



NGVAMERICA

Natural Gas Vehicles for America

2016 Annual Report



ADVOCATE EDUCATE COMMUNICATE GENERATE RESULTS





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PRESIDENT'S MESSAGE

Dear NGVAmerica Members:

I am proud to present you with your association's 2016 Annual Report which I believe clearly demonstrates our efforts to **ADVOCATE, EDUCATE, COMMUNICATE** and **GENERATE RESULTS** for you, our members. This marks the second year that we have assembled this review of how NGVAmerica is leading initiatives to grow the natural gas vehicle industry and help our members provide clean transportation options for fleets and communities across the nation.

As you will read in the following pages, together we made significant progress in moving the industry's agenda forward this year. NGVAmerica's committees achieved several important policy wins in state capitols, in federal agencies and among industry stakeholder groups to position the marketplace for future growth.

We also leveraged an exciting new opportunity through the Volkswagen diesel emissions settlement that will provide \$2.7 billion to fund clean transportation projects in all 50 states. This presents an unprecedented opportunity to put more natural gas vehicles on the road over the next three to 10 years.

I am also optimistic as we look ahead to 2017. While the new administration is taking shape, there is a strong sense in Washington that promoting domestic energy will be on the agenda. This could mean new opportunities to advance the use of more natural gas in transportation. NGVAmerica will be the industry's voice in these discussions.

Finally, I would like to thank all of you and especially the nearly 30 new members who joined NGVAmerica in 2016. Your commitment is critical in supporting a successful agenda and I am proud to lead your association in this period of great opportunity.



Sincerely,

A handwritten signature in black ink that reads "Matthew Godlewski".

Matthew Godlewski

NGVAmerica
President

MESSAGE FROM THE CHAIR

Dear Industry Colleagues:

It has been an honor to serve as the Chair of NGV America for the past year. The natural gas vehicle industry is at a critical juncture and I firmly believe that our association's mission has never been more relevant to building a strong marketplace for the future.

The recent elections will likely mean a significant change in U.S. energy policy. New leadership within federal agencies may bring fresh programs to promote the use of more domestic energy. Congressional tax reform and infrastructure legislation are likely to be addressed early in 2017, which could impact tax credits and other key issues on our agenda.

NGV America will work to educate the new administration and Congress to build support for the industry's policy priorities. Programs to grow the NGV market will create jobs, lower emissions and maximize the use of domestic energy. NGV America will be our voice to communicate these messages in this new period of opportunity.

The Volkswagen settlement is another area where our national association represents our shared interests. NGV America was instrumental in encouraging that NGVs be included in the Trust and will play a critical role in educating the states as they develop programs in 2017.

Our new Technology & Development Committee made great strides to break down barriers and modernize key standards this year. The State Advocacy Committee also chalked up a variety of wins toward leveling the playing field between CNG, LNG, and RNG and other transportation fuels. Only NGV America can lead on these essential programs.

I have repeatedly said that the strength of NGV America is the broad representation of our membership. I hope you will stay active in 2017 as we work together to meet the challenges and ensure we take advantage of the opportunities ahead.



Sincerely,



Gordon Exel
*Westport Fuel Systems
Chair*



ADVOCATE: *Supporting The NGV Industry*

NGVAmerica is entering its 29th year of helping our members grow the marketplace for clean-burning natural gas vehicles. Whether it is in the halls of Congress and federal regulatory agencies or in state capitols, NGVAmerica has been instrumental in removing barriers and advancing incentives that have resulted in the use of more natural gas in transportation.



REPRESENTING THE NGV INDUSTRY IN CONGRESS

The winds of political change swept through Washington in 2016 in dramatic fashion. Given the elections and associated political wrangling, the Congressional agenda was light and few major pieces of legislation moved as both parties awaited the outcome of the November elections. Unfortunately, this created an environment that hindered the advancement of much of NGV America's federal agenda, including a long-term extension of the fuel and infrastructure credits.

After the successful passage of several priorities in 2015, the Federal Government Advocacy Committee's work in 2016 focused on education and creating new opportunities to support the industry in 2017.

