UPS To Add More Than 6,000 Vehicles To Its Natural Gas Fleet

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UPS (NYSE: UPS) today announced plans to purchase more than 6,000 natural gas-powered trucks beginning in 2020 and running through 2022. This three-year commitment represents a $450M investment in expanding the companyâ€™s alternative fuel and advanced technology vehicle fleet as well as supporting infrastructure.

The new vehicles will be equipped with compressed natural gas (CNG) fuel systems provided under an exclusive agreement with Agility Fuel Solutions, a business of Hexagon Composites. The investment in CNG fuel systems expands UPS's relationship with Agility Fuel Solutions and supports UPS's fleet sustainability efforts. It will help reduce UPS's carbon footprint and is expected to have a positive influence on national CNG market growth. The CNG fleet expansion also provides additional capacity for expanding the use of renewable natural gas (RNG).

"UPS continues to expand and improve our smart logistics network by implementing new technologies and creating a highly flexible, data-driven, and sustainable network," said Juan Perez, chief information and engineering officer, UPS. "That is why we intend for 25 percent of our vehicles purchased in 2020 to run on alternative fuels."

Vehicles equipped with CNG fuel systems can interchangeably use RNG and conventional natural gas. Produced from landfills, dairy farms and other bio sources, RNG yields up to a 90 percent reduction in lifecycle greenhouse gas emissions when compared to conventional diesel. As of October 2019, UPS has agreed to purchase 230 million gallon equivalents of RNG over the next seven years, making the company the largest consumer of RNG in the transportation industry.

Since 2016, Agility Fuel Solutions has provided natural gas fuel storage and delivery systems to more than 1,700 UPS trucks. As part of the new agreement, Agility will provide complete end-to-end natural gas systems for heavy-duty gas trucks, terminal tractors and medium-duty walk-in vans, which are UPS's familiar brown delivery trucks. These will include on-board CNG fuel storage and management and Agility's certified natural gas engine fuel systems.

"We are proud to continue our collaboration with UPS, a front-runner in clean

transportation," says Seung Baik, president of Agility Fuel Solutions. "With our range of proven and reliable clean fuel technologies and aftermarket support capabilities, we will assist UPS in reaching its sustainability targets."

Over the past decade, UPS has invested more than $1 billion in alternative fuel and advanced technology vehicles and fueling stations to help meet its target of reducing absolute greenhouse gas emissions by 12% across its global ground operations by 2025. UPS has continued its relationship with TruStar Energy to design, manufacture and install five new CNG fueling stations in Lathrop, Visalia and Moreno Valley, Calif., Houston, Texas, and Cleveland, Ohio. UPS will deploy the new CNG vehicles on routes to utilize the new CNG stations as well as adding to existing natural gas fleets in other UPS locations. By the end of 2019, UPS will be operating 61 natural gas fueling stations strategically located across the U.S., and outside the U.S. in Vancouver, Canada, and Tamworth, United Kingdom.

Using its "Rolling Laboratory" approach, UPS deploys more than 10,000 low-emission vehicles based on the technologies that work best for the needs of each delivery route. From pedal-powered 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.

For more information on UPS's sustainability initiatives, please visit https://sustainability.ups.com. Additional information about UPS's ongoing investments in its natural gas fleet and RNG are available in the company's annual Sustainability Report.

Source: UPS

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