"Autogas fleet has grown by 19% in the past 5 years." Q&A with the WLPGA

Cécile Nourigat, Autogas Manager at the World LPG Association, spoke to PetrolPlaza about the global growth of Autogas as an alternative vehicle fuel, its advantages and the biggest challenges they face.

Could you give a brief explanation of what is Autogas, how do you source it, and what benefits does it have for drivers?

Autogas is LPG used as transport fuel. It is a mix of butane and propane. Over 65% of global LPG production derives from natural gas extraction, the rest comes of oil refinery. There is also a small but growing renewable LPG path. Driving with Autogas allows for tremendous emission reductions compared with petrol and diesel, especially for NOx and particles, which are polluting our air. In most countries, Autogas is also cheaper at the pump therefore users save money!

What would you say are the advantages of autogas over other forms of alternative fuels such as LNG, CNG and hydrogen?

Autogas has a filling network of 76,000 stations worldwide powering over 26 million vehicles. In many countries it is not a problem for LPG drivers to refill their vehicles. By comparison, there are today 30,000 LNG/CNG stations (a quarter of them being in China) and 270 hydrogen stations. As they are simpler than for the above mentioned alternatives (which require specific pressure conditions for example), both the Autogas infrastructure and the vehicle installation are much cheaper and quicker to develop. The price of Autogas is also low, depending on countries, for great environmental performance.

In 2015, there were 26 million autogas vehicles around the world with Korea, Turkey, Russia, Thailand and Poland accounting for half of the global consumption. What kind of global growth do you expect, and which countries do you think will be ahead of that growth?

Autogas fleet has grown by 19% in the past 5 years, and this has no reason to stop here. With current political commitment to reduce air pollution, mitigate climate change, as well as the Dieselgate which discredited conventional fuels, leaders around the world are looking for more sustainable alternative in the road transport sector. Autogas is one of them, it is actually defined as an alternative fuel by US, European policies for example, and as such it is eligible for support. In that context, we foresee that Autogas will keep growing on all continents. The Americas offer great prospects, and we currently see strong growth in Southern, Eastern Europe as well as central Asia. In parallel, some countries in Asia are investing a lot in building the infrastructure to satisfy the expanding demand for Autogas.

What kind of initiatives would you hope to see from governments around Europe to help promote the use of LPG?

We are calling for policy certainty and consistency in government measures. We have great examples of supporting policies, but they need to remain consistent over time to allow users, car manufacturers, and infrastructure owners to make the necessary investments. Beyond direct financial support e.g. grants for conversion or purchase of Autogas cars, many other incentives can make a great impact: communication campaigns, free parking, tax exemptions/credits, and privileged access to city centres. For example, both France and Spain have classified Autogas vehicles as “Eco”, which sends a great message to users.

In many ways, governments and institutions such as the EU (i.e. the Clean Vehicle Directive) are prioritizing electric mobility over other fueling alternatives such as LPG. Is this a source of frustration for LPG associations?

LPG Autogas is clearly defined as an alternative fuel under the EU Directive on the Deployment of Alternative Fuels Infrastructure. The same piece of legislation explains that LPG infrastructure is already well developed in Europe, and therefore it does not require further support, which is a fact. That being said, recent policies lack technology neutrality, and therefore favour electric vehicles over gaseous fuels. Indeed, vehicle emissions are measured at tailpipe, which means that electric vehicles are considered as 0 emission. This fails to recognise the CO2 gains that Autogas bring from the well to the wheel, as a low carbon co-product. These EU initiatives also tend to focus on CO2 only, at the expense of pollutant emissions, while we are currently going through an air quality crisis in urban areas. There is no silver bullet, hence there is space for Autogas to grow alongside the electric car, for different uses, different customers. AEGPL calls for a neutral approach allowing all technologies to compete fairly.

For service station operators, is it expensive to start offering LPG at their sites?

No, it is not expensive compared with other alternative fuels such as CNG/LNG, or hydrogen. It is difficult to provide an estimate that is valid for all regions. In Western Europe, for example, the costs of building an LPG refueling station are estimated at between €50,000 and €180,000 depending on its characteristics. What is more, the dispensers are built quickly, allowing companies to start paying back their investment through fuel sales rapidly.

After celebrating the 2017 AEGPL Congress in Lisbon, next year you will be heading to Monaco. What made you choose this location and what will visitors be able to discover at the congress?

2018 is a special year for the European LPG Association – we will be celebrating our 50th Anniversary! The Association was created in 1968 and since then we have come a long way and organised the AEPGL Congress in many different locations.

For such a special occasion we thought we would also need a special location and so we had the idea of hosting the 2018 AEGPL Congress in Monaco. It is a destination known for its charm and glamour,

but it is also a country that takes a prominent position in promoting sustainable energetic solutions in international negotiations. Moreover, Monaco is at the intersection of two of the main markets for LPG in Europe – France and Italy – so we believe this will make it attractive for the industry to be present and showcase their products, developing new business relationships.

The World LPG Forum, on the other hand, will head to Houston (Texas) for its 2018 edition. The U.S. is a huge market for LPG but in terms of Autogas it's still very undeveloped. What would you say are the key challenges facing autogas in the U.S.?

The Autogas consumption in the United States has doubled in the past five years, in spite of a low priced gasoline. The most emblematic Autogas vehicles there are the school buses, which move thousands of kids every day. We believe that this market has a great potential for the future. The key challenge is the small price differential with conventional fuels. This is partially addressed by federal and states incentives for Autogas, but more could be done. But the bigger barrier remains to be, as in many markets around the world, the lack of knowledge and understanding of Autogas benefits.

The AEGPL 2018 Congress takes place in Monaco from the 31st May to the 1st June; while the 31st World LPG Forum will be on 2 - 4 October in Houston.