

CNG Fueling Station

City Council
August 22, 2017

CNG Status

- Presented to PUB on July 24, 2017
- Presented to Council July 25, 2017
- Council recommended CNG station for COD use only, but requested staff to first search for existing CNG stations

Area CNG Stations

- Closest existing CNG station – Grapevine/Irving
 - 40 miles roundtrip
- Possible Denton CNG station
 - 20 miles roundtrip
 - \$3.2 million in added operating expenses (staff time, vehicle depreciation, and additional fuel).
 - Risks – Uncertainty, Project timeline, transit time delays, fuel platform configuration, etc.

PUB presentation

- On August 14, 2017, Staff presented information concerning the potential CNG station to the Public Utility Board (PUB) and requested a recommendation.
- Staff's recommendation was to pursue the fueling station as proposed, without public sales
- The PUB recommended approval of the COD fueling station as proposed, without public sales (5-0).

Options summary

	Mobile Fueling	Diesel Retrofit	Station COD ¹	Station public sales ^{1,2}
Revenue	(201,368)	(201,368)	2,630,032	3,230,032
Expense	(3,981,031)	(2,295,579)	(4,078,627)	(3,782,919)
Net income / (loss)	(4,383,767)	(2,496,947)	(1,448,595)	(868,526)
Fuel cost savings	(2,140,508)	0.00	313,662	313,662
Full cost	(6,322,907)	(2,496,947)	(1,134,932)	(554,863)

¹ includes 20 year debt for station and line construction, and age out of CNG fleet vehicles

² Station with public sales will likely include operational and site expenses that are not currently quantified

Staff is seeking direction from Council

- **Option 1:** Direct staff to pursue the COD fueling station as proposed, without public sales
- **Option 2:** Direct staff to take other action
- Staff recommends option 1. The timeline for completion is estimated to be approximately 6 months

Questions?