



Natural Gas Vehicles (“NGVs”) continue to gain acceptance thanks, in large part, to the shale revolution’s effect on the price of Natural Gas. Public and private entities are retrofitting vehicles with Natural Gas capabilities and Compressed Natural Gas (“CNG”) fueling stations are appearing throughout the Midwest.

The Burlington Northern and Sante Fe Railway (“BNSF”) was cited recently in a report published by *Downstream Today*. Locomotive companies, such as BNSF, are warming up to the idea of locomotives powered by Liquefied Natural Gas (“LNG”). Just a few years ago, BNSF officials were adamantly opposed to the use of LNG to power their train systems because LNG was more expensive than diesel and converting normal engines to run on LNG did not provide adequate returns. Now, with forecasts showing that the current low price of LNG will remain steady for the foreseeable future, BNSF is planning to put LNG powered locomotives on a limited number of tracks by the end of the year.

Cities are also looking to take advantage of the economics of Natural Gas. Lexington, Kentucky just added eleven CNG powered garbage collection vehicles to its fleet. The city cited the fact that CNG burns cleaner and is cheaper than diesel as reasons for making the switch. The addition of the eleven vehicles is the first step in a plan to make the city’s entire garbage-collection fleet CNG-powered. Additionally, Lexington is adding CNG powered public buses.

Last, *The Columbus Dispatch* reported the growing number of automobiles on the road that are powered by CNG. Columbus-based IGS is a leader in this effort. IGS boasts the largest public CNG fueling station in the Midwest – just one of the 22 in Ohio itself.

These developments are a direct result of the shale revolution. When shale first hit the markets and the price of Natural Gas plummeted, it was unknown which industries would rise first to take advantage of this cheap energy. Concerns were expressed that NGVs might not be responsive to the pricing because of the expense required to convert vehicles to Natural Gas and the uncertainty of whether low Natural Gas prices would hold long enough to warrant any long-term changes in transportation industries. The latest news seems to indicate NGVs will, in fact, be a major beneficiary of shale.

I welcome your comments. Please join the discussion at our *Business Advocate* on the Energy Insights blog.



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