

This is the question I see before us: Are we at a crossroads today for natural gas and NGVs?

From remarks by Andrew Littlefair, speaking as Chairman of the Natural Gas Vehicle Coalition, at the recent NGVC Conference in Las Vegas.

Events, actions and conditions during 2003 seem to be converging to a standoff between natural gas on the one side, and its use for vehicular fuel to promote cleaner air and energy security — and the petroleum industry on the other.

There's no need for conflict. We are not antagonists. But there does seem to be a growing movement towards making the choice between natural gas and petroleum. And the issues have not become simpler.

It is a critical time for the NGV industry overall.

Pricing is one factor. The highly

favorable pricing for natural gas as fuel has changed. Yet natural gas is still cheaper than gasoline and competitive with diesel.

Availability is another. Supplies of natural gas are tighter than has been the case historically. But we import just 15% of our natural gas needs today, almost all from Canada, while we are importing more than 60% of our petroleum needs, largely from foreign areas at risk of serious disruption in supply.

Perception is a third. Most people still think of natural gas-powered vehicles as for demonstration only, and not for the efficient workhorses they can be and have become. Yet with more than

125,000 natural gas vehicles on the road in the United States, and over 1,300 fueling stations and over 150 models of vehicles and engines, and with 22% of new transit bus orders — all using natural gas — this is no longer a demonstration.

Hydrogen is a fourth — the promised hydrogen future. But that is a long way off with many problems to overcome before it takes hold. I believe fleets must transition to a gaseous fuel before making the hydrogen plunge.

Finally, there is critical legislation in the works in different arenas and at many levels that can pull our industry one way or the other.

What cannot be denied is that natural gas is a big part of the answer, and likely the best answer — now, in the short term, in the mid term, and for the indefinite future — for cleaning the environment and increasing domestic energy security.



First private-sector, retail CNG fueling station in New York opened at LaGuardia Airport

Warren Kroeppel, (from left), General Manager of LaGuardia Airport, and James Lacoconi, Regional Vice President, Retail Operations, BP, listen as Andrew J. Littlefair, Clean Energy President and CEO, describes benefits of installation for environment in greater New York area.

In Brief

> Clean Energy is closing the year 2003 with a record pace of growth in demand for its products — more than 26% increase in CNG/LNG volume in 2003 compared to 2002 — supported by existing customers in traditional markets as well as new customers in new markets. The company is clearly North America's leader in clean transportation.