

## Clean-Air Credits from CNG Buses Generate Millions for MTA Coffers

By BILL HEARD, Editor  
(Oct. 30) The MTA has clean air for sale. In fact, this year the agency expects to make almost \$3 million from the sale of clean-air credits earned by its low-emission CNG buses to companies that generate pollutants.

Because the MTA's compressed natural gas buses emit only half the smog-producing nitrogen oxides (NOx) permitted by law, the agency's growing fleet of CNG coaches creates "emission reduction credits" (ERCs) that can be sold to others through a market overseen by the Air Quality Management District.

"This is a beneficial by-product of our investment in alternative-fuel vehicles," says Douglas Kim, Countywide Planning's air quality program manager and the person responsible for negotiating ERC sales for the MTA. "Forecasts show we can expect to generate \$3 million to \$5 million annually from the sale of ERC's earned by our CNG buses."

### Checks totaling \$2.26 million

To date, the MTA has received checks totaling some \$2.26 million from the sale of ERCs this year and, over the next few weeks, will receive checks for at least an additional \$522,000.

Once valued at only 50 cents per pound of nitrogen oxide, the market skyrocketed to \$6.35 per pound in August, then to \$17 in October. "In seven weeks, we were able to nearly triple the market value of our credits," says Kim.

This year, the MTA had more than 100 tons of nitrogen oxide ERCs to sell, with more on the way. Kim says the agency can expect to sell an average of 300 tons per year for at least the next two years.

"That's a huge, huge number for a market that's thirsty for these credits," says Richard Bachman, a Purchasing contract manager and a member of the ERC team. Bachman notes that the MTA is one of the region's biggest sources of clean-air credits. "Every time we buy a new CNG bus, the potential for generating more revenue increases."

Other members of the agency's ERC team are Tej Kharbanda of Procurement, a property sales coordinator, and George Karbowski, an Equipment Engineering supervisor who is responsible for gathering the data needed to determine the number of credits the MTA has for sale.

### Manufacturers need credits

The primary customers for the MTA's clean-air credits are manufacturing plants and other stationary sources of pollution like power plants. Although many such plants have made major advancements in reducing pollution levels in recent years, they still



**AIR CHECKS** - Douglas Kim of Countywide Planning (left) and Richard Bachman of Purchasing with reproductions of checks the MTA has received from the sale of clean-air credits.

need to buy ERCs in order to meet strict new clean-air regulations.

The MTA is in a good position to sell ERCs, Kim explains, because its credits are earned from mobile sources - the CNG buses. And, since the agency has no stationary sources of pollution, it isn't necessary to use its bus-generated credits to offset them.

The MTA actually has sold ERCs since 1995, although only two sales had been made prior to 2000. During that period, demand for ERCs was marginal because potential buyers believed they could use new technology to reduce pollution produced by their plants.

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