► Adjustment of the 12 Percent Federal Excise Tax On Heavy-Duty Trucks

Sen. Bill Cassidy (R-LA) and Rep. Tim Ryan (D-OH) introduced bipartisan bills to adjust the 12 percent Federal Excise Tax imposed on the sale of heavy-duty trucks. Because natural gas fuel systems add to the overall cost of a truck, the Natural Gas Tax Parity Act of 2016 (S.3372 and HR 6111) would provide a permanent 35 percent exclusion from the 12 percent FET for heavy-duty trucks powered by natural gas. This would result in an average tax savings of \$7,000 per heavy-duty truck. NGV America worked closely with Sen. Cassidy and Rep. Ryan to write this legislation that would help level the playing field for natural gas among other transportation fuels.



REPRESENTING THE NGV INDUSTRY IN CONGRESS (continued)

► Equal Tax Treatment for LNG Use In Marine Transportation

Sen. Bill Cassidy (R-LA), Sen. Michael Bennet (D-CO), and Rep. Todd Young (R-IN) introduced legislation that would equalize the tax treatment on liquefied natural gas (LNG) used in marine transportation. The Waterway LNG Parity Act of 2016 (S.2378 and HR 3431) would change the Inland Waterways Financing rate on LNG so that the tax is imposed on the energy content of a diesel gallon equivalent, rather than on a per gallon basis. LNG has significant potential as a cheaper, cleaner domestic energy source. NGVAmerica worked closely with Sens. Cassidy and Bennet and Rep. Young on this legislation to ensure that the financing mechanism for the inland waterways system does not disadvantage the use of LNG in marine applications.

► Fuel and Infrastructure Credits

Fuel and infrastructure tax credits have helped accelerate the adoption of natural gas as a transportation fuel. Efforts to educate key members of Congress on the value of the federal fuel and infrastructure tax credits that provide millions in savings for NGVAmerica members and their customers continued in 2016.

The current cycle of retroactively applying these credits creates budget uncertainty for both fuel providers and customers. NGVAmerica actively promoted a long-term extension of the credits before they expired at the end of 2016 and conducted more than 200 meetings throughout the year with key members of Congress and their staffs. Unfortunately, Congress indicated that it would not take up tax provisions in the lame duck session, deciding instead to defer discussion to 2017. The next best opportunity to pass the incentives looks to be March of this year when legislation to pass a full federal budget is expected.

In the event of no action, the natural gas fuel and infrastructure tax credits that expired on Dec. 31, 2016 included:

- The \$0.50 per gallon equivalent credit/payment for the business use of natural gas as a transportation fuel
- The 30 percent/\$30,000 investment tax credit for alternative vehicle refueling property, and the 30 percent/\$1,000 tax credit for home refueling appliances





REPRESENTING THE NGV INDUSTRY IN FEDERAL REGULATORY AGENCIES

Beyond the halls of Congress, federal regulatory agencies have a great impact on the NGV industry by influencing motor vehicle safety standards, motor fuel taxation, fuel economy standards and emissions standards.

NGVAmerica actively monitors federal agency programs and activities to ensure that regulations and policies provide fair and equitable treatment for NGVs, and encourage the expanded use of natural gas in transportation. In addition to notifying members of impending regulatory actions, NGVAmerica also actively consults with our members to inform our discussions with federal agencies.

► **Federal Highway Administration Weight Allowance for NGVs**

The Fixing America's Surface Transportation (FAST) Act, signed into law in December 2015, authorizes an increase in weight of up to 2,000 pounds for natural gas vehicles that operate on the federal highway system. The Federal Highway Administration (FHWA) has issued guidance on certain aspects of the weight allowance, but additional matters remain under consideration by the agency to: 1) understand

whether this provision preempts state law as to interstate roads; 2) provide any related additional implementation guidance for state authorities.

NGVAmerica met several times with the FHWA in 2016 to provide information on how the weight allowance impacts natural gas trucks and to push for guidance on the state preemption issue. NGVAmerica also worked with the Commercial Vehicle Safety Alliance (CVSA) to ensure an aligned approach with state roadside enforcement officials. Our goal has been to resolve all outstanding issues associated with the allowance as soon as possible to provide certainty to fleets seeking to take advantage of the new law.

