



Denver City Council
Finance and Government Committee



February 15, 2012

Special Revenue Fund Request

- ▶ **Why are we here today?**
 - ▶ To request creation of a donations special revenue fund for Public Works
- ▶ **Why is the fund needed?**
 - ▶ It will provide our agency with a fund in which to place a \$500,000 donation from Encana Corporation
 - ▶ The money from Encana is assisting the City and County of Denver in kick-starting a CNG fuel initiative



Special Revenue Fund Request

- ▶ **What is Compressed Natural Gas (CNG)?**
 - ▶ Compressed natural gas is a domestically-produced fuel, which burns cleaner than diesel fuel, and which costs less than diesel fuel
 - ▶ CNG emits significantly less pollutants such as carbon dioxide, unburned hydrocarbons, carbon monoxide, nitrogen oxides, sulfur oxides and particulate matter compared to petrol
 - ▶ The challenge is that CNG vehicles cost \$30,000 to \$40,000 more to purchase than diesel vehicles
 - ▶ The donation from Encana will help us cover the incremental cost of purchasing CNG vehicles
 - ▶ Fleet will purchase vehicles according to the capital equipment replacement list approved annually by City Council, but will begin replacing diesel units with CNG units, using the donated money to cover the incremental cost of purchasing the vehicles



Denver's CNG Initiative

▶ Fleet's CNG plan

- ▶ Begin converting the City's trash fleet to CNG
- ▶ Start purchasing CNG units this year
- ▶ Send out a Request for Proposals for the construction of CNG fueling infrastructure at our Central Platte facility
 - ▶ Cost of the infrastructure will be rolled into the cost of the fuel, which we still expect to cost less than diesel
 - ▶ A highly competitive process (we expect three to four companies to bid on the construction of infrastructure)



About Encana

- ▶ Encana is a producer of natural gas, with both Canadian and U.S Divisions – and with its U.S. headquarters here in Denver
- ▶ The company is involved in the exploration for and development of natural gas and, as such, is also interested in building demand for the fuel
- ▶ One of the ways they do that at the local level is through community investment – investing in communities where their employees live and work
 - ▶ Assist municipalities who are interested in reducing emissions (Denver considered an “early adopter” of alternative fuels and green technologies).
 - ▶ Other projects in Grand Junction, Fort Collins, Aspen



Special Revenue Fund Request

- ▶ By approving creation of this donations special revenue fund – a place to put this donation from Encana – you will be helping us kick-start a CNG initiative in Denver
- ▶ A win-win-win-win initiative
 - ▶ Clean the air
 - ▶ Pay less for fuel
 - ▶ Reduce dependency on petroleum
 - ▶ Spend no additional money on getting project started

