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Natural gas vehicles — NGVs — are the wave of the future, panelists told the audience Feb. 6 at the Central Penn Business Journal's 2012 Energy Symposium.



Diane Shellenhamer of Schaedler Yesco Distribution Inc., right, gives opening remarks. With her is host Larry Kluger.

370 people attended the event.



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“We believe this is going to be a crucial area,” said host Larry Kluger, president of Journal Publications Inc., the Business Journal’s parent company. ***“The economics already work.”***

The U.S. has vast quantities of natural gas that are now accessible due to advances in drilling techniques such as hydrofracking. The Marcellus Shale, which stretches across much of Pennsylvania and into Ohio, New York and West Virginia, is believed to be the second-largest reserve in the world.

NGVs emit roughly 25 percent less carbon dioxide and 90 percent less carbon monoxide than comparable gas-powered vehicles, panelists said.





The U.S. can use natural gas to break its dependence on foreign oil, said **Lt. Gov. James Cawley**, who headed Gov. Tom Corbett's Marcellus Shale Advisory Commission.

"Pennsylvania can lead the way," once again becoming the keystone of the U.S. energy industry, he said.



[Click here to download a PDF file of Terranova's presentation.](#)

Natural gas already is transforming the home heating and electricity markets, said **Peter Terranova**, vice president at energy marketing company UGI Energy Services Inc.

"The impact of this new supply source on pricing is dramatic," he said.

Pennsylvania natural gas consumers are realizing \$1 billion in savings a year, he said. Add in the savings from using natural gas in electricity generation, and ***“I’ve heard numbers in the \$5 billion-\$10 billion range,”*** he said.

Until recently, most of the Mid-Atlantic’s natural gas came through interstate pipelines from the Gulf Coast, 1,400 miles away. That is rapidly changing. Last year, UGI completed a pipeline that brings Marcellus Shale gas directly to the 120,000-customer Wilkes-Barre/Scranton market. Total length: less than 30 miles.

“The savings are significant,” he said.

Snapshot of US NGV Market Today

- NG fuel consumption ~10-12% AGR past 6 years
 - In 2005, ~200 million GGE. In 2010: ~325-350 million GGE (42-44BCF)
 - Medium- and Heavy-duty vehicle fuel use is growing
 - Early models of consumer adoption show promise
 - Growth rate expected to accelerate in next several years as successes in niche markets build confidence
- Factors affecting growth
 - pace of worldwide economic recovery, petroleum prices
 - vehicle and stationing grants that accelerate



[Click here to download a PDF file of Yborra's presentation.](#)

Stephe Yborra, director of market development for the trade association NGVAmerica, presented what he called ***“the compelling case for NGVs.”***

NGVs cost significantly more up front, but buyers recoup their investment and then some, thanks to low fuel prices. With government subsidies applied to vehicle purchase costs, companies can see payback in as little as a year, Yborra said.

NGVs are ideal for fleets that return to a dedicated depot to refuel, such as freight trucks, transit buses and trash hauling, he said.

The vision is that vehicle fleet refueling hubs can be connected to each other over time, creating an infrastructure network via ***“a self-fulfilling process,”*** he said.

Pennsylvania, with its robust trucking industry and proximity to the Marcellus Shale, is a perfect place to get the ball rolling, he said.

“This is the state to get it done,” he said.



Indeed, state Republicans have introduced a legislative package, "Marcellus Works," designed to jump-start NGV use in Pennsylvania, said **Damian Wachter**, executive director for York County state Rep. Stan Saylor, the House Majority Whip.

The Marcellus Works bills include tax credits for fleet purchases and building NGV fueling stations along dedicated interstate corridors and a system of grants and loans for NGV fleet conversion by school districts and public transit systems.

Representatives of a State College-based transit system, a Pittsburgh-area supermarket chain and the U.S.'s largest waste hauler said they're delighted with their organizations' conversions to NGVs.



From left: Mike Ehrenhaft, Mike Lickert and Hugh A. Mose

NGV CASE STUDIES

The Centre County Transit Authority has used buses running on compressed natural gas since 1996, General Manager **Hugh Mose** said. It's the single most popular initiative the authority has ever undertaken, he said.

"Everybody says, 'Wow, we're glad you made this transition,'" he said.



[Click here to download a PDF file of Mose's presentation.](#)



Giant Eagle's **Mike Lickert** said he visited Mose's operation as part of his research into converting the supermarket chain's fleet. Giant Eagle put its first 10 NGV tractor-trailers on the road last summer, and they're working out great, the corporate fleet manager said.

[Click here to download a PDF file of Lickert's presentation.](#)



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[Click here to download a PDF file of Ehrenhaft's presentation.](#)

Houston-based Waste Management Inc. has 1,060 NGV trash trucks out of a nationwide fleet of 22,000, and plans to be 100-percent NGV by 2020, said Field Support Manager **Mike Ehrenhaft**. The company also is installing systems to capture methane from its landfills for use as fuel, he said.

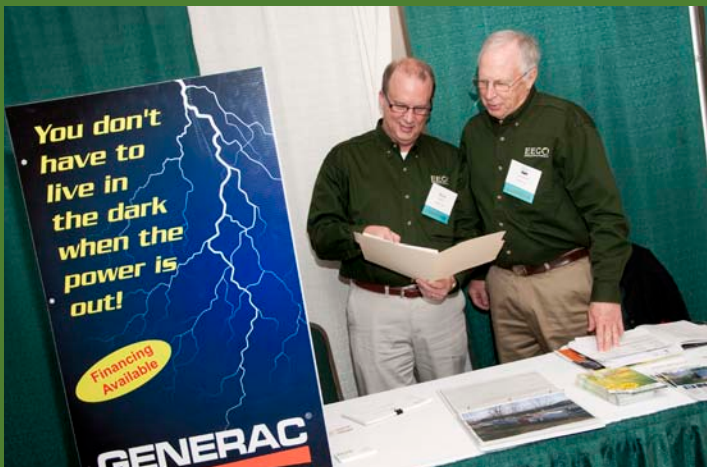
NGVs reduce Waste Management's fuel cost by 50 percent and its maintenance costs by 10 percent, he said. They weigh 500 pounds less than modern diesel vehicles, which permits 500 pounds of additional payload, he said.

NGVs can do the same for other businesses, Ehrenhaft told the audience.

"Why are you waiting?" he asked.

NETWORKING AND EXHIBITS





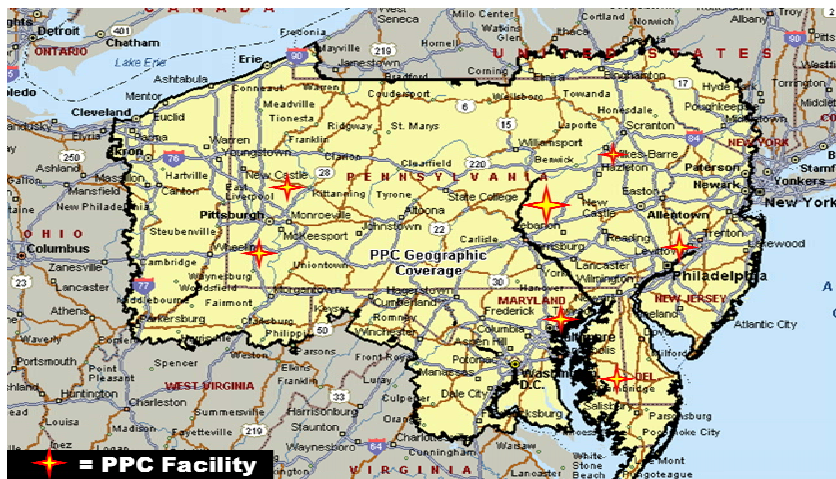
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