NGVAmerica will continue to focus on resolving the preemption issue with federal agencies to finalize implementation guidance for fleets, truck manufacturers and state authorities in early 2017. Additionally, the State Government Advocacy Committee is working to secure the necessary state legislation to allow access to state roads (even if rules for interstate roads are preempted by federal law) and has legislation ready in several key states. Success on this

issue is another example of NGVAmerica's work to level the playing field among transportation fuels.

► **National Conference on Weights and Measures (NCWM) Diesel Gallon Equivalent Standard**

In 2016, NGVAmerica succeeded in securing the NCWM's adoption of the diesel gallon equivalent (DGE) standard for CNG and LNG retail sales. We also successfully retained the GGE standard for CNG sales. This long-standing priority was accomplished through the significant support of several NGVAmerica members and our allies in the American Gas Association, American Trucking Associations, American Petroleum Institute, National Association of Convenience Stores and other partners.

NGVAmerica will continue to monitor deliberations within the NCWM to ensure that nothing undermines the DGE or GGE standards. There also are likely to be follow-on activities to ensure states take the appropriate steps to update their regulations to incorporate the new standard.

REPRESENTING THE NGV INDUSTRY IN FEDERAL REGULATORY AGENCIES (continued)

► MD and HD Vehicle GHG and Fuel Efficiency Rulemaking

The U.S. Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) finalized regulations in 2016 to address greenhouse gas and fuel efficiency requirements for new medium- and heavy-duty vehicles. These rules take effect in 2018 for trailers and in 2021 for engines and trucks.

NGVAmerica worked with our members and other stakeholders throughout the long rulemaking process to ensure that natural gas vehicles were treated fairly and that the rules did not impose any burdensome new requirements. Overall, the final regulation was a positive outcome for NGVs and many of the key provisions NGVAmerica sought were included in the final rule, e.g. retention of favorable fuel economy calculations for natural gas engines, flexible averaging for greenhouse gas emissions, and deference to industry standards for evaporative emission compliance.

Although the new engine and truck standards do not take effect until 2021, some manufacturers of natural gas engines have indicated they will meet the new standards well in advance of the deadline. This could provide NGVs with some advantages over diesel engines in the future as emissions requirements for diesel compliance becomes increasingly

difficult and expensive. NGVAmerica will continue to work with our members to further understand the long-term impact of this complex regulation. There may be a need to work with EPA and NHTSA over the next several years to clarify how to interpret the regulations, and perhaps seek changes as necessary.

► Additional Federal Agency Advocacy

- Pushed for new funding for NGV RD&D and the Clean Cities program in the DOE Appropriations report for FY 2017 (amounts not finalized at time of publication)
- Participated in quarterly meetings with DOE officials to discuss industry concerns and priorities
- Commented on the U.S. EPA and NHTSA Midterm Review of Light Duty Fuel Economy and Greenhouse Gas Regulations
- Coordinated efforts to provide comments to the EPA during the initial phase of the Volkswagen settlement discussions and provided comment to the Department of Justice notice concerning the settlement



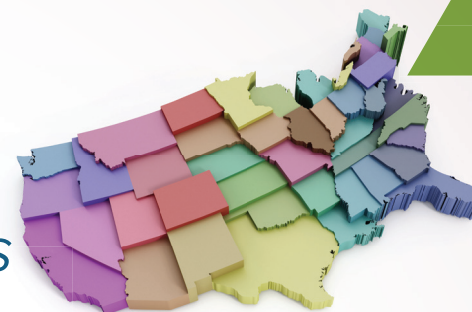
REPRESENTING THE NGV INDUSTRY IN STATE CAPITOLS

Although stagnant economies and low oil prices have resulted in lower tax revenues and pressured state budgets, NGVAmerica's State Government Advocacy Committee (SGAC) continued to work with legislators across the country to create, refine and protect important incentive programs and other policies to put more NGVs on the road and grow the NGV marketplace.

NGVAmerica's State Government Advocacy Committee (SGAC) includes the participation of 68 member companies (an increase of 36 percent from 2015) and more than 125 individuals committed to improving state policies and removing barriers to improve the market for more natural gas use in transportation.

