

VNG OFFERS EPA AND NHTSA A VISION FOR AN “ALL-OF-THE-ABOVE” TRANSPORTATION FUEL FUTURE THAT HARNESSES NATURAL GAS – AND HYDROGEN

February 6, 2012, Bala Cynwyd, PA - In written comments to the U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) and in a report titled “*NATURAL GAS: An Essential Bridge To Hydrogen Fuel Cell Vehicles*” by the consultancy Energy Futures, VNG.CO offered its vision for developing a national fueling infrastructure for gaseous fuels including compressed natural gas, and, in the longer term, hydrogen for fuel cell vehicles. VNG strongly supports the Agencies’ goals of reducing the emissions and oil consumption of America’s cars and light trucks for model years 2017-2025. However, VNG also urged the Agencies to take further action to enable natural gas to fulfill its enormous potential to contribute to these goals, as part of the “all of the above” energy strategy advocated by both the President and Congressional leadership.

“We’re encouraged to hear support for natural gas vehicles from all parts and all levels of government– and we hope EPA and NHTSA follow through by providing them with fair, appropriate regulatory credits analogous to those proposed for electric vehicles,” said Paul Kouroupas, VNG’s Vice President of Regulatory and Government Affairs. “It’s a common-sense step towards a true, long-term “all-of-the-above” energy policy.”

America’s abundant natural gas supplies can replace imported oil as a vehicle fuel while reducing greenhouse gas emissions by as much as 25%, at up to 40% less cost per gallon equivalent than gasoline – a win for the economy, the environment, and consumers. Natural gas has also been long recognized for its critical role in facilitating a transition to zero-emission hydrogen fuel cell vehicles. Since most hydrogen is made from natural gas, the natural gas fueling infrastructure developed by companies like VNG is an ideal future platform for the low-cost, low-emission distributed production and dispensing of hydrogen for fuel cell vehicles.

According to VNG’s Comments, despite the considerable near- and long-term potential of natural gas, NGVs have been historically disadvantaged by vehicle regulations, particularly compared to electric vehicles (EVs). VNG believes the latest proposals from EPA and NHTSA are a solid improvement over current rules, but NGVs would still suffer from major inconsistencies in availability of credits over time – and would still be dramatically disadvantaged compared to EVs, which receive a “double incentive” for emissions where NGVs receive none. To provide a fair chance for NGVs, to facilitate future use of hydrogen-fueled vehicles, and to avoid “picking technology winners,” VNG’s Comments urged the Agencies to:

- Extend emissions incentives for NGVs on the same schedule as EV incentives;
- Provide similar “multipliers” as EVs;
- Make fuel economy credits for dual-fuel NGVs available consistently in the years prior to 2020, when current rules effectively treat them as gasoline vehicles.

VNG pointed out that the environmental and energy security risks posed by the transportation sector’s dependence on oil are urgent challenges for the United States, and it would be an

unfortunate mistake to overlook NGVs (and, by extension, hydrogen FCVs) just as the supplies and economics of natural gas in the US are undergoing a historic transformation. Because NGVs have an essential role to play in reducing emissions, replacing imported oil, and saving consumers money, while also establishing an essential bridge for a transition to hydrogen-fueled FCVs, VNG urged the Agencies to provide appropriately robust and consistent support for these vehicles in their final rules.

VNG.CO is a Bala Cynwyd-based developer of public CNG fueling facilities for light-duty natural gas vehicles in major markets throughout the U.S. The Company was founded with one overarching goal: to create a national CNG fueling infrastructure to provide a long-term foundation for achieving American independence from imported oil. By combining industry-leading knowledge of the US automotive sector with the experience and execution of national infrastructure and facility development programs, VNG.CO is strategically positioned to achieve this vision.

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Copies of VNG.Co's Comments to EPA and NHTSA and the report "*NATURAL GAS: An Essential Bridge To Hydrogen Fuel Cell Vehicles*" are attached and can also be found on the NHTSA and EPA websites along with all public comments.

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