

GM Places Bet on Natural Gas-Powered Vehicles

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By Jason Plautz

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Automakers have had a mixed history with natural gas in the United States, but General Motors Co. is betting that a new line of fleet vans can bring the technology back.

The automaker is rolling out compressed natural gas (CNG) and liquefied petroleum gas (LPG) alternatives to the Chevrolet Express and GMC Savana. The two full-sized vans are designed for those who must haul large amounts of equipment but don't need to drive long distances.

The new vans will be available for the 2011 model year. Pricing hasn't yet been released.

"We're listening to our fleet customers and dealers about offering options that help them achieve their business objectives," said Brian Small, general manager of GM's fleet and commercial operations, in a release. "The industry commitment to expand the CNG and LPG infrastructure in key fleet markets was an enabler to allowing us to introduce these options now."

Details about emissions and range aren't available yet, but the vans will meet U.S. EPA's and the California Air Resource Board's certification requirements, said Mike McGarry, the marketing manager for alternative fuels in fleet and commercial operations.

Customers had requested CNG and LPG engines, McGarry said. GM had explored electrifying the vans, but decided against it.

"You'd have a significant number of batteries, so you'd be carrying a lot of weight around, which would cut down on capacity," McGarry said. "A lot of these companies have looked at those options. They know someday there will be electric vans that will be commercially viable. But this is a next step, and one of multiple pathways."

The van revives natural gas vehicles at a time when many automakers are looking for alternatives to gasoline. The announcement matches this year's introduction of the Ford Transit Connect Electric, an all-electric small van geared toward repairmen and delivery services ([Greenwire](#), March 17). AT&T Inc. emerged as a key buyer of the Ford vans, which are smaller and have less powerful engines than GM's.

Fleet vans are a good opportunity for automakers to try new technology, said Kim Hill, director of the Sustainable Transportation and Communities group for the nonprofit Center for Automotive Research in Ann Arbor, Mich. Most of the vehicles don't need to be able to travel long distances, and buyers purchase between 100 and 1,000 vehicles at a time.

"It's much easier and advantageous for a company to get vehicles out there at once through the fleets rather than through the consumer," Hill said. "The Savana van is ubiquitous as a service vehicle, same with these Transit Connects. There's a specific audience."

The vans can also have a significant environmental impact.

The center did a study for AT&T, which plans to convert 15,000 fleet vehicles to green technology. Researchers found that once the company replaced those vehicles with either hybrid or CNG vans, there would be savings of 31,533 metric tons of carbon dioxide emissions a year, roughly the equivalent of taking 5,776 cars off the road.

If half the country's corporate fleets adopt the same strategy, it would be the same as cutting 1.2 million vehicles from the road.

'Natural gas is becoming sexy again'

The GM plan thrilled America's Natural Gas Alliance.

"This is a major step forward for natural gas fleets all over the country," the trade group's president and CEO, Regina Hopper, said in a release. "This first of a kind commercial scale offering is a strong step in expanding the use of vehicles that rely on clean fuels produced right here in America."

An effort to put natural gas vehicles on the road in the 1990s sputtered for fear there would be an insufficient supply of gas in the long term. According to data from the International Association for Natural Gas Vehicles, the United States has just 110,000 natural gas vehicles, well behind Pakistan (2.3 million vehicles), Argentina (1.8 million) and Iran (1.7 million).

But the fuel has been making a comeback, and many cities, including Boston and Dallas, have built up capacity for the fuel source. Many public transportation agencies also use natural gas for their buses. Hill said that the discoveries of vast pockets of natural gas within the United States would bring even more interest from both the government and the industry.

"Natural gas is becoming sexy again, with all this new technology to get the gas out of the shale," Hill said. "We've got this huge supply, so that's another reason why GM may be approaching this. ... Looking it from the auto perspective, they're trying to cover the bases and provide products that reduce foreign oil dependency." There's currently just one commercially available CNG passenger vehicle, the Honda Civic GX. Likewise, there is limited delivery for gas across the country, as many service stations lack the necessary infrastructure and entire cities may not have access.

"It's a chicken-and-egg thing," Hill explained. "If there were a lot of delivery points, [automakers] would make the vehicles. And fuel providers say that if there were more vehicles, they would provide the fuel. You probably needed some sort of government intervention to subsidize more fuel stations."

The "American Power Act," proposed by Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.), would not directly deal with fuel stations, but it does offer expanded tax credits for purchasing natural gas fleet vehicles and incentives for automakers to explore more natural gas products.

McGarry said GM is exploring natural gas applications across its entire portfolio to see if it makes "practical economic sense" to convert other vehicles, including passenger cars, to natural gas.