

PRESS UPDATE

U.S. Senate Committee on

**ENVIRONMENT &
PUBLIC WORKS**



Minority Press Update



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GET THE FACTS ON NATURAL GAS AS A TRANSPORTATION FUEL

NATURAL GAS VEHICLES ARE ACHIEVABLE

The promise of natural gas as a mainstream transportation fuel is achievable today, not 15 or 20 years from now.

Over 25 different manufacturers produce nearly 100 models of light-, medium- and heavy-duty vehicles and engines for the US market. (However, only Honda currently sells a domestically available CNG car.)

Over 10,000 transit buses in the US are natural gas powered and the market is growing; nearly one-in-five new transit buses on order is specified to be natural gas powered.

There are over 7.5 million NGVs on the road worldwide – more than double the number in 2003. The International Association of NGVs forecasts that, by 2020, there will be 65 million NGVs worldwide.

In 2007, NGVs displaced 250 million gallons of petroleum in the US. In the next 17 years, the industry's goal is to grow that to 10 billion gallons.

Brazil is known as the sugar cane ethanol capital of the world. What is less known is that there are 1.5 million NGVs in Brazil.

Over 20% of all vehicles in Argentina are NGVs.

NATURAL GAS IS AFFORDABLE

In April, the Department of Energy reported that the average nationwide price of a gallon of gas equivalent of CNG was just \$2.04 per gallon. In some regions of the country prices are even lower – CNG costs in Rocky Mountain states average just a \$1.26 per gallon.

Many state and local governments, businesses, and consumers have cut their fuel bills by more than half when utilizing natural gas as a transportation fuel.

NGVs have far lower fuel, operating and maintenance costs so they generate significant vehicle life-cycle savings.

NATURAL GAS IS PLENTIFUL AND DOMESTIC

America has a huge natural gas supply base. According to EIA, in 10 of the last 11 years, the amount of new natural gas discovered in the US has exceeded the amount that has been extracted.

EIA also reports that shale formations in the lower 48 States contain huge resources of natural gas and are just now being explored. Already, the production from just one Barnett Shale field in Texas contributes more than 6% of production from the lower 48 States, which is more than from the large producing State of Louisiana.

Raymond James Equity Research recently reported that they hold a “bearish outlook for US natural gas prices.” After examining the future supply of domestic production, they released a May 19th, 2008 energy report which concluded “we continue to see unprecedented growth in U.S. gas production that will eventually overwhelm the U.S. gas markets.”

The latest report (Sept. 2007) from the Potential Gas Committee at the Colorado School of Mines identifies 82 years of natural gas supply at current rates of production. Canada’s natural gas has an additional 40 years’ of supply.

Over 60% of the petroleum used in America is imported. Meanwhile, almost 98% of the natural gas used in America is produced in North America – 85% in the US and the rest in Canada.

According to NGV America, in 2007 America used 22.9 trillion cubic feet (Tcf) of natural gas, which represented about 24 percent of all primary energy used in the U.S. Of that amount, the 130,000 NGVs operating on U.S. roads used no more than 0.052 percent.

NGV America states that even if the number of NGVs were to increase 100-fold in the next ten years to 11,000,000 or roughly 5 percent of the entire vehicle market (a formidable goal), the impact on natural gas supplies and the natural gas delivery infrastructure would be small -- equating to about 4 percent of total U.S. natural gas consumption.

NATURAL GAS IS CLEAN

From compressed natural gas (CNG) powered cars, to eighteen wheelers running on liquefied natural gas (LNG), no other commercially viable fuel burns cleaner.

The American Council for an Energy Efficient Economy has rated the natural gas powered Honda Civic GX as “America’s Greenest Car” for the past five consecutive years – even cleaner than any available hybrid.

On a well-to-wheels basis, NGVs produce 22% less greenhouse gases than comparable diesel vehicles and 29% less than gasoline vehicles.

Natural gas also emits very low levels of particulates and nitrogen oxides, thereby lowering the formulation of smog in the atmosphere.

NGVs are the pathway to a hydrogen transportation system. Every NGV fueling station is a potential hydrogen fueling station. Every auto garage or maintenance facility that has been made NGV-compatible can quickly and cheaply be made hydrogen-compatible.

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