

# Natural Gas Fueling Infrastructure

## Description:

Increased installation of natural gas (NG) fueling infrastructure suffers the “chicken or the egg” problem: While consumer anxiety about the availability of fueling stations creates barriers to vehicle acquisition, the relatively low number of natural gas-fueled vehicles (NGVs) in operation creates uncertainties about return on investment for potential owners of fueling stations. For NGVs, the problem is more severe than for electric vehicles (EVs) as fueling equipment costs are much higher, and there are fewer original equipment manufacturers for NGVs than for EVs. There are a number of programs that states can adopt to support NG fueling infrastructure.

## Discussion of the Policy:

1. **Financing and Financial Incentives** - The provision of financial incentives and innovative financing options can increase installations of fueling stations and equipment. States have adopted a number of financial incentives including income and property tax credits, natural gas sales tax credits, loans, grants, and rebates.
2. **Energy Savings Performance Contracting** - An emerging method for financing NGV fleets and fueling infrastructure, the Energy Service Company (ESCO) model provides opportunities for overcoming barriers associated with greater use of natural gas as a vehicle fuel. For further discussion, see the [‘Energy Savings Performance Contracting’](#) policy overview.
3. **Utility-Run Programs** - Provided by natural gas utilities, refueling rate incentives can reduce refueling costs. Some utilities also offer financing options and financial incentives for the purchase of refueling appliances. A handful of states also allow utilities to provide rate-based fueling stations. In some states, enabling legislation may be required to direct or authorize a public utilities commission to allow regulated utilities to offer and recover costs for these programs.
4. **State Codes and Requirements** - In order to regulate the installation of vehicle refueling appliances, state building codes, appliance standards, and contractor certification requirements may need to be updated.

## Example State Programs:

States, local governments, and natural gas utilities offer multiple incentives to support the use of natural gas as a vehicle fuel.

- Colorado Vehicle Fleet Maintenance and Fuel Cost-Savings Contracts:  
<http://www.aeltracker.org/bill-details/2000/colorado-2013-sb-13-254>
- Maryland Natural Gas Refilling Station Grant Program:  
[http://energy.maryland.gov/transportation/Documents/NatGasRefillingStationGrantGuidelinesFinal8-26-14\\_000.pdf](http://energy.maryland.gov/transportation/Documents/NatGasRefillingStationGrantGuidelinesFinal8-26-14_000.pdf)
- SoCalGas:  
<https://www.socalgas.com/for-your-business/natural-gas-vehicles/incentives-and-grants>
- Texas Clean Transportation Triangle:  
<https://www.tceq.texas.gov/airquality/terp/ctt.html>

## Key Components:

- Programs can be targeted to one, some, or all of the following: Single-family homes, multi-family dwellings, businesses, or units of government.
- Programs can be targeted to compressed natural gas, liquefied natural gas, or both.
- Eligibility for incentives may be limited to systems that comply with state codes or federal standards.
- Loan, grant, and rebate programs must have a dedicated funding source.

## More Information:

- Alternative Fuels Data Center (AFDC), Natural Gas webpage:  
[http://www.afdc.energy.gov/fuels/natural\\_gas.html](http://www.afdc.energy.gov/fuels/natural_gas.html)
- America's Natural Gas Alliance, Natural Gas Infrastructure webpage:  
<http://anga.us/issues-and-policy/natural-gas-infrastructure#.VtYam5wrKUk>
- Center for Climate and Energy Solutions, Applying the Energy Service Company Model to Advance Deployment of Fleet Natural Gas Vehicles and Fueling Infrastructure Report:  
[http://www.afdc.energy.gov/uploads/publication/esco\\_model.pdf](http://www.afdc.energy.gov/uploads/publication/esco_model.pdf)
- U.S. Department of Energy, Alternative Fuel Vehicle & Fueling Infrastructure Deployment Barriers & the Potential Role of Private Sector Financial Solutions Report:  
[http://www.afdc.energy.gov/uploads/publication/afv\\_fueling\\_infrastructure\\_deployment\\_barriers.pdf](http://www.afdc.energy.gov/uploads/publication/afv_fueling_infrastructure_deployment_barriers.pdf)
- U.S. Department of Energy, Costs Associated With Compressed Natural Gas Vehicle Fueling Infrastructure Report:  
[http://www.afdc.energy.gov/uploads/publication/cng\\_infrastructure\\_costs.pdf](http://www.afdc.energy.gov/uploads/publication/cng_infrastructure_costs.pdf)