Alternative Fuel Vehicle Market State of Play

Deploying alternative fuel vehicles in a time of low oil prices

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Consumer Response To Low Gas Prices
Fuel Prices Converging Since 2014

[Graph showing fuel prices for various types of fuel from January 2010 to October 2015, including gasoline, E85, CNG, diesel, B100, and electricity.]
Key Challenges through 2020

- Effects of sustained low oil prices
  - Decreased investment in alternative fuels
  - Reduced political will to address oil dependence
  - Consumer amnesia

- Gasoline and diesel vehicles constantly improving
  - Emissions and fuel economy standards
  - Local air quality benefits reduced
  - Alt fuels still needed for climate goals, energy security, and vibrant local economy

- Alternative fuel market
  - EV market must get to third generation and address public infrastructure business model challenge
  - Fleet manager procurement must realize alt fuel public benefits and reorient budget practices to accommodate infrastructure and operating/capital costs
Business Model Challenge For Public Charging Stations

- Public charging competes with residential charging
- High upfront costs
  - Can require trenching, extensive wiring, or pavement replacement
  - Must comply with regulations to serve public
- Willingness to pay for service and expected use does not cover costs of installing and operating equipment

*Public charging business models must capture indirect revenue sources from charging services*
Fleet Managers Must Capture Value Of Alternative Fuels

- Alternative fuels can offer net cost savings through lower operating costs
  - *Existing budgets must adapt and not depend on low upfront costs and high operating costs*
- Alternative fuels can be domestically produced with lower local air and/or greenhouse gas emissions
  - *Funding programs must monetize public benefits of alternative fuels*