



## Virginia Clean Cities Hampton Roads Clean Cities Coalition Monthly Status Report – April 2006



Dear Clean Cities Stakeholder,

We are currently at the 2006 Clean Cities Congress & Expo and the alternative fuels and vehicles industry has certainly exploded. The media, including Good Morning America, has been present every day at the Congress to report on alternatives to petroleum and other industry activity. Next month's report will be filled with updates and insight into the future of the alternative fuels industry.



Finally! The Internal Revenue Service (IRS) has published Form 8911, Alternative Fuel Vehicle Refueling Property Credit, which provides the first ever federal income tax credit for the installation of E85, biodiesel, natural gas, CNG, LNG, LPG, or hydrogen fueling systems. Read more below, and find links to the newly published Form 8911.

Items of interest this month:

- The Internal Revenue Service (IRS) has published Form 8911, Alternative Fuel Vehicle Refueling Property Credit
- James City County On its Way to Meeting a 20% Petroleum Reduction Goal
- Virginia Manufacturers Association Hosts Energy Symposium June 8, 2006
- Air Quality Forecasting Has Now Begun, Sign Up For Alerts
- President Proposes Extended HEV Credits
- HRCCC presents to Ft. Eustis-US Army Transportation Center
- HRCCC to host an AFV Expo in July
- HRCCC to Sponsor HRTC Karting Event: May 18, 2006
- The Oil Industry Prepares To Defend Itself From Congress: Where Does Your Gasoline Dollar Go?
- Virginia Hydrogen Economy Met April 10, 2006 To Begin Drafting The Virginia Hydrogen Economy Roadmap
- HRCCC has updated it's website! Check out the new information & functions
- Upcoming events

## Near-Term Deployment Activities

### **THE IRS PUBLISHES FORM 8911 ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT**

The Internal Revenue Service (IRS) has recently published Form 8911, Alternative Fuel Vehicle Refueling Property Credit, which provides the first ever federal income tax credit for the installation of E85, biodiesel, natural gas, CNG, LNG, LPG, or hydrogen fueling systems.

The infrastructure development provision was part of the 2005 Energy Policy Act and provides a 30% federal income tax credit, up to \$30,000 per property, to install alternative fuel dispensing systems. This form also applies to the personal use of a home refueling unit like the Phill.

When the IRS published this form in DRAFT form in early February, the credit was limited to one \$30,000 credit per individual/business per year. In comments filed with IRS, NGVAmerica argued that this was not the intent of Congress in creating this incentive. Although IRS guidance on the form is still lacking, the new form appears to indicate that the service has changed its interpretation. The new form appears to allow a \$30,000 credit per station -- without a ceiling on how many stations one entity puts in service per year. Whether the \$30,000 is a lifetime ceiling per station is unclear. It is hoped that this issue will be clarified when IRS finally issues its guidance.

A National Ethanol Vehicle Coalition press release issued this week focused on the positive effect the tax credit will have on E85 development nationwide. Phil Lampert, Executive Director of the National Ethanol Vehicle Coalition, stated, "The adoption of an infrastructure development credit in the Energy Bill has been the highest priority of the NEVC for the past four years. Additionally, we were concerned with the initial manner in which the IRS interpreted the law, but this final form clearly reflects the intent of the Congress that a vendor with multiple sites be able to utilize the credit at each property being upgraded to dispense E85." The new federal income tax credit can also be captured by tax-exempt entities, if the seller of the equipment agrees to claim the credit and pass on the savings.

"We believe that this new incentive will provide a significant boost to E85 fueling stations across the country and ease operators' concerns about the initial cost of the equipment," added Lampert.



**E85 and B20 Installation at Yorktown Naval Weapons Station**

Curtis Donaldson, Chairman of the NEVC stated, "The alternative fuel infrastructure tax credit passed with strong bipartisan support in the Congress last year, but the initial co-sponsors were Senators Jim Talent and Barrak Obama. We are very appreciative of their leadership in promoting this tax credit."

Donaldson added, "While this new infrastructure tax credit can be used to advance all forms of alternative fuels, we feel that the greatest impact will be to assist our efforts to establish E85 fueling sites."

The National Ethanol Vehicle Coalition is the nation's primary advocacy group advancing the use of 85% ethanol as a form of alternative transportation fuel. See [www.E85fuel.com](http://www.E85fuel.com) for more information.

