

**Natural Gas Vehicle and  
Infrastructure Development  
Provisions of Senate “Clean  
Energy Jobs and Oil Company  
Accountability Act” S. 3663**

On July 27<sup>th</sup>, Senate Majority leader Harry Reid (D-NV) released an energy bill that promotes natural gas vehicles and infrastructure development (S.3663). The main NGV components of the bill are:

**Section 2002:**

The bill establishes within the Department of Energy a Natural Gas Vehicle and Infrastructure Development Program whose specific purpose is to facilitate the use of natural gas as an alternative transportation fuel.

**Section 2003:**

The bill directs the Secretary to develop regulations that shall provide up to \$3.8 billion in financial rebates to qualified owners who purchase a natural gas vehicle (NGV)

- No more than 25 percent of the funds shall be used light-duty vehicle rebates (not more than 8,500 pounds)
- The Secretary shall give priority to vehicles that are likely to have the shortest payback time and that achieve the greatest market penetration of natural gas vehicles
- Qualifying vehicles must be placed in service by 2013
- Conversions and repowers qualify for rebates in addition to new vehicles
- Rebates are provided to the purchaser of the vehicle for use or to lease to others
- The maximum amount of the rebate varies according to the weight of the vehicle and whether the vehicle is a dedicated NGV, a mixed fuel vehicle or a bi-fuel vehicle, as follows:

**Dedicated NGV:**

The maximum value of the rebate is equal to 90 percent of the incremental cost of a dedicated NGV, where the maximum rebate value is capped at:

- (i) \$8,000 for an NGV with a gross vehicle weight rating of not more than 8,500 pounds;
- (ii) \$16,000 for an NGV with a gross vehicle weight rating of more than 8,500 but not more than 14,000 pounds;
- (iii) \$40,000 for an NGV with a gross vehicle weight rating of more than 14,000 but not more than 26,000 pounds; and

- (iv) \$64,000 for an NGV with a gross vehicle weight rating of more than 26,000 pounds.

**Mixed-fuel NGV:**

The maximum value of the rebate for a mixed-fuel vehicle is 75 percent of the amount otherwise provided for a similar size dedicated NGV.

**Bi Fuel NGV:**

The maximum value of the rebate for a bi-fuel vehicle is 50 percent of the rebate amount otherwise provided for a similar size dedicated NGV

**Section 2004:**

The bill also directs the Secretary to develop an infrastructure and manufacturing development program, with:

- (1) grants of up to \$50,000 per unit to qualified refuelers for the installation of natural gas refueling property placed in service between 2011 and 2015; and
- (2) grants for research, development, and demonstration projects on (NGV) engines with reduced emissions, improved performance, and lower cost.

Funding for this program is \$500 million.

**Section 2005:**

The Secretary shall also establish a direct loan program to provide loans to qualified manufacturers to pay not more than 80 percent of the cost of reequipping, expanding, or establishing a facility in the United States that will be used for the purpose of producing any new qualified alternative fuel motor vehicle or any eligible component. The commitments for direct loans under this section shall not exceed \$2,000,000,000 in total loan principal. Funding to support this effort is \$200 million.

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