



VIRGINIA, MARYLAND, DC E85 PROJECT STILL LOOKING FOR RETAILERS, DISTRIBUTORS, FLEET OWNERS & OPERATORS

Stakeholders, here's your chance to get some grant money for E85 refueling infrastructure. We are looking for retail gasoline refueling stations and government owned fleet refueling stations.

The PowerPoint presentation beginning on the next page summarizes the grant eligibility requirements and illustrates how a county fleet refueling operation and a federal refueling facility used solutions provided by a private company in Texas to make E85 available to the public.

We have tentatively scheduled two meetings, April 16 and 17, location and time TBA, to identify fleet and distributor partners who can advance this effort to provide a dozen public and fleet accessible E85 stations in Virginia, Maryland and DC.

Let us know if you wish to be on the invitation list for either meeting.

FY07 EPA BUDGET INCLUDES \$7 MILLION FOR ITS CLEAN SCHOOLBUS USA PROGRAM

The U.S. EPA budget for FY 2007 includes \$7 million for its Clean Schoolbus USA program. This funding will be distributed through EPA's regional diesel collaboratives (Mid-Atlantic Diesel Collaborative in our case), and the RFPs should become available during the next few months. We are looking for interested school districts NOW to get a head start in applying for these funds, and/or to build on projects that have been previously funded.

EPA wants this to be an energy-diverse program, so NGV projects submitted have a very good chance of being funded. In the past, the EPA has funded up to 45 percent of the cost of a new bus (not just the incremental price). If your school district is interested, please contact.

Items of interest this month:

- Virginia, Maryland & DC E85 Project
- Clean Cities Coalitions Assemble for "Energy Independence Days"
- Federal / Virginia Legislative Update
- Cold Weather Handling Workshops Held at the Virginia Biodiesel Refinery
- V-REMS Partnership Website Launched
- Waste Solutions Forum Innovative Environmental Technologies Symposium
- North American Association for Environmental Education Conference
- Compressed Natural Gas Opportunities Are Now Making Better Economic Sense

VIRGINIA, MARYLAND, DC E85 PROJECT



Virginia Clean Cities & Hampton Roads Clean Cities Coalition 3/14/2007 presentation - DOE's Federal Energy Management Program Interfuels Committee



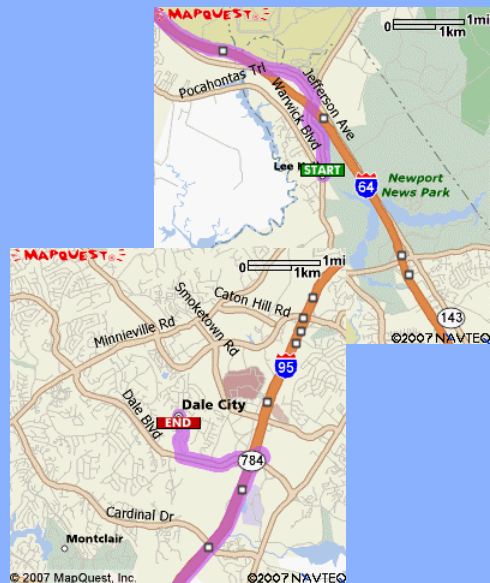
- GOAL: Give away \$20,000
- Virginia E85 news
- VA-MD-DC grant
- Private providers
 - Implementation tools
 - Public access
- Partnering opportunities



Virginia and Federal Fleet E85



Richmond soon will accept Voyager Card
Possible next E85 sites are VDOT depots:
Dale City in NOVA; Lee Hall--Newport
News
Defense Supply Center-Richmond soon





Virginia-Maryland-DC E85

- Objective
 - Where:
 - I-95 from Maryland to North Carolina border
 - I-64 from Charlottesville to Virginia Beach
 - Near federal and state E-85 capable fleets
 - When
 - By September 30, 2008
 - How:
 - Define and develop E85 supply chain
 - Partnerships of ethanol producers, fuel distributors/retailers, vehicle dealers, owners of fleet Flex Fuel Vehicles (FFV)
 - General Motors Corporation is key partner
 - Grant money to help defray capital cost and risk



Grants and Tax Credits

- \$20,00 in grants available per E85 hose
- Investors may qualify for 30% tax credit
- Grant money, tax incentives, GM marketing support and government fleet dedication can reduce capital cost and lower investment risk, especially when:
 - An existing tank can be converted to E85
 - An additional tank can be added to a new build
 - A large FFV fleet will agree to fuel at the facility



