



# Propane Autogas

## Market Update

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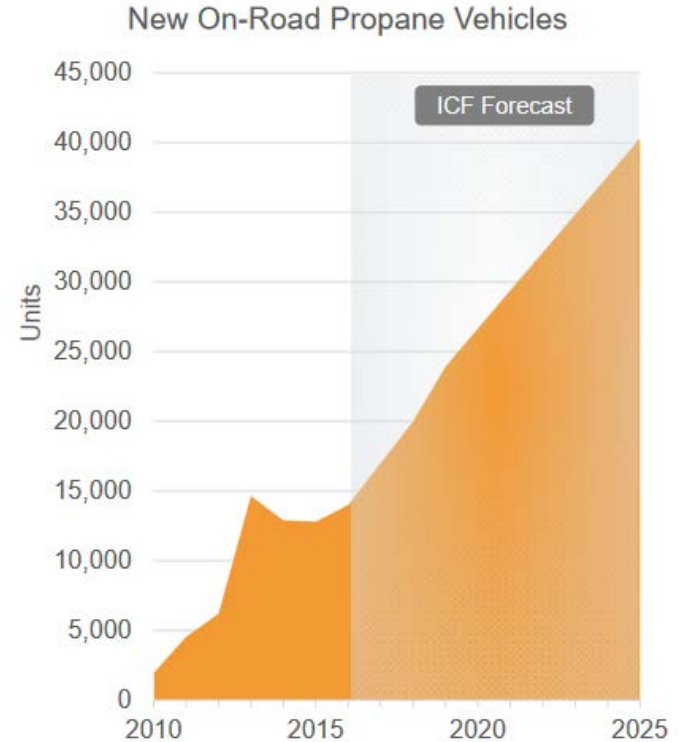
OWN-ROAD  
FLEET

# 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.



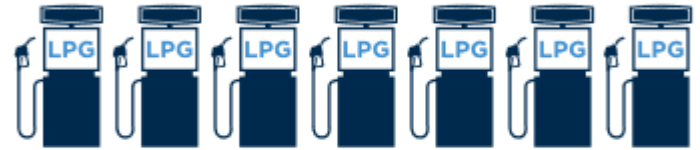
Source: PERC, ICF Propane Demand Forecast Model

# Market Overview

## 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.

**AUTOGAS CONSUMPTION**  
CONTINUES TO GROW  
AND IS NOW AVAILABLE IN OVER



**76,000** **FILLING**  
**STATIONS**  
**ACROSS**  
**THE GLOBE**

# 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



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# WISCONSIN AUTOGAS MARKET OVERVIEW

# Registered Vehicles in Wisconsin

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

Source: WI Department of Transportation

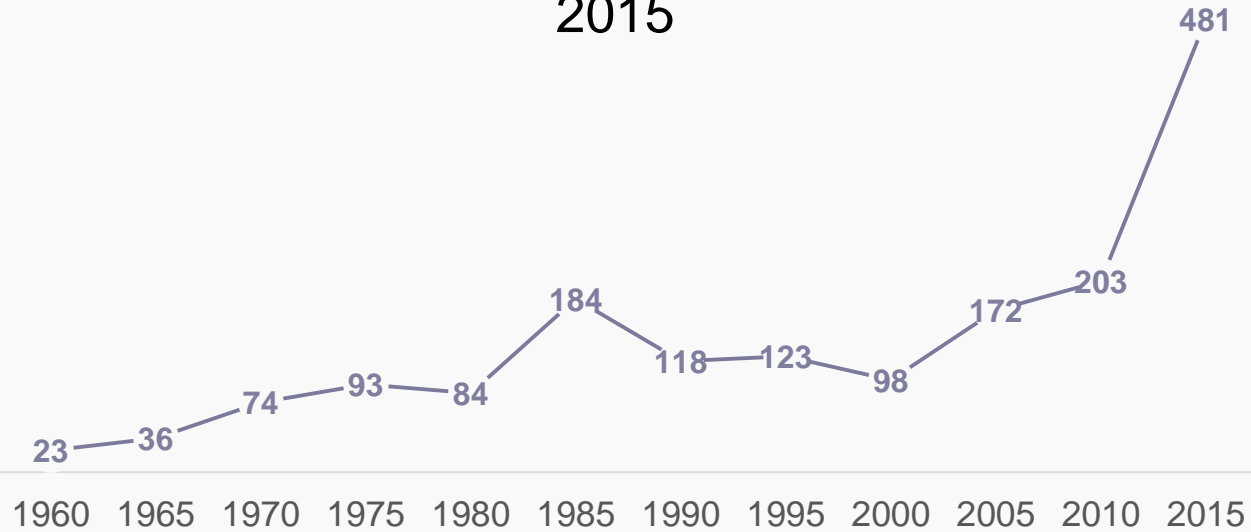
# Fuel Consumption in Wisconsin

	2014	2015	2016
Gasoline	2,617.18	2,637.69	2,663.04
Diesel	794.58	782.58	775.11
Ethanol	282.55	297.51	315.61
CNG	8.35	11.25	13.66
Propane	2.30	2.49	2.81
LNG	0.27	0.22	0.15

