

On the Road with CNG



**THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED**

www.ngc.co.tt

The Compressed Natural Gas (CNG) business in Trinidad and Tobago has generated close to **TT\$870 million** in economic activity from 2014 to the present.

This is due to the efforts of NGC CNG and its stakeholders who have resuscitated the CNG industry and pivoted for growth. CNG conversions and litre sales are growing considerably month on month as NGCCNG, a subsidiary of The National Gas Company, executes the Government's mandate for the expanded use and availability of CNG as a vehicular fuel.

Building an Industry

NGC CNG inherited a fledgling CNG business in 2013, which was plagued by a lack of working stations, outdated regulations, zero OEM CNG vehicles and a fledgling conversion industry. NGC CNG's philosophy was to build a solid base for the industry with significant regulatory and private sector support. In order to achieve this, NGC CNG put into motion several strategies, including:

- developing a training programme with the National Energy Skills Centre (NESCC) to train CNG technicians to instal and service CNG systems
- reviewing CNG regulations with the Trinidad and Tobago Bureau of Standards (TTBS), resulting in updated CNG regulations being adopted in 2018
- entering into agreements with the fuel marketers to instal and operate new compression, storage and dispensing equipment at some existing, but mainly new to industry, locations.

Safety

In keeping with best practice safety regulations, NGC CNG works with licensed CNG converters that perform aftermarket conversions. NGC CNG has also contracted the services of the Natural Gas Vehicle Institute (NGVi) to conduct safety audits of CNG conversions in the country, all aimed at ensuring safety remains a pillar of the business. NGC CNG, via parent company NGC, also moved to odourise gas supply

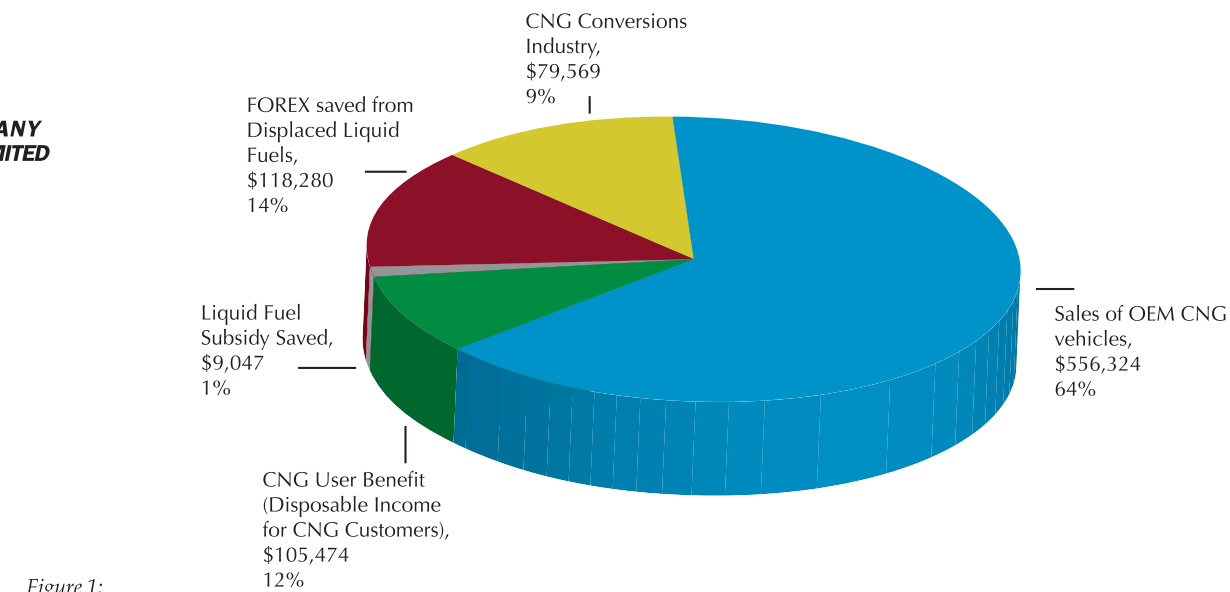


Figure 1:

to all CNG equipped stations in the country in 2014/2015 and adheres to a regular maintenance schedule.