Key E85 Grant Requirements

- Public access to E85
 - Traditional retail customer “experience” desired
 - Commercial sites must be open to general public
 - Government sites qualify if open to public
- Environmental review BEFORE work starts
- E85 sales and reporting continues 2 years
- POS network SHOULD collect “Level 3” data on financial reports (billing statements)
 - Federal fleets can’t demonstrate use of E85 if billing statements don’t correctly identify the alternative fuel
 - Some POS networks don’t provide a separate code for E85
 - Alternative fuels are sometimes miss-identified as “leaded gasoline”



How Grant Money Can Be Used

- Hard costs (matching cost share required):

— Dispenser	\$4,000
— POS (card reader)	\$4,000
— Dispenser install	\$1,000
— POS install	\$2,500
— Equipment assessment	\$500
— Tank Cleaning	\$750
— ATG installed	\$2,500
— Total grant share	\$15,250
— <u><i>(Required cost share</i></u>	<u><i>\$15,250)</i></u>



How Grant Money Can Be Used

- Soft Costs (matching cost share required):
 - Grand Opening \$2,500
 - Price & POS signage \$500
 - Marketing \$2,000
 - Total \$5,000
 - (Required cost share \$5,000)



What is Needed

- Retailers and distributors
 - Willing to offer E85
 - Refueling locations along I-95 and I-64
 - Refueling locations near government fleets
- Fleet owners and operators
 - Willing to use private owned E85 refueling
 - Or, willing to allow public access to government owner E85 refueling



Tools for Fleet Managers

- Turn-key alternative fuel providers offer:
 - Fleet analysis to find best refueling solution
 - Fuel supply, equipment management
 - Fleet fuel management software
 - Powerful reporting capabilities
 - Emissions benefits documentation
- Flexible, automated pay-at-pump systems
 - Allow public access to government refueling
 - Automate excise tax collection and reporting



CFUSA Solution Example 1: Bexar County (San Antonio TX) government fleet fueling with E85 and propane available to the public via pay at the pump with Visa and MasterCard. Texas-based CleanFUEL USA owns the equipment.



CFUSA Solution Example 2: Transportation Office, NASA SGS Warehouse, Kennedy Space Center, sells E85 to the public. The pump accepts fleet cards and credit cards. CFUSA designed and installed equipment.



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CLEAN CITIES COALITIONS ASSEMBLE IN WASHINGTON FOR “ENERGY INDEPENDENCE DAYS”

On March 5 and 6, coordinators and representatives from 35 Clean Cities coalitions throughout the country met in Washington, D.C., for Energy Independence Days 2007. The two-day program was principally sponsored by Plug-in Partners. Additional sponsors included National Biodiesel Board, NGV America, American Honda, General Motors, Clean Energy, Ethanol Promotion and Information Council, Propane Education and Research Council, and the National Alternative Fuels Training Consortium.

March 5th featured informational briefings from the sponsors, Senator Orin Hatch (R-UT), and officials from EPA and Departments of Agriculture, Energy and Transportation. Presentations should be posted online shortly (please email us if you are interested in obtaining a copy).

March 6th was chiefly designated for Congressional office visits to educate Members of Congress and their staff. The educational message of the day was that the federal government already has an effective deployment mechanism in place, Clean Cities, focused on reducing our “addiction” to oil in the transportation sector and promoting fuels that reduce GHG emissions. Virginia Clean Cities also informed each staff member of particular projects happening in their districts and how they can become involved. Collectively, Clean Cities coalitions visited 116 Congressional offices. Virginia Clean Cities met with legislators or staff in four different offices: Congressman Rick Boucher (D-9), Congresswoman Thelma Drake (R-2), Congresswoman Jo Ann Davis (R-1), and Congressman Randy Forbes (R-4).

A special thanks to members of the planning committee for pulling this event together. To view the agenda, visit http://www.cleanfuelsohio.org/eid/EID2007_RevisedAgenda.pdf.

VIRGINIA/FEDERAL LEGISLATIVE UPDATE

House Joint Resolution No. 148: Report on Use of Biodiesel Fuels

Find the report here: [http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/HD182007/\\$file/HD18.pdf](http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/HD182007/$file/HD18.pdf)

The report was requested by House Joint Resolution No. 148, which was agreed to by the House and Senate during March of the 2006 General Assembly Session. HJR 148 requests that state agencies implement the use of biodiesel fuels, where feasible, in fleet vehicles and equipment and that the Secretary of Administration report on the progress of meeting the requests of HJR 148.

The bad news is that disappointingly little biodiesel is used by state agencies that responded to the survey. Only two – James Madison University and the Virginia Department of Transportation – reported using biodiesel. JMU cites a positive experience. VDOT, according to the report, does not think – based on a pilot biodiesel program in Hampton Roads – that it is practical to expand the use of biodiesel, even in low blends, for a variety of reasons.

