

Why compressed natural gas is right for Georgia



When gas hits \$5 per gallon, I'll have to padlock my garage to keep people from taking my Honda Civic, powered by compressed natural gas - the same stuff that heats many homes in Georgia. I believe Georgia can lead the South in making CNG a realistic alternative fuel in both trucks and cars.

First, let's talk about money. CNG is cheap, relatively speaking. At the pump, natural gas is a little more than \$2 for the equivalent of a gallon of gasoline. With a home fueling station, the price is closer to \$1. And talk about convenient: Try fueling your car in your own garage. And unlike petroleum, the vast majority of our natural gas is drilled right here in North America. So instead of enriching Saudi Arabia or Venezuela, we are using an American resource. That alone should be sufficient motivation to try something new.

And while the price of petroleum is volatile, the U.S. Energy Information Administration expects natural gas prices to stay low until at least 2030. That should be great news for everyone - especially companies who put lots of miles on vehicles.

I talked with a shuttle company that runs vans from Atlanta's Hartsfield-Jackson International Airport to Columbus, Macon and Chattanooga. They operate more than 70 vans and use about 500,000 gallons of gas per year. Even at today's prices, saving \$1 per gallon puts a substantial dent in the additional costs for the more expensive CNG engines, even without the available tax credits.

This kind of commercial application is CNG's best bet for success. These high-mileage urban fleets with central refueling would have a very short cost recovery. But with no place to fuel their vehicles with natural gas, this idea is only a pipe dream.

Doug Everett and Bubba McDonald, two of my colleagues on the Georgia Public Service Commission, have been stoking the fire on this issue and looking at a number of plans. It is my hope that as a new commissioner, I can add value to the conversation and the PSC soon can play a significant role in making CNG a reality in Georgia.

CNG is the cleanest fossil fuel available. In Seattle, Waste Management upgraded trash trucks to run on CNG and found that they would reduce smog-causing pollutants by 97 percent, toxic diesel particulate matter by 94 percent and greenhouse gases by 20 percent. If we can get cleaner air and save money at the same time, we should move in that direction.

In December, I went to Southern California to look at its many applications of CNG. I found taxis, port authority vehicles, shuttle buses, trash trucks and commuter vehicles running on CNG, with access to many fueling stations. These fueling pumps, which are as easy to use as a regular gasoline pump, are what we desperately need in Georgia to jump-start CNG use.

Also, CNG vehicles can drive in high-occupancy vehicle lanes on Georgia's freeways. This benefit, meant to encourage the purchase of alternative-fuel vehicles, is the best-kept secret in Atlanta, and something that many frustrated commuters will take advantage of if fueling stations are built.

What will it take to make CNG a viable alternative in Georgia? Atlanta Gas Light has submitted a plan to use its Universal Service Fund revenue to install refueling equipment at public stations throughout Georgia, with no subsidies from ratepayers. According to AGL leadership, AGL is not intent on entering the CNG retail market, but wants to spur investment by private companies in CNG vehicles and fueling stations.

We may need to consider finding incentives for private industry to build the infrastructure and be traditional wholesale providers. If AGL enters the market and sells CNG below market rates, Georgia might duplicate what has happened in Utah, which wound up with no private market investment, obsolete equipment and no reinvestment into the infrastructure. Public policy issues always are more complex than they first appear.

So, what is the best role for AGL, and what investment incentives will work best? Since Congress allowed federal tax credits and subsidy programs to expire last December, should Georgia wait for the private market to develop once Congress acts to renew these incentives? These are all good questions and something the PSC will be looking at over the next eight weeks. I look forward to hearing from you on any and all of these matters.

**By Tim Echols, member of the Georgia Public Service Commission.
Athens Banner-Herald
January 18, 2011**