Form 8911 can be viewed on the NEVC's website:  
[http://www.e85fuel.com/pdf/irs\\_form\\_8911.04.21.06.pdf](http://www.e85fuel.com/pdf/irs_form_8911.04.21.06.pdf)

## **JAMES CITY COUNTY IS ON THE PATH TO ACHIEVING IT'S 2010 GOAL OF 20% PETROLEUM DISPLACEMENT!**

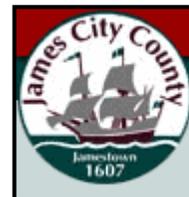
James City County passed a Resolution on the Reduction of Transportation Petroleum Use on January 13, 2004. This Resolution set forth the ambitious goal of reducing the County's annual usage of petroleum by twenty percent by 2010 with respect to baseline petroleum use in 2003.

JCC is already on its way to meeting this goal with the recent purchase of four (4) Hybrid Escapes, two (2) Toyota Priuses, and five (5) E-85 flex-fueled Impalas. JCC is also currently up fitting two new Dodge Sprinter utility work vans as replacement vehicles. The vans being replaced have averaged 6.5 miles per gallon. The new Sprinters get 18.5 miles per gallon.

Below is a summary of JCC's current & future alternative fuel activities since the passage of the Resolution on the Reduction of Transportation Petroleum Use.

### **Summary**

- Resolution passed on January 13, 2004 to reduce usage of petroleum by 20% by 2010.
- Fuel usage increased only 1% since 2003
- JCC has increased miles driven by 5.5% since 2003
- Average miles per gallon increase 4% since 2003
- James City has sixteen E85 "flex fuel" vehicles
- James City has one hybrid vehicle
- Seven E85 "flex fuel" vehicles on order for fy06
- Six hybrid vehicles are being purchased as replacements in fy06
- Nine hybrid vehicles recommended for fy07/08
- Ten "flex fuel" vehicles recommended for fy07/08
- Added B5 biodiesel blend to fuel contract to increase access
- Testing synthetic oil use and extended oil change intervals
- "Segway" to supplement Meter Reader vehicles and Public Safety
- Implement a B20 pilot



### **WAY TO GO JAMES CITY COUNTY!**

#### **AIR QUALITY FORECASTING HAS NOW BEGUN FOR HAMPTON ROADS, RICHMOND, ROANOKE, AND WINCHESTER: SIGN UP FOR ALERTS**

The Virginia Department of Environmental Quality has begun ozone and particle forecasts for Winchester, Hampton Roads, Richmond and Roanoke on May 1, 2006. The forecasts normally will be issued by 3 p.m., Monday through Friday, until mid-September. To sign up for these alerts, contact Dan Salkovitz ([ddsalkovitz@deq.virginia.gov](mailto:ddsalkovitz@deq.virginia.gov)) or Mike Kiss ([mfkiss@deq.virginia.gov](mailto:mfkiss@deq.virginia.gov)). Ozone and particle pollution forecasts and other air quality information is also available on the EPA website at <http://www.airnow.gov>.

To learn more about air quality in your community, visit the American Lung Association website at: [www.lungusa.org](http://www.lungusa.org) and click on State of the Air 2006 Report

#### **THE VIRGINIA MANUFACTURERS ASSOCIATION IS HOSTING ITS FIRST ANNUAL ENERGY SYMPOSIUM**

The Symposium will focus on the Virginia Energy Plan, electric utility deregulation and future energy policies in the context of increasing efficiency and decreasing costs. Senator Frank Wagner will discuss his energy legislation, and other topics will include the Steam Energy Program, landfill gas, electric utility deregulation, among other things. Visit, <http://www.vamanufacturers.com/energy/>, for more information.

## PRESIDENT PROPOSES EXTENDED HEV CREDITS



Comments made April 25, 2006 by President Bush at an ethanol summit in Washington

“Second part of a good plan is -- to confront high gasoline prices is to promote greater fuel efficiency. And the easiest way to promote fuel efficiency is to encourage drivers to purchase highly efficient hybrid or clean diesel vehicles, which, by the way, can run on alternative energy sources. Hybrid vehicles run on a combination of a traditional engine and an electric battery. The twin sources of power allow hybrid cars and trucks to travel about twice as far on a gallon of fuel as gasoline-only vehicles. When people are driving hybrids, they're conserving energy.

“Clean diesel vehicles take advantage of advances in diesel technology to run on 30 percent less fuel than gasoline vehicles do. More than 200,000 hybrid and clean diesel vehicles were sold in the United States last year. It's the highest sales in history. Congress wisely in the energy bill expanded a tax credit for purchase of hybrids and clean diesel vehicles up to as much as up to \$3,400 per purchase. That made sense.

“If we're trying to conserve energy, if we want to become less dependent on oil, let's provide incentives for consumers to use less energy. **The problem is that these tax credits apply to only a limited number of hybrid and clean diesel vehicles for each manufacturer. If the automakers sell more than their limit, new purchasers are not eligible for the full tax credit. And so here's an idea that can get more of these vehicles on the road, and that is to have Congress make all hybrid and clean diesel vehicles sold this year eligible for federal tax credits.** We want to encourage people to make wise choices when it comes to the automobiles they drive.”

