


Market strategy for ARAGON, LA RIOJA, CASTILLA-LEON

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Are there existing filling stations and natural gas and biogas driven cars already in the region?	Yes (only for public transport fleets).

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Summary

Filling stations, gas suppliers, car dealers, car manufacturers, public authorities and the public in general among others are the target groups where the areas vehicle expansion, biogas supply, gas grid expansion and filling station expansion shall be shown. But it is necessary to start from the very first and considering the scarce implementation degree and expansion at national level as well the awareness need.

Related technical barriers it is necessary to underline the existence of one Technical Inspection Authority point at national level only for all the NGVs.

At national level the main characteristic is that fleets existing in Spain are mainly used for public transport and the existing filling stations provide them almost exclusively.

On the biogas supply aspect the Spanish market is incipient and restricted to public transport fleets mainly. However there is an increasing interest impeded by Gas Producers and Public Transport Companies as a consequence of the petrol price increase a good target group could be authorities with competences in the matter, private car owners, car dealers and manufacturers. Although it is necessary the expansion of the gas grid and of the filling stations....In positive sense it is worth mention the existence of incentives for the purchase of GVs and the recent existing awareness by Environmental reasons and health together with the increase of gasoil price.

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Introduction/Background

The market analysis was carried out for the three participating regions in the project. In two of the three, La Rioja and Aragón there are nor methane gas fuel vehicles, neither filling stations.

In the third region, Castilla-León, there are only some public transport fleets and the filling stations provide only for these fleets.

The main problem identified is the lack of NG fuel filling station for private cars.

The main problem in the legal framework is the Technical Inspection Authority point for gas vehicles. There is only a “national” point to do it and it is settled in Madrid.

The Spanish market is incipient and restricted to public transport fleets mainly. However there is an increasing interest impeled by Gas Producers and Public Transport Companies as a consequence of the petrol price increase.

