



Clean Cities Annual Reporting

Each year, the U.S. Department of Energy (DOE) requires Clean Cities coordinators to submit a report of their activities and accomplishments for the previous calendar year. Information gleaned from coordinators allows the DOE to track progress made toward the program's petroleum displacement goal and can be used to support programmatic funding levels. Data and information are submitted to an online database that is maintained as part of the Alternative Fuels and Advanced Vehicles Data Center (AFDC) at the National Renewable Energy Laboratory (NREL). Coordinators submit a range of data that characterizes the membership, funding, projects, and activities of their coalitions. They also submit data about sales of alternative fuels, deployment of alternative fuel vehicles, hybrid electric vehicles, idle reduction initiatives, fuel economy activities, and programs to reduce vehicle miles driven. NREL analyzes the data and translates them into gasoline reduction impacts, which are summarized in this report.

Coalition coordinators assemble the data based on reports collected from their stakeholders—the private and public entities that are members of the coalitions. The NJCCC will be sending these surveys to you within the next few days and requests your assistance in providing the information and returning the forms in a timely, and as complete as practical manner.

E-15 Approval Broadened

As had been predicted at the NJCCC's Ethanol Workshop this past September, the U.S. Environmental Protection Agency recently announced its decision to allow an increase in the amount of ethanol that can be blended into transportation fuel from 10 percent (E10) to 15 percent (E15) for all vehicles built in the last decade.

"This is a bold move forward, changing America's energy future for the better," said Tom Buis, CEO of industry trade group Growth Energy. "Increased use of ethanol will strengthen our energy security, create U.S. jobs, and improve the environment by displacing conventional gasoline with a low-carbon fuel."

The decision to permit E15 for 2001-to-2006 model year vehicles follows an October decision by EPA to permit blends up to E15 in vehicles 2007 model year and newer. The move to E15 creates a bigger market for American ethanol that could help create an estimated 136,000 new jobs in the United States and eliminate as much as 8 million metric tons of GHG emissions from the air per year — the equivalent of taking 1.35 million vehicles off the road. Increasing the domestic, renewable fuel supply would also displace some of the 7 billion gallons of oil that is imported every day into the United States at a cost of more than \$300 billion annually to our economy.

The previous E10 standard – which permits up to 10 percent ethanol blended into fuel – was set in the 1970s to help spur the growth of a domestic, renewable fuels industry in answer to America's first major oil crisis, engineered by OPEC. Since then, the United States has remained addicted to foreign oil; two-thirds of the oil used in this country comes from overseas.

Energy Independence Days 2011

"Energy Independence Days" (EID) is a partnership between Clean Cities coalitions and industry supporters from across the United States. EID 2011 will be February 28 - March 3. The main activities are a day-long educational seminar on *Tuesday*, March 1 followed by educational meetings and briefings with members of Congress and other federal policymakers on *Wednesday*, March 2. In this time of budgetary and legislative uncertainty, it is critical that both new, and returning, members of Congress (and their staff) be aware of our activities. The complete draft agenda can be found on the Transportation Energy Partners website at www.transportationenergypartners.org. Sponsor funds from industry make it possible for dozens of Clean Cities coordinators to travel to Washington DC to receive briefings, exchange ideas, and meet with congressional members and staff. For more information, including sponsorship options, please contact Chuck Feinberg. Your support of these efforts is extremely important to us and our efforts.

Funds available for CNG vehicles in Essex County area

The New Jersey Clean Cities Coalition is the prime recipient of an ARRA-funded \$15 million grant from the DOE Clean Cities Program. Under the grant, entitled "NJ Compressed Natural Gas Refuse Trucks, Shuttle Buses and Infrastructure", the NJCCC has awarded sub-recipient agreements to various public and private parties to offset the cost of deploying vehicles which use compressed natural gas (CNG) and of constructing natural gas fueling infrastructure, among other items. The specific projects, and the recipients of these funds, were detailed in the NJCCC's original application to the DOE, which was submitted in May of 2009. Under this program we have already built and opened the first ARRA-funded public access fast fill CNG station east of the Mississippi and we are about to open another, and we have converted dozens of vehicles to use of CNG.

Of the amount awarded to the NJCCC, a total of approximately \$1,180,000 of federal funds has become available to offset the incremental cost of converting trash trucks to CNG by another fleet or combination of fleets. The NJCCC is soliciting proposals from candidate fleets. Proposals are due by February 4. For a copy of the RFP, please contact Chuck Feinberg.

Economic Recovery Drives up Global Oil Demand

World oil demand reached an all-time quarterly high in the third quarter of 2010, according to analysts at Wood Mackenzie, and oil demand for the year as a whole might also reach a new record high. The independent consultancy found that economic growth in Asia, and particularly in China, caused world oil demand to reach an average of 88.3 million barrels per day (Mb/d) in the third quarter of 2010. In early December, the analysts forecasted an annual average of 86.7 Mb/d for 2010 as a whole. If that projection proves true, the new record will be about 100,000 barrels per day higher than the record set in 2007.

