



Railroad Commission of Texas Denton Independent School District

Railroad Commission of Texas Propane Initiative Program



**Propane
Tax Credit Program**



Denton I.S.D.



**Propane
Vehicle Initiative Program**

**Denton Independent School District
Transportation Department
5093 East McKinney
Denton, Texas 76208
940-369-0300**



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•DISD's Alternative Fuel Program

- **DISD engaged/initiated Alternative Fuel Program in 1995/96**
- **4th largest Propane Bus Fleet in Texas (77 buses)**
- **Bus Fleet Profile – 77 Propane, 36 Bio-diesel, 31 – Unleaded**
- **Fleet is currently 80% Green**
- **2007 Bond Funds purchased 44 propane buses in Fall 2008**
- **Fall 2008 – District Bus Fleet will be 95% - 100% Green**
- **At DISD“We practice what we teach!”**





Sample Savings w/ RRC Grant

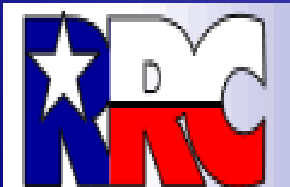


Propane, 15K mi/yr

Purchase	\$95,300
Fuel (4.4 mpg)	\$ 5,608
Fuel tax credit	<\$ 1,689>
Vehicle credit	<\$ 7,000>
Maintenance	<\$ 225>
Pilferage	<u>N/A</u>
TOTAL	\$ 92,444

Diesel, 15K mi/yr

Purchase	\$86,600
Fuel (6 mpg)	\$ 8,700
Fuel tax credit	N/A
Vehicle credit	N/A
Maintenance	\$ 450
Pilferage	\$ <u>500</u>
TOTAL	\$ 96,250



FIRST YEAR SAVINGS
ANNUAL SAVINGS

\$3,806
\$5,506

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RCC Propane Tax Credit Program 2006-2009

- DISD qualifies for a 50¢ per gallon tax credit for each gallon of propane purchased from October 1, 2006 to September 30, 2009.
- DISD usage of LPG/Propane per year = 298,844 gallons
- 298,844 gal. x 50¢ per gal. = \$149,422.00 per yr.
- Estimated Propane Credit Total - \$600,000.00+ (2006-09)
- RCC anticipates the program may carry over to 2012-13
- Total estimated return to DISD = **\$1,200,000+**



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RCC Propane Vehicle Initiative Program

- Encourage the replacement of older vehicles & equipment with propane powered units meeting or exceeding the EPA's 2008 Emissions Standards.
- Reduce NOx emissions in Texas non-attainment & near non-attainment counties. RCC is buying emissions.
- DISD will be paid \$6,000 to \$24,000 to retire non-compliant vehicles
Grant amount based on type fuel of old equipment & annual mileage
Minimum estimated return on replacement of buses
- 44 units x \$6,000 per unit = **\$264,000.00**
- Program is authorized through 2010

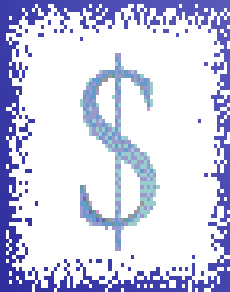




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Operational Impact

Continued conversion of the district's bus fleet to propane will promote clean air & reduce fuel costs. DISD average fuel costs per gallon Fall 2008 :



Unleaded -	\$3.02 per gal.
Diesel -	\$3.66 per gal.
Propane -	\$1.84 per gal.

Establishing propane as DISD's primary fuel will reduce current cost per gallon to \$1.34 during the life of the TRCC Propane Tax Credit Program. Additionally, at today's fuel prices, the district would save \$1.68 to \$2.32 per gallon by using propane as our primary fuel.

Estimated savings with scenario:

Unleaded –	125,500 gallons x \$1.68 =	\$210,000.00
Diesel –	76,500 gallons x \$2.32 =	<u>\$176,320.00</u>

Estimated Annual Cost Reduction **\$386,320.00**

Unleaded - \$1.02 per gal.
Diesel - \$1.34 per gal.
Propane - \$.98 per gal.



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Results - Alternative Fuel Initiative Program

- Clean Air & Environment
- Safe & Efficient Bus Fleet
- Receive up to \$1,500,000+ in Propane Fuel Initiative Reimbursements
- Will save \$386,320+ annually in fuel costs
- Vehicle Tax Credit totaling \$308,000 for 44 propane buses
- Estimated benefit to Denton ISD through 2013 -

\$2,200,000+



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