For a copy of the full speech released by the Office of the Press Secretary on April 25, 2006, contact us [info@hrccc.org](mailto:info@hrccc.org).

## HRCCC PRESENTS TO THE US ARMY TRANSPORTATION CENTER AT FT. EUSTIS



On April 19, 2006, Virginia Clean Cities provided an alternative fuels overview for members of the EQCC, EMS Quality of Life Team, and major contractors (GSI, GMH, Centennial, NGTSI) at the US Army Transportation Center at Ft. Eustis. Al Christopher provided a brief overview of Clean Cities, and vital statistics about petroleum use, imports, alternative fuels, trends, and prices. Attendees listened to Al bring these statistics to a more local level by using his 160 mile round-trip that day as an example for economic comparison of different

modes of transportation. The Global Electric Motorcar won by far (even though you cannot drive a GEM on any roads over 35 mph), with the Honda Civic GX coming in second. Attendees also listened to information on current major drivers of alternative fuels and vehicles, major Virginia AFV fleets and fueling infrastructure, and an alternative fuel overview covering the basics of biodiesel, E85, CNG, hybrids, low speed electric vehicles, and hydrogen fuel cell vehicles.



Following the presentations, Green Gifford was kind enough to bring a Global Electric Motor car so attendees could test drive it. Dick Atkinson, of the Virginia Soybean Association, also donated his Ford truck, or the “Clean Bean Machine,” that runs on B100. Virginia Clean Cities demonstrated the 2005 Honda Civic GX and answered questions about FuelMakers Phill.

## HRCCC To Host AN AFV EXPO JULY 18, 2006

HRCCC just received word from the U.S. Department of Energy of an Advancing the Choice Grant for an Alternative Fuel Vehicle Expo. We will be hosting this Expo on July 18, 2006 in cooperation with the Tidewater Area Fleet Managers Association. The Expo consists of two pieces: a ride-and-drive portion, and an informational session. The informational session will focus primarily on biodiesel, as well as ethanol and CNG. In addition to the material covered in the informational session, HRCCC plans to compile a "guidebook" of supporting information. The event will be held at the Chesapeake Convention Center, and lunch will be included. If you would like to receive updates event details as it draws near, contact us: [info@hrccc.org](mailto:info@hrccc.org).



# NAFA

Old Dominion Chapter

### HAMPTON ROADS CLEAN CITIES COALITION AND VIRGINIA CLEAN CITIES WILL SPONSOR KARTING EVENT ON MAY 18, 2006; STAKEHOLDERS WELCOME



## HAMPTON ROADS TECHNOLOGY COUNCIL

In lieu of our normal Critical Mass in May, the Technology Council encourages you to network with the best of this region's technology drivers.... drivers experiencing the ultimate in indoor kart racing, that is.

Powered by Honda, each kart delivers speeds of over 40mph while racing around the 1200' track. Join us for the competition, networking & fun.

**Thursday, May 18, 2006**  
5:30 – 9:30pm

**5:30pm – 6:00pm** Check – In, Food & Refreshments

**6:00pm – 7:30pm** Kart Racing  
(Includes a Qualifying Race, Feature Race & Championship Race)

**7:30pm – 9:30pm** Networking, Refreshments & perhaps a tad of haughty jubilation from our winner!

Winner will receive a 2006 HRTC Champion Trophy

*\$35 / person  
Fee Includes:  
Racing  
Racing Equipment  
Dinner & Drinks*

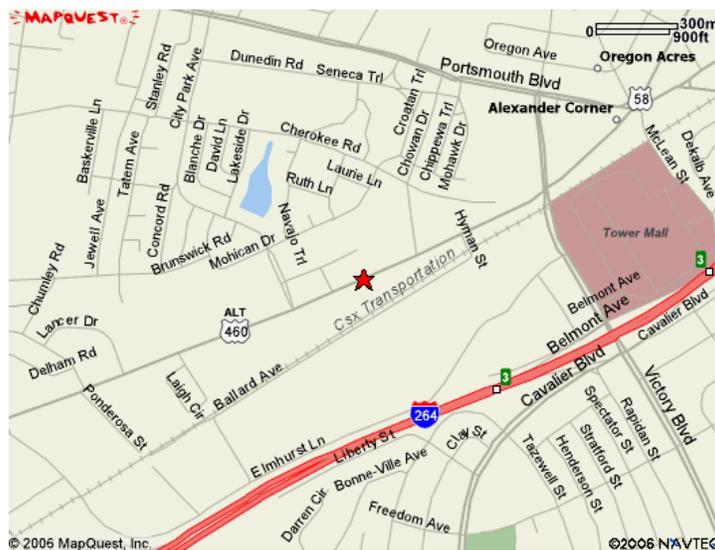




**AMERICAN  
INDOOR  
KARTING**  
Where Every Day Is Race Day

Registration required at:  
[www.hrtc.org/events\\_registration.html](http://www.hrtc.org/events_registration.html)

