

# Transportation Fuel Update

## Availability and Cost Issues

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# Hurricanes Gustav and Ike

- Supply hard to come by
- No LEAs had to cancel classes due to lack of fuel for buses
- Many fuel deliveries on weekends or in the dark of night

# School Bus Fuel

- Of the 14,000 school buses in use, all but 10 are powered by diesel
  - 8 Compressed Natural Gas
    - \$35k premium on engine 10 years ago
  - 2 Plug-In Hybrid (Diesel/Electricity)
    - \$226,000 per bus (grant funds)
  - Bio-Diesel (e.g. 80% diesel, 20% bio)
    - Requires no special infrastructure; usable in all fleets
    - 5-50 cent premium
    - Already in use in some NC counties

# Diesel Fueling of School Buses

# Delivered to Bus Garage by Tanker Load





# Loaded from Bulk Tanks to Fuel Trucks

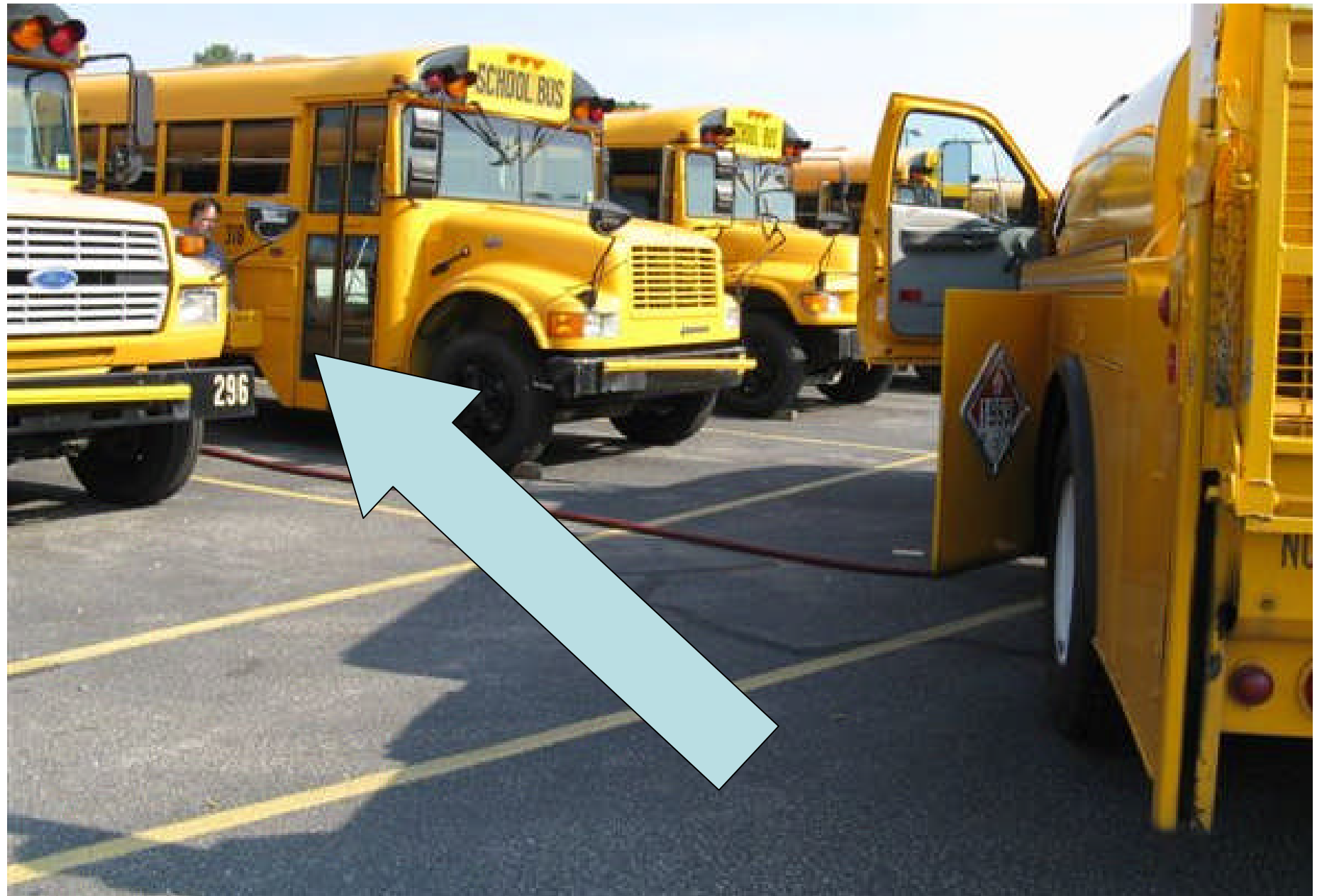


# Buses Fueled In Parking Areas

- Fuel taken to bus parking areas during the day and dispensed from fuel trucks
  - V



