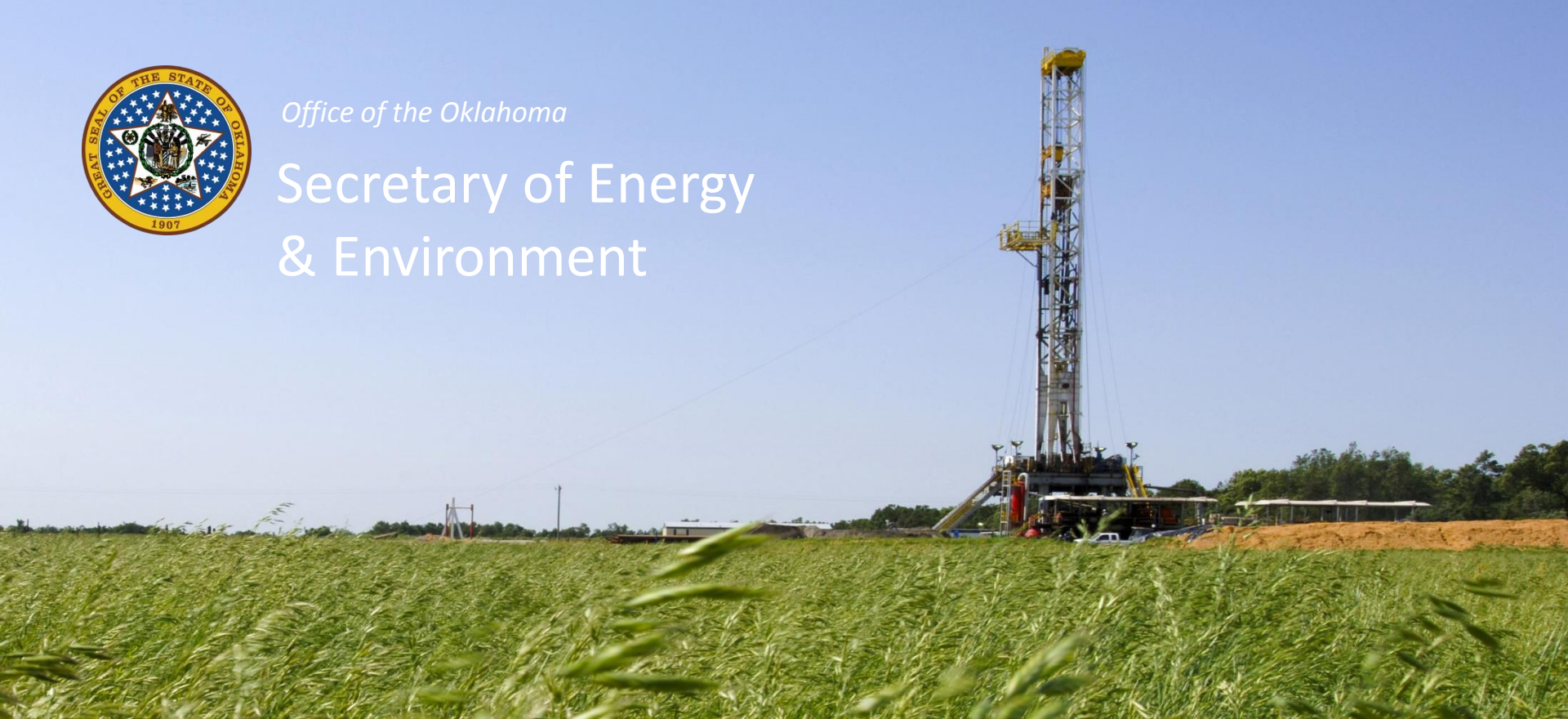




Office of the Oklahoma

Secretary of Energy & Environment



The Multistate CNG MOU: An Oklahoma Update


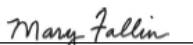

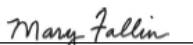


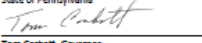


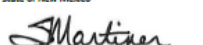



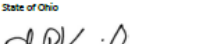






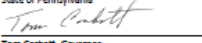


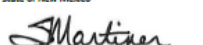



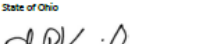





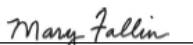


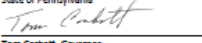


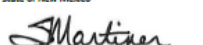



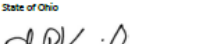





Jay Albert

Deputy Secretary of Energy
Office of the Secretary of Energy & Environment
State of Oklahoma

