



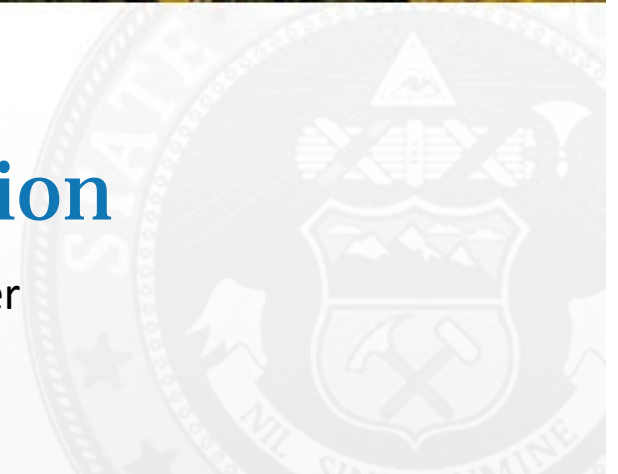
Colorado
Energy Office



Natural Gas Vehicles – State Tax Incentives and Legislation

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The Colorado Energy Office

Mission

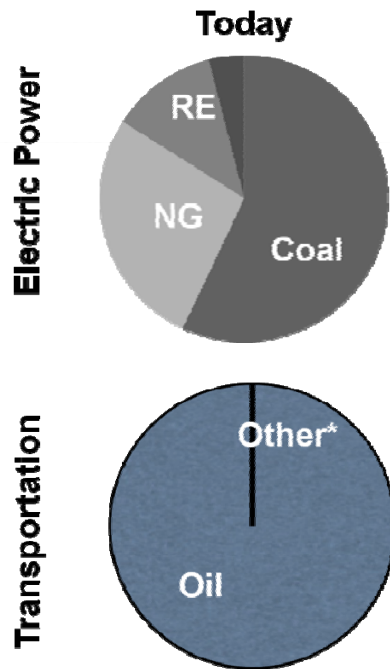
The CEO's mission is to improve the effective use of all of Colorado's energy resources and the efficient consumption of energy in all economic sectors, through providing technical fieldwork and guidance, financial support, policy advocacy and public communications.

Vision

The CEO's vision is to help Coloradans live more prosperous and healthy lives by promoting innovative energy production and efficient energy consumption practices that are beneficial to the economic and environmental health of the state.

Like the Nation, Colorado is Dependent on Oil

Colorado's Current Energy Mix



Balancing Colorado's Transportation Energy Mix

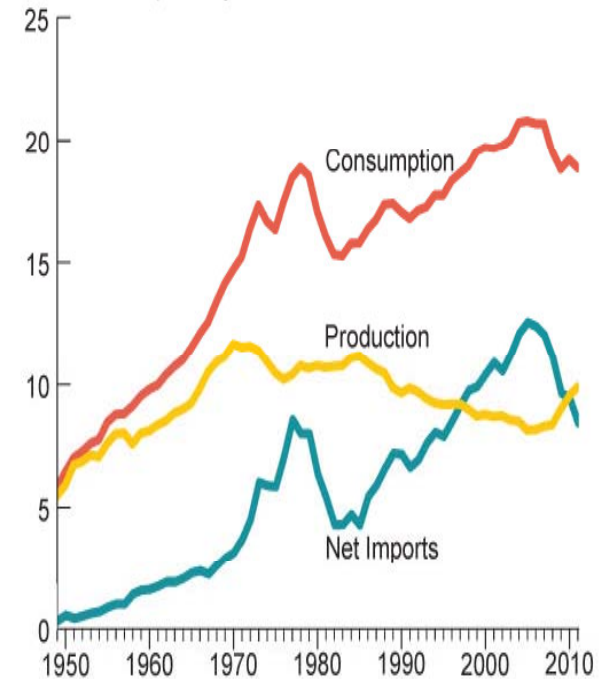
CEO seeks to diversify Colorado's transportation fuel mix by helping the right consumers (fleet and individual) find the right energy solutions

Benefits

Energy security, lower consumer costs, improved environmental performance, and Colorado jobs

U.S. Petroleum and Other Liquids, Consumption, Production, and Imports (1949-2011)

million barrels per day



Source: U.S. Energy Information Administration, *Monthly Energy Review*, Table 3.1 (April 2012), preliminary data, and *Annual Energy Review*, Table 5.1a (October 2011).