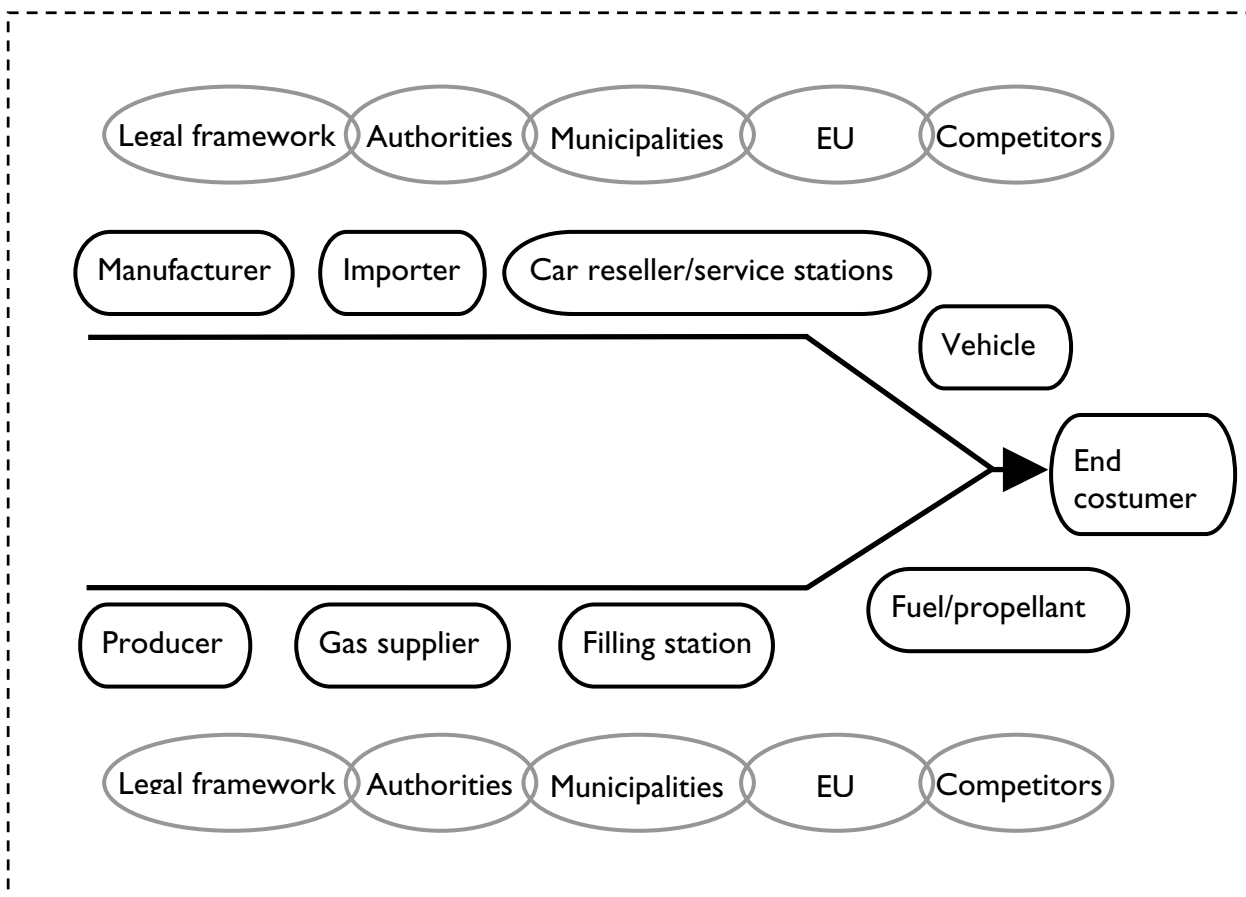


Figure 1. An overview of the gas market and its actors. From producers of gas and vehicles to the end customer.

Analysis of the different aspects of the gas market

Analysis of the surroundings

Are there any factors in the surroundings (Juridical, economical etc.) that have influence on the production, distribution and use of methane gas in vehicles in a positive or negative direction?

-Positive direction: lack of filling stations.

-Juridical barrier and technological: the need of concentrating the only Technical Inspection Authority point point in Madrid (at national level).

-Economical aspect: certain incentives in manure drying for generating electricity using NG as a fuel.

Are there any political standpoints, for example decisions made to promote the use of alternative fuels in the transport sector? Or maybe the opposite?

-Incentives for cars purchase help to balance the cost of gas cars with a traditional car.

When looking at biogas production, how does it look with the access of raw materials to the biogas process?

-It is necessary to:

-Improve the efficiency in biogas production processes.

-Optimize the biogas upgrading processes.

-Develop systems for biogas injection in NG grids.

Market inquiry

How has the market for production of biogas, distribution and use of natural gas and biogas in vehicles developed over time?

-Only present in some Spanish cities for public transport fleets.

Are there any clear trends on the market, for example a growing share of clean vehicles etc.?

-In Spain in 2000 there was 968 NGVs against 24 NGVs in 1997 and 32 filling stations in 2006 against 2 filling stations in 1997.

Number of sold NGVs (personal cars and light transport vehicles) per year compared to total sales of vehicles in the region. What is the share for CNG as a fuel for vehicles compared to the total use of vehicle fuel in the region? How will the vehicle market develop over a period of time, e.g 20 years?

-In Spain in 2000 there was 968 NGVs against 24 NGVs in 1997 and 32 filling stations in 2006 against 2 filling stations in 1997

Analysis of the concept “methane gas as vehicle fuel”

Which are the experiences so far with production of biogas, treatment and distribution of biogas and natural gas, and the use of methane gas as a vehicle fuel in the region?

-Restricted to 2 cities and for public transport fleets.

Which factors are unique for the concept “methane gas as vehicle fuel” that distinguishes the concept from the other available fuels on the market?

-Less emissions to the atmosphere.

-Better alternative for quality air in cities against other fuels.

-Economic savings.

Which are the strengths and weaknesses of the concept? (in the region)

-Weaknesses: filling stations lack and technological barriers.

-Strengths: incentive for car purchase.

Are there any financial advantages or disadvantages with the concept compared to the competitive fuels (both the traditional and alternative fuels)?

-More than 20% saved/km run.

-Within the E4 Strategy (Saving and Efficiency) incentives give ± 2.000€/particular car.

Are there any technical advantages or disadvantages with the concept of using gas in vehicles in the region?

-Disadvantage: The existence of one Technical Inspection Authority point in Spain only.

-Lack of filling stations.