January 15, 2014



The Bipartisan Multistate Vehicles MOU

 <p style="text-align: center;">Memorandum of Understanding</p> <p>This Memorandum of Understanding (MOU) describes a coordinated effort between the undersigned States [States] to attract automobile manufacturers in the U.S. to develop a functional and affordable original equipment manufacturer (OEM) fleet natural gas vehicle (NGV) that will also meet public demand. The States recognize the benefits and unique attributes of clean burning natural gas and understand the significant opportunity compressed natural gas (CNG) presents to save State and taxpayer dollars by encouraging an energy future that utilizes domestic energy resources to fuel our nation's transportation needs. Through the joint solicitation of a Multi-State Request for Proposal (Joint-RFP) that aggregates annual State fleet vehicle procurements, the States will endeavor to provide a demand base sufficient to support the design, manufacture, and sale of functional and affordable OEM NGVs by automotive manufacturers in the United States.</p> <p>In anticipation of soliciting a Joint-RFP, the States will endeavor to coordinate with local agencies, municipalities, and companies to determine the number of NGVs each State can commit to purchase and the required specifications necessary to meet fleet needs. The Joint-RFP shall require that the ultimate cost of an OEM NGV should be comparably priced to an equivalent gasoline powered model and that warranty and reliability concerns are not compromised. Simultaneously, the States understand the need for continued development and expansion of CNG fueling infrastructure and should endeavor to encourage private investment, predicated on demonstrating an anticipated increase in State NGVs, to meet growing demand.</p> <p>Pursuant to the terms of the Joint-RFP, to be executed at a later date, the States intend, where practical, to transition new fleet vehicle acquisitions, in committed volumes, to a resulting OEM NGV. Such future acquisitions should, when economically feasible, rely on traditional distribution channels that incorporate local businesses in procurement processes. In continued recognition of the benefits of CNG, the States should also endeavor to pursue fleet vehicle conversions to CNG, where economically compelling, based on a life-cycle cost analysis. The States will also reach out to fellow Governors to determine broader interest and participation in the principles and process outlined in this MOU.</p> <p>This MOU embodies the principle understandings of the States but shall not create any legal relationship, rights, duties, or obligations binding or enforceable at law or in equity. Notwithstanding the foregoing, each State shall in good faith endeavor to reach a mutually agreeable and economically beneficial Joint-RFP, as contemplated herein. This MOU does not create additional state power, enhance existing state power, or interfere with federal authority or law. This MOU shall continue to demonstrate the States' understanding until execution of the Joint-RFP, or until otherwise discontinued by either State.</p> <p>Set forth by:</p> <table border="0"> <tr> <td data-bbox="328 985 540 1078"> <p>State of Oklahoma</p>  <p>Mary Fallin, Governor November 9, 2011</p> </td> <td data-bbox="608 985 830 1078"> <p>State of Colorado</p>  <p>John Hickenlooper, Governor November 9, 2011</p> </td> </tr> </table>	<p>State of Oklahoma</p>  <p>Mary Fallin, Governor November 9, 2011</p>	<p>State of Colorado</p>  <p>John Hickenlooper, Governor November 9, 2011</p>	<table border="0"> <tr> <td data-bbox="1043 292 1265 378"> <p>State of Wyoming</p>  <p>Matthew H. Mead, Governor November 9, 2011</p> </td> <td data-bbox="1323 292 1545 378"> <p>State of Pennsylvania</p>  <p>Tom Corbett, Governor November 9, 2011</p> </td> </tr> <tr> <td data-bbox="1043 385 1265 478"> <p>State of Utah</p>  <p>Gary R. 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Pricing Examples (Oklahoma)