Private Sector

NGC CNG has partnered with the private sector and advocated for various fiscal incentives which allow for the reduction in taxes on OEM and up to four-year-old CNG vehicles, as well as CNG kit components. These concessions allow vehicles and equipment to enter the country at competitive prices. The regulatory and training base of the CNG industry, coupled with the fiscal incentives which still exist today, spurred private sector companies to source CNG vehicles. As a result, we now have 15 OEM CNG brands in the country and the lone CNG sedan is the fastest selling in its class. Additionally, the Public Transport Service Corporation (PTSC) was the first entity to bring OEM CNG vehicles into the country, with 35 CNG buses in 2014 and has since expanded its fleet to 72 buses.

Increasing Supply to Meet Demand

With 17 stations either completed or close to completion, there is significant supply already in place for the public and some fleets. Several new state-of-the-art CNG systems procured by NGC CNG are in operation today with upgrades coming to NP Point Fortin and NP Rushworth St in San Fernando where old, outdated equipment is being removed and replaced. The supply of CNG will also be available at new stations in Munroe Road and O'Meara later this year. A transformative and modern service station with 10 CNG filling points is being constructed at the Preysal interchange along the Sir Solomon Hochoy Highway in central Trinidad. This station will be able to accommodate large trucks and buses and is easily accessible to traffic in all directions along the highway.

Alternatively, a virtual pipeline can accommodate tank wagons of Liquefied Natural Gas (LNG) being transported to a supply point, where it will be regasified and sold as CNG. This is one of the key areas NGC CNG is exploring to expand the

availability of CNG in the future.

Marketing CNG

Few people want CNG until they get it. Then the realisation comes about the vast savings which can be saved from using CNG. At 20% of the price of super gasoline, a CNG user saves thousands of dollars annually, but that still may have been out of reach of many persons. To counteract this and encourage conversions, NGC CNG has utilised only approximately 10% of its incentives to sponsor conversions over the last three years. This has allowed the newly licensed converters to build capacity and has also given CNG service stations higher volumes of sales at the pump. NGC CNG continues to direct its marketing efforts at long-distance drivers – those involved in mass transit and public transport – and commercial operators where fuel is a major operating cost.

Economic Activity

We started this article by indicating the CNG industry has generated approximately TT\$870 million in economic activity. Figure 1 shows how this has been calculated. NGC CNG has so far invested TT\$198.4 million out of its budgeted Phase 1 allocation of TT\$500 million.

NGC CNG has made tremendous strides in the last seven years, now offering the public a smoother and safer refuelling experience, an industry that has both private and public sector support, world-class maintenance of equipment and a commitment and drive to bring CNG to as many areas of the country as possible with support from the fuel marketers. While new technology is emerging worldwide, the existing stock of close to 1 million internal combustion vehicles in Trinidad and Tobago means there is the potential for a massive expansion of the CNG business.

The Green Agenda

As a leading energy company, the NGC Group is keenly aware of the changing landscape of the industry in which it operates. Environmental, political, market and social pressures are pushing global consumption toward cleaner energy sources and more efficient energy use. The NGC Group has recognised the need to align its business with this new ethos and has become an active lobbyist for clean energy in Trinidad and Tobago. The Group has participated in the formulation of a national action plan for energy conservation and efficiency, and is supporting efforts to build renewable energy installations, and also working with the light industrial and commercial sector to reduce wasteful energy practices. As a cleaner-burning fuel, CNG is an important part of the green energy agenda.

The NGC Group's green agenda is being implemented at the Preysal/Couva fuel station, using a solar-panelled canopy to generate electricity in the station. Plans are also in place to offer two electric vehicle charging points.

CNG remains the only technology that can be used in an existing internal combustion vehicle to reduce your fuel bill while simultaneously lowering carbon emissions by approximately 30%. NGC CNG estimates the use of CNG from 2014 to August 2020 has saved more than 26,624 Metric Tonnes of carbon from being emitted. This is leading to a cleaner environment and a healthier Trinidad and Tobago.

NGC CNG Commitment

NGC CNG and its parent NGC are committed to building a world-class CNG industry with significant private sector involvement. Significant strides have been made in the last seven years and the future is open for wide use of CNG nationally. This will help to reduce this country's Green House Gas emissions, pump increased savings to consumers and chart a cleaner, more secure future for generations to come.

AT THE FOREFRONT OF *Energy*