



23rd National NGVC Hotel Nikko San Francisco

Making The Case Light-Duty NGV Market

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Making the Case

- Oil supplies
 - Threatened & Dwindling
- Gasoline & Diesel Prices
 - Soaring - crippling small and large business
- Who cares? Everybody!
- Who wants to pay for it? Nobody!
- Who “is” paying for it? Everybody!
- Who wants to do something about it? Nobody!
 - Unless they don't have to pay for it!



Making the Case

- Clean Energy fuels thousands of vehicles daily
- As the Nation's leader in providing NG infrastructure, Clean Energy understands station economics
- Generally, stations require 20,000 gallons per month
 - Where CE makes an adequate return
 - Allows customers to purchase CNG for less than the price of gasoline and diesel



Making the Case

- Customers don't want to change
 - If they do change, they won't pay for it
- Nobody will pay for improved air quality in the light-duty market without rules and mandates
- “We must” make the economic case
- NGV industry has never been in a better position than now, to lead the change
 - New CARB certified SULEV light-duty vehicles from Baytech and BAF
 - CNG vs. gasoline and diesel price differential



Making the Case – Making it Work!

- As a fuel provider must focus on development markets that make sense
 - Two highest fuel consuming light-duty vehicle markets can establish consumer infrastructure
- Taxis consume 5,000 to 10,000 gallons per year
 - 20 to 30 taxis justify a station
- Door-to-door Shuttles / Shared Ride vans consume 10,000 gallons per year
 - 24 vans justify a station
- These two markets alone have allowed CE to expand its CNG station network in the Bay Area from 1 to 7 public access stations in 4 short years

Oakland International Airport



CFN 3rd & 23rd Downtown San Francisco



San Francisco International Airport





Making the Case-Bay Area CNG Stations

- Existing Stations
 - 3rd & 23rd Street, Downtown San Francisco
 - San Francisco International Airport-Northfield
 - Oakland International Airport
- New Locations-Coming Soon
 - On-Site Yellow Cab Co-op, San Francisco
 - Jack London Square, Oakland
 - San Leandro Street, Oakland (BART near the Coliseum)
 - AVI (Pleasanton Garbage), Pleasanton



Making the Case - Other Light-Duty

- Small commercial/public operators and consumers add incremental volume but most times cannot justify the station asset by themselves
 - School Bus, 2,000 to 4,000 gallons/year
 - UPS Step Van, 3,000 gallons/year
 - Police Car, 2,500 gallons/year
 - SBC Van, 2,000 gallons/year
 - Private Citizen, 700 gallons/year
 - Municipal light-duty pickup, 400 gallons/year



Making the Case – Economic Incentives

- Savings of \$.50 to \$1.00 per gallon vs. gasoline
 - = \$5,000 to \$10,000 per year per taxi/shuttle
- Federal tax credits up to \$4,000 (Dec. 31/05)
- BAAQMD funds for SULEV \$4,000
- No bridge tolls during posted hours
 - One daily workday crossing = \$792-\$1,300/year
- Single Occupant HOV access saves time
 - One hour per day = six weeks vacation for consumers
 - One hour per day = six weeks pay
- Free Parking in some California cities



Making it Work –The Real Money

- Grant money/tax credits can reduce purchase price of NGVs to less than a gasoline vehicle
- Typical San Francisco CNG taxi fuel savings could pay for a replacement vehicle after its 5 year life as a taxi
 - Life Cycle fuel savings could be \$25,000 to \$50,000 over 5 years for taxis & shuttles
- Today's CNG price in the Bay Area is more than 60 cents per GGE less than gasoline

Making the Case –NGV Industry

- Existing Bay Area NG taxis travel more than 1million miles every month
 - Huge exposure to consumers & business travelers
 - Excellent word of mouth advertising
 - Clean Vehicle decals are clearly displayed on all vehicles
- Bay Area NG taxis consume more than 1 million GGE of CNG annually
 - Develops infrastructure for consumer markets
 - Reduces foreign oil dependency
 - State and Federal goals





This is the Case!

There is a very strong light-duty market

Questions?

Comments!

Thank you! Enjoy the Conference

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