Propane Autogas
Market Update

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Executive Director of the Wisconsin Propane Gas Association & the Wisconsin Propane Education & Research Council.
MARKET OVERVIEW
Market Overview

Propane vehicle sales are on the rise.

• 300,000+ propane powered vehicles

• In 2016, slightly more than 14,000 On-Road propane vehicles were sold.

• ICF/PERC study predicts new propane vehicle sales to continue rising year over year to 40,000 by 2025.

• 60% of those are predicted to be medium-duty vehicles.
Consumption in the U.S.

• In 2016, ICF estimates nearly 800 million gallons of propane was consumed by internal combustion engines.

• Includes forklift, mower, and ag markets.

• ICF/PERC forecasts consumption will reach 1 billion gallons by 2020.
U.S. School Transportation

- 15,000+ propane school buses in the U.S.
- 4% of all school buses
- 850,000 students
- 830 school districts
- 48 states
WISCONSIN AUTOGAS
MARKET OVERVIEW
## Registered Vehicles in Wisconsin

<table>
<thead>
<tr>
<th>Type</th>
<th>Vehicle Count As of June 30, 2015</th>
<th>Vehicle Count As of June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unleaded</td>
<td>5,997,946</td>
<td>5,624,861</td>
</tr>
<tr>
<td>Diesel</td>
<td>431,255</td>
<td>450,117</td>
</tr>
<tr>
<td>Ethanol (E85) Flexible Fuel</td>
<td>400,018</td>
<td>399,719</td>
</tr>
<tr>
<td>Hybrid Electric</td>
<td>32,832</td>
<td>35,432</td>
</tr>
<tr>
<td>Compressed Natural Gas (CNG)</td>
<td>5,835</td>
<td>5,642</td>
</tr>
<tr>
<td>Electric</td>
<td>316</td>
<td>490</td>
</tr>
<tr>
<td>Propane (LPG)</td>
<td>174</td>
<td>351</td>
</tr>
<tr>
<td>Liquified Natural Gas (LNG)</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: WI Department of Transportation
## Fuel Consumption in Wisconsin

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gasoline</td>
<td>2,617.18</td>
<td>2,637.69</td>
<td>2,663.04</td>
</tr>
<tr>
<td>Diesel</td>
<td>794.58</td>
<td>782.58</td>
<td>775.11</td>
</tr>
<tr>
<td>Ethanol</td>
<td>282.55</td>
<td>297.51</td>
<td>315.61</td>
</tr>
<tr>
<td>CNG</td>
<td>8.35</td>
<td>11.25</td>
<td>13.66</td>
</tr>
<tr>
<td>Propane</td>
<td>2.30</td>
<td>2.49</td>
<td>2.81</td>
</tr>
<tr>
<td>LNG</td>
<td>0.27</td>
<td>0.22</td>
<td>0.15</td>
</tr>
</tbody>
</table>

On-Road use only, tax-exempt fuel not reported
Source: WI Department of Revenue
Wisconsin Annual Autogas Consumption, 1960-2015
Wisconsin Annual Autogas Consumption, 2010-2015
(Thousand Barrels)
U.S. School Transportation

- 700 + propane powered school buses
- 5th in the nation
- 34 school districts using propane
- Majority of major bus contractors are operating propane powered buses.
OPPORTUNITIES FOR THE INDUSTRY
Potential Markets for Increased Autogas Sales

• Propane Retailers
  • PERC study estimates that the propane retail industry owns 54,000 vehicles that could be converted to propane = up to 200 million gallons of new annual demand.

• State Fleets
  • VW Settlement Funding

• School Buses

• Law Enforcement Agencies
INCENTIVES, LAWS AND RESOURCES
Resources

Quarterly E-Newsletter
https://www.propane.com/on-road-fleets/the-autogas-refuel- enewsletter/
Resources

Propane.com

- Price comparison calculators
- Case studies
- Testimonial videos
- Marketing materials
- More…
Federal Tax Credits- extended for 2017

• Alternative Fuel Tax Credit
• Alternative Fuel Infrastructure Tax Credit
Wisconsin Incentives

- **Alternative Fuel Tax Refund for Taxis** A person using alternative fuel to operate a taxi used to transport passengers may be reimbursed for the paid amount of the Wisconsin state fuel tax. Refund claims must be filed within one year of the fuel purchase date and must be for a minimum of 100 gallons of alternative fuel. (Reference [Wisconsin Statutes 78.75(1m)(a)(1)](https://law.wisconsin.gov/statutes/78.75))
Wisconsin Incentives

- **Alternative Fuel Tax Exemption** No county, city, village, town, or other political subdivision may levy or collect any excise, license, privilege, or occupational tax on motor vehicle fuel or alternative fuels, or on the purchase, sale, handling, or consumption of motor vehicle fuel or alternative fuels. (Reference Wisconsin Statutes 78.82)
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