In 2016, the committee delivered a variety of important successes for NGVAmerica members and the industry:

- Won more than \$40 million in new, extended or expanded state incentives for NGVs and stations
- Defeated the elimination or reduction of at least \$50 million in existing NGV incentives in Oklahoma and Louisiana
- Eliminated discriminatory policies in 12 states (DGE for LNG, tax equalization, etc.)
- Built an aggressive plan to secure or extend state incentives (including GGE/DGE definitions and weight increase) in 2017
- Achieved federal and state highway weight limit increase bills in 10 states (AZ, CO, IL, KS, LA, MN, NC, NM, OK, SC)
- Passed legislation in four more states to exempt the sales tax on the incremental cost of a NGV (OH, SC, TN, WA)
- Passed legislation in Alabama and New York that extended moratoriums on NGV motor fuel taxes
- Eliminated discriminatory policies (DGE for LNG, tax equalization, station inspection fees) in four states (AL, OK, SC, TN)
- Initiated efforts to educate target states on the value of using their Volkswagen settlement monies on NGV projects



FOCUS ON CALIFORNIA

NGVAmerica's State Advocacy Committee collaborates closely with the California Natural Gas Vehicle Coalition on key issues that promote the growth of NGVs in California, issues which have the potential to impact the broader marketplace. In 2016 this partnership:

- Secured an additional \$23 million in funding for NGVs under existing and new grant programs including funding for low-NOx engines and trucks
- Gained continued investments in NGV R&D activities (new funds for the low- NOx engine and off-road natural gas vehicles)
- Promoted expanded opportunities for renewable natural gas under California's Low Carbon Fuel Standard (increased funding amounts and extended time for existing program)
- Encouraged expanded opportunities for natural gas vehicles in a variety of fleet vehicle operations

A LOOK AHEAD TO 2017▶▶

At The Federal Level

The Trump administration will bring new leadership across all federal agencies in 2017. It will take several months, but there will be fresh priorities and direction for the Department of Energy and Department of Transportation that could mean new opportunities to advance natural gas vehicles. NGVAmerica will play a strong role in clearly articulating the needs of our members to key leaders in the new administration.

2017 LEGISLATIVE OBJECTIVES

There will be significant threats and the potential for new opportunities in the 115th Congress. NGVAmerica will launch initiatives to educate freshman legislators and build on existing relationships to protect our members and further the NGV agenda in Washington. This includes:

- ▶ Introduction of new comprehensive NGV legislation that brings a variety of NGVAmerica priorities into one bill
- ▶ Long-term extension of the alternative fuel tax credits and modifications to make the infrastructure tax credits more valuable

- ▶ Enactment of the Natural Gas Tax Parity Act of 2016 that would reduce the 12 percent Federal Highway Excise Tax penalty on NG heavy-duty trucks
- ▶ Enactment of the Waterway LNG Parity Act that would end the disparity for LNG used in marine applications on America's waterways
- ▶ Coordination with the Department of Energy to fully utilize new federal RD&D funding initiatives
- ▶ Exploring new paths for support within federal agencies to expand the use of natural gas in marine and rail applications
- ▶ Supporting new federal policies for investment in the production of dedicated and bi-fuel light-duty vehicles
- ▶ Continued efforts to encourage the GSA to list NGVs on its full leasing and purchasing program

Tax Reform In 2017 Could Impact The Industry

President Trump and the Republican leadership of the House and Senate have indicated that reform of the U.S. tax code will be an early priority in 2017. It is too soon to know if this will mean the adjustment of key elements or if Republicans will attempt a comprehensive rewrite to simplify rates and eliminate credits and deductions. Tax reform will create a significant debate among many corporations and sectors of the U.S. economy.

NGVAmerica members will face important strategic decisions in 2017 concerning key provisions of the tax code that impact the NGV industry. NGVAmerica's Federal Government Advocacy Committee will be studying a variety of positions including how best to preserve the existing credits in the current political environment. This issue will require close coordination between industry allies to ensure a successful outcome for our members.

At The State Level

NGVAmerica's 2015 Strategic Plan called for a greater emphasis on fully leveraging more opportunities to advance pro-NGV policy across America. As the plan has been implemented over the past two years, we have witnessed greater participation by NGVAmerica members to help execute the agenda. For 2017, 23 members have agreed to serve as state leads for our focus states. Stakeholder groups in these key states are meeting to map out NGV legislative opportunities and to lead educational efforts related to the Volkswagen settlement.

