

## **RT Natural Gas Bus Deal Could Set National Standards**

Sacramentans will be breathing easier due to last month's decision by Sacramento's Regional Transit (RT) board of directors to replace diesel with natural gas for future buses. Their plan to buy 75 natural gas-fueled buses is not only a local victory for PG&E, it will also have a major impact well beyond the boundaries of Sacramento.

In fact, the agreement's effects will be traceable – like highway lines on a map – extending across the system, even across the nation. "This is the first deal of this magnitude in North America," says RT chief operating officer Cameron Beach. "No other transit district has replaced a third of their fleet (with natural gas engines)." This deal is so significant that since the decision, calls have been pouring in to Beach's office from transit districts across the country. And transit representatives from all over California packed the board's vote meeting, including Oakland's AC Transit, which plans to double its 75-bus fleet within the coming decade.

"They're watching to see how it goes," says Sacramento Division major account rep Dave Hather. "This decision is like the first domino to fall – it will lead the pack in determining which way the market will go."

What he means is that the RT board could have chosen methanol as the alternative fuel. In fact, RT put proponents of both fuels through their paces when in September 1990 they planned to buy 10 buses – five methanol- and five natural gas-fueled – and conducted side-by-side tests. But when they discovered the number of buses to be replaced had leaped to 75, the stakes were suddenly much higher, and buying both would be too costly.

"That's when it really escalated," says Hather. At that point, Sacramento Division stepped on the gas and rallied support both inside and outside the company. "We needed to demonstrate that PG&E would support RT over the long term," Hather says. With the help of Sacramento Valley Region public affairs rep Shawn Cooper, and the advice of an outside consultant, he recruited upper management from the region and corporate headquarters to speak at RT board meetings.

"We used a pretty unique team concept on this project," Cooper says. "We had 20 to 30 employees involved – from the division garage and gas and marketing departments to the corporate clean air vehicles (CAV) and state governmental relations departments. It was a great example of successful teamwork."

Sacramento Division team also took the driver's seat by contacting the Cummins engine company in January to ignite their interest in meeting the board's August 15 deadline with a natural-gas-fueled-engine certified by the Air Resources Board.

At this point, the race between methanol and natural gas was too close to call, but methanol was a nose ahead, with an already-certified engine and a fuel that met the Air Quality Management District's (AQMD) emission standards.

Pulling into the home stretch, Cummins' upper management finally assured the RT board that not only would they meet the deadline, but also the emissions would be even lower than AQMD standards. That assurance, plus the fact that natural gas is less expensive than methanol, convinced the RT board to hand the contract to the natural gas side.

Sacramento Division marketing manager Mike Gonzales points out that RT had confidence in PG&E's support. "We've been here for years, we will be for many more, and we've never left them stranded," he says, referring to the fact that PG&E converted three other RT vehicles to natural gas two years ago. Sacramento Division transportation supervisor Mike Elston and garage mechanics Tom Alexander and Gene Peck also trained the RT mechanics and maintained contact with them to be sure the vehicles were performing. "We had a track record coming into this vote," he adds.

Hather says it's still too soon to slacken our pace, however, for the deal is not completely sealed. If Cummins cannot deliver a certified engine on time, the RT staff could ask the board to rebid the project, and the whole project would begin again.

To say that a lot is at stake on the RT purchase is an understatement. The annual gas sales for 75 compressed natural gas (CNG) buses represents enough power for 2,000 natural gas homes. And, when RT expands their fleet size to 400 CNG buses by the year 2000, the gas sold would be enough to power more than 10,000 homes and earn revenue of more than \$2.3 million per year. "This isn't simply a regional transit bus issue," says Sacramento Division manager Kyle Hoffman. "RT represents a major fleet commitment to CNG, which demonstrates the viability of CNG as an alternative fuel."

Hather adds that the two main points from this project are, "Don't underestimate the competition, and don't underestimate the market's potential."