

**NC Alternative Fuels Consortium
Meeting February 26, 2006 - 1:30-3:30
State Energy Office
1830A Tillery Place
Raleigh, NC**

AGENDA

In attendance: Anne Tazewell, NCSC/NCSU; Craig Warren, DPI; Tobin Freid, TCC/TJCOG; Don Sykes, P&C; Andy Watry DC DHHS; Mike Williams, NC DOC; Sharon Stroud, SEO; Larry Shirley, SEO; David Smith, NC Dept of Ag ; Bruce Thompson, NCDOT; Cynthia Moseley SEO; Bryan Roy; NCSC/NCSU
Via phone: Dwain VanHouten, NC DOA; Bill Eaker, LOS CVC

1) FY 2005-06 Petroleum Displacement Plan reporting update & discussion ~

The plan drafted by the SEO was submitted for review in Jan to DOA Deputy Secretary, Speros Flegges. After DOA approval the report will go to the Joint Legislative Commission on Governmental Affairs.

Report conclusions:

- Over 5M gals of petroleum must be displaced by Jan 1 2010
- Goal will be met through expanded use of E10, B20, hybrid and other fuel efficient vehicle purchases and E85
- Recommends \$9M for 30 E85 pumps for use by state FFVs (both public and private sector stations), vehicle purchases, staff coordination, & incremental fuel costs

The recently released Governors budget does not include any provision for meeting petroleum displacement plan (PDP) requirements. Once the report is released to State Legislators, they could choose to include funding for state agencies to meet PDP goals.

There is concern that the recent closing of MFM station at Peace and Persons Streets has created more of a challenge for the State to meet PDP goals. This downtown station was one of two locations operated by MFM that provided E85. In addition motor pool short term rental vehicles have shrunk from 200 down to 10-15 vehicles. This forces State agencies to commercial rental car agencies and/or to state employees using their own vehicles.

**2) Discussion about 2007 PDP opportunities ~
See attached details**

- **Triangle Clean Cities corridor funding**

DOE grant will help fund 7 E85 pumps in NC. **Triangle Clean Cities is seeking an 8th service station in Raleigh area to serve state FFVs, Wake County and City of Raleigh. It would be helpful to have a “soft pledge” from state agencies that have a number of FFVs in the Raleigh area about the potential number of gallons that could be purchased if there was a station opened in Raleigh. Contact Tobin Freid at tobin@tjcog.org for more information.**

- **CFAT funding**

Over \$500,000 will be available for transportation related projects that reduce emissions in 24 eligible counties. State agencies are eligible to apply. Up to 80% of the costs of AFVs and alternative fuel refueling infrastructure are eligible for reimbursement. The 2007 application period is March 15 through July 16, 2007.

- **EPAct Credit Banking and Selling funds**

The Rules Review Commission is meeting March 15 and will (hopefully) approve Final Rules for the Credit Banking and Selling Program. After Rules are approved the State may begin selling excess credits to generate funds to expand use of alternative fuel.

TO DO: The NCSC will draft a letter to send to DOA Secretary requesting permission to sell 750 credits when final Rules are approved.

3) Potential speakers/presentations at 2007 meetings

Featured speakers/presentations are being considered for the quarterly Alt Fuel Consortium Meetings

Upcoming speakers/topics will be:

- All about Synthetic Motor Oils
- Ethanol : Overview of commodity, new demand & pricing- a conversation with state contract fuel suppliers

Consortium members are encouraged to send Anne Tazewell suggestions for additional topics of interest

The next Consortium meeting is scheduled for May 29th from 1:30-3:30 at the State Energy Office

4) Discussion Topics

DENR CNG pump at Peace & Persons St station

Currently MFM is storing CNG dispensing equipment at Blue Ridge Rd since Peace St station has closed. Trans-Eco Energy Corp, a company that has recently located in Asheville, would like to bring this CNG pump to Asheville. Trans Eco also plans to

build several other CNG stations in WNC and open a CNG vehicle retrofit center. Many vehicles can be retrofitted with CNG, the cleanest burning fossil fuel.

MFM

A meeting is being set up with DOA Deputy Sec and MFM director to discuss strategies to expand use of E85 in MFM FFVs. Suggestions include: MFM letter to fiscal agents with list of current E85 stations, developing article about the use of alternative fuels and PDP requirements that can be included in agency's newsletters. MFM can not tell state vehicle operators to fuel with E85. A discussion about changing MFM Rules and /or an Executive Order could be discussed, along with a change in MFM mileage rate to raise funds to develop E85 refueling infrastructure.

Plug In Hybrids

State agencies are encouraged to sign a soft pledge to support the development of plug in hybrids. More information is available

<http://www.pluginpartners.org/campaignOverview/>

DOT

DOT has switched all its gasoline pumps to E10 and is on track to expanding B20 to all its stations across the state by the end of 2007. They will provide quarterly updates on which areas have been changed over to B20. E85 station development is being examined by the Chief Engineer's office. It is unclear when a final decision will be made regarding DOT's development of E85 refueling capacity

EPAct Credit Report

The State has 2321 "banked" Energy Policy Act (EPAct) credits . For 2006 the State earned a total of 889 credits, with 349 biodiesel credits. Only credits that are associated with FFVs using E85 are eligible to be sold. Biodiesel credits can serve to meet 50% of a State's EPAct Credit requirements.

5) Announcements

- Nominate your self, a colleague, agency, organization or policy related to reducing transportation emissions for recognition. **Mobile CARE award applications available at <http://www.mobilizingnc.com/> Nomination deadline is March 17th**

- **March 7 & 8th Attend 4th Annual State Sustainable Energy Conference**
Office details at <http://www.energync.net/>
- **REGISTER NOW for April 18,2007** *Mobilizing North Carolina: Where Air Quality, Energy & Transportation Meet- a full day conference at Greensboro Coliseum featuring luncheon keynote on climate change by Dr Richard Leakey, recognized by TIME as one of the worlds 100 most influential thinker*
<http://www.mobilizingnc.com/>