June 29, 2012

Mr. Matt Mackenzie South Coast Air Quality Management District / MSRC 21865 Copley Drive Diamond Bar, CA 91765

Re: Contract #MS10010: New Bern Transport Final Report & Invoice for Retained funds

Dear Mr. Mackenzie:

This contract provides New Bern Transport (New Bern) \$113,864 in funding to offset the cost of repowering four (4) delivery trucks with advanced, heavy-duty natural gas engines. New Bern has successfully repowered and deployed all four (4) trucks.

As required by the MSRC, please accept the enclosed final report from New Bern. Upon submission and report approval, New Bern will have met all deliverables required under this contract and the project will be complete.

Upon acceptance of this report please remit the final grant payment (retained funds) to New Bern Transport as outlined below.

Project Sponsor:	New Bern Transport
Employer Identification Number:	35-2015991
Contact:	Shelby Green
UPDATED Address:	9800 Crosspoint Blvd, Ste. 300
or DATED Address.	Indianapolis, IN 46256
Grant ID:	MS10010
Invoice #:	2 (FINAL)
Reimbursement Requested (10% retention):	\$ 11,386.40

We appreciate the support and commitment of the MSRC for this project and we look forward to working with you in the future. If you have any questions or require any further documentation to close out this contract, please contact me please at (914) 767-6024.

Sincerely

Shelby Green Director, Fleet Operations

Final Report

June 29, 2012

Regional-Haul Natural Gas Beverage Delivery Truck Project New Bern Transport & Pepsi Bottling Group

Contract Number: MS10010 Contractor Organization: New Bern Transport



Prepared for the Mobile Source Air Pollution Review Committee (MSRC) under the AB 2766 Discretionary Fund Work Program.

Acknowledgements

New Bern Transport thanks the Mobile Source Air Pollution Reduction Review Committee (MSRC) and Clean Energy for their individual and combined efforts that made this project possible.

This report was submitted in fulfillment of MSRC Contract MS10010, New Bern Transport Compressed Natural Gas (CNG) Beverage Delivery Truck Project. Work was completed as of June 2012.

Disclaimer

The statement and conclusions in this report are those of the contractor and not necessarily those of the Mobile Source Air Pollution Reduction Review Committee (MSRC) or the South Coast Air Quality Management District (SCAQMD). The mention of commercial products, their sources or their uses in connection with material reported is not to be constructed as either an actual or implied endorsement of such products.

Project Description

This contract provides New Bern Transport (New Bern) \$113,864 in funding to offset the cost of repowering four (4) delivery trucks with advanced, heavy-duty natural gas engines. New Bern provided the remaining capital for this purchase, a total of \$138,684. New Bern partnered with Clean Energy fuel the repowered CNG delivery trucks.

Work Performed

Vehicle purchasing and deployment began in 2008. All vehicles were purchased and deployed by August 2011.

Task 1: Complete Repowers and return to vehicles to service

Emission Solutions, Inc. performed the repowers. Each of the 4 trucks was repowered with the ESI Phoenix NG engine. Upon repower completion, the 4 CNG trucks were returned to service.

Task 2: Submit Public Outreach Plan

New Bern and Clean Energy developed a public outreach plan to publicize compressed natural gas, the MSRC, and the air quality benefits created through the use of CNG by fleet vehicles. Each repowered CNG truck was clearly labeled with a decal noting the use of CNG and the support of the MSRC. The Public Outreach Plan was submitted to and approved by the MSRC.

Task 3: Implement Public Outreach Plan

After the MSRC approved the public outreach plan, New Bern published an article in their corporate newsletter "Pepline", which is distributed to over 70,000 employees. The article included a picture of one of the CNG trucks showing the MSRC decal placed in a prominent, visible location on vehicles to publicize the MSRC and CNG fuel.

Task 5: Progress Reports

CalMet submitted all quarterly reports are required under the terms of this contract.

Task 6: Final Report

This report will act as the final report for this project. Task 6 is completed upon acceptance of this report.

Problems Encountered

New Bern has not encountered any major problems with the CNG vehicles since their deployment. The new vehicles have provided reliable performance and have received positive feedback from New Bern drivers.

Emissions Benefits

Natural gas is the cleanest choice of fuel available today for this market. Natural gas powered vehicles produce up to 23% fewer greenhouse gas emissions (GHG)¹ than comparable diesel models². The four repowered CNG trucks are expected to travel a combined total of 54,228 miles per year (based on fleet data in application). Based on this use, these 4 CNG trucks reduce 5,118 pounds of Criteria pollutants and Greenhouse Gas (GHG) emissions each year³! They will reduce over 51,180 pounds of criteria pollutant & greenhouse gas emissions would be reduced over a 10-year operational life⁴!

4 CNG Trucks: Annual Emission Reductions (Pounds)						
Criteria Pollutants			GHG	TOTAL		
Carbon Monoxide (CO)	Volatile Organic Compound (VOC)	Nitrogen Oxide (NOx)	Fine Particulate Matter (PM2.5)	Greenhouse Gas	Criteria Pollutants & GHG	
259	29	1,346	17.3	3,467	5,118	

¹ "Detailed California-Modified GREET Pathway for Compressed Natural Gas (CNG) from North American Natural Gas" California Air Resources Board, January 12, 2009. 2 "Detailed California-Modified GREET Pathway for Ultra Low Sulfur Diesel (USLD) from average Crude Refined In

California" California Air Resources Board, January 12, 2009. ³ Emissions reductions were determined utilizing the Department of Energy Clean Cities Area of Interest 4:

Alternative Fuel and Advanced Technology Vehicles Pilot Program Emissions Benefits Tool. Assumptions: Each Heavy Duty CNG Truck travels 13.557mi/vr.

⁴ Emissions reductions were determined utilizing the Department of Energy Clean Cities Area of Interest 4: Alternative Fuel and Advanced Technology Vehicles Pilot Program Emissions Benefits Tool. Assumptions: Each Heavy Duty CNG Truck travels 13,557 mi/yr.

Photographs & Outreach Photos









Pepline Article

PBC Torrance partners with Mobile Source Air Pollution Reduction Review Committee to reduce truck emissions

Earlier this year, PBC's Torrance facility partnered with the Mobile Source Air Pollution Reduction Review Committee (MSRC) to secure a grant to repower four existing diesel tractors with new compressed natural gas engines. The tractors are used for route delivery and equipped with repurposed engines that utilize natural gas allowing for an approximate 25 percent greenhouse gas emissions reduction compared to a diesel engine. While these tractors run cleaner, fuel is also cheaper than diesel fuel allowing for reduced carbon footprint and cost reductions.

PBC Torrance is also home to six liquid natural gas tractors that are utilized for bulk delivery and four hybrid electric-diesel route delivery trucks. PBC has 150 hybrid trucks throughout California.

PBC Torrance was identified as a strong location to utilize the natural gas tractors due to the high availability of fueling infrastructure in the Long Beach area from the port and the numerous



carriers that also utilize natural gas to reduce emissions in this area.

The MSRC, which funded a portion of the repower costs through the grant, is administered by the South Coast Air Quality Management District.

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Summary and Conclusions

New Bern and Clean Energy appreciate the support that has been provided by the Mobile Source Air Pollution Review Committee and South Coast Air Quality Management District for alternative fuel projects in the South Coast Air Basin. We recommend the continued support for funding projects that provide buy-downs for clean-fueled natural gas vehicles, fund technology advancement, and increase natural gas infrastructure.