

UPS Dramatically Increases Use Of Renewable Natural Gas

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UPS has announced an agreement with Big Ox Energy (a wholly owned subsidiary of Environmental Energy Capital LLC) to purchase 10 million gallon equivalents of renewable natural gas (RNG) per year. This is the largest investment in RNG to date for the company, and the agreement runs through 2024. Use of RNG yields up to a 90% reduction in lifecycle greenhouse gas emissions when compared to conventional diesel.

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In addition to the agreement with Big Ox, UPS signed a five-year agreement earlier this year with AMP energy for 1.5 million gallon equivalents of RNG per year from the Fair Oaks dairy farm in Indiana. The RNG agreements will help UPS reach a key sustainability goal: 40 percent of all ground transportation fleet fuel from sources other than conventional gasoline and diesel by 2025.

“Natural gas is a proven alternative fuel to gasoline and diesel and is a key building block for our goal to reduce greenhouse gas emissions in our ground fleet,” said Mike Casteel, UPS director of fleet procurement. “These agreements add significantly to our investment in the use of RNG and will help put us on track to nearly triple our annual use of RNG. They are also a direct reflection of our ongoing commitment to help shape the renewable natural gas industry.”

UPS fueling stations in Lexington, Ky.; Louisville, Ky.; New Stanton, Pa.; Richmond, Va.; Roanoke, Va.; West Columbia, S.C.; Horsham, Pa. and Doraville, Ga. will use the Big Ox RNG to fuel UPS® delivery vehicles and tractors.

RNG, also known as biomethane, can be derived from many abundant and renewable sources, including decomposing organic waste in landfills, wastewater treatment and agriculture. It is then distributed through the natural gas pipeline system, making it available for use as liquefied natural gas (LNG) or compressed natural gas (CNG). “UPS continues to make investments in renewable natural gas that help move the industry forward,” said Rob Larsen, CEO of Big Ox Energy. “Our agreement with UPS is one of the largest contracts we have signed to date and among the largest ever in the RNG market.”

UPS used 61 million gallons of natural gas in its ground fleet in 2016, which included 4.6 million gallons of RNG and is on track to use 14 million gallons of RNG in 2017. UPS drives more than 5,200 CNG and LNG vehicles in its fleet of alternative fuel and advanced technology vehicles. Earlier this year, UPS announced a more than \$90 million investment in natural gas vehicles and infrastructure. This investment included an additional six compressed natural gas (CNG) fueling stations, 390 new CNG tractors and terminal trucks, and 250 liquefied natural gas

(LNG) vehicles.

Since 2009, UPS has invested more than \$750 million in alternative fuel and advanced technology vehicles and fueling stations globally. UPS deploys the more than 8,500 vehicles in its Rolling Lab to utilize technologies that work best depending on the needs of the delivery route. From

old-fashioned pedal power and electric-assisted bicycles in dense urban areas like London and Hamburg to electric and hybrid electric vehicles in the U.S., and natural gas, renewable natural gas and propane globally, UPS puts sustainability innovation into action, all over the world.

Source: [UPS](#)