Vehicle Awarded	Previous Contract Option & Post-RFP Option	Savings
Dodge Ram 2500, Crew Cab (b)	Before: \$36,302	\$6,309
	After: \$29,993	
Honda Civic GX (d)	Before: \$27,095	\$2,191
	After: \$24,904	
Ford Transit Connect (b)	Before: \$31,000	\$1,261
	After: \$29,739	
Ford E-250 (b)	Before: \$33,678	\$4,689
	After: \$28,989	
Ford E-350 (b)	Before: \$35,827	\$5,459
	After: \$30,368	

Notes:

(b) bifuel

(d) dedicated



Oklahoma Purchases (FY 2013)

NGV Contract Period Purchases		
Entity	Dollars	Vehicles
Higher Ed	\$ 84,030	3
Political Subs	\$ 379,630	11
State Agencies*	\$ 11,727,937	383
Grand Total	\$ 12,191,596.93	397
Current Agency Inventory State of Oklahoma		561

***Of State Agencies, The Office of Management & Enterprise Services Fleet Management Division purchased 268 new vehicles, 161 (or 60%) of which were CNG! Our Department of Transportation and Turnpike Authority alone purchased almost 200!**



Oklahoma CNG Purchasing Forum

Oklahoma City - December 12, 2012

Attended by ~200 City Managers, Mayors,
County Commissioners, Fleet Managers, &
State Agency Personnel



Oklahoma Statewide CNG Vehicles Contract

Who May Use The Statewide Contract: All state departments, boards, commission, agencies and institutions and all counties, cities, school districts and municipalities. In addition, Don Carlton Honda has made available to all state employees the state contract pricing for the CNG Honda Civic (<http://www.hondapartners.com>).

What CNG Vehicles Are Available & How Much Do They Cost:

Vehicle Type	2012		2013				2013			
	2012	2013	2013	2013	2013	2013	2013	2013	2013	
Year	2012	2013	2013	2013	2013	2013	2013	2013	2013	
Make	Ford	Ford	Ford	Ford	Chevrolet	Chevrolet	Ford	Ford	Chevrolet	
Model	Civic	Transit Connect	E-250	E-250	Express 2500	Express 2500	E-350	E-350	Express 3500	
Body Type	Compact	Cargo	Cargo	Cargo	Cargo	Cargo	Cargo	Cargo	Cargo	
Fuel System Type	Ded.	Bi-Fuel	Bi-Fuel	Ded.	Ded.	Ded.	Bi-Fuel	Ded.	Ded.	
CNG Vehicle Price	\$ 24,904	\$ 25,739	\$ 28,989	\$ 30,768	\$ 32,118	\$ 33,657	\$ 30,368	\$ 32,168	\$ 35,129	

Vehicle Type	2013		2013				2013			
	2013	2013	2013	2013	2013	2013	2013	2013	2013	
Year	2013	2013	2013	2013	2013	2013	2013	2013	2013	
Make	Ford	Chevrolet	Ford	BAM	Ford	Ford	Ford	Ford	Ford	
Model	F-250	Silverado 2500	F-250	2000	F-250	F-250	F-350	F-350	F-350	
Body Type	Ext. Cab	Ext. Cab	Ext. Cab	Crew Cab	Crew Cab	Crew Cab	Regular	Regular	Ext. Cab	
Fuel System Type	Bi-Fuel	Bi-Fuel	Ded.	Bi-Fuel	Bi-Fuel	Ded.	Bi-Fuel	Ded.	Bi-Fuel	
CNG Vehicle Price	\$ 34,428	\$ 34,562	\$ 36,022	\$ 29,993	\$ 35,888	\$ 38,198	\$ 34,067	\$ 36,348	\$ 34,548	