One indicator of the growing demand for oil in Asia is that Chinese demand for gasoline, diesel fuel, and heating oil grew at about 8% annually in 2010. In India, the demand for diesel fuel and heating oil is growing at 7% per year, while the demand for gasoline is growing at 11% per year. As a result, 2010 will go in the record books among the years with the fastest growth in oil demand.

NJ Renewable Natural Gas Workgroup

The recently formed NJ Renewable Natural Gas (RNG) Work Group is a voluntary, multi-sector, "think tank" that consists of about two dozen New Jersey-based experts and leaders from diverse waste-related and energy fields, including Chuck Feinberg and other members of the NJCCC. The participants agree that the private and public sectors should give priority to use of RNG as a vehicle fuel (aka biomethane) in N.J. The group's organizers are Energy Vision, a national independent nonprofit organization based in New York City and the Rutgers University EcoComplex.

RNG is a cleaned-up form of "biogas," emitted from decomposing organic wastes at landfills, sewage treatment plants, farms, and elsewhere. RNG is chemically identical to conventional natural gas. It is the lowest carbon fuel available for medium- and heavy-duty trucks and buses, which consume 23% of highway fuel while comprising only 4% of road vehicles. N.J. could produce enough RNG to replace diesel fuel in one out of every five medium and heavy-duty trucks and buses in the state. A crucial first step in developing RNG fuel markets is to continue to expand the number vehicles powered by compressed or liquefied natural gas (CNG or LNG), because these vehicles are fully equipped to drive on RNG or an RNG-CNG/LNG blend.

The benefits of using RNG in vehicles rather than using it for home heating or electric power generation include enhancing economic security, reducing urban air pollution (soot), and slashing greenhouse gases. According to the California Air Resources Board and Argonne National Laboratory, compared to diesel fuel it would displace, RNG reduces global-warming emissions by 88%.

By building a strong RNG industry in N.J., the state would advance simultaneously a range of economic, environmental, and public health priorities, including but certainly not limited to: building a jobs-creating green-fuel industry, creating exportable green technology, enabling towns and counties to cut waste-management budgets, slash vehicle emissions, and produce soil amendments and fertilizer to improve farm soils.

Changes to the EPA Diesel Emissions Reduction Program

Recent reauthorization of the Diesel Emissions Reduction Act (DERA), an EPA program that provides grants to upgrade existing diesel-powered equipment to reduce emissions, brought with it some changes in the program that make the financial support more accessible to diesel fleet owners.

In addition to extending DERA for another five years, there will be a number of programmatic changes that will go into effect October 1, 2011 with the beginning of the U.S. government's 2012 fiscal year. New requests for proposals for fiscal year 2012 DERA funds are likely to be issued sometime this fall. (The NJCCC recently submitted a grant proposal under the DERA program for a project to repower 21 old marine engines in 8 vessels operating in NY/NJ Harbor.)

Significant program changes include:

- Allowing private fleets contracted to a federal, regional, state, local, tribal agency or port authority to apply directly for funds rather than having to partner with a government or non-profit agency
- Eliminating the requirement that 50% of funds be dedicated to retrofitting public fleets
- Reducing funding for the Emerging Technology program from 10% to 5%
- Removing the restriction from using funds to retrofit vehicles and equipment which are mandated by state or local law
- Reducing the potential appropriated program funds from \$200 million to \$100 million
- Requiring EPA to develop a simplified application process

Message from Chuck Feinberg, Chairman of the NJCCC

As many of you know, 2010 was an important year in the development of the NJCCC and our efforts to increase the deployment and use of alternative transportation fuels in NJ. We have successfully organized and participated in several projects and workshops meant to expand the availability and use of Compressed Natural Gas (CNG), biodiesel, ethanol, electricity, propane and biomethane. We have also worked to increase the awareness of the importance of idle reduction and fleet "right sizing" as tools to not only reduce petroleum consumption and save money, but also to reduce emissions.

With that backdrop, it is clear that we have only begun to scratch the surface on what needs to be done. With that in mind, I am pleased to let you know that I have taken on the role of Clean Cities Coordinator as my primary job. My goal is to increase focus on the NJCCC and expand and deepen the set of activities we are involved in. As such, I have stepped down from my position as Executive Vice President of Greener by Design (GbD). As a uniquely qualified sustainability consulting firm (www.gbdtoday.com), I have thoroughly enjoyed my time in that role, but feel that I could have a greater impact with the NJCCC. I will continue to be available on a consulting basis, to GbD, and others. I appreciate the support and encouragement I have received from many of you, and look forward to a productive year.

Upcoming Events – please see our website at www.njcleancities.org

Follow our activities and discussions on Twitter (@chuckfeinberg) and on our Linked-In group.

NJ CLEAN CITIES COALITION is a 501(c)3 nonprofit dedicated to the advancement of alternative fuels and advanced vehicle technologies in order to increase domestic energy security, enhance economic development and improve regional air quality. We rely on membership fees and sponsorships to carry out our activities. While membership in the NJCCC is not required to be on our mailing list, it is certainly appreciated!

Please help support our activities!