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## Feds Urged to Level Playing Field For NGVs

Several natural gas advocacy organizations are urging the federal government to extend the proposed economic incentive program for electric vehicles (EVs) to include natural gas vehicles (NGVs) and other alternative fuel vehicles.

At issue is a proposal by the U.S. Environmental Protection Agency (EPA) to amend the Clean Air Act to include a requirement that average greenhouse gas (GHG) emissions for fleet vehicles adhere to a 163 grams per mile (gpm) standard. Also, the National Highway Traffic Safety Administration (NHTSA) wants to tighten the traditional miles per gallon (mpg) Corporate Average Fuel Economy (CAFE) standard for fleet vehicles to 49.6 mpg by 2025.

To meet those goals, both the EPA and NHTSA plan to modify an existing incentive program to automakers from 2017 and 2025. But a divisor currently used by federal regulators for GHGs from both dual-fuel and dedicated NGVs is set to expire after 2015. The groups argue that the EPA's GHG standards contain additional, EV-only incentives.

"We share a common concern that the rules as proposed, in particular the new EPA tailpipe emissions standards, don't establish a level playing field, and that's going to hurt consumers and manufacturers," Greg Staple, CEO of the American Clean Skies Foundation (ACSF), said at a press conference Monday in Washington, DC. "We're especially concerned about the incentive scheme that EPA has written into the proposed rules that arbitrarily favor [EVs] and plug-in electric vehicle technologies vis-a-vis other competing, equally effective ways of meeting emission and mileage goals."

ACSF is a long-time advocate for the natural gas industry.

Staple said although there are currently no hybrid vehicles that switch between natural gas and electricity, the natural gas-powered Honda Civic emits 266 gpm of GHGs. That compares favorably to a gasoline/electric hybrid emission rate of 264 gpm.

"The EV-only incentive program that exists in the proposed rules doesn't make rational sense when you look at it in terms of the end goals of these new rules," Staple said. "And moreover we think that the incentive program, as currently drafted, is just out-of-sync with

the [Obama] administration's general policy of putting more natural gas to work in the transportation sector" (see *Daily GPI*, [Jan. 26](#)).

American Gas Association's (AGA) Kathryn Clay, who also is executive director for the Drive Natural Gas Alliance, agreed that the federal goals on GHGs and fuel economy were bold ones.

"We know that these national goals are extremely challenging. We are quite simply going to need every tool in our toolbox to achieve them, and that includes using NGVs," Clay said. She later called the idea of NGV owners fueling their cars from home "a real game changer."

Rich Kolodziej, president of NGVAmerica, said the GHG divisor should be continued for NGVs.

"Around the world, virtually every large automaker makes NGVs because the policies in those countries are set up to encourage this," Kolodziej said. He added that automakers in the United States "would make NGVs for the light-duty market if it was clear that policy in the United States said we want to do this. This rule is an opportunity to actually implement that. It's in the national interest and it's the national policy to do it."

America's Natural Gas Alliance (ANGA) spokesman Tom Hassenboehler said there is bipartisan support in Congress for making changes to support NGVs.

"We've got lots of allies in Congress, both on the Republican side and the Democratic side, who recognize the benefits of natural gas and want to help promote the use of it to increase our energy security," Hassenboehler said.

Staple said advocates for NGVs would like to see a "technology-neutral" pool of alternative fuel vehicle incentives. If one were created, he said roughly 1.5 million vehicles, about 10% of the vehicles that are estimated to be sold in 2017, could qualify.

"We're talking about an eight-year period when tens of millions of vehicles will roll off our assembly lines," Staple said. "If we get the incentives right, it could have a very large impact on the type of fleets that are available for Americans to drive. We think that this kind of [plan] could really drive change in the automobile fleet and would be the most cost effective for consumers."

Stephen Yborra, director of Market Development for NGVAmerica, told members of the Pennsylvania Independent Oil and Gas Association (PIOGA) last week that the natural gas industry can be its own best customer when it comes to NGVs.

"You're getting that gas out of the ground and you've got a great opportunity... to actually be users of the fuel," Yborra said at the PIOGA winter meeting on Feb. 7.

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