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September 19, 2008

California Energy Commission
Docket Office, MS-4
Re: Docket 08-OIR-1, Committee Workshop
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET
08-OIR-1
DATE SEP 19 2008
RECD. SEP 19 2008

Dear Commissioners Boyd and Douglas:

On behalf of the propane industry in California, I would like to express my appreciation to the California Energy Commission (CEC) and the California Air Resources Board (ARB) for its work to increase the use of alternative and renewable transportation fuel as directed by AB 118. We respectfully submit the following comments regarding the Proposed Adoption of Regulations for the Administration of the Alternative and Renewable Fuel and Vehicle Technology Program, Docket 08-OIR-1.

Over the past two years, the propane industry has worked with CEC and ARB staff on the development of AB 1007 and AB 118 reports and programs. During that time, we have strongly supported the frequently voiced position that there is no "silver bullet" fuel that will achieve all of California's air quality goals, instead a "silver shotgun" approach was to be taken. As regulations and programs are developed to fund programs to spur the development and use of alternative and renewable fuels, the propane industry would encourage continued fairness and equity in judging which fuels will be good short- and long-term investments.

As the funding allocation approach is being determined, our industry would urge that a composite of fuel attributes be used to determine funding priorities. Using this composite will allow a more balanced opportunity to capture early benefits for affordable fuels currently available – such as propane – while still allowing investments to develop fuels for the future. We acknowledge that propane is not a perfect fuel. There are many other alternative fuels that offer far greater greenhouse gas benefits. However, many of those fuels are currently extremely expensive and still have many more years of research and development work ahead of them before they are widely available. Propane has been a viable engine fuel since the early 1900s in California (with more than 70 million gallons used yearly according to the American Petroleum Institute) and currently has mainstream vehicle offerings in several vehicle categories. And through millions of dollars of investments by the Propane Education & Research Council, several more vehicle offerings are expected in the near future. Furthermore, propane provides considerable cost savings to consumers over traditional gasoline and diesel, with almost a dollar per gallon savings even before consumers receive a 50-cent-per-gallon federal tax credit. Propane is a here-and-now solution to help California begin reaching its greenhouse gas reduction goals while other fuels are developed to their full potential.

California's propane industry looks forward to continuing our work with the CEC, ARB and AB 118 advisory committee for many years to come. It is our goal to make propane a valuable player in the state's long-term efforts to make transportation cleaner.

Sincerely,

Lesley Brown Garland
President and CEO