

Below is an update on the latest proposed Natural Gas Vehicle federal legislation. A commentary is included from the NGVA America Government Relations Office and a one-pager outlining benefits of the legislation passage. This significant piece of legislation will further grow our goals to expand natural gas refueling availability and convenience in the State of Oklahoma.

Media Release from NGVAmerica:

## **Energy Bill moves country in the right direction to natural gas vehicles**

WASHINGTON, DC . . . Senator Majority Leader Harry Reid's proposed Energy Bill will help move the country off its addiction to oil by accelerating the introduction and use of natural gas vehicles, according to the president of NGVAmerica.

The bill would offer up to \$3.8 billion in rebates to buyers of natural gas-powered vehicles, from passenger cars to 18-wheelers.

“We applaud Senator Reid's leadership in recognizing the important role that natural gas can play as a transportation fuel,” Richard Kolodziej said today after Sen. Reid released a draft summary of the proposed legislation. “Study after study shows that this country has tremendous natural gas resources. Using natural gas as a transportation fuel increases energy security, creates jobs, provides cleaner air and reduces greenhouse gas emissions.”

The proposed legislation would establish a Natural Gas Vehicle and Infrastructure Development Program within the Department of Energy. In addition to the rebates, the bill would provide grants for infrastructure development and research and development projects and would establish a loan program to enhance domestic manufacturing of natural gas vehicles and components.

“One of the most creative parts of this legislation is that it provides a loan program to build more facilities in the United States to produce both natural gas vehicles and their components,” says Kolodziej. “And that means more U.S. jobs. It will support the United States in leading the way in natural gas vehicle technology.”

Natural gas vehicles are available today in the United States in all three categories of vehicles light, medium and heavy duty. The market is growing and more original equipment manufacturers have entered the market. However, natural gas models are still limited, Kolodziej said.

“The proposed incentives will encourage even more individual consumers and fleets to switch to natural gas vehicles. And we expect this to spur manufacturers to produce even more natural gas models,” said Kolodziej.

While the light- and medium-duty vehicles run on compressed natural gas, heavy-duty vehicles run on both compressed natural gas or liquefied natural gas.

# Natural Gas Vehicle and Infrastructure Development Provisions of Senate “Clean Energy Jobs and Oil Company Accountability Act

On July 27th, Senate Majority leader Harry Reid (D-NV) released an energy bill that promotes natural gas vehicles and infrastructure development. The main NGV components of the bill are:

## Section 2002:

The bill establishes within the Department of Energy a Natural Gas Vehicle and Infrastructure Development Program whose specific purpose is to facilitate the use of natural gas as an alternative transportation fuel.

## Section 2003:

The bill directs the Secretary to develop regulations that shall provide up to \$3.8 billion in financial rebates to all qualified owners who purchase a natural gas vehicle (NGV)

- No more than 25 percent of the funds shall be used light-duty vehicle rebates (not more than 8,500 pounds)
- The maximum amount of the rebate varies according to the weight of the vehicle and whether the vehicle

is a dedicated NGV, a mixed fuel vehicle or a bi-fuel vehicle, as follows:

### **Dedicated NGV:**

The maximum value of the rebate is equal to 80 percent of the incremental cost of a dedicated NGV, where the maximum rebate value is capped at:

- (i) \$10,000 for an NGV with a gross vehicle weight rating of not more than 8,500 pounds;
- (ii) \$16,000 for an NGV with a gross vehicle weight rating of more than 8,500 but not more than 14,000 pounds;
- (iii) \$40,000 for an NGV with a gross vehicle weight rating of more than 14,000 but not more than 26,000 pounds; and
- (iv) \$64,000 for an NGV with a gross vehicle weight rating of more than 26,000 pounds.

### **Light-duty mixed-fuel NGV:**

\$7,500 for a light-duty mixed-fuel NGV (i.e., a light-duty dual-fuel vehicle).

### **Bi Fuel NGV:**

The maximum value of a rebate is 50 percent of the amount provided for a dedicated NGV

## **Section 2004:**

The bill also directs the Secretary to develop an infrastructure and manufacturing development program, with:

- (1) grants of up to \$50,000 per unit to qualified refuelers for the installation of natural gas refueling property placed in service between 2011 and 2015; and
- (2) grants for research, development, and demonstration projects on (NGV) engines with reduced emissions, improved performance, and lower cost.

## **Section 2005:**

The Secretary shall also establish a direct loan program to provide loans to qualified manufacturers to pay not more than 80 percent of the cost of reequipping, expanding, or establishing a facility in the United States that will be used for the purpose of producing any new qualified alternative fuel motor vehicle or any eligible component. The commitments for direct loans under this section shall not exceed \$2,000,000,000 in total loan principal.

July 27, 2010