



Diesel or Natural Gas? Truckers Increasingly Have a Choice

Description

Numerous companies are investing in natural gas infrastructure, as they see a bright future ahead.

In the following interview segment, **Westport Innovations** (TSX:WPT)([NASDAQ:WPRT](#)) CFO Bill Larkin offers his thoughts on the natural gas infrastructure in North America, and the company's 12-liter engine aimed at the trucking sector. (Run time: 2:18; a transcript is provided below. If you'd like to view the entire interview, [click here](#).)

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Brendan Byrnes: One of the things that you've said lately is the change in infrastructure year over year has been spectacular in the United States. Could you get more specific, where we're seeing that and what types of infrastructure?

Bill Larkin: Sure. If you look at how the infrastructure has built up over time — and is one of the benefits or core strategies of CWI business — it started with ... Transit and refuse fleets return to base, so they only need to put in one station and they can service many vehicles.

Over time, we're starting to see that spread out. If you look at **Clean Energy's** initiative, they're talking about the North American ...

Brendan: Natural gas highway?

Bill: Natural gas highway, and they're making significant investments in that. But in addition you're seeing **Shell** getting involved, you're seeing ENN get involved through the Blu name, so we're seeing significant investment. They're just trying to get one step ahead, and that's only going to open up the markets.

Also, what I think is going to drive investment in the refueling infrastructure is bringing more products to market. I think with delivering and bringing the 12-liter to the market, the spark ignited engine, it's just going to open it up more and provide more incentive to invest and open up additional refueling stations.

If you look outside of North America, China has substantially more up and running, in terms of CNG and LNG refueling infrastructure. I think that's why we're seeing an increase in demand, because customers have access to that fuel.

Brendan: Could you talk specifically about why the 12-liter engine might lead to a bigger breakthrough in North America?

Bill: Sure. There's a lot of excitement and interest in this 12-liter because prior to this product coming to market, the customer either had the option of a 9-liter engine — that's the ISL G — or the 15-liter HPDI, and there was this huge gap.

In this gap, that's where a majority of the trucking market is. That's where a majority of the demand is, so the 12-liter is filling this huge void in the engine platforms. If you look at the diesel market, 13-liter is probably one of the largest-selling engines in the trucking market.

The Motley Fool owns shares of Westport Innovations.

CATEGORY

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1. NASDAQ:WPRT (Westport Fuel Systems Inc.)

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