# Remote Fueling





# Remote Fueling



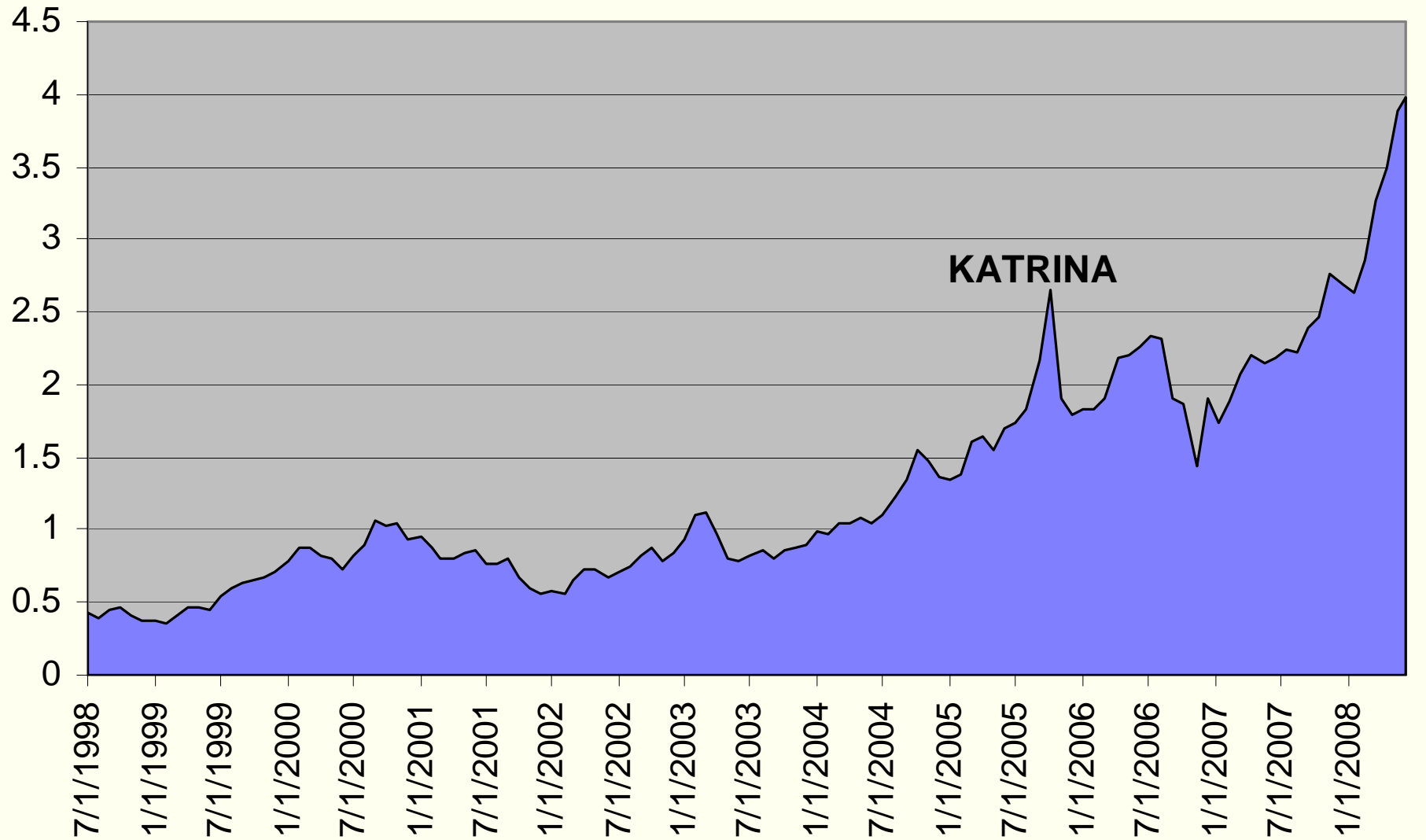
# State Contract for Diesel

- Public schools do not pay state excise tax, resulting in a lower per gallon cost than what you see at the pump
- Other than the tax exemption, there are not tremendous price breaks on fuel
  - Low profit margin for bidders
  - e-procurement fee (6-7 cents/gallon) applies

# Price Volatility

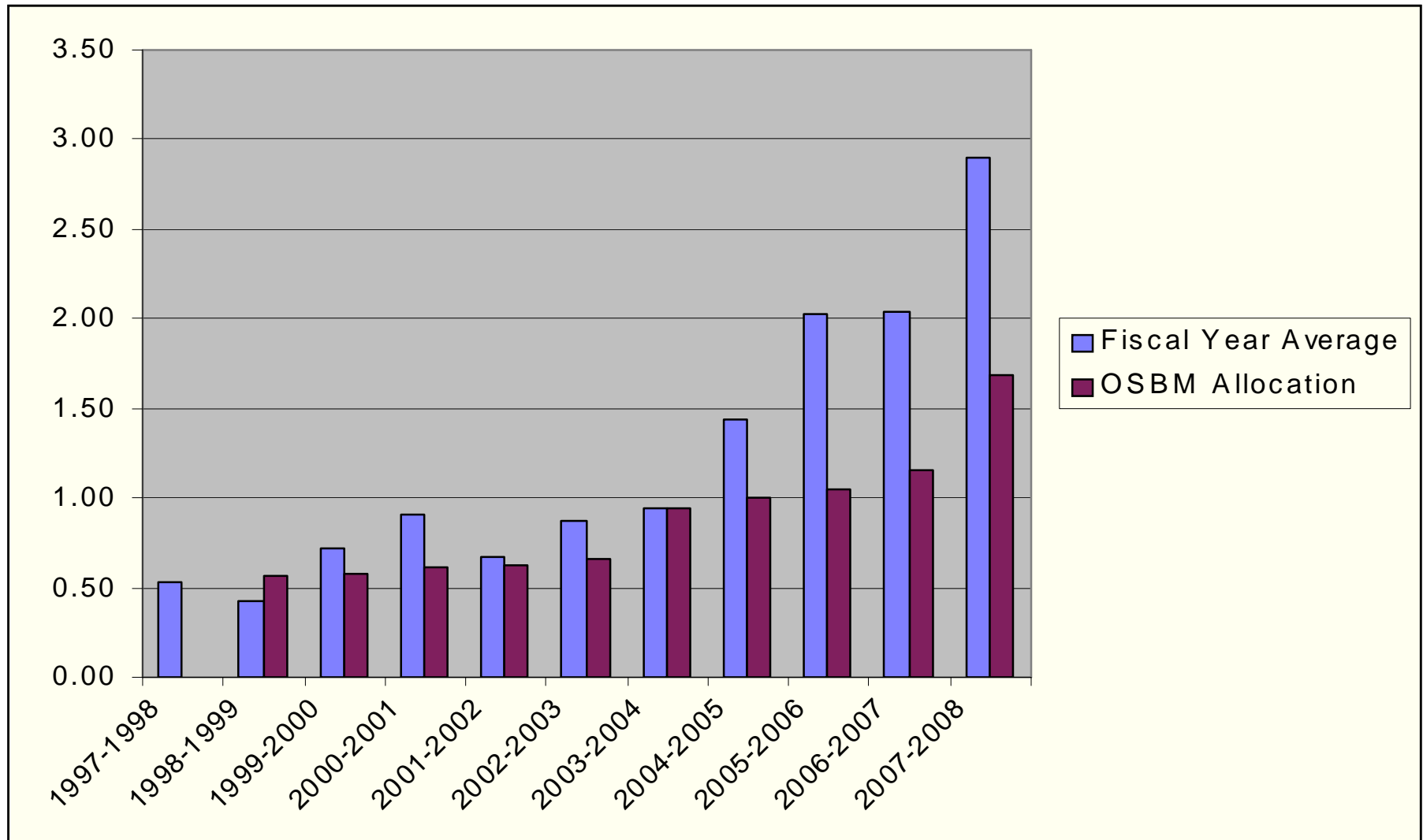
- Wednesday, October 1: \$3.22 per gallon
- Friday, October 3: \$3.03 per gallon

## Diesel - 10 Yr Price Per Gallon



July 1998.....July 2008

# 10 Year Diesel Cost Actual vs. OSBM Allocation





# Annual Usage

- Statewide usage:
  - 25,000,000 gallons per year for to/from school
  - More for activity buses, field trips, etc.
  - Actual is more than 25,000,000
    - Currently being re-evaluated

# 2007-2008 School Year

- Biennial budget allocated \$1.69 per gallon
  - First day of school: \$2.20 per gallon
- Worked with OSBM and sent additional allotments to LEAs
  - \$7.3 million (\$1.69 to \$2.00)
  - \$11.8 million (\$2.00 to \$2.50)
  - \$7 million (\$2.50 to \$2.80)
- Actual per gallon cost: ~\$2.90

# 2008-2009 School Year

- Initial biennial budget: \$1.83 per gallon
- Additional legislative appropriation
  - \$35 million
  - Increases per gallon to about \$3.23
- Year-to-date cost per gallon thus far: \$3.48
  - July 1 – August 25 high prices

# Future Trends

- Continued price fluctuations appear likely
- OSBM Analysis
  - \$3.57 per gallon 2009-2010
  - \$3.61 per gallon 2010-2011

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