Is the use of natural gas and biogas in vehicles associated with a distinctive image in the region? For example, is it seen as a fuel for those with certain interest in climate, health and environment? Do companies see it as goodwill to use methane gas in vehicles?

-No, although the awareness is notably raising, the project could contribute to this. Analysis of competitive products.

Which products is methane gas competing with on the market? –petrol, diesel, ethanol/E85 etc.

-Diesel and biodiesel.

Which are the competitive products strengths and weaknesses?

-Strengths: the important gas grid, sociologic barriers for the innovation, health in cities, environment (Nox particles reduction).

-Weakness: Excessive increase of prices.

Analysis of costumers/consumers

Which experiences have been made from costumer behaviour in the region, which factor(/s) have been crucial for costumers or suppliers to choose NGVs and CNG?

-N/A

Which attitudes and values exist on the market? (can gas driven vehicles fulfil these values?)

-N/A

Are there any preconceptions on the market? For example about low second hand value of NGVs, difficulties with fuelling stations, short operating range of NGVs, safety issues, etc.

-Mainly lack of filling stations, which makes difficult the introduction of NGVs.

How is the costumers' knowledge of biogas, and natural gas (All aspects from production, distribution, and use in vehicles)?

-The knowledge is scarce. This aspect should be encouraged.

Short and long term threats and possibilities

Are there any arguments for producing biogas, distribute natural gas or biogas, or using the gas in vehicles that might change over time, or even fade away?

-Health in cities as a key aspect.

-NGV technology is supported and proved and there is an increasing running time of this market at international level as a model to follow up.

Bottlenecks on the gas market

Are there any bottlenecks on the gas market? Follow the distribution link from the producers to the end costumers and localise which actors on the market that are suppressing the gas market development/expansion. Can this/these groups be processed in the MADEGASCAR project? Are these groups the projects target groups in the region?

-Actors on the market that are suppressing the gas market development/expansion: petrol producer companies. Other bottlenecks are the technical barriers (Technical Inspection Authority points) and lack of filling stations.

-In the key actors network, entities directly or indirectly related to the project target groups are included.

