



American Public Gas Association

January 15, 2012

Mr. Michael Krancer
Secretary
Department of Environmental Protection
Rachel Carson State Office Building
400 Market Street
Harrisburg, PA 17101

Dear Secretary Krancer,

On behalf of the American Public Gas Association (APGA), I strongly urge you to award the Borough of Chambersburg and IESI Corporation an “Act 13” grant to establish a natural gas “fast-fill” station and to convert thirty vehicles to compressed natural gas (CNG).

APGA is the national association for publicly-owned natural gas distribution systems. There are approximately 1,000 public gas systems in 36 states and over 700 of these systems are APGA members. Publicly-owned gas systems are not-for-profit, retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. The Borough of Chambersburg is one of our member systems.

As you are well aware, the newly accessible supplies of natural gas have transformed the energy future of the United States. A mere ten years ago, the U.S. was considering the prospect of large-scale importation of natural gas from foreign countries to meet domestic needs. Today, thanks to advances in drilling techniques, the U.S. now has a plethora of natural gas from shale which provides the country with an almost unprecedented opportunity to reshape its energy policies with a clean, affordable, and abundant domestic resource.

In no area is this opportunity more evident than in the transportation sector. Currently, the U.S.’ transportation system is approximately 90% dependent upon oil to move the people, goods, and services that are necessary for economic growth. In 2011, 45% of the oil consumed in the U.S. came from foreign countries according to the Energy Information Administration. This large-scale importation of oil exacerbates the U.S.’ trade imbalance (imported oil accounts for 60% of our trade deficit according to the Consumer Energy Alliance) and endangers our national security.

However, with our newly-accessible shale gas reserves, the U.S. can now reduce its dangerous dependence on foreign oil, remedy its balance of trade, and improve its air quality by switching to natural gas vehicles (NGVs). The technology for NGVs is mature and available - there are already approximately 120,000 NGVs on American roads today. The challenge for widespread adoption of NGVs is to develop sufficient infrastructure to further incent fleets and individuals to make the switch to natural gas. There are approximately 150,000 gasoline stations in the U.S. compared to just 1000 stations which sell natural gas.

That is why Chambersburg and IESI's plan is critical to the success of NGVs in the state of Pennsylvania. Their plan provides a "chicken and egg approach" by providing refueling infrastructure (that will be open to the public) and vehicles to provide baseload demand.

With an Act 13 grant, Chambersburg plans to begin construction of its fast fill station in the summer of 2013 and to convert or replace approximately 15 Borough vehicles and 15 IESI vehicles to CNG. In so doing, Chambersburg and IESI will make a substantial contribution to reducing the area's dependence on foreign oil as these conversions/replacements will displace 152,000 gallons of annual diesel use with CNG. This large-scale displacement of diesel is also anticipated to provide \$252,000 in annual fuel cost savings.

Conversion or replacement of these vehicles is also noteworthy in that it can provide significant emissions reductions helping to improve local air quality. In a time when environmental protection must be balanced with the need for economic growth and job creation, choosing NGVs provides real environmental benefits. Utilizing a model made available by the Argonne National Laboratory, the replacement of gasoline-powered vehicles with NGVs provides significant emissions reductions on the order of:

- Carbon monoxide (CO) by 70 percent – 90 percent
- Non-methane organic gas (NMOG) by 50 – 75 percent
- Nitrogen oxides (NOx) by 75 – 95 percent
- Carbon dioxide (CO2) by 20 – 30 percent

On behalf of APGA, I urge you to award Chambersburg and IESI with an Act 13 grant. The grant will help reduce our dependence on foreign oil, improve the nation's balance of trade, and local air quality.

Thank you in advance for your consideration of our views.



Bert Kalisch
President and CEO
American Public Gas Association