STATE	NGV POLICY GOALS
Arizona	Vehicle and station grants; establish GGE, DGE, and MoS
California	Pursue additional cap and trade funds for heavy-duty (HD) vehicle grants; RNG infrastructure funding; incremental cost sales tax exemption; HD NGV weight limit increase
Florida	Extend existing incentive programs that expire in 2018; HD NGV weight limit increase
Illinois	Establish GGE, DGE, and MoS; HD NGV weight limit increase
Michigan	Establish NGV and station grant/other incentive program; establish method of sale; HD NGV weight limit increase
Minnesota	Vehicle and station grants; utility NGV promotion and grant programs; establish GGE, DGE, and MoS
New Jersey	Establish NGV and station grant/other incentive program; establish method of sale; HD NGV weight limit increase

STATE	NGV POLICY TO INTRODUCE
New York	Update regulations for NGVs and ports/tunnels/bridges; establish GGE, DGE, and MoS; HD NGV weight limit increase
Ohio	Extend NGV grant program established in 2016 session; establish GGE, DGE, and MoS; HD NGV weight limit increase
Oklahoma	Extend loans for HD NGVs; protect existing tax credits
Pennsylvania	Extend Act 13 NGV grants for HD fleet vehicles; HD NGV weight limit increase
South Carolina	Vehicle and station grants/tax credits
Texas	Extend TERP NGV and station grant program that expires in 2017
Utah	Increase funding and extend time frame for current vehicle and station grant program; HD NGV weight limit increase



EDUCATE: *Why Natural Gas Vehicles Are The Right Choice*

The NGVAmerica Technology & Development Committee educates various constituencies on the awareness of the emissions and environmental benefits of natural gas vehicles.

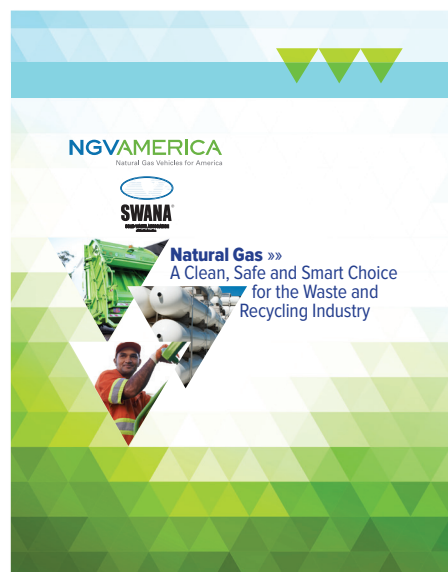
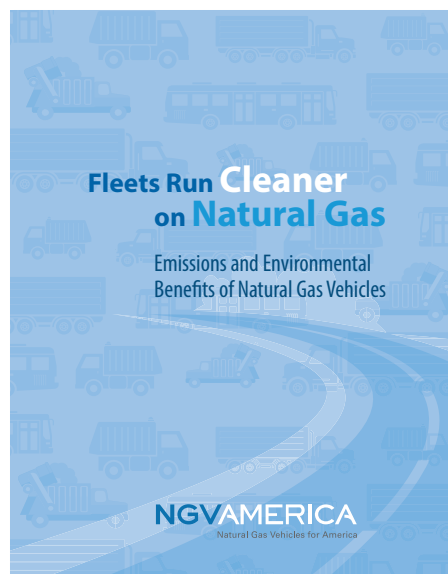
The Committee consists of more than 70 NGVAmerica members and other essential participants from federal agencies, national laboratories and industry partners.

Different Working Groups within the Committee address key priorities and best practices in the areas of:

- ▶ Fuel System Inspection
- ▶ Maintenance Facility Modifications
- ▶ Gas Quality
- ▶ Codes and Standards
- ▶ Liquefied Natural Gas (LNG)
- ▶ Marine and Rail
- ▶ Incident Investigation and Root Cause Analysis
- ▶ Cylinder End of Life
- ▶ Emissions and Environmental
- ▶ Research and Development

THE BENEFITS OF NGV FLEETS

The Emissions and Environmental Working Group reviewed a variety of ways to evaluate the environmental benefits of natural gas as a transportation fuel, the result of which was a NGV industry-supported consensus white paper and infographic entitled *Fleets Run Cleaner on Natural Gas*. The infographic provides high-level environmental benefits, while the white paper goes into more detail and provides definitions, assumptions and sources. These documents can be a resource for NGV America members when discussing the benefits of using natural gas vehicles and are available at www.ngvamerica.org.



