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Alternative Fuel

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George Geisler had taken delivery of four natural gas-powered vehicles and was planning to add four more and install a public filling station on his company's premises. A contact in the industry told him grant money could be available, so he enthusiastically began the application process.

"It sounded great to begin with, but then it started to get too complicated," explained Geisler, owner and president of All Bright Sanitation in Columbus, NC. "It turned out to just be a guessing game as to how much I was actually going to get."

In the end, All Bright, which has handled commercial and residential pickup for western NC and upstate SC since 1999, built its own natural gas filling station for private use, sans grant. His eight NG trucks run from early in the morning until early afternoon. At the end of their shift, drivers plug their trucks in at the station. Geisler says they're cheaper, cleaner and quieter to run than his remaining seven diesel trucks. And he estimates his fuel costs have been reduced by over two-thirds.

Incentives, subsidies and grants may seem like the easy answer and have, in fact, been the way that many businesses structured deals in the past. But those federal dollars are drying up and not being replaced by Congress. Credits previously available for light and heavy-duty hybrid vehicles and those for conversion of vehicles to plug-in vehicles have expired. Even the federal tax credits for

electric vehicles, which allowed for up to \$7,500 in savings were phased out at the end of last year.

What the government is offering is specialized resources, technical expertise and support through its growing National Clean Fleets Partnership Program.

This public-private partnership administered by the Department of Energy (DOE) will help the country's largest fleet operators reduce diesel and gasoline use in their fleets by incorporating electric vehicles, alternative fuels, and fuel-saving measures into their daily operations.

The five charter members of the partnership, started by President Obama in April 2011, are AT&T, FedEx, PepsiCo, UPS and Verizon. They represent five of the nation's 10 largest national fleets and collectively own and operate more than 275,000 vehicles. Since then, at least 12 more companies have joined, including, Best Buy, Coca-Cola, Frito-Lay, Staples, Johnson Controls, Inc. and Ryder.

UPS maintains a fleet of more than 93,000 package cars, van and other vehicles; 2,500 of those use compressed natural gas, liquefied natural gas, propane, electricity or are hybrid electric vehicles.

Fleet member General Electric has committed to convert half of its global vehicle fleet, and will partner with fleet customers to deploy a total of 25,000 electric vehicles by 2015.

The partnership assists these companies in reaching their goals by providing several items of value: First, it becomes the one place companies can collaborate with the DOE and their peers to exchange information or find out about pursuing group purchasing initiatives. They can also report data (such as gallons of fuel displaced or infrastructure locations) to a centralized location (DOE), rather than on a region-by-region basis through the various coalitions where they have a presence. The DOE also offers technical tools to help partner companies understand alternative fuels. These include cost calculators, interactive maps, customizable database searches and mobile applications.

“There is an unbelievable learning curve,” says Geisler of All Bright Sanitation. “If your vehicle runs out of gas, you have to tow it back to the station. Your lead-time is twice as long. I can order a diesel truck in 90 days; the natural gas version of that truck will take six months.”

He says that the people who are using alt fuels are more than willing to share their knowledge about how to use it and save money at the same time, but that generally he doesn't think there is very much information out there for business owners about it.

Dale Tesson, Director of Commercial and Fleet Sales at Young Ford in Charlotte agrees, “I have local customers, with a fleet of, say, 10 vehicles. It's not cost effective for him to convert his trucks. He wants to know what he will get out of it.”

Probably not a tax credit now.

“Everyone has been looking for the tax credit first, but actually, there are scenarios when you put it all together and mix it up in the pot, you've got a great business case (for making the change to alternative fuel) pure and simple,” says Jason Wager, Sustainability Program Manager Coordinator, Centralina Clean Fuels Coalition.

Some businesses have converted their fleet vehicles to propane autogas with companies like Alliance Autogas, a national network of conversion centers and fuel suppliers. In fact, there are now 18 million vehicles powered by autogas worldwide, but only a fraction of those are driving in the U.S. Experts site the dependence on inexpensive fuel as the primary reason, but now that vehicle technology is improving and becoming more available in this country and the infrastructure is being built, this option is becoming more attractive and cost-effective for business.

Additional benefits to using propane autogas include a reduction of contamination, decrease in cost of fuel and not having to spend U.S.dollars to import fuel.

“We are screaming busy,” says Steve Whaley, Research and Development for Alliance Autogas. “We're displacing millions of gallons of gas with domestically-produced product using very clean propane.”

So how does it work? It typically costs about \$6,000 to convert a vehicle to run on autogas, but Whaley says Alliance can upfit with no upfront capital by simply using the fuel cost savings. “In a sense, you are leasing the upfit for the vehicle,” he explains.

The Raleigh Police Department is an Alliance Autogas client that now enjoys paying only \$1.62 per gallon on liquid propane for its fleet of law enforcement vehicles and estimates it will save nearly \$20,000 this year alone. Lewis Pest Control, Inc., with various locations around Alabama, operates three Ford F-150 trucks, two Chevrolet 2500 trucks and three Chevrolet 1500 trucks which chew up approximately 16,000 gallons of propane on the road each year. The company saves \$16, 000 during that same time period.

There are not a plethora of businesses that have adopted electric vehicles (EVs) as work vehicles, primarily because manufacturers don't offer them.

“We're working hard to convince manufacturers to build something larger than a small car, like trucks or vans, trying to get them to move down that path,” says Mike Allison, Director of Fleet Design and Technical Services at Duke Energy.

In the meantime, Allison says Duke is moving forward with using EVs after noting the company's annual use of 7 million gallons of fuel in its vehicle fleet. He says the advantages include reduced emissions, reduced maintenance, and electric vehicles are much quieter than diesel engines, a boost in areas like San Francisco with noise ordinances.

This might be the time to consider an EV too, as lithium battery prices are falling, making EVs more affordable than ever.

George Geisler of All Bright Sanitation has some advice for business owners, whatever alternative fuel they are considering for their fleet.

“The trying part is really hard, the initial investment of your time, money,” he says. Just do it or don't do it. It's like being pregnant or not pregnant. You can't be a little bit pregnant.”