Transforming our Nation’s Transportation Sector

The Role of Natural Gas

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**Natural gas:** Clean, domestic, secure, affordable energy for transportation

*Clean.* Greenhouse gas emissions 20-30% lower than comparable gasoline light-duty vehicles.

*Secure.* Domestic gas production accounts for 89% of natural gas consumed in the United States.

*Affordable.* Natural gas prices are decoupled from petroleum, with abundant resources to support stable prices for years to come.
Natural gas vs conventional gasoline

On average, CNG costs 47% less than gasoline

San Francisco
CNG - $2.44
Gas - $3.89

Los Angeles
CNG - $2.74
Gas - $3.81

San Diego
CNG - $2.89
Gas - $3.80

Salt Lake City
CNG - $1.26
Gas - $3.37

Omaha
CNG - $1.93
Gas - $3.68

Denver
CNG - $2.50
Gas - $3.45

Detroit
CNG - $1.94
Gas - $3.78

Nashville
CNG - $1.63
Gas - $3.59

Atlanta
CNG - $2.34
Gas - $3.72

Ft. Lauderdale
CNG - $2.19
Gas - $3.77

New York
CNG - $2.70
Gas - $4.03

Omaha
CNG - $1.93
Gas - $3.68

Dallas
CNG - $2.49
Gas - $3.65

Detroit
CNG - $1.94
Gas - $3.78

Source: CNG prices captured in July 2011 by CNGPrices.com
Gas prices reflect city average on July 20 from GasBuddy.com
Other nations are realizing the potential of natural gas vehicles and moving forward.

There are nearly 15 million natural gas vehicles on the road worldwide – but less than 150,000 are in the United States.
Momentum is Building for NGVs in North America
Major vehicle manufacturers are *bringing NGVs to the North American market*

**Medium and Heavy Duty**
- Peterbilt
- Freightliner
- Navistar
- Kenworth
- Volvo

**Light Duty**
- Honda
- GM
- Chrysler
- Ford

Transportation Collaboration
Recent OEM Announcements:

**Bi-Fuel Pickup Trucks Hit the U.S. Market**

**Chevrolet Silverado and GMC Sierra 2500 (bi fuel)**

- 650 miles of combined natural gas and gasoline range

- GM previously ended NGV production in 2006 – but is now returning.

**Chrysler Ram 2500 (bi-fuel)**

- America’s only factory-built, CNG-gasoline bi-fuel pickup truck

- OEM built means more than $6,000 in savings over comparable vehicle conversions.
Leading the Way:
NGVs in Fleets Across America

- Waste Management announced on May 11th it will convert its entire fleet – over 18,000 trucks – from diesel to CNG.
- UPS, AT&T, Comcast, Sysco, and Ryder have made significant commitments to NGVs in their national fleets.
- One-fifth of city transit buses run on natural gas today, and market share of is growing.
- More than 35 U.S. airports use NGVs in their fleets or encourage NGVs in private fleets operating on premises.
Our national CNG refueling infrastructure is growing each year.
“The economics and payback of natural gas are so strong that it dwarfs any other technology.”

- Eric Woods
  Vice President of Fleet and Logistics
  Waste Management
New Federal CAFE Vehicle Standards Will Encourage Production of Natural Gas Vehicles

- **The new rule extends these credits to NGVs for the first time.**

- Previously auto manufacturers received extra credits for electric and plug in hybrid vehicles.

- **This is a major step toward a level playing field between the alternative fuel choices.**
Leadership from State Governments:

- Twenty-two states working cooperatively to pool their buying power
- Estimating at least 10,000 natural gas vehicles will be purchased by participating states each
- First awards announced in early October, more to come
New Tools to Help Fleet Managers and Infrastructure Providers
Helping fleet operators judge NGVs for their specific uses – Total Cost of Ownership (TCO) Evaluation Tool

• Calculates pay-back period for natural gas medium and heavy duty vehicles; compares to diesel vehicles.
• Uses the most current information available on vehicle availability and pricing.
• Customizable for vehicle types and daily usage.
• Developed by Ricardo, a leading engineering consulting firm.

**Coming soon**
Download at: www.aga.org, www.anga.us
**Drive Initiative/Ricardo TCO tool: Sample Outputs**

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<thead>
<tr>
<th>Vehicle Segment</th>
<th>Class 3 Delivery</th>
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<th>Class 7-8 Delivery</th>
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Understanding the NGV Fueling Business

- A new report released by the American Gas Foundation
- Describes how natural gas fueling stations can design their business plans for local markets
- Stresses the importance of fleets as “anchor” customers
- Available at www.gasfoundation.org

Natural Gas as a Transportation Fuel
Models for Developing Fueling Infrastructure

September 2012
Transforming the transportation sector to meet our energy and environmental goals:

America’s natural gas industry is committed to being a part of the solution.