



T. Boone Pickens Media Coverage 12.2.11 – 12.6.11

Total of 1 Placements

- Print: 1

Print Placements (Full Articles Below)

- **Natural gas vehicles are making inroads in U.S. market** – *The Kansas City Star* – 12/5/11
<http://www.kansascity.com/2011/12/05/3303662/natural-gas-vehicles-are-making.html>

PRINT COVERAGE

Natural gas vehicles are making inroads in U.S. market – *The Kansas City Star* – 12/5/11

By Steve Everly

The Green Car of the Year award is a showcase for new cars that produce less pollution and help cut the country's appetite for crude oil. The Chevrolet Volt won it in 2010, and this year's competition featured other electric vehicles, as well as diesel models with improvements to make them more efficient.

And the winner is ... none of them.

Instead, to the surprise of many, the winner announced last month was a redesigned Honda Civic, the fifth-generation version of a model that's been around since 1998.

What made it different, and green? It's powered by an engine that uses natural gas.

Green Car Journal, which sponsors the award, said it was time to honor the car, now called the Civic Natural Gas, for its excellent fuel efficiency and the cleanest-running internal combustion engine ever

certified by the Environmental Protection Agency.

“There is no other vehicle like the Civic Natural Gas on American highways, and this recognition has been a long time coming for Honda,” said Ron Cogan, the publisher of the magazine.

Natural gas vehicles are enjoying new respect and fresh attention, thanks to surging supplies of the low-cost fuel. That’s paving the way for arguably the best opportunity ever to make natural gas a major player in transportation.

T. Boone Pickens, a Texas oilman, and others see it as the “bridge” fuel that will slash oil imports until other fuels such as hydrogen are available.

Major challenges remain, especially in developing a network of fuel stations so natural gas can be more widely used. In the Kansas City area, for example, there’s only one natural gas dispenser open to the public, although there are a handful of private stations serving fleets. Congress is considering legislation that would provide financial help to build the network.

Some moves are also being considered that will help the Kansas City area. Clean Energy, which operates natural gas stations around the country and was founded by Pickens, is in talks to take over Kansas City municipal government natural gas pumps, which are used to provide fuel to about 300 city vehicles. A deal could be reached early next year that would upgrade the facilities, including adding pumps. Current plans call for opening three of the facilities to the public.

“I’m 99 percent confident we’ll get something worked out,” said Ken Nicholson, a general manager for Clean Energy.

The push is fueled by large amounts of natural gas being recovered in shale formations in the United States. Natural gas is the main source for heating homes and businesses in the Midwest, but the increasing domestic supplies have people thinking of using it more for transportation and other applications. Forecasters such as Black & Veatch, an Overland Park engineering firm, also expect more natural gas to be used to generate electricity in coming years.

Natural-gas-powered cars and trucks produce less pollution than traditional gasoline or diesel vehicles, and some have hoped for decades that they would catch on. But that has been a tough sell, especially with low gasoline and diesel prices. But higher oil prices and the more abundant supplies of natural gas have transformed the economics and caught the energy industry’s attention.

Joseph Petrowski, chief executive officer of Gulf Oil, which is now a distributor and retailer of petroleum products, recently told an Oil Price Information Service conference in Las Vegas that selling natural gas for cars and trucks is worth considering. Natural gas prices are so low that it's like paying \$10 for the same amount of energy that is in a \$90 barrel of oil, he said.

"If you can't take an under-\$10 barrel of fuel and use it, then you aren't thinking very hard," he said.

Those sorts of wholesale fuel savings, however, aren't going to end up in the pockets of retail consumers because there are other costs along the way. A single gas-pump-type dispenser, for example, along with the compressor and other necessary equipment, can cost \$500,000 to \$1 million upfront.

But there are still significant fuel savings to be had. The U.S. Energy Department said the nationwide average price for gasoline in October was \$3.46 a gallon in October, compared with \$2.09 for an energy equivalent gallon of natural gas.

Sniffing an opportunity, Missouri Gas Energy, Atmos Energy and Kansas Gas Service have joined a four-state group to lobby state legislatures and help remove any obstacles that would keep more natural gas from being used in cars and trucks. They're pushing for legislation to ensure motorists of a reliable supply, for example, should they decide to buy a natural-gas-powered vehicle.

"We are doing everything we can," said Jason Fulp, a spokesman for Missouri Gas Energy and chairman of the four-state group.

It's still early to know whether such efforts will succeed, and given the history of natural gas vehicles, some caution is needed. Ford once made a natural-gas-powered Taurus but dropped it because of poor sales. The Civic Natural Gas, the only production natural gas car now available in the United States, had sales of about 2,000 this year, although that's double what annual sales once were.

For most of its 13 years the Civic Natural Gas was offered only in four states, including California. But the sales territory has been expanded and is now being offered by Honda of Tiffany Springs in Kansas City, said Chuck Schifsky, a Honda spokesman.

The car gets 38 miles per gallon on the highway and has a range of 240 miles per tank. It also costs \$5,500 more than a Civic with a gasoline engine. Even though the car hasn't been a big seller, it has fit into the automaker's strategy of offering cars that use different fuels, and natural gas is still in the mix.

“It’s going to take a little time to get going, but we’re still pretty positive about it,” said Schifsky.

The patience is needed since most observers think that at least for now the greatest potential is for trucks and commercial vehicles, which increasingly can be ordered with natural gas engines. General Motors is offering a couple of vehicles next year with the option, including in the Express van, and Ford has an arrangement with certain companies to retrofit new vehicles for natural gas. Truck manufacturers are offering natural gas engines as well.

The commercial market has been easier to crack since the vehicles use more fuel, which better justifies the cost of dispensers and infrastructure, which will be the case for some time, said Michael Omotoso, an analyst with LMC Automotive.

“The commercial applications are where there is potential,” he said.

But consumers wanting a natural gas car should still be able to take advantage of such moves

Clean Energy won’t move into a market unless it’s assured that there are enough commercial vehicles that use natural gas to ensure success.

“We want to have the volume to have the volume from day one,” said Nicholson of Clean Energy.

But their stations, which look like traditional gas stations, are open to the public and consumer-friendly, including running a video at the dispenser that shows how to use it. Besides Kansas City, the company also plans to go into St. Louis as part of a move into the Midwest.

“It was just a matter of time before it caught on in the central U.S.,” said Nicholson.

For Sam Swearngin, superintendent of Kansas City’s municipal fleet, the change would give the city government’s natural gas fleet, which includes cars and trucks, upgraded fueling facilities that for the first time will be available to the public. He is hopeful it will happen.

“We have Council support, and that makes all the difference, he said.

Follow us on [Facebook](#)! Or Twitter @pickensplan