



## A Bright Future for Alternative Fuel Vehicles Forecast

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New York, NY ([PRWEB](#)) December 29, 2004 -- The year ahead looks promising for biofuel and hybrid vehicles according to industry newsletter "AltFuels Advisor." But these predictions shouldn't imply that such mainstays as natural gas and propane are dead. "In fact," says editor Layne Holley, "worldwide market growth appears to be steady, and in the U.S., proponents of these fuels are working to expand their niches."

Biofuels got a huge boost in the U.S. in 2004 with the passage of the Corporate Tax Bill. While 2004 saw the opening of several new E85 stations and biodiesel supply agreements, both fuels will get major financial incentives under this piece of legislation. Europe and Latin America already have strong biofuels mandates and growing industries, and other countries, particularly in Asia, are looking closely at biofuels.

All those flex-fuel passenger vehicles from Ford and General Motors that have been on the road burning gasoline will have more opportunities to fill up with E85.

For biodiesel, there is the steadily growing market in the heavy-duty sector. That school bus and transit market, combined with the stationary heating oil market, stands to be augmented yet again. The number of passenger vehicles that can burn the fuel will increase in the U.S. this year with the introduction of four new light-duty diesel engine models: the Jeep Liberty CRD, the Mercedes E-320 CDI, and Volkswagen's Touareg and Passat.

While natural gas might not be the alternative fuel powerhouse it once was in the U.S., thanks to the reduction in passenger car market options by OEMs, its market share is growing in Latin America, Europe, and (of all places) the Middle East. In North America, natural gas still has a strong market.

Look this year for faster growth in the heavy-duty vehicle segment. Asian and European heavy-duty OEMs are offering natural gas models of their heavy-duty vehicles. Natural gas-fueled refuse collection trucks from Renault will hit the European market this year. Transit markets will remain strong for natural gas as fleets continue their experimentation with hybrid technology.

Look too for the propane industry to focus more on industrial and off-road vehicle applications, particularly in agriculture, but it will have to compete there with biofuels producers' efforts to increase the use of ethanol and biodiesel in the farm operations that produce the feedstocks.

The low-speed (neighborhood) electric vehicle market will continue to grow. "Keep an eye out," says Holley, "for full-size electric vehicle projects using advanced batteries such as lithium-ion. Trebling the range could make these vehicles more viable."

Watch for hydrogen to continue its steady path of experimentation and development. Its chief market, fuel cell vehicles, is years away from



commercialization. However, it should gain more attention as a combination fuel with natural gas, as is the case with Hythane.

Fuel cell vehicle numbers remain in the handful. Watch for the dominant polymer electrolyte membrane fuel cell to share the transportation market with other fuel cell types.

The full text of the article, which includes additional information on the growth of biofuel and hybrid vehicles, is online at the "AltFuels Advisor" website at <http://www.AltFuels.com/reports.php> (free registration required) or by phoning the publisher at 1-800-232-4317.

AltFuels Advisor newsletter reports on industry news and technical developments in battery electric, hybrid, fuel cell, natural gas, propane, hydrogen and biofuel vehicles.

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