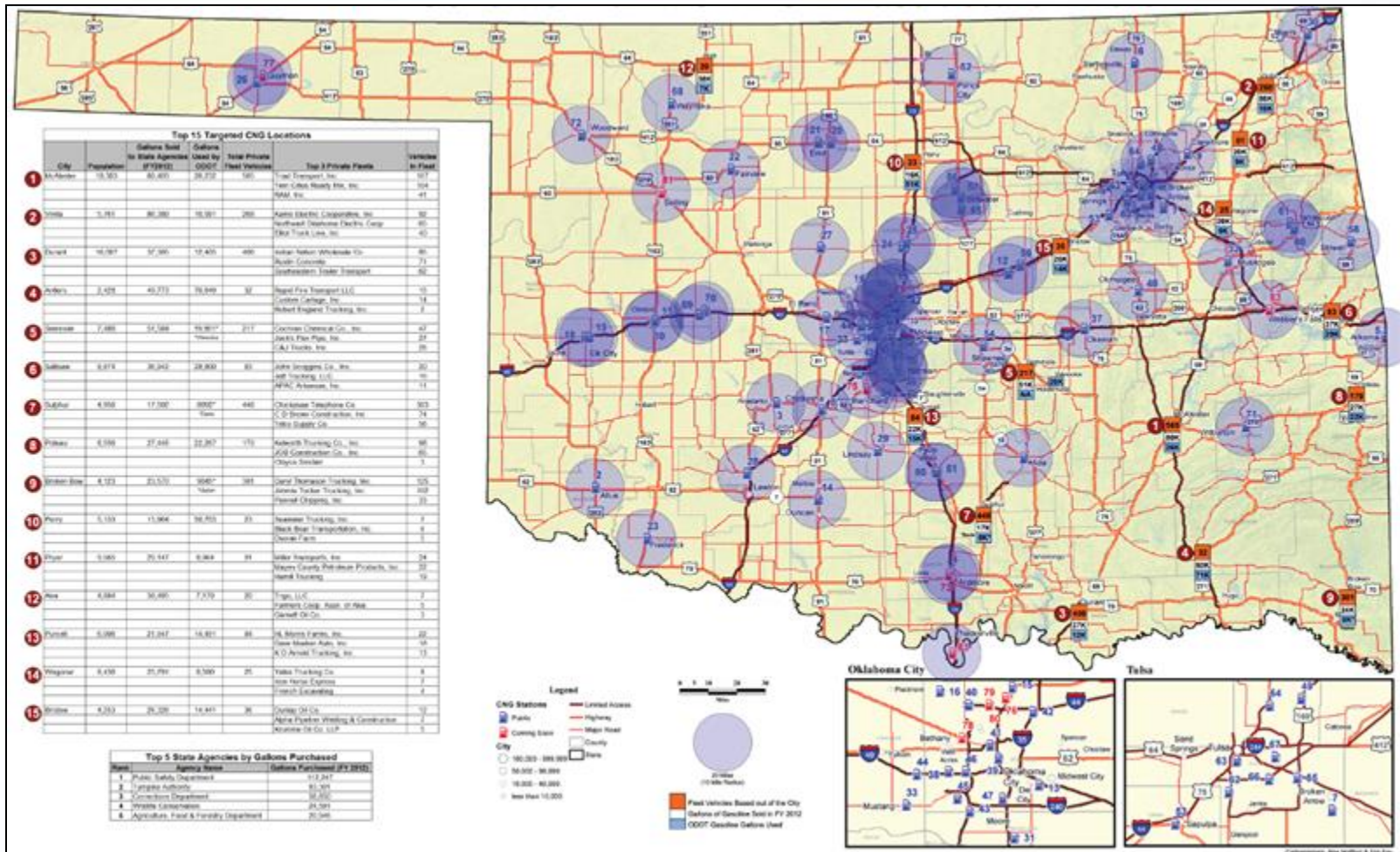
How To Purchase: The dealers listed below were awarded the state contract for each of the listed vehicles. Simply contact the dealer representative listed below and reference statewide contract SW035C when purchasing a vehicle.