NATURAL GAS AS A CLEAN, SAFE AND SMART CHOICE FOR THE WASTE AND RECYCLING INDUSTRY

NGV America's Technology & Development Committee led a collaborative effort with the Solid Waste Association of North America (SWANA) to publish a white paper for natural gas use in the waste and recycling industry entitled *Natural Gas: A Clean, Safe and Smart Choice for the Waste and Recycling Industry*. The document provides the latest information used by fleets for safely operating and maintaining collection and transfer vehicles that run on clean-burning and affordable natural gas. It also covers recommendations for operating and maintaining refueling equipment and maintenance facilities.

MAINTENANCE FACILITY CODES AND STANDARDS

The Maintenance Facility Modification Working Group has been active since the commencement of the Technology & Development Committee, focusing on removing inconsistencies within codes and standards for natural gas vehicle maintenance facilities. The Working Group presented five proposals to the International Fire Code (IFC) Committee and supported comments to NFPA 30A, while continuing to work with code development organizations to ensure proper and consistent coverage for NGV maintenance facilities.

One of the proposals accepted by the IFC Committee permits compressed natural gas vehicles with less than 250 psi fuel system pressure to be serviced without facility modifications. This removes a large cost from maintenance facilities and encourages the further adoption of natural gas vehicles. NGVAmerica continues to work with national laboratories to assess the requirements in current codes and standards to ensure they are up to date on the latest technologies and best practices, while reflecting the current needs of fleet operators.

CNG FUEL SYSTEM INSPECTIONS

NGVAmerica's CNG System Inspection Working Group submitted a petition to the U.S. Department of Transportation (DOT) to modify the CNG cylinder inspection label requirements in FMVSS 304 from a three-year or 36,000-mile interval to 12 months. The Working Group is also collaborating closely with the American Trucking Association's (ATA) Technology Maintenance Council (TMC) to develop a recommended practice for CNG fuel system inspection intervals. Heavy duty, high mileage vehicles often drive 36,000 miles in a few months, resulting in multiple, unnecessary inspections which can introduce failure modes that were not present prior to an inspection. The Technology & Development Committee's draft recommended a three-tiered inspection process: cursory visual inspection, general visual inspection and detailed visual inspection.

The recommendation for an annual detailed inspection also aligns with the Federal Motor Carrier Safety Administration's annual inspection requirements. This new three-tiered approach reduces the unnecessary burden of detailed inspections multiple times a year, while also increasing the frequency of cursory and general CNG fuel inspections. NGVAmerica continues to seek ways to ensure that appropriate inspection guidelines are in place, including recommendations for what and how inspections should be conducted.





INCIDENT INVESTIGATIONS

The Technology & Development Committee continues to lead NGV incident investigations. This effort involves collaboration with the National Highway Traffic Safety Administration (NHTSA), industry representatives and national laboratories. The main goal is to educate the industry on the root cause of an incident and ensure that proper codes and standards are in place to reduce the risk of future occurrence.

MEETINGS AND TECHNICAL FORUMS

Consistent with NGVAmerica's mission to be the convening authority for the natural gas vehicle industry, the Technology & Development Committee hosted several meetings and technology forums throughout 2016, including well-attended meetings in Los Angeles at SoCal Gas in February and in Washington D.C. at the NGVAmerica offices in June.

The Technology & Development Committee also hosted a technology forum in conjunction with the ACT Expo in Long Beach, CA which highlighted the work and priorities of several of the Committee's Working Groups. As part of the NGVAmerica Annual Meeting and Industry Summit, the Technology & Development Committee provided an update on Working Group activities and held a roundtable discussion of LNG in high-horsepower applications.

MARKET OUTREACH

NGVAmerica remains active in numerous outreach opportunities. These include presenting the state of the NGV industry, developing white papers, participating in trade shows, giving educational presentations and working with trade association allies to document best practices for a variety of vehicle applications in the NGV industry. NGVAmerica also continues to provide market data collection to our members for use in their sales and marketing materials to advance the use of natural gas as a transportation fuel.

