

Ohio agencies release joint report on the use of compressed natural gas in the state vehicle fleet

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The Ohio Department of Transportation (ODOT), the Public Utilities Commission of Ohio (PUCO) and the Department of Administrative Services recently published a [report](#) analyzing the cost effectiveness of purchasing vehicles that operate on compressed natural gas (CNG) and the conversion of certain state motor vehicles to operate on CNG. The report, required by Ohio Senate Bill 315 and Ohio House Bill 487, identifies both the potential environmental and economic benefits of using CNG as a vehicle fuel. Specifically, the report notes that CNG burns cleaner than traditional gas or diesel and can reduce carbon emissions by as much as 30 percent. Additionally, given the consistently lower market price of natural gas, using CNG as a vehicle fuel can offer significant cost savings when compared to the market price of gasoline or diesel on a per gallon equivalent basis.

The report also examines factors that must be considered when determining the feasibility of transitioning all or part of the state's or a political subdivision's fleet to CNG. These factors include a full vehicle inventory with information such as the vehicle's make, model, year, storage location, type of fuel used, and the amount of fuel used per month and annually. Other vital information, such as the vehicle's primary use, its life-cycle and replacement schedule must be considered, as well as costs with transitioning to CNG, such as upgrading maintenance facilities and providing proper training to maintenance personnel.

When analyzing the feasibility of transitioning all or part of the state's or a political subdivision's fleet to CNG, the report cites a recent performance audit by the Ohio Auditor of State that provides an assessment of potential costs and benefits associated with the use of CNG in the ODOT fleet. The audit concluded that based on current vehicle conversion and fuel costs, the payback periods of conversion exceeded the useful vehicle life estimates; therefore, it is not feasible at this time for ODOT to move forward with converting its fleet.

Nonetheless, the report notes the potential for positive return on investment with possible future decreased conversion costs and increased petroleum-based fuel costs. The report concludes that increased and expanded usage of CNG in state and political subdivision fleets should be encouraged and actively pursued whenever it is economical and practical to do so.

Specifically, the report urges the immediate creation of a state-level advisory group made of public and private stakeholders with the purpose of developing a strategy on how best to advance the use of CNG in state and political subdivision vehicle fleets. In particular, the advisory group would focus its review on the areas of fleet transition, infrastructure expansion, incentives, financial assistance and education.

The report highlights a number of state incentives and state laws relevant to CNG use. The incentives highlighted in the report include:

- **School Bus Retrofit Program:** This program, administered by the Ohio Environmental Protection Agency, offers grants to retrofit school buses operating on diesel fuel.
- **Alternative Fuel and Fueling Infrastructure Loan Program:** The Alternative Fuel Transportation Program provides funding for up to 80 percent of the cost of purchasing and installing fueling, blending or distribution terminals offering fuels that are substantially not petroleum, including natural gas.

The state laws and regulations relevant to alternative fuel usage and vehicle conversion include:

- Alternative Fuel Signage: Revised Code Section 5537.30 allows an alternative fuel retailer to include a marking or symbol within its logo indicating that it sells one or more types of alternative fuel, including natural gas.
 - Alternative Fuel Vehicle Acquisition and Fuel Use Requirements: Revised Code Section 125.834 requires, with the exception of law enforcement vehicles, that all newly acquired state agency vehicles be capable of using an alternative fuel, including natural gas. Further, the relevant alternative fuel must be used if it is reasonably priced and available.
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Authors
