

Successful Public/Private Partnerships



December 4, 2002

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Superior Market for NGVs

- Arizona & California are the most favorable markets because:
 - Air Quality Problems/Opportunities
 - Favorable public policy
 - Grant funds



Best Fleets to Maximize Fuel Usage

- Target those who that consume.....not retail consumers
 1. Police Cars, 2,500 gallons/year, become taxi in second life
 2. Taxi Cabs, 5,000 gallons/year
 3. Shared Ride Vans, 10,000 gallons/year
 4. E450 Cutaway Hotel & Parking Shuttles, 5,000 gallons/year
 5. Refuse Trucks, 10,000 gallons/year
 6. Intra State Trucks, 20,000 gallons/year
 7. Transit Buses, 20,000 gallons/year
- Focus on Airports
 - All segments operate at the nation's largest airports and in most cases make several trips to/from daily

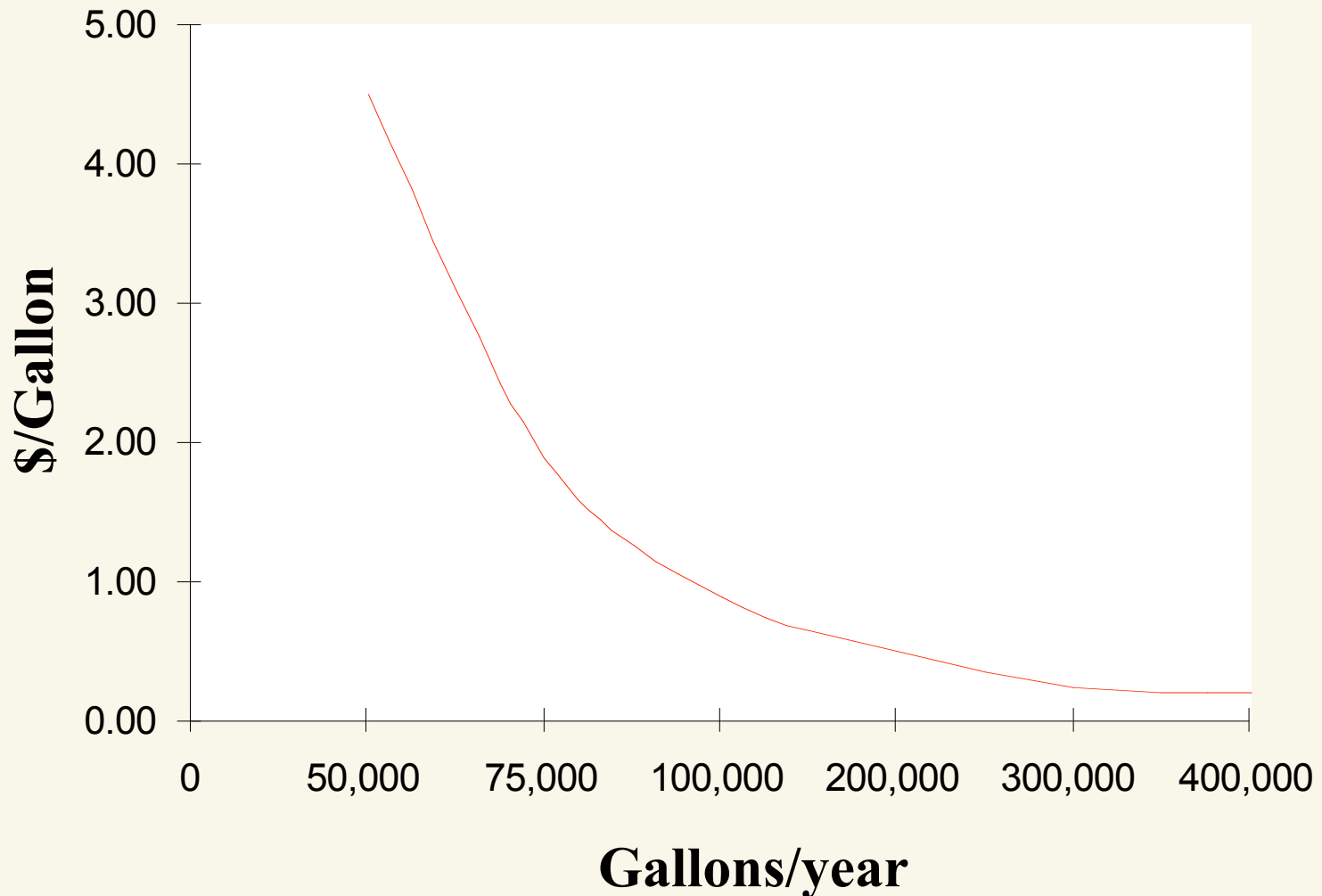
What makes a Station Profitable?

