Providers will need to give more information before submitting via this category.



MORE INFORMATION ON SECTOR CLASSIFICATION

The size of an operation does not affect classification. You should classify large commercial operations, such as warehouses, as commercial, not industrial. Likewise, small industrial operations should be classified as industrial, not commercial.

Classify multiple-use or combination consumers such as apartment buildings with commercial establishments, retail stores with attached dwellings, or industrial plants with on-site office space or buildings served from a common meter **based on the predominant volumetric usage**. If a company's records show that one delivery is delivered to multiple sectors without further delineation (e.g. one truck of fuel oil is delivered to both commercial and residential sectors), please provide your best estimate of the information for each category separately and document your assumptions.

THE REPORTING FORM WILL BE AVAILABLE ONLINE

MDE created a reporting template that heating fuel providers must use to submit the quarterly reports to the Department. This template uses Microsoft Excel. If you do not have access to Microsoft Excel, you have the option to download a ".csv" version that is less interactive. You can fill it out with any text editor or spreadsheet software.

WHY DO I NEED TO REPORT BY COUNTY?

While county-level reporting is new for many heating fuel providers, it does have far reaching benefits. Fuel combustion produces nitrogen oxides (NOx) and ozone (smog) — air pollutants that contribute to hazardous air quality and can have substantial negative health impacts. MDE already provides the public with <u>air quality forecasts</u> at the county level. This reporting will help identify the amount of fuel delivered and combusted in each county, contributing to a better understanding of the causes of hazardous air quality in the state. This helps MDE fulfil its mission to ensure all Marylanders can breathe clean air.



DO I REPORT USED MOTOR OIL DELIVERIES?

Used motor oil has already been delivered for final sale or consumption, and so it is not reported as a heating fuel delivery for the purposes of this rule. However, Marylanders must get a permit for combusting used motor oil and separately report when used oil is combusted in fuel-burning equipment in Maryland as a part of COMAR 26.11.09: "Control of Fuel-Burning Equipment, Stationary Internal Combustion Engines, and Certain Fuel-Burning Installations."

USE OF THE HEATING FUEL DATA

MDE will compile and use the data collected under this program to inform emissions data in the <u>Statewide Greenhouse Gas Inventory</u> as well as air quality planning and reports. Additionally, MDE is considering a future clean heat standard program; MDE may use this heating fuel data as part of this new program.¹ Lastly, combined data from providers may be published on the Department's website.

HEATING FUEL PROVIDERS MUST KEEP ALL RECORDS FOR AT LEAST FIVE YEARS

Heating fuel providers must keep all records, including reports and any other related documents, for at least five years. During that time, MDE may request to review these records.

COMPANIES LOCATED OUTSIDE OF MARYLAND THAT DELIVER TO MARYLAND FOR FINAL SALE OR CONSUMPTION

Because this reporting program includes all companies that deliver heating fuel to Maryland for final sale or consumption, your company is responsible for reporting even though it is located outside of Maryland.

¹ Per Governor Moore's Executive Order 01.01.2024.19 – "Leadership by State Government: Implementing Maryland's Climate Pollution Reduction Plan."