

Compressed Natural Gas Incentives

Legislative Task Force on Sustainable Building Design and Practices

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CNG Conversion Rebate Program

- * Provided an incentive for fleets and individuals to purchase and/or convert their Arkansas-licensed vehicles to CNG
- * Rebates were 50% of the conversion cost or incremental cost of a new CNG vehicle, up to \$25,000 per vehicle
- * Administered by the Arkansas Energy Office
- * Funded by the American Recovery and Reinvestment Act (ARRA)

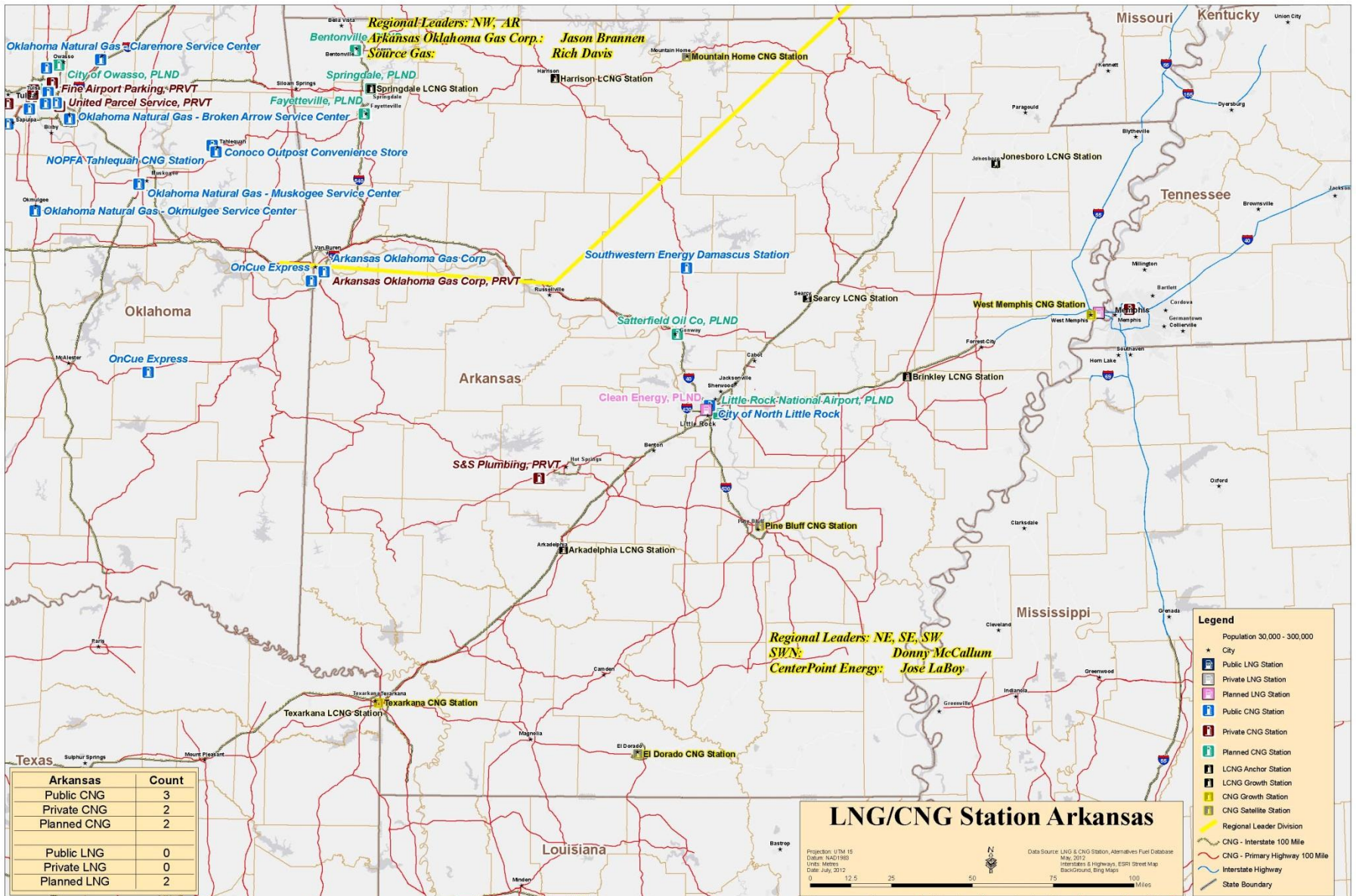
CNG Conversion Rebate Program: Results

- * 188 vehicles were converted
- * 31 fleets and 17 individuals participated
- * Approx. \$1.4 million was distributed for rebates