- VOLUME!
- Target 200,000 gallons per year
 1. 80 Police Cars, will not work by itself!
 2. 40 Taxi Cabs
 3. 20 Shared Ride Vans
 4. 40 E450 Cutaways
 5. 20 Refuse Trucks
 6. 10 Intra State Trucks
 7. 10 Transit Buses
- Retail will fail without an Anchor Tenant
 - 100+ Light-duty Commercial Vehicles
 - 100 Urban School Buses
 - 300 Consumers or Light-duty Municipal vehicles

Station Business Needs

- Anchor Tenant
 - Successful Projects are Dependent on VOLUME!
 - 200,000 gallons/year
- Suitable Fleet Site for Station
 - Retail, Private Back-Lot and Combo
 - 24-hour perimeter access at the Fleet Site
 - Separate stand alone business based on outside VOLUME
- Utilities
 - HP Natural Gas Service, >40 psig
 - Electrical Power, 480 Volt, 3 phase, 800+ Amp
 - Telephone

Station Volume Effect



SunLine/ENRG

- Model Partnership
 - Progressive Board of elected officials from local cities & County of Riverside
 - 1992, unanimously approved CNG replacement for entire fleet of 40 transit buses
 - May 1994, 100% CNG fleet deployed
 - Board insisted on private partners to develop & operate station and train mechanics
 - Initially SoCalGas and later sold to ENRG
 - College of the Desert AFV training curriculum