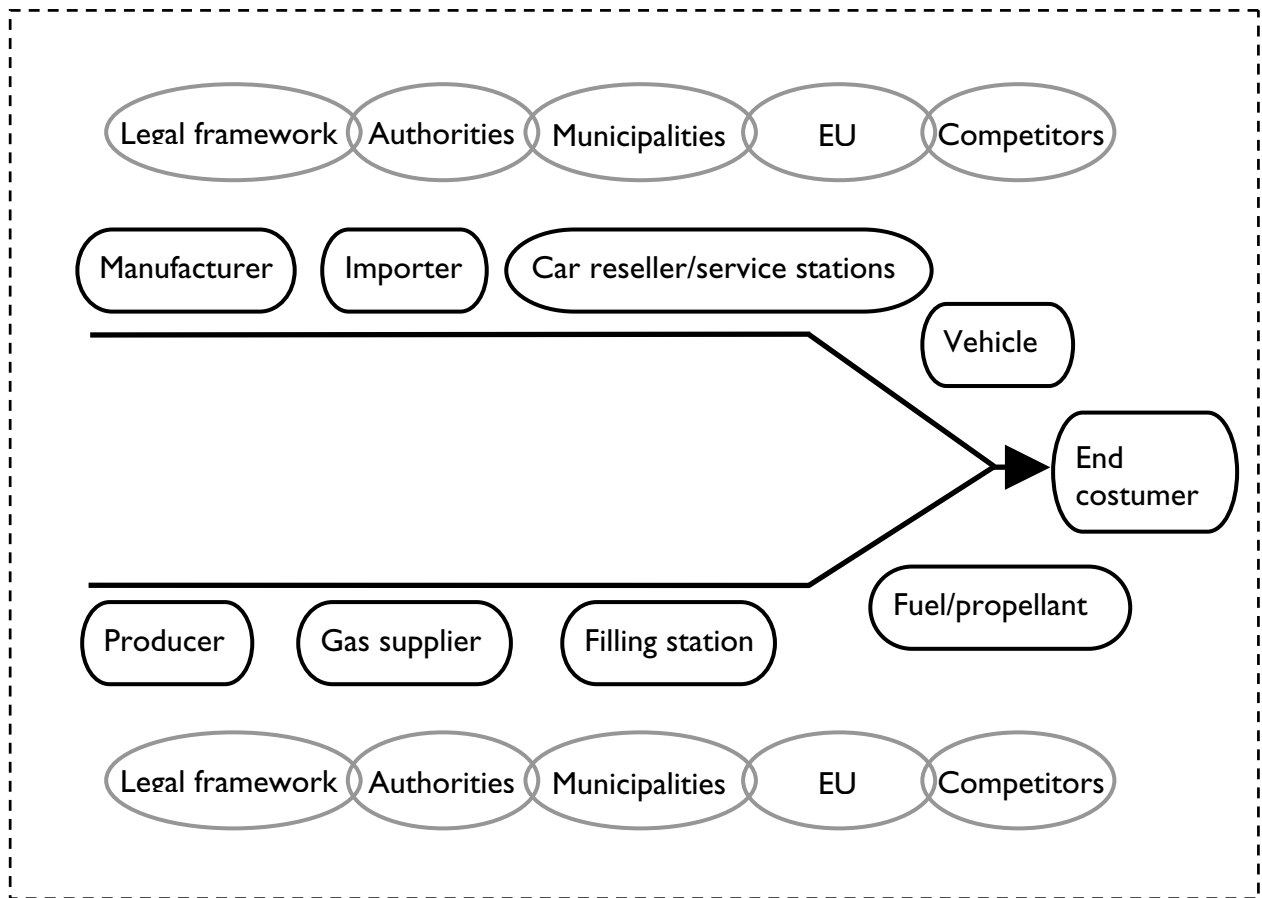


Figure 2. An overview of the gas market and its actors. From producers of gas and vehicles to the end costumer.

Market Strategy

Market strategy; target group/s the project intends to address with its efforts/activities:

-Filling stations, gas suppliers, car dealers, car manufacturers, public authorities.

Message

The gas concepts policy, what are we promoting and which image shall we send out?

-An alternative cost at lower cost and more favorable for Environment and health.

Choice of target group and distribution strategy

*Which strategy shall be used when distributing information/message about the concept with biogas and natural gas to vehicles? THIS SECTION SHALL BE SEPARATED IN THE FOLLOWING FOUR AREAS; **vehicle expansion, biogas supply, gas grid expansion and filling station expansion.***

Vehicle expansion

- *Geographically – shall the information/message be spread evenly over the region, or shall some areas be prioritised? In that case, which type of areas? Areas where there already is an interest for NGVs, or areas where there are no interest? etc.*

-Geographically at national level and distinguishing between NGV's for private use (which does not exist in Spain) and the use for public transport fleets (where there are some cities and countries having gas public transport and the message should be different for those having NGV's and those not having them.

- *Target groups*
 - *Shall the information/message be aligned against end users to raise the demand, or against producers to raise the supply? For example, against companies with vehicle fleets or against the car reseller?*
 - *Shall the information/message be spread to those who already have started to consider buying gas driven vehicles, or shall the information/message be aligned to those who have not yet shown any interest?*
 - *Shall the information/message be pointed to those who are suppressing the market expansion (the bottlenecks) or shall those groups who already are “going in the right direction” be prioritised?*
 - *Etc.*

-The basic premise for the 3 points above is to have available filling stations providing gas for private car users.

-Both gas providers and car manufacturers are stating the lack of filling stations as the “the main problem and premise”.

- *Personal “sales” vs. mass impact/influence*
-N/A, since the Spanish stated is restricted to the public transport fleets.
- *Distribution channels*
 - *Which type of distribution channels shall be used?*
-N/A
-Authorities with competences at regional or even national levels.
-The very same gas producers and/or providers.
-Agriculture associations and cooperatives.
-Consumer associations and cooperatives.
-Consumers associations.
-Campaigns supported by mass-media.
 - *Are there any incentives, goals, restrictions to be found for the possible distribution channels?*
-+ 30.000 €/filling station.

Biogas supply

In this case the major biogas production is devoted to electricity generation as main use, which makes difficult the injection of biogas in NG grids as the main objective to develop in the field of the technological innovation in Spain.

Gas grid expansion

Basic premise; the existence of filling stations.

Filling station expansion

Basic premise the existence of filling stations.