Location:  
2884 Airline Blvd, Portsmouth, VA 23701



Stakeholders welcome, Register at:  
[http://www.hrtc.org/events\\_registration.php](http://www.hrtc.org/events_registration.php)

Where does your gasoline dollar go?



In 2005 the industry earned 8.5 cents on every dollar of sales.\*\*

\* U.S. Department of Energy  
\*\* PriceWaterhouseCoopers LLP

Many Americans are concerned about the cost of fuel at the pump, and they naturally ask, “what accounts for the price I pay?”

While there are several components in the retail price of fuel, a single element is by far the most important: crude oil prices.

seasonal change to summertime fuel is more challenging this spring due to ethanol-blended gasoline being introduced for the first time in several major markets.

As in any marketplace, fuel prices will fluctuate with supply and demand – and today demand

## [ The price at the pump ]

According to a June 2005 report by the Federal Trade Commission, “the world price of crude oil is the most important factor in the price of gasoline.”

Rising global demand and political tensions have driven the price of crude oil up, and it now accounts for more than half the price of a gallon of gas.

What else figures in the price at the pump? The cost to refine, distribute and market at local service stations – as well as taxes. The

is chasing an increasingly tight supply. In fact, the U.S. Department of Energy now forecasts higher prices this summer than last because of a tight world crude oil market and the introduction of new U.S. fuel specifications.

To learn more about fuel prices, what the oil and natural gas industry is doing and what you can do, visit [www.api.org](http://www.api.org).

A Message From  
**America's Oil & Natural Gas Industry**

To learn more, visit [www.api.org](http://www.api.org)

**VIRGINIA HYDROGEN ECONOMY ROUNDTABLE**

On April 10, 2006, members of the Virginia Hydrogen Economy Roundtable met at the Northrop Grumman’s Virginia Advanced Shipbuilding Carrier Integration Center in Newport News to focus on gathering ideas and inputs for the development of the Virginia Hydrogen Economy Roadmap. The Virginia Hydrogen Economy Vision was approved, and a trained facilitator moved the discussion along helping to organize specific inputs for the Roadmap and Action Plan.

Presentation materials and the Vision document are available to stakeholders on our website, [www.hrccc.org/hydrogen.html](http://www.hrccc.org/hydrogen.html), or upon request at [info@hrccc.org](mailto:info@hrccc.org).

Virginia Clean Cities acknowledges the Virginia Department of Mines, Minerals, and Energy for its substantial support of the Roundtable, and Northrop Grumman Newport News for hosting this months meeting at its Virginia Advanced Shipbuilding Carrier Integration Center in Newport News.

**Organization**

**HRCCC IS UPDATING IT’S WEBSITE!**

We are in the process of updating our website to include a biodiesel & resource section, as well as an interactive calendar that you can add events to.

To view information about current biodiesel-related activities, including the Virginia Farmer & Small Producer Workshops on Safe Biodiesel Production and Usage, visit: <http://www.hrccc.org/biodiesel.html>. Also, this page provides a biodiesel resources section, broken down by topic, so you can learn more about biodiesel on your own.

As mentioned in last month’s stakeholder report, a resources page has been added to better serve our stakeholders. We will be adding articles, reports, and web links to this page. If you have any information you would like us to post on a particular alternative fuel, alternative fuel vehicle, or advanced technology topic, feel free to send us a request. Web link: <http://www.hrccc.org/resources.html>

Thanks to VECTEC for adding an interactive calendar to our site. To view the calendar, visit: <http://www.hrccalendar.org/hrccc/PageMonth.jsp>

We will be adding any HRCCC related events to this calendar. However, you can add your transportation-energy related events as well! To create an account just click on Login on the full-month calendar pages and register as a new user. You can also sign-up to receive email alerts of all events, or just those in the topic of your choice.

**Calendar**

- May 7 – 10                      Clean Cities Congress – Phoenix, AZ
- May 18                         Hampton Roads Technology Council Karting Event – Portsmouth, VA
- June 8                         Virginia Manufacturers Association Energy Symposium -
- July 18                         TAFMA AFV Expo – Chesapeake, VA
- August 9                      Virginia Farmer and Small Producer Biodiesel Workshop – Suffolk, VA