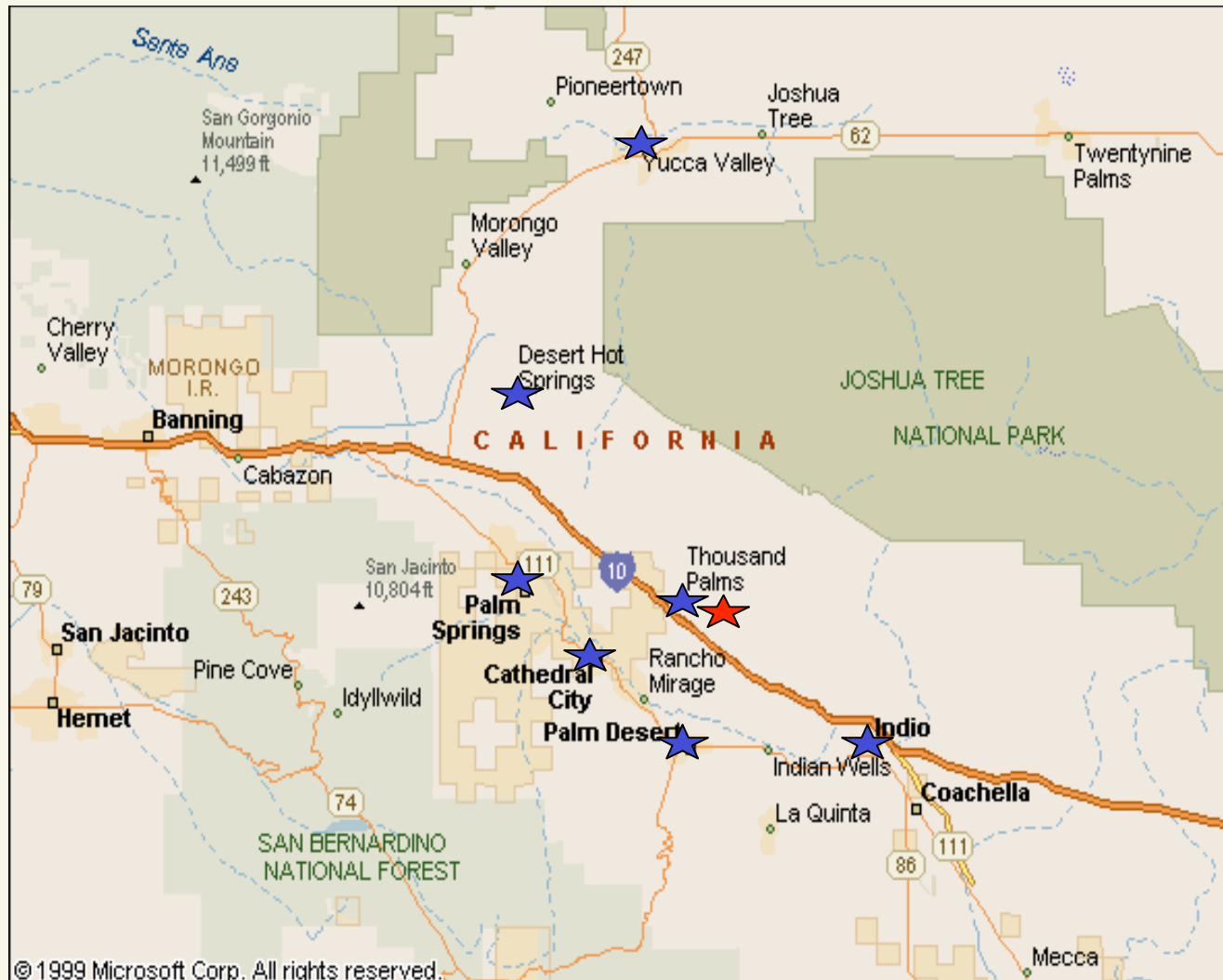
SunLine/ENRG

- Board Members committed to CNG for City/County fleets, plus incent contractors in long-term franchise agreements
 - Refuse
 - Street Sweeping
 - Taxis and Shuttles
 - Cable
 - Telecommunications
 - Others

SunLine/ENRG

- Market growth dependent on infrastructure
 - 1998, SunLine secured \$1 million from PVEA and FTA to build six public access stations & issued RFP
 - Selected private partner, ENRG, to build, operate, maintain, market, etc.
- From 1998-2000, ENRG commissioned Desert Hot Springs (Mission Springs Water), Palm Springs Airport, Cathedral City ARCO, WM Palm Desert, Indio and Thousand Palms LNG station
 - Yucca Valley was commissioned during this period to serve WM, SunLine and Morongo Basin Transit Authority

CNG/LNG Infrastructure in CV



SunLine/ENRG

- Waste Management
 - Capitalized on opportunity to meet their City's request and operate CNG trucks
 - ENRG secured in excess of \$4 million for trucks
 - Developed & operate a large CNG station in exchange for 10-year fueling agreement
- Street Sweeping, SunSweep
 - Grant funds secured by CVAG for 10 sweepers. ENRG requested MSRC to fund incremental CNG cost.
 - Five new sweepers ordered



SunLine/ENRG

- Taxi/Limo/Shuttle Program
 - 50 units deployed in 2001
 - Purchase price, \$12,500 for based vehicle was financed by SSG over five years
 - ENRG secured \$13,000/vehicle through CEC, DOE, Ford, SoCalGas & SCAQMD
 - Each driver provided \$0.05/gallon reduced price at ENRG stations through 2003



SunLine/ENRG

- Time Warner Cable gave verbal commitment to begin purchasing CNG vans
- Verizon proposal submitted & under considered
- Utility Truck Program
 - DOE grant secured (\$2,000 ea.)
 - CEC Match (\$3,000 ea.)
 - Water districts, municipals, public utilities, private contractors, etc. targeted

Questions/Comments?

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