Natural Gas Fueling Station Grant

- * \$470,000 towards the development of 2 CNG refueling Stations
 - * \$400,000 provided through remaining Oil Overcharge funds. \$70,000 obtained from Senate General Improvement Funds
- * City of Little Rock – 6th Street Exxon Station
- * Satterfield Oil Company – Oak Street, Conway, AR
- * Stations should be up and running within a year

LNG/CNG Stations – Mapping Exercise Results



Arkansas Vehicle Payback Example



	Pickup Truck	School Bus	Refuse Truck	Transit Bus	Class-8
Incremental Cost	\$10,000	\$36,000	\$52,000	\$50,000	\$70,000
Incentives		\$27,000			
Net Incremental Cost	\$10,000	\$9,000	\$52,000	\$50,000	\$70,000
Annual Mileage	30,000	20,000	30,000	40,000	100,000
Annual Mileage Fuel Efficiency (mpg)	14	7.7	3.1	3.6	5.6
Gallons of Fuel / Year	2,143	2,597	9,677	11,111	17,857
Petroleum Fuel Cost per Gallon	\$3.39	\$3.89	\$3.89	\$3.89	\$3.89
Natural Gas Cost per GGE	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Annual Fuel Savings	\$4,372	\$6,596	\$24,580	\$28,222	\$45,357
Simple Payback (years)	2.29	1.36	2.12	1.77	1.54

Natural Gas Vehicle Incentive Comparison



	Federal	Texas	West Virginia	Oklahoma	Arkansas	Colorado	Louisiana
Natural Gas Vehicle Count*	117,446	10,440	22	2,932	183	1,197	361
Natural Gas Stations (E/P)	1,036 / 197	39 / 27	1 / 0	69 / 6	5 / 4	28 / 7	15 / 7
Infrastructure/ Home fuel		Texas Clean Transportation Triangle funds up to \$2MM	50% of the construction costs up to \$250,000 (\$312,500 if allows public access) Expires: 01/01/21	75% of Infrastructure Expires: 01/01/14	Expired: up to \$300,000 or 50% of the cost of distribution or storage of fuel		50% of the cost of constructing an alternative fueling station No expiration
Vehicle Incentives	Accelerated depreciation on 50% of the vehicle cost in 2012	Texas Gas Services offers \$2,000 rebate for the purchase of a NGV / \$3,000 for the conversion Texas Clean Transportation Triangle funds 60-90% of cost up to \$8MM	35% of the purchase price or 50% of the conversion cost up to \$7,500 for < 26,000 GVWR and up to \$25,000 for > 26,000 GVWR Expires: 01/01/21	50% of the Incremental cost Expires: 01/01/14	75% of the cost of conversion up to \$50,000 for school buses Funding not currently available	55% of Incremental cost in 2012 Decreases: 35% : 2013 25% : 2014 and 2015	50% of the incremental cost, or 10% of the cost of the motor vehicle or up to \$3,000 No expiration
Fuel Credits		Preferential NG Fuel rates			Producers eligible to receive \$.20/gallon of fuel produced up to \$2MM		Deregulation of CNG as a Motor Fuel
Mandates/ Goals	Acquisition Requirements	Acquisition Requirements	Acquisition Requirements	Acquisition Requirements CNG highway/station every 100 miles by 2015		Acquisition Requirements	Acquisition Requirements
Funding	Grants / Loans	Grants / Loans	Grants / Loans	Infrastructure Loans	Grants/Rebates	Grants	Loans