

CNG Fueling Stations for Transit Agencies Public-Private Partnership Project

PennDOT's Public-Private Partnership (P3) project to build compressed natural gas (CNG) fueling stations at **29 public transit agency sites** will provide transit agencies and the public with access to more cost-effective, cleaner burning fuel.

Using the P3 procurement mechanism allows PennDOT to install the fueling stations faster than if a traditional procurement mechanism was used for each site, resulting in significant estimated capital cost savings of more than \$46 million.*

Through the partnership...

- The selected proposer will design, build, finance, operate and maintain CNG fueling stations through a 20-year, \$84.5 million public-private partnership agreement with PennDOT.
- Stations will be built over the next five years, with the firm also making CNG-related upgrades to existing transit maintenance facilities.
- Seven of the constructed fueling islands **will be accessible to the public**, with the option to add additional sites in the future.

Benefits and savings...

- The project capitalizes on the abundance of natural gas in Pennsylvania.
- PennDOT will receive a 15 percent royalty, excluding taxes, for each gallon of fuel sold to the public, which will be used to **support the cost of the project**. The team has guaranteed at least \$2.1 million in royalties over the term of the agreement.
- Based on current CNG, diesel and gasoline prices as well as fuel usage, agencies can **save a total of more than \$10 million annually**.**
- Due to reduced dependency on state operational subsidies from these fuel savings, after 10 years, the department estimates that the project will **pay for itself with the estimated \$100 million in savings**.
- As diesel fuel prices increase, the annual savings will increase. Transit agencies report that a few years ago they were paying more than \$3 a gallon for fuel.

When complete...

- The CNG fueling stations will supply gas to more than 1,600 CNG buses at participating transit agencies.
- These vehicles' **engine life will be enhanced** due to cleaner combustion versus conventional vehicles.
- Based on the existing buses' fuel usage, when the projected CNG buses are all put into service, **20 million pounds of carbon dioxide emissions will be eliminated** each year. This takes into account CO2 production throughout the fuel life cycle, including production.
- Market demand will be expanded as individuals and small-fleet owners will have access to CNG.

Selected Private Partner:

PennDOT selected the proposing team of Trillium CNG and Larson Design Group. Trillium CNG, headquartered in Salt Lake City, Utah, was recently acquired by Love's Travel Stops & Country Stores, Inc. of Oklahoma City, Oklahoma. Larson Design Group is headquartered in Williamsport, PA. Also supporting the team is American Natural of Pittsburgh, PA, who will facilitate commercializing the public fueling sites.

*Estimate based on River Valley Transit agency CNG fueling station and maintenance/storage facility project.

**The project will save the transit agencies up to \$1.00 per gallon of fuel, when compared to the cost of diesel and gasoline, reducing operating costs for transit agencies. The total annual fuel use for the transit agencies is 10,200,000 gallons. This translates to \$350,000 average annual savings per transit agency site.

How We Got Here

On Sept. 29, 2014 Pennsylvania's Public-Private Partnership (P3) Board approved the compressed natural gas (CNG) fueling stations project to be developed at public transit agencies around the state.



Project Timeline



About Public-Private Partnerships for Transportation

The Public-Private Transportation Partnerships law was signed in 2012 and authorized P3 projects in Pennsylvania. This law allows PennDOT and other state agencies, transportation authorities and commissions to partner with private companies to participate in delivering, operating, maintaining and financing transportation-related projects. Learn more at www.P3forPA.pa.gov.