U.S. INFRASTRUCTURE DATA ANALYSIS AND REPORTING

Every month, NGVAmerica works closely with the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy Alternative Fuel Data Center to create the monthly U.S. Infrastructure Report. NGVAmerica staff analyzes a large amount of station data and packages it into useful graphs and charts for members. NGVAmerica is now leading an effort to work with members and the U.S. Department of Energy to collect additional data from station owners that will be helpful for fleets operating on natural gas and those looking to make the switch.





COMMUNICATE: *The Value Of Natural Gas As A Transportation Fuel*

NGVAmerica serves as the national voice for the NGV industry and promotes greater use of NGVs through a variety of communications channels, including trade publications, the monthly NGVAmerica U.S. Infrastructure Tracking Report, quarterly tax updates for CNG and LNG motor fuel, and weekly state legislative updates. NGVAmerica staff promoted the industry through presentations or speeches at more than 20 events, conferences and meetings in 2016.





ONE-ON-ONE MEMBER SUPPORT

One of the key values of NGV America is the support it provides to members regarding legislative updates at the state and federal level, technical assistance, funding opportunities, advice and guidance. NGV America also works closely with **Clean Cities Coordinators** and fleet managers to provide NGV industry information and data.



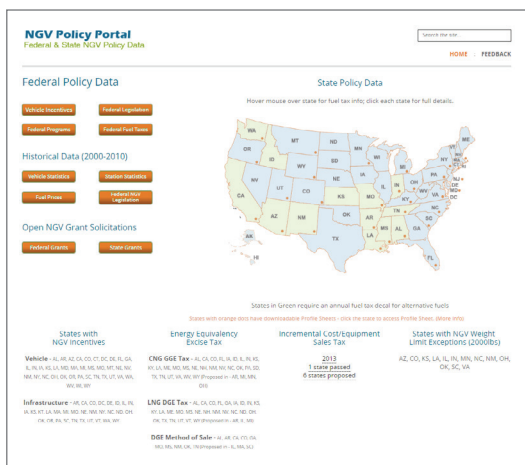
The **2016 NGV America Annual Meeting & Industry Summit** featured a new smaller, more intimate format, with more than 300 attendees participating in meetings and workshops held over two days in Denver.

The 2016 conference featured a comprehensive program that covered a broad range of pressing topics in the NGV industry. Numerous social functions offered leaders across the NGV value chain with an opportunity to network and

share ideas on how to grow the industry. Our NGV America MarketPlace offered an alternative to large expo hall formats and allowed a small number of exhibitors to interact with show attendees during scheduled breaks and social events.

The post-show survey revealed that more than 92 percent of attendees preferred the new, smaller format of the Summit.





MEMBERS-ONLY NGV STATE POLICY PORTAL AND TRACKING

NGVAmerica launched “Member 365” and introduced our **Online Services Policy Portal** to modernize the way members communicate with NGVAmerica staff and others in the industry.

The Policy Portal is a user-friendly tool which enables members to stay up to date on state policy issues as tracked and analyzed by NGVAmerica, including more than 300 individual state bills NGVAmerica tracked in 2016. It includes information on existing state incentives, legislative proposals, available funding opportunities and state highway CNG and LNG excise taxes. Profiles also describe individual state demographics, political landscapes, transportation profiles, vehicle markets and energy production.

If you are a NGVAmerica member and want to know more about how to utilize the Policy Portal, please contact:
Jeff Clarke– jclarke@ngvamerica.org
Sherrie Merrow– smerrow@ngvamerica.org



DIGITAL COMMUNICATIONS

The NGVAmerica website, www.ngvamerica.org, is the industry’s most comprehensive online resource and reaches thousands of visitors each month. The website’s Member Center provides a catalog of useful resources, including audio and slide presentations, conference papers and reports compiled and routinely used by NGVAmerica staff.