On the positive side, all of more than 100 agency respondents requested education on the potential benefits of biodiesel. The Virginia Department of Mines, Minerals and Energy and the Office of Fleet Management Services have offered to conduct educational workshops to provide this education.

We at Clean Cities believe the risks and costs cited by VDOT in the report are small and that they can be alleviated with simple, inexpensive solutions that have proved successful in Virginia and elsewhere. We think that our society is exposed to a far greater risk and cost if we continue down the current path of almost total dependence on imported fossil fuels.

Federal Executive Order 13423 Replaces/Revokes Executive Order 13149

The order is entitled “Strengthening Federal Environmental, Energy and Transportation Management”. The items focusing on vehicle operations include:

- Each agency must improve overall energy efficiency and reduce GHG by (1) 3% annually through the end of FY2015, or (2) 30% by the end of FY2015. (The reductions are relative to a 2003 baseline.)
- Fleets with 20 or more vehicles, must (1) decrease their petroleum usage by 2% annually through FY2015, (2) increase non-petroleum based fuel consumption by 10% annually, (3) use plug-in hybrid vehicles when they become commercially available at a reasonable (lifecycle) cost.
- Contractors using government vehicles must adhere to the same requirements as federal employees.

Link: http://www.ofee.gov/eo/EO_13423.pdf

Biofuels Incentive Grant Program Production Eligibility Revised

HB3039 significantly reduced the biofuels production incentive grant threshold of eligibility from 10 million gallons to two million gallons of neat biofuels sold in a year. A new biofuels producer must sell at least two million gallons of biofuels and an existing producer must increase sales by two million gallons over the previous year to be eligible to receive an incentive grant in an amount equal to \$0.10 for each qualifying gallon of neat biofuels sold. To view the amendment, visit: <http://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+HB3089ER>

HB 2132: HOV Lanes; extends sunset provision for vehicles bearing clean special fuel vehicle license plates

The HOV lane exemption for alternative fuel vehicles displaying the Virginia ‘Clean Special Fuels’ license plate regardless of the number of occupants may be extended. HB 2132, which passed the House and Senate in early March, proposed to extend the sunset to 2008.

Important detail: Effective July 1, 2006, vehicles registered with the newly designed blue plate will only be exempt from the occupancy requirements in the I-66, Dulles Toll Road and Hampton Roads area. Vehicles in the I-95/395 corridors cannot use the HOV lanes unless they are operated with the required number of occupants. However, qualifying vehicles issued the clean special fuel plate prior to July 1, 2006 are still exempt from occupancy requirements in all HOV facilities in Virginia until July 2007 (or July 2008, depending on the outcome of HB 2132).

COLD WEATHER HANDLING WORKSHOPS HELD AT THE VIRGINIA BIODIESEL REFINERY

Virginia Clean Cities participated in workshops at the Virginia Biodiesel Refinery focusing on biodiesel cold weather handling and blending practices. About 50 persons attended the workshops. Dennis Sulick, Plant Manager, emphasized the importance of “knowing” and “managing.” Knowing the characteristics of biodiesel is critical in order to develop an effective biodiesel handling and management plan, he said. Sulick pointed out that International Falls, MN was experiencing 13° below zero on the day of one workshop and that biodiesel blends were in use throughout the state in much colder conditions than we face in Virginia. Sulick also discussed cloud point, cold filter plug point, and various guidelines for B100 storage. Simple but effective demonstrations illustrated how biodiesel should be blended with petroleum diesel and how poor blending can occur, especially at low temperatures, and cause engine performance problems.

Virginia Clean Cities provided an overview of biodiesel blending options, namely splash, in-tank, and in-line, and the pros and cons of each. Bulk storage of B100 and biodiesel blends was covered. The presentations will become a part of a larger resource document on biodiesel quality and fuel storage and handling practices that will be posted on our website and announced to stakeholders later this month.

MARYLAND CLEAN CITIES MEDIUM- AND HEAVY-DUTY VEHICLE UPDATE AVAILABLE

Maryland Clean Cities put together a great medium- and heavy-duty vehicle update. View it using the link: http://www.energy.state.md.us/programs/transportation/cleancities/newsletter/2007-03/Medium_and_Heavy-Duty_Vehicle_Update.pdf

V-REMS PARTNERSHIP WEBSITE LAUNCHED

The Virginia Regional Environmental Management System (V-REMS) partnership has recently developed a publicly accessible website at www.vrems.org

The V-REMS partnership consists of over 50 federal, state, and local public and private organizations that collaborate to address regional community and environmental issues throughout greater Richmond, VA. This innovative partnership strengthens community relationships and promotes environmental sustainability.