<p>Vance Country Ford Cameron Colter Phone: 405-282-3800 Email: Cameron@vanfleet.com</p> <p>Vehicles: Ford Transit Connect (b) Ford F-350 (d) reg., ext., & crew cab Ford F-250(d) ext. & crew cab Ford F-350 (b) ext. cab Ford E-250 (b),(d) Ford E-350 (b),(d)</p>	<p>Carter Chevrolet Taren Robinson Phone: 405-263-7252 Email: trobinsont@carterchev.bi</p> <p>Vehicles: Chevy Express 2500 (d) (23 gge tank) Chevy Express 3500 (d)</p>	<p>Hudlburg Chevrolet Des Roberson Phone: 405-733-6641 Email: dee@hudlfleet.com</p> <p>Vehicles: Chevy Express 2500 (d) (15.8 gge tank)</p>	<p>John Vance Motors Cameron Colter Phone: 405-282-3800 Email: Cameron@vanfleet.com</p> <p>Vehicles: Ram 2500 crew cab (b)</p>
<p>Bill Knight Ford Greg Herring Phone: 918-526-2392 Email: gherring@billknightauto.com</p> <p>Vehicles: Ford F-350(b) reg. & crew cab Ford F-250(b) ext. & crew cab</p>	<p>David Stanley Chevrolet Kent Tillit Phone: 405-632-9600 Email: kenttil@hotmail.com</p> <p>Vehicles: Chevy Silverado 2500 (b) ext. cab</p>	<p>Don Carlton Honda Michelle Williams Phone: 918-935-6456 Email: sales@hondafleet.com</p> <p>Vehicles: Honda Civic (d)</p>	<p>Additional Information Oklahoma Central Purchasing Laura Bybee Email: Laura.Bybee@omes.ok.gov Phone: 405-522-1037</p>

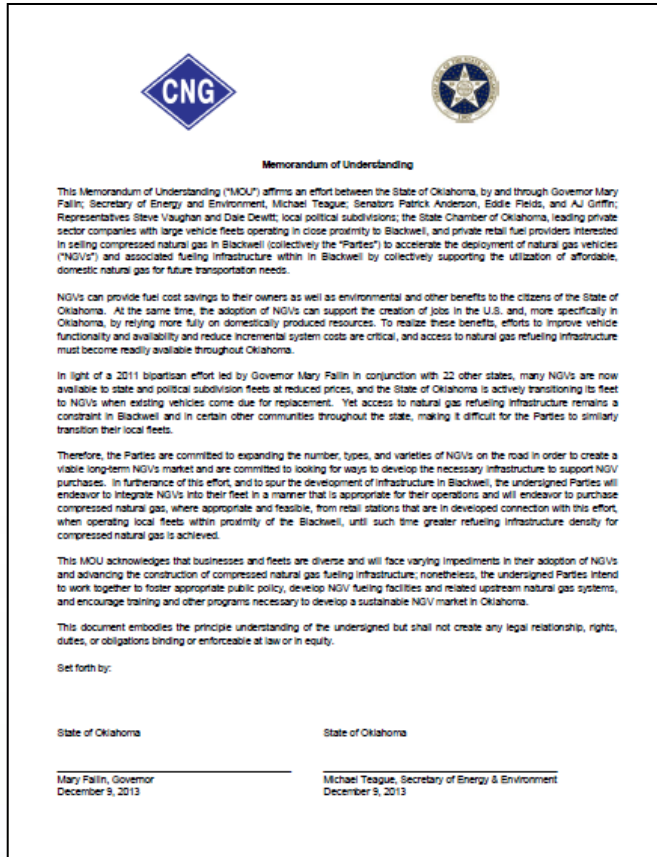
(d) dedicated natural gas vehicles (b) bi-fuel vehicles
Complete Purchasing Details Are Available At: <https://www.ok.gov/dcs/solicit/app/solicitationDetail.php?con/D=410>