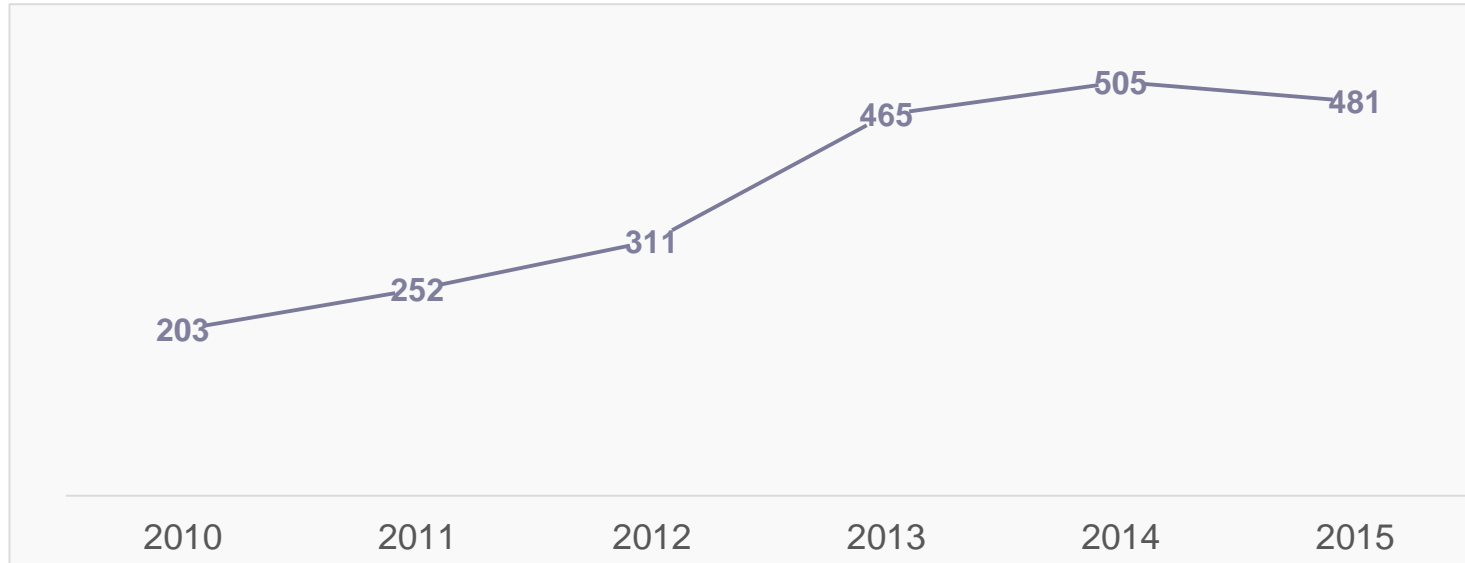
On-Road use only, tax-exempt fuel not reported

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
- 5<sup>th</sup> in the nation
- 34 school districts using propane
- Majority of major bus contractors are operating propane powered buses.

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# OPPORTUNITIES FOR THE INDUSTRY

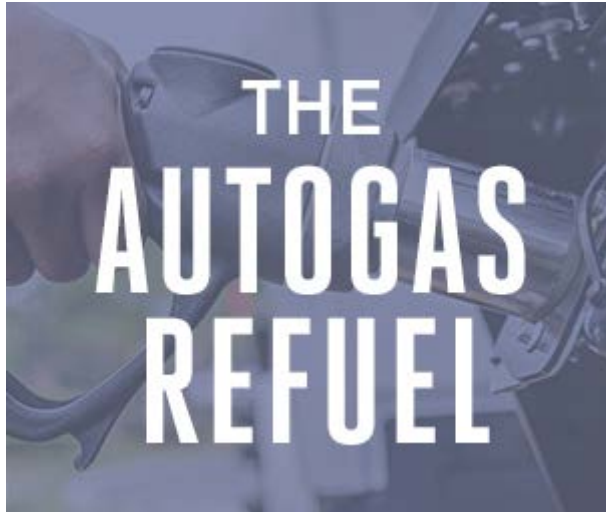
# Potential Markets for Increased Autogas Sales

- 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

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FLEET

# INCENTIVES, LAWS AND RESOURCES

# Resources



## **Quarterly E-Newsletter**

<https://www.propane.com/on-road-fleets/the-autogas-refuel-eneewsletter/>

# 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\(1m\)\(a\)\(1\)](#))

# Incentives

## 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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