The V-REMS partnership provides specific benefits to each of its partnering organizations by helping them to improve local and regional environmental quality; build communication and trust between partners and the community; and cost-effectively manage their environmental impacts to improve environmental management.

V-REMS is a valuable partner in the VA-MD-DC E85 grant project that Clean Cities manages for the Department of Mines, Minerals and Energy.

The V-REMS website serves as a tool to:

- highlight the many benefits of the V-REMS partnership.
- welcome interested parties to learn more about and join V-REMS.
- share V-REMS related accomplishments and publicly available documents.
- provide an overview of the V-REMS workgroups and invite participation.

A password-protected private side of the V-REMS website enables effective communication and networking by and among partners through use of the "Forum" – an electronic discussion board. It also features secure document sharing by partners including posting events/workgroup meetings/etc. to an internal partner calendar.

WASTE SOLUTIONS FORUM INNOVATIVE ENVIRONMENTAL TECHNOLOGIES SYMPOSIUM

Virginia Clean Cities' was a sponsor and set up a tabletop display at the Innovative Environmental Technologies Symposium hosted by the Shenandoah Valley Waste Solutions Forum on February 22, 2007. The symposium focused on cost effective nutrient solutions for economic viability, optimum agronomic use, and the future of agriculture.

To view the agenda, visit <http://www.cpe.vt.edu/iets/agenda.html>.

NORTH AMERICAN ASSOCIATION FOR ENVIRONMENTAL EDUCATION CONFERENCE

The North American Association for Environmental Education's annual conference will take place November 14-17, 2007 in Virginia Beach, VA. Approximately 1,000 of North America's top environmental educators will attend, coming from universities, nonprofits, parks, museums, nature centers, K-12 classrooms, and a variety of other areas. Not only are these folks looking to purchase "green" products, they are looking for a variety of resources and related items to use in their educational efforts in both formal and non-formal EE settings.

NAAEE is looking for exhibitors, sponsors, and participants. Visit <http://www.naaee.org/conference/exhibitors-and-advertisers> for more information. Click on "2007 Exhibitor and Advertiser Prospectus."

Virginia Clean Cities is coordinating an alternative fuel vehicle display in the exhibit area, an alternative fuel vehicle ride and drive, alternative fueled transportation for conference activities, and a renewable energy session. If you have any creative ideas, or would like to help plan for this event, contact Chelsea Jenkins @ cjenkins@hrccc.org.

COMPRESSED NATURAL GAS OPPORTUNITIES ARE NOW MAKING BETTER ECONOMIC SENSE

Virginia Clean Cities has hosted a few meetings focusing on fleet applications (primarily refuse and transit) for compressed natural gas. Mark Riley, Clean Energy Eastern Manager, offered an overview of why compressed natural gas makes a lot of sense for certain fleet applications. Fleets formerly restricted by the high capital cost of CNG infrastructure and incremental vehicle cost now have the option of teaming up with Clean Energy who can invest in CNG infrastructure, provide long-term fixed fuel pricing highly competitive with diesel, vehicle financing or lease programs, and work with fleets to apply for grant funding on their behalf. Mark Riley's presentation is posted on our resources page: <http://www.hrccc.org/resources.html>. If you are interested in investing CNG use in your fleet, please contact us.

Virginia Clean Cities also helped provide information at the January meeting for the Old Dominion Chapter of the National Association of Fleet Administrators. Stephe Yborra, Clean Vehicle Education Foundation/NGVAmerica, presented on the following topics:

- "The 'approaching' train wreck is already here"- the effect of the world oil supply-demand crunch on business costs today and tomorrow.
- "OUCH!" - EPA emissions requirements' impact on engine technology, performance and cost
- "The Apple IIe Analogy" - Alternative fuel and vehicle options yesterday, today and tomorrow:
- "We're from the federal government and we're here to help you...REALLY!" - a look at the new tax incentives
- "Git' er done" - A sampling of successful NGV applications with a real-life look at what it took and how it paid off

Stephe's presentation is also posted to our resources page: <http://www.hrccc.org/resources.html>

Calendar

April 1-4	Alternative Fuels & Vehicles National Conference & Expo 2007, Anaheim, CA http://www.afvi.org/NationalConference2007/
April 10-12	Environment Virginia 2007, Lexington, VA
April 16-17	Clean Fuels USA Meetings, location and time TBA
April 19	Earth Day celebration, Fort Lee, VA
September 18-20	Commonwealth Energy & Sustainability Conference, Lexington, VA
November 14-17	NAAEE Conference

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