NGVAmerica also engages the public on industry developments via:

-  facebook.com/NGVAMERICA
-  linkedin.com/company/NGVAMERICA
-  twitter.com/NGVAMERICA
-  youtube.com/user/NGVAMERICA

NGVAMERICA NEWS

NGVAmerica News is a weekly newsletter and website, available at www.ngv.com, which features the latest news on NGV technologies, fleet deployments, station development, state and federal policies, grants and incentives, and the high-horsepower market.

To subscribe, please visit www.ngv.com and enter your full name and email address.



BUILDING A NATIONAL TRADE ASSOCIATION FOR THE FUTURE



NGVAmerica continued our close collaboration with key allies including the **American Trucking Associations (ATA)**, **American Gas Association (AGA)**, **American Petroleum Institute (API)**, **American Public Gas Association (APGA)**, **National Waste and Recycling Association (NWRA)**, the **Solid Waste Association of North America (SWANA)** and other national associations. In 2016, 30 new members were recruited and additional revenue streams were developed to support new programs in 2017.

2016 NGVAmerica Achievement Award Winners

NGVAmerica Achievement Awards recognize national innovators and early adopters for their outstanding leadership and vision in advancing natural gas as a transportation fuel. Every year, NGVAmerica members submit nominations recognizing their customers, partners and industry advocates for their contributions to the industry.

Ron Eickelman

Lifetime Achievement Award

Former Gov. Bill Graves

Lifetime Achievement Award

Anheuser-Busch Companies, Inc.

Natural Gas Fleet Program

Dean Foods Company

Outstanding CNG Fleet Program

FedEx Freight

Natural Gas Fleet Program

Sheehy Mail Contractors, Inc.

NGV Advocacy & Fleet Implementation Program



GENERATE RESULTS: *Volkswagen Diesel Emissions Settlement*

In January 2016, the U.S. government filed suit against Volkswagen for issues related to excess nitrogen oxide (NOx) emissions from the automaker's light duty diesel vehicles. The lawsuit was subsequently combined with other litigation, including consumer class action claims in the U.S. District Court for the Northern District of San Francisco. NGVAmerica began examining past cases related to illegal emissions and discovered that the settlement in the VW case would likely include environmental mitigation.

Following deliberations by our Board of Directors, NGVAmerica launched an aggressive effort to argue that any settlement in the VW case that established funds for environmental mitigation should include opportunities for natural gas vehicles. Given that the illegal pollutant was NOx and the latest natural gas engines can reduce more NOx than any other transportation fuel, natural gas could play an instrumental role in the mitigation portion of the settlement. NGVAmerica held meetings with key stakeholders to the case, coordinated a letter and white paper to EPA signed by eight national groups, and authored editorials and other articles to raise awareness around the benefits of NGVs.

In June 2015, a \$15 billion settlement was proposed between the government and Volkswagen that includes compensation for Volkswagen owners as well as environmental remediation. A \$2.7 billion Environmental Mitigation Trust was established to fund medium- and heavy-duty clean transportation projects, including significant new opportunities for natural gas vehicles to qualify for funding from the Trust.

The Trust is intended to offset the cost of replacing or repowering older, class 4 – 8 diesel vehicles with new, cleaner vehicles and/or engines. Other opportunities for marine, rail and some specialty vehicles also qualify. Each state is allocated a portion of the settlement money, with state authorities ultimately responsible for developing mitigation plans outlining how they plan to spend the allocated funds.

The settlement could provide a significant amount of funding for natural gas vehicle projects if state authorities prioritize NGVs over other types of projects. NGVAmerica has written to state governors encouraging them to include NGVs in their mitigation plans, pointing out that natural gas vehicles provide significant NOx reductions and that new, low-NOx natural gas engines are 50 to 90 percent cleaner than existing standards and available diesel vehicles.

In 2017, NGVAmerica will serve as a clearinghouse for timelines, due dates, application processes, agency contacts and other necessary materials and analysis for NGVAmerica members and other stakeholders to provide credible information to engage with the states to develop NGV projects funded by the Trust. Successful deployment of these dollars for NGV projects will take the concerted efforts of NGVAmerica and our members working together to advocate at the state level. State authorities have significant discretion to decide how to allocate these funds. Conservative estimates demonstrate that the VW program could have a net impact on the NGV industry of more than \$2 billion over the next 10 years.

NGVAMERICA LEADERSHIP



NGVAMERICA STAFF

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