



Legislation Text

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A Resolution Approving Submission of the Colorado Department of Local Affairs (DOLA) Alternative Fuels Initiative Grant Application for Development of a Compressed Natural Gas Fueling Station and Execution of a Grant Agreement Awarding Funds for Development of a Compressed Natural Gas Fueling Station for CSU

From:

Jerry Forte, P.E., Chief Executive Officer, Colorado Springs Utilities

Summary:

In 2012, Colorado Springs Utilities implemented an energy initiative to diversify its fleet with Compressed Natural Gas (CNG) vehicles, along with associated construction of CNG fueling stations needed to support our fleet. We held a CNG workshop in October 2012, with the Southern Colorado Clean Cities Coalition, state officials, CNG producers and large-fleet companies to strategize on the next steps to encourage CNG development in Colorado Springs. Colorado Springs Utilities currently maintains a fleet of 17 CNG vehicles and is in the process of acquiring 6 more in 2015. Additionally, we have rehabilitated and opened to the public an existing CNG fueling station at our East Service Center. Colorado Springs Utilities is currently in the process of constructing a CNG site at the Pinkerton Service Center and has been awarded a grant from the Colorado Energy Office (CEO) in the amount of \$500,000. Colorado Springs Utilities is applying for an additional grant from DOLA to help offset additional costs of this station.

Previous Council Action:

N/A. This item was presented to Utilities Board on March 18, 2015, for discussion purposes.

Background:

The CNG fueling station at Pinkerton will help to meet CSU's own internal needs, increase existing interest in compressed natural gas vehicles from private industry and individuals, and also increase sales on the Natural Gas System. This station will be built using a design-build process with an estimated remaining cost of \$1,500,000. In early December, Colorado Springs Utilities was notified of the potential for DOLA grant funding that could provide supplemental funds for this project and, working with the City, Utilities would like to submit the application for a grant totaling \$402,412. Because the grant must be applied for by the City on behalf of Colorado Springs Utilities, City Council will have to authorize submission of the application by resolution. After authority is granted, the next step in the application process involves a formal presentation to the DOLA grant award committee in July after which a decision will be made by DOLA. Grant award notifications will be made in September of 2015.

Financial Implications:

If awarded, the grant funds will pass through the City of Colorado Springs to Colorado Springs

Utilities. Without the grant funds currently being requested from DOLA, Utilities will need to delay construction of the CNG station at the John Pinkerton Service Center until additional funds become available.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

(1) Approve the attached Resolution; (2) Not approve the attached Resolution and delay the construction until additional funds become available or wait for private industry to develop CNG fueling in the Colorado Springs.

Proposed Motion:

Move to approve the Resolution Approving Submission of the Colorado Department of Local Affairs Alternative Fuels Initiative Grant Application for Development of a Compressed Natural Gas Fueling Station and Execution of a Grant Agreement Awarding Funds for Development of a Compressed Natural Gas Fueling Station.

N/A