

Propane van powers dream of wider use Denver called launch city for fuel distribution network

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Group pushes wider use of vans that use propane

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by Dan Luzadder, Special to the Denver Post

A national industry group that envisions 100,000 new alternative-fuel vehicles on America's streets within a few years showcased a "first of its kind" propane-powered van Tuesday at the Hyatt Regency Denver downtown.

But the story that industry officials were telling travels far beyond the technology that developed new engines for the General Motors Express and Chevrolet Savanna vans, which run exclusively on cheaper, more efficient and maintenance-friendly propane.

Denver is the launch city for a new nationwide distribution infrastructure that will make it as easy to fill up with propane as with gasoline or diesel fuel.

"These new vans are the product of a year-and-a-half of work," said William Platz, president of the Longmont-based Propane Promotion Coalition Inc., or ProCon, an association of large and small propane marketers and technology companies.

"Quantum Technologies actually came up with the technology for the engine - we provided the funding and the support," Platz said.

The challenge for Quantum, an Irvine, Calif., developer of alternative fuel systems, was to develop a propane-burning engine for GM without the problems of other alternative fuels such as compressed natural gas, Platz said. Tests have shown that the new vehicles can withstand more than 250,000 miles of heavy use with less maintenance than gasoline engines.

Easy access to propane is a major component in building a consumer market for the cleaner running vehicles.

CleanFuel USA Inc., a joint venture of propane marketers and infrastructure technologists in Austin, Texas, joined with Conoco stations in Denver last year to open five propane-filling pumps at local outlets.

"We're on track to add five more locations by April, and another five by the end of the summer," said Curtis Donaldson, managing director of CleanFuel. "We plan to be in 36 cities over the next three to five years."

Platz said ProCon is also negotiating a GM-like deal with Ford Motor Co. to build the fuel-efficient, low-emissions engines for its three-quarter-ton pickup trucks and for the Crown Victoria line - a luxury model popular with taxicab operators across the country.

The price tag on GM and Chevrolet's new propane-powered vans is not cheap: Platz said that the well-equipped vehicles would likely top \$45,000.

But Platz, who also wears a lobbying hat for the propane industry, said Congress is moving toward passing a clean-air bill that includes new tax incentives to promote propane fuel usage.

Those incentives would allow purchasers to recapture most of the \$4,500 price difference between gasoline and propane-powered vehicles. The bill also would reduce fuel taxes at the pump and would add tax credits for installation of the infrastructure needed to sell propane for cars and trucks.

Propane for vehicles costs about 98 cents a gallon. With oil changes every 15,000 miles instead of every 3,000 with gasoline engines, operating costs drop further.

"Propane costs 75 to 80 percent of what gasoline costs," said Platz. "And tax incentives on propane as transportation fuel means additional savings for users."

The vehicles are being marketed in a variety of ways, including through participating GM dealerships across the country.

Lakewood-based propane marketer AmeriGas has agreed to use its sales force to approach companies that use compressed natural gas vehicles, and other potential clients, to push propane fleet sales, Donaldson said.

The popularity of the vehicles for individual consumers remains something of an unknown. But Donaldson, past president of ProCon, said investors in CleanFuel USA are optimistic enough to commit the resources to build the infrastructure.

"Right now, it would be somewhat of a challenge to take a vehicle like this across country," Donaldson admits. "You'd have to do some planning. There are propane outlets in all major cities, but you might have to find them, and arrive between 8 (a.m.) and 5 p.m. to fuel up."

But he says that will change. CleanFuel's partnership with Conoco will hopefully become a pattern with other fuel distributors as fueling locations spread across the country, he said.

Platz said gasoline refiners see new profit centers with propane.

"In Europe and in Australia, where you already see more alternative-fuel vehicles, companies like Shell and BP are already well into the market," he said.

Donaldson said his company has been working out the bugs in its software and hardware in Denver before taking the program to California, Atlanta and Phoenix. Chicago and Kansas City, Mo., are also on the list.

Denver was its test target, he said, because of "environmental awareness" in Colorado.

"People are more aware of alternative-fuel vehicles here than, say, Texas," Donaldson said. "We think Denver was a perfect place to get started."

Platz said the propane vehicles qualify in some places to use the High Occupancy Vehicle lanes (HOV) with only one occupant because of their fuel efficiency.

"We'd expect the same thing to apply here in Denver," he said.