

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

PUBLIC WORKS COMMITTEE

ITEM 14, FILE #100130

JUNE 3, 2010

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File Number 100130 is a resolution relating to the application, acceptance and funding of a Wisconsin State of Wisconsin Office of Energy Independence and Wisconsin Clean Cities Southeast Area "Wisconsin Clean Transportation Program" grant funded through the American Recovery and Reinvestment Act of 2009.

Background

1. The State of Wisconsin was awarded \$15 million in stimulus funding for state wide clean transportation projects through the American Recovery and Reinvestment Act of 2009. Wisconsin received this award August 2009, from the U.S. Department of Energy's Clean Cities Program. The state is using the funding to partner with communities through the Wisconsin Clean Transportation Program to reduce the state's dependence on petroleum, create new jobs, and help communities and businesses improve their energy efficiency and save money.
2. The State of Wisconsin's Wisconsin Clean Transportation Program will deploy 502 alternative fuel and advanced technology vehicles through 119 public and private fleets throughout the state. The program includes the installation of 10 alternative fuel refueling sites: 2 biodiesel (B20), one Electric Recharging, and 7 compressed natural gas (CNG). Department of Energy (DOE) estimates that the initiative will help displace 1.6 million gallons of petroleum annually.
3. A variety of technologies will be employed by the partners, including propane, CNG (compressed natural gas) and electric-drive vehicles ranging from neighborhood-electric, hybrid-electric, plug-in hybrid-electric, and full electric. In addition, 11 alternative fuel refueling stations will be implemented around Wisconsin, including 2 propane, 4 CNG, 2 E-85, 2 solar-electric, and one biodiesel. Approximately 13 new plug-in charging stations will be a part of this program as well.

Discussion

1. This resolution authorizes the Department of Public Works-Operations Division (Fleet Services Section) to apply for, accept, and fund, a Wisconsin Clean Transportation Program grant from the U.S. DOE through an ARRA pass-through to the State of Wisconsin Office of Energy Independence and Wisconsin Clean Cities – Southeast Area.
2. The purpose of this grant is to reduce energy costs, find and implement alternative forms of energy and reduce pollution in the City of Milwaukee. The program will include the following:
 - Replacement purchase of 20-heavy-duty compressed natural gas vehicles.
 - Construction of 2 compressed natural gas refueling stations.
 - Purchase of 22 neighborhood electric vehicles.

Fiscal Impact

1. The total amount of this project is \$6,084,120. \$4,842,060 (80%) will be provided by the grantor, and \$1,242,060 (20%) will be provided by the City.

Equipment	Grantor Share	City Share	TOTAL
22 Neighborhood Electric Vehicles	\$44,000	\$0	\$44,000
Incremental cost to purchase 20 CNG vehicles.	\$1,198,060	\$0	\$1,198,060
2 Natural Gas refueling stations	\$3,600,000	\$0	\$3,600,000
Minimum Match	\$0	\$1,242,060	\$1,242,060
TOTAL EQUIPMENT	\$4,842,060	\$1,242,060	\$6,084,120

2. The grant requires a minimum match of \$1,242,060. DPW-Operations Division, Fleet Services Section anticipates that \$484,000 will be spent on neighborhood electric vehicles, the remaining match, \$758,060, will be met by purchasing heavy-duty natural gas powered vehicles and will be purchased using funds from the DPW-Operations Major Capital Equipment Program account.
3. The 20 heavy-duty vehicle purchases are replacement vehicles and already scheduled for purchase in 2010 and 2011. The grant provides the added cost to purchase the vehicles as CNG rather than diesel fuel.
4. The grant period is from February 1, 2010 through December 31, 2013.

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