

# Natural Gas Vehicle Industry Update

2008 Clean Cities Coordinator Leadership Retreat

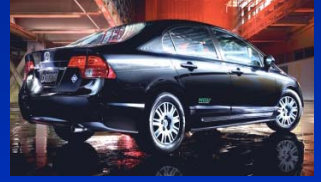
*Big Sky, Montana*

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# Outline

- Vehicle availability
- NGVTF
- Marketing Outreach
- NGVs making news - The Pickens Plan
- Federal Incentives - Legislative Update



# Natural Gas Powered Engines and Vehicles

- American Honda –Civic GX
- BAF Technologies (Ford)
  - 4.6L (Crown Vic/Gr. Marquis/Town Car)
  - 5.4L (E350 passenger and cargo vans; F150/250/350 pickups)(newly available – Ford Expedition and Navigator)
  - 6.8L (E-450 cutaway)
- Baytech Corporation (GM)
  - 6.0L L/M/HD (Pick-ups, vans, cutaways, W3500 CF, Isuzu NPR, Workhorse )
  - 8.1L (HD pick-ups, C4500/-8500 Topkick; W4500, Isuzu NPR HD, Workhorse
- IMPCO (GM)
  - 6.0L L/M/HD Bi-fuel (Pick-ups, vans)
- Cummins Westport
  - 5.9L “B Gas Plus” – 195-230hp (Shuttles, sweepers, work trucks)
  - 8.9L “ISL-G” – 250-320hp (Refuse, bus and work truck applications)
- FuelTek
  - 5.4L Bi-fuel F250/350
- Emission Solutions Inc.
  - 7.6L Phoenix NG – 175-265hp (remanuf. DT466 engine)
  - 9.0L 300-330Hp engine certs in process, due in 2008
- Westport Innovations Inc
  - 15L “ISX-Gas” – 400/450hp

# Selection of OEM Factory Offerings

- LDV Offering
  - Honda Civic GX
- Step Vans and Work Trucks
  - Freightliner
  - Sterling
  - International
  - Workhorse
- Refuse Trucks
  - Peterbilt
  - Crane Carrier
  - Autocar
  - American LaFrance-Condor
- Transit Bus
  - NABI
  - New Flyer
  - Blue Bird

# Marketing Outreach

- Emphasis on educating fleet customers and local/regional policymakers on available fueling and vehicle options as well as economics of using NGVs
- Outreach effort includes:
  - Exhibiting at conferences
  - Hosting seminars, workshops
  - Dissemination of articles, advertorials, fact sheets
  - Direct sales calls to key accounts

# Marketing Outreach (cont.)

- Clean Cities Partnerships – emphasizing placement of more “feet on street” by cooperating with Clean Cities Coalitions
- NGV workshops in 2008 with Clean Cities Coalitions:
  - Land-of-Sky Clean Vehicles Coalition
  - Lake Michigan Clean Cities Coalitions
  - Central Indiana Clean Cities Alliance
  - Alamo Area Clean Cities
  - Hampton Roads/VA Clean Cities
  - Alabama Clean Cities
  - Utah Clean Cities
  - New England Clean Cities

# NGVTF Update

- Natural Gas Vehicle Technology Forum – to be revived
- Sponsored by DOE and California Energy Commission
- Supported by National Renewable Energy Laboratory
- On the web –  
[http://www.eere.energy.gov/afdc/vehicles/natural\\_gas\\_forum.html](http://www.eere.energy.gov/afdc/vehicles/natural_gas_forum.html)
- Upcoming meeting Nov. 19-20 in California
- Contact Doug Horne at [dbhorne1@comcast.net](mailto:dbhorne1@comcast.net) for more details

# NGVTF (cont.)

- Identifying natural gas engine, vehicle, and infrastructure technology targets
- Facilitating government-industry research, development, demonstration, and deployment
- Communicating high-priority needs of NGV end users to natural gas equipment and vehicle manufacturers; and
- Enabling fleets and other large purchasers to aggregate demand for specific NGVs and equipment.

# The Pickens Plan

- Launched in July 2008
- Goal:
  - to reduce oil imports by more than third in 10 years
- Advocates increased:
  - Wind energy
  - Solar
  - Natural gas vehicles
- Includes major public relations/education campaign on energy security

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# The Pickens Plan

- Strategy:
  - Wind and solar displaces natural gas in power generation
  - Displaced natural gas to be used as transportation fuel to displace oil
- Necessary government action:
  - Provide incentives and remove regulatory barriers to bring more wind and solar energy to market and increase use of natural gas vehicles

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# Pickens Plan

- How the Pickens Plan works:
  - Today, 22 percent of electricity is produced by using natural gas
  - Switching to wind and displacing this natural gas could free up nearly 7 quads to be used for transportation
    - Equivalent to about 50 billion gallons of gasoline

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# Pickens Plan

- The US has an abundant and growing supply of natural gas
- Natural gas could help reduce imports by more than a third thus reducing payments for foreign oil and keeping needed capital at home
- How to get involved:
  - Go to [www.PickensPlan.com](http://www.PickensPlan.com) and sign up

# Chesapeake Energy's CNGNOW

- Launched major public relations campaign week of Sept. 8
- Energizing Americans to demand more NGVs
- Encourages citizens to push for expanded NGV incentives
- Provides support for the Pickens' Plan
- Website provides avenue for contacting congressional leaders – [www.CNGNOW.com](http://www.CNGNOW.com)

# Federal Incentives to Encourage NGV Use

- Fuel Credit - \$0.50 credit for sellers/user of CNG and LNG
  - Retail goes to seller – most other transactions credit goes to user or owner of station
  - Expires 09/30/2009
- Vehicle Credit
  - Range from \$2,500 - \$32,000
  - Expires 12/31/2010
- Infrastructure Credit
  - \$30,000 retail station/ \$1,000 home refueling
  - Expires 12/31/2009

# Current Legislative Proposals

- Legislation has been proposed that would extend the fuel, vehicle and infrastructure credit
- Other recent legislative proposals that could accelerate NGV use include:
  - Expanding the AFV credit to include bi-fuel vehicles
  - Loan guarantees, grants & tax credits for automakers that produce NGVs or AFVs
  - NGV R&D initiatives – AFV R&D initiatives
  - Modification of EPA requirements for conversions
  - Requiring fuel retailers to install NG stations
  - Issuance of bonds to support NG station development
  - Requiring federal agencies to acquire vehicles fueled primarily by alternative fuel

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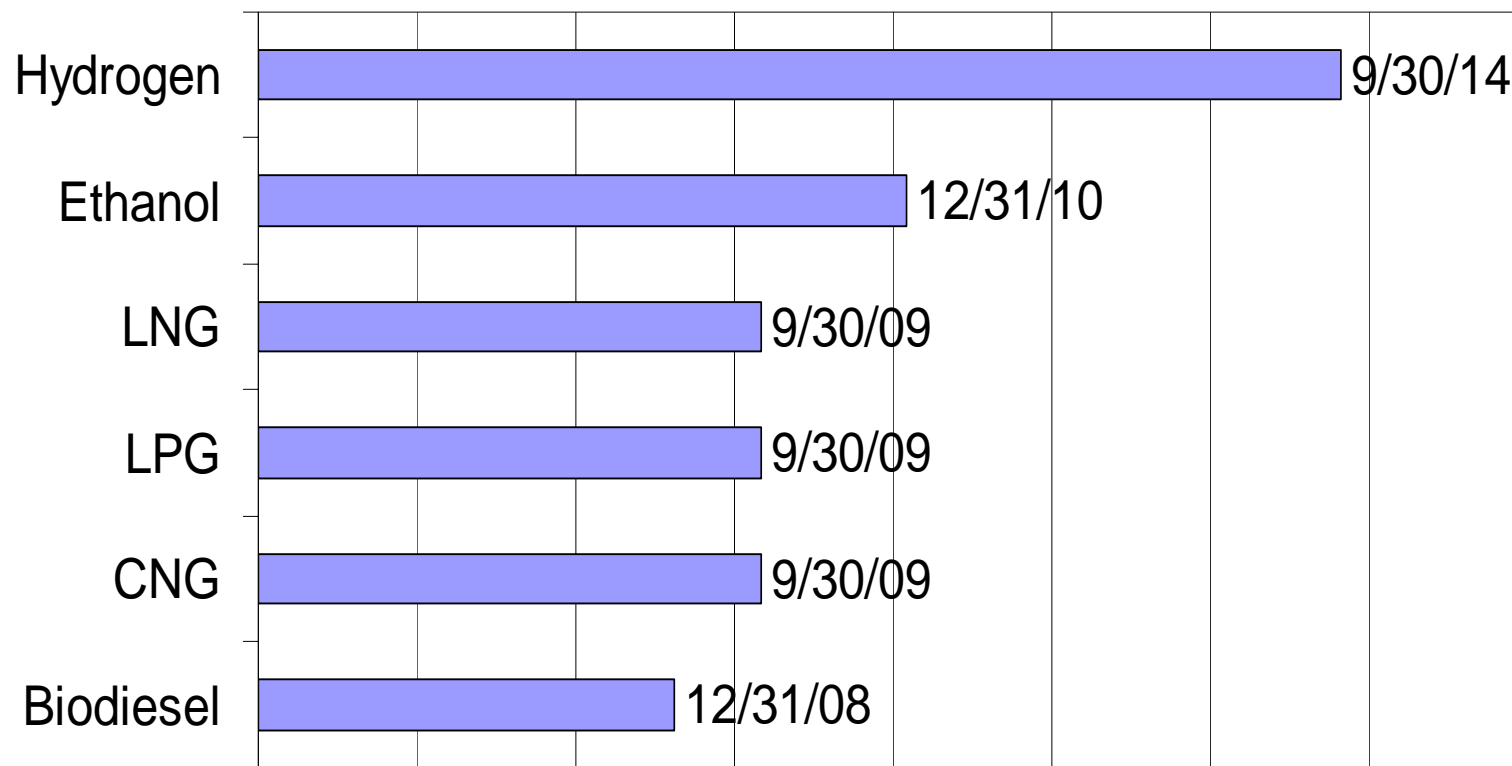
*www.NGVAmerica.org*

# Alternative Motor Vehicle Tax Credit Values

Vehicle Size	Incremental Price Cap	80% Credit	50% Credit
0 - 8,500 lbs. GVWR	\$5,000	\$4,000	\$2,500
8,501 – 14,000 lbs. GVWR	\$10,000	\$8,000	\$5,000
14,001 – 26,000 lbs. GVWR	\$25,000	\$20,000	\$12,500
26,001 lbs. GVWR & Up	\$40,000	\$32,000	\$20,000

# Alternative Fuel Credits

## Expiration Date



# Alternative Motor Vehicle Tax Credit Expiration Dates

<u>EPAct 2005 Qualifying Vehicles</u>	<u>Expiration Date</u>
Heavy Duty Hybrid	12/31/2009
Alternative Fuel Vehicles	12/31/2010
Lean Burn Engine Vehicles*	12/31/2010
Hybrid Electric Vehicles*	12/31/2010
Fuel Cell Vehicles	12/31/2014

Subject to earlier phase-out if sales exceed certain threshold.