

30 August 2012

## **Submission to AEMC**

Kenworth Trucks designs and manufactures trucks in Australia, for the Australian market. Kenworth has had LNG truck configurations, production line manufactured, available since 2008.

Sales only occurred where an LNG refuelling network was established, e.g. eastern Australia and Tasmania. Limited refuelling in Victoria has only allowed a small volume of sales.

High substitution rates of natural gas for diesel has the most environmental, and potentially operating cost, benefits.

Systems are available to transport operators to provide moderate substitution rates and retain diesel capacity for flexibility to operate in area without refuelling access. High substitution rate systems do have the ability to operate without access to refuellers away from home base.

High usage rates of natural gas provide Australia with the most greenhouse gas reduction benefits and utilize a secure domestic fuel supply.

The major impediments to uptake of LNG are:

- Lack of national refuelling network
- Higher capital cost of truck equipment
- Capital cost of private refuelling facilities
- Loss of payload mass due to increased tare weight of LNG
- Loss of payload space due to increased bulk of LNG storage
- Variations in refuelling facility interface design

These issues have been raised through many forums, but negligible government response to address the issues.

More action is required to address the uptake barriers, which is what we hope this review can achieve.

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