Natural Gas Vehicle Benefits

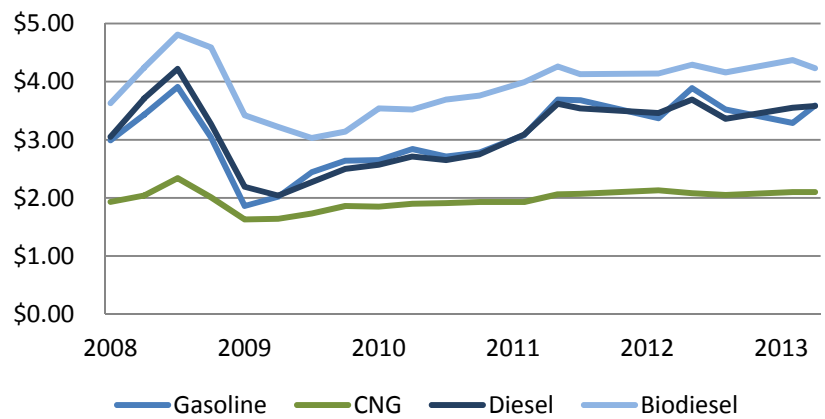
Environmental Benefits

- Light-duty vehicles show moderate GHG reduction (7%) and high NOx reductions (40%) when switching from gasoline.
- VOC reductions of 75%
- No hard studies on HD data since increased emission standards & improved NGV engines.
- However, 58% of Colorado MD and HD vehicles are older than 8 years – meaning that pre-2007 emissions standards will be the ones replaced.
- Replacing older diesels with NGVs will reduce GHGs, relative to engine efficiency, and criteria pollutants by up to 20 g/mi for NOx.

Natural Gas Vehicle Benefits

Low fuel costs equate to long term savings and shorter payback timeframes

U.S. Average Retail Fuel Prices



CNG acts as a natural hedge in two ways

- By adding a new fuel to the state’s mix, creating less dependence on oil prices.
- ~32% of CNG price at the pump is commodity cost, versus 56% for gas/diesel.

Fuel	Gasoline	Diesel	CNG
Price / GGE	\$3.87	\$4.09	\$2.09



**Bottom line:
It will save money**

House Bill 13-1247

Bill Sponsors: Representatives Duran, Singer and Senator Johnston

- Tax credits for NGVs, propane vehicles, and EVs
- Maximum \$6,000 credit
- NGVs less than 26,000 lbs GVWR
- EVs less than 8,500 lbs GVWR

Existing Law

Great incentives for light duty vehicles

- High adoption rates

No inclusion of heavy duty vehicles

- Heavy duty vehicles use more fuel
- Higher economic and environmental benefits

Outdated sales tax exemption

- Low emission vehicle standards are met by most medium and heavy duty vehicles sold
- Original goal of incentivizing cleaner trucks

House Bill 14-1326

Bill Sponsors: Representatives Primavera, Scott and Senator Hodge

- Incentives for alternative fuel trucks
 - NGVs (CNG and LNG), EVs, Propane, Hydrogen

- Cap on credits:
 - \$20,000 for heavy duty
 - \$15,000 for medium duty
 - \$7,500 for light duty trucks
 - \$6,000 for light duty passenger vehicles

- Credits ramp down through 2021

House Bill 14-1326 (continued)

Bill Sponsors: Representatives Primavera, Scott and Senator Hodge

- Additional incentives for fuel efficiency technologies
 - Aerodynamic upgrades
 - Idling reduction

- Specific ownership tax adjusted for AFVs
 - 75% of purchase price

- CEO study on AFV emissions

- Amends outdated sales tax exemption for low emission vehicles
 - Fiscally positive!

House Bill 14-1105

Sponsors: Representative Mitsch-Bush and Senator Todd

- Exempts intergovernmental fuel sales from tax
- Sales from retailers to governmental entities were already exempt from the tax
- Passed both chambers

Senate Bill 14-028

Sponsors: Senator Jones and Representatives Duran and Tyler

- Expands eligibility for CEO's EVSE grant fund
- Allows businesses, non-profits, public universities, state agencies, and public transit agencies to apply for EVSE units
- Passed both chambers

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