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Joint Integrated Energy Policy Report and
Transportation Committee Workshop on
Transportation Fuel Infrastructure Issues

