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**Docket # 10-ALT-1:
Written Comments**

**2011-2012
Investment Plan for the Alternative and Renewable Fuel and
Vehicle Technology Program**

PROPANE VEHICLES & INCENTIVES

**CleanFUEL USA LLC
Georgetown, Texas / Monterey, CA**

**Reconsider Increasing the Level of
Funding for Propane-Autogas**

Jon Van Bogart
805-610-3671
jvb@cleanfuelusa.com

Reconsider Increasing the Level of Funding for Propane-Autogas

Propane Fuel Supply

Propane-Autogas remains America's most widely available and economically affordable alternative fuel. Industry forecasts for domestic propane production and inventories are robust, and by 2015, the United States is projected to export 1.5-billion gallons of propane. Meanwhile, America continues to increase import levels of crude oil for transportation energy.

Propane-Autogas Vehicle Offerings

Currently there are more than twelve (12) CARB-certified vehicle offerings that run on Propane-Autogas. Starting in 2012, General Motors (GM) will offer factory-direct OEM propane trucks and vans to go along with existing OEM medium- and heavy-duty trucks, school buses, and delivery vehicles. PERC remains committed to offering cost-share funding to sustain and increase the number of 50-State vehicles. A few years back, the CEC challenge the propane industry to increase the number of CARB Certified vehicle offerings...and the industry has answered the call in a big way. More vehicle offerings are on the way in 2012 and beyond.

Refueling Infrastructure

With nearly 800 public access stations in California, the propane industry is proactively engaged in market outreach and education efforts to inform propane dealers on the benefits of offering state-of-the-art refueling equipment and consumer friendly service for fleet customers. CleanFUEL USA has thirteen (13) 24/7 access refueling stations in California and will be adding thirty (30) additional stations by March, 2012.

Emission Reductions & Petroleum Displacement

Propane-Autogas is a proven, cleaner alternative to gasoline and diesel fuels, with 60% lower NOx, 23% lower GHG and virtually ZERO PM emissions. By 2015, only 35% of propane will produced from crude oil and 65% from natural gas. In addition, new advances for Dimethyl Ether (DME) fuel market development in North America (DME-Propane blends) will soon become a reality.

We have an abundant supply of cleaner domestically produced alternative fuel in this country. We have energy efficient and lower emission vehicles. We have expanding and low cost fueling infrastructure, we have industry support, and now we have a path to renewable fuel blends with DME.

While Propane has received an increase in funding in the last two cycles, the 2011/2112 investment plan provides \$19.5M for Natural Gas vehicles and infrastructure and only \$4.5M for Propane-Autogas, for a total of \$24M for gaseous fuels. We respectfully request that the CEC consider providing a more balanced investment strategy for Propane-Autogas (see table below).

Suggested Funding Area	Program Description	Amount	Allocation
Propane-Autogas Infrastructure	USDs & Sites with 24/7 Public Access	30% up to \$30,000	\$1.5M
Vehicle Incentive Program	School Bus - Type A and C	\$20,000/\$30,000	\$2M
Vehicle Incentive Program	Light-Duty & Medium-Duty, Non-School Bus	\$20,000/\$30,000	\$2M
Vehicle Incentive Program	Medium-Heavy-Duty, Non-School Bus	\$15,000	\$2M
Vehicle Development	Light & Med-Heavy-Duty Vehicles	30% CEC Cost Share	\$2M

Total: \$9.5M