



Shaping Your Alternative Fuel Program

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HB 3632

Oregon House Revenue Committee

Co-Chair Barnhart and Co-Chair Berger, Members of the Committee:

For the record, my name is Jon Van Bogart with Public Solutions Group, Ltd (PSG). I have worked within the alternative fuels industry for over (15) years – building and managing infrastructure projects and promoting alternative fuels and alternative fuel vehicles. I am the Vice-Chair of the Central Coast Clean Cities Coalition in California and I have participated on several industry working groups with the California Energy Commission and US Department of Energy. In my current role with PSG I provide services to fleets that are interested in converting to alternative fuels. These services include a comprehensive analysis of their existing vehicles and refueling infrastructure, current fuel types, annual fuel consumption, duty cycles and development of a comprehensive fleet emission baseline. I am here to give a neutral overview of alternative fuels, advanced vehicle technologies, and answer any questions the committee may have.

With more than fifty (50) years of collective personal and staff experience, PSG has assisted fleets in the development of long-term, fiscally responsible alternative transportation programs, providing unbiased recommendations, grant writing and bid-spec analysis. Typically, we find that fleets are favoring, one alternative fuel or vehicle technology option over another, most likely because they are uncomfortable with the ever-changing world of alternative fuels and vehicle technologies. PSG believes no one person or entity will have more current knowledge of advanced, proven technology than experienced industry experts who are continuously implementing, operating and improving their ideas and equipment in real-world applications where there are harsh penalties for nonperformance. That is why PSG incorporates the ideas and thoughts of these individuals in its research and analysis. The result is a comprehensive fleet program that saves money and fits individual fleet needs and their operating environment.

For your review, I have submitted some detailed information, "TECHNICAL AND ENVIRONMENTAL SUMMARY OF SPECIFIED ALTERNATIVE FUEL OPTIONS" and "FIRST STEP." These documents are part of a larger program we use when working with various clients to educate them on the menu of non-petroleum alternative fuel options as part of their comprehensive fleet analysis. I do want to clarify that the 2011/2012 versions, currently under revision, will list more vehicle offerings for fuels like propane (LPG), Plug-in Hybrid Electric Vehicles and Hydraulic Hybrid options. Upon request, I will provide this Committee the updated versions when they have been completed.

In view of the short time we have here today, I want to focus on the single most important issue that remains constant in dealing with fleets of all sizes, and that is the fact that there are no "silver bullets" within the alternative fuels transportation industry, and the freedom of choice is often times the key element in determining the most cost effective fuels and vehicle technologies for stable and sustainable

fleet operations. Said differently, the lack of fuel and vehicle choices are one of the many lessons learned from our current, nearly total dependence on petroleum gasoline and diesel. Supporting a diverse portfolio of alternative fuels and vehicle technologies not only lowers the risk of additional dependence on a single, currently available alternative, it also familiarizes fleets with the real world experience to quantify expected costs savings, and evaluate new technologies.

More importantly, fleets are diverse in their makeup and mission, and each sub fleet performs different functions and has different duty cycles. While one fuel may be more cost effective for their heavy-duty vehicles, that same fuel may not be available or may be cost prohibitive or unrealistic for their light-duty applications. Often alternative fuels have slightly lower energy density values but retain equivalent or lower operating cost on a cents-per-mile basis than conventional petroleum fuels. In addition, if fleets are limited to specific alternative fuel or vehicle types, they will be more vulnerable to price spikes, supply shortages and fluctuating economic conditions.

Fleets need, and can now have, choices and options to be successful and industry interests perform best when they have to compete for market share. Additionally, fleets and consumers are best served when policymakers do not choose winners and losers. The most successful programs to accelerate widespread usage of alternatives are diverse and support the ever-changing developments and improvements of advanced fuels and vehicle technologies.

Supporting a portfolio of alternative and renewable fuels and advanced vehicle technologies not only creates a hedge against unforeseen interruptions, it also allows fleets to choose the most cost efficient fuels and technologies to displace gasoline and diesel, reduce emissions and build sustainable and reliable fuel programs.

Thank you for your attention. I will be happy to answer questions.

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