The Need To Expand CNG Infrastructure



The CNG Infrastructure MOU



- Partnership between the Governor, Legislators, Political Subdivisions, and State & Local Chambers.
- Advancing CNG requires further infrastructure development and improvements in vehicle costs and functionality.
- Like the Governor's Multistate CNG vehicles effort, the Infrastructure MOU is about pledging volume to demonstrate demand.
- Signing the MOU is an expression of interest in CNG and is a commitment to determine if you or your company can transition to CNG.
- Signatories should work to ascertain their potential CNG fuel demand and commit, when feasible, to filling up at a CNG station developed in connection with this effort.



Tribal Governments MOU

 [Seal]	
Memorandum of Understanding	
<p>This Memorandum of Understanding ("MOU") describes an effort between the State of Oklahoma and the [Name] Nation (collectively the "Parties") to encourage greater use of natural gas as a transportation fuel. Abundant supplies of clean burning natural gas offer the U.S. an opportunity to make energy independence a reality with greater utilization of an affordable and domestic energy source. Greater utilization of Oklahoma natural gas can save tax dollars, improve the environment, and stimulate local growth and economic development throughout the state.</p> <p>The Parties recognize that large vehicle fleets can serve as a catalyst for driving down incremental natural gas system costs and encouraging greater original equipment manufacturer vehicle availability. Moreover, because fleet vehicles regularly utilize centralized fueling infrastructure, they can provide anchor support for investments in filling stations, thereby broadening infrastructure availability for all Oklahomans. With this understanding, the Parties express their commitment to transitioning existing fleet vehicles, as they are retired at the end of their useful life, to NGVs and will endeavor to coordinate with fuel retailers to support new investments in or upgrades to publicly accessible natural gas filling infrastructure.</p> <p>A wide variety of NGVs have been made available at reduced prices as a result of the Oklahoma-Colorado led Multistate CNG Vehicles MOU signed by 16 governors and joined by 23 states. The Parties understand that the multistate contract resulting from this effort offers an immediate opportunity to begin carrying out the measures outlined in this MOU. It is the intent of the Parties to leverage existing fleet volumes with the broader purchasing potential of the bipartisan multistate coalition of states such that the U.S. automotive industry is encouraged to continue reducing costs and expanding natural gas vehicle offerings to state fleets, tribal fleets, and the general public.</p> <p>Understanding the importance of vehicle and infrastructure safety and reliability, the Parties agree that purchases and investments made in advancing the measures of this MOU should conform to all state and federal laws and regulations concerning natural gas vehicles and infrastructure systems and components. Furthermore, the Parties will endeavor to advance qualified vehicle and infrastructure training and certification programs.</p> <p>This document embodies the principal understanding of the Parties and shall remain in effect until voluntarily discontinued. Signing this MOU shall not create any legal relationship, rights, duties, or obligations binding or enforceable at law or in equity. The Parties agree to solicit the support of additional tribal governments, which with the consent of the Parties hereto, may be added in any number at a later date.</p>	
[Signature] Governor State of Oklahoma June XX, 2013	[Signature] Governor [Name] Nation June XX, 2013

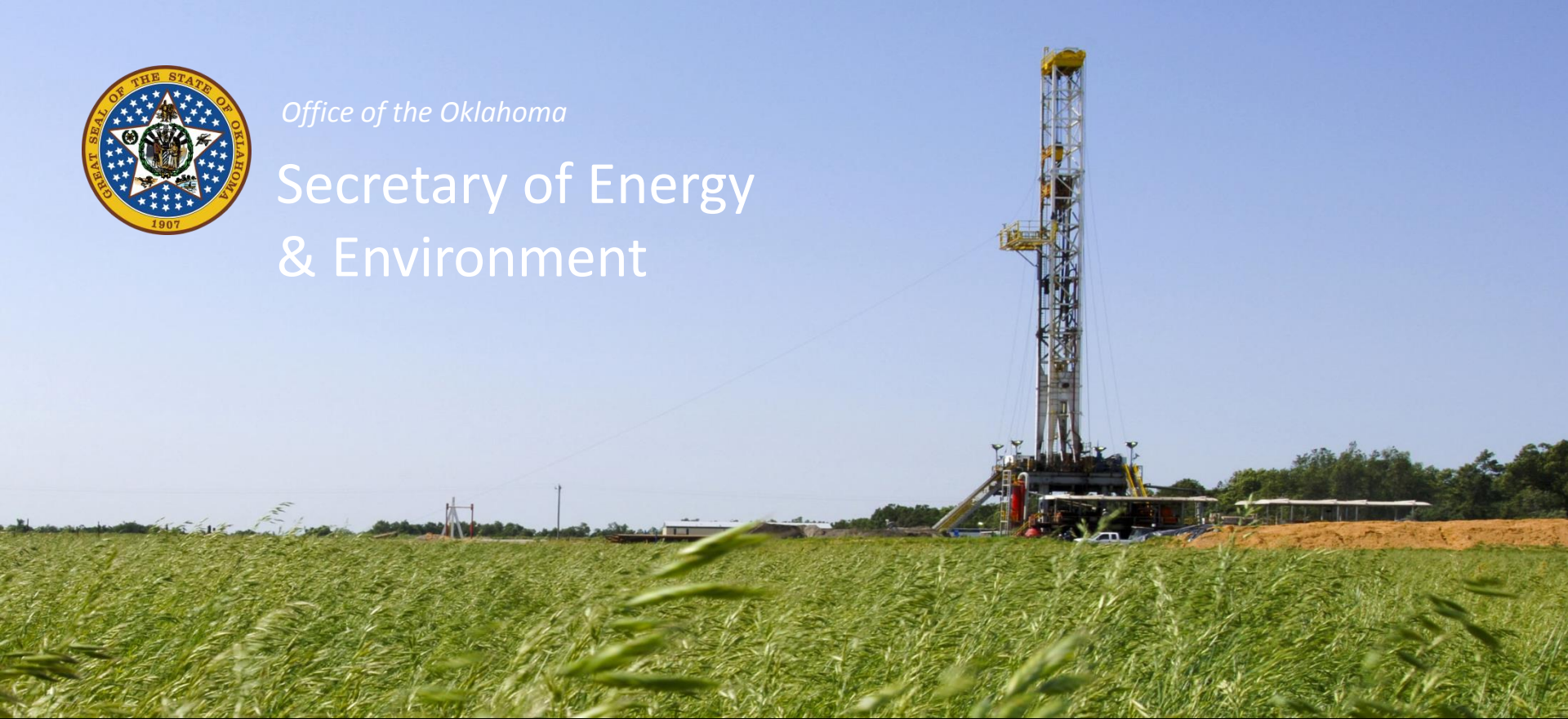
- Partnership between the State of Oklahoma and individual tribal governments.
- Expresses a commitment to transitioning tribal fleets to compressed natural gas when existing fleet vehicles come due for replacement.
- Acknowledges the importance of infrastructure expansion and commits to supporting new CNG fill station developments and upgrades of existing infrastructure.
- References the reduced pricing available to tribal governments as a result of the Governor's multistate CNG MOU.
- Details that CNG vehicles purchased in accordance with the MOU will conform to all federal and state laws.





Office of the Oklahoma

Secretary of Energy & Environment



Jay Albert

The Office of the Secretary of Energy & Environment

www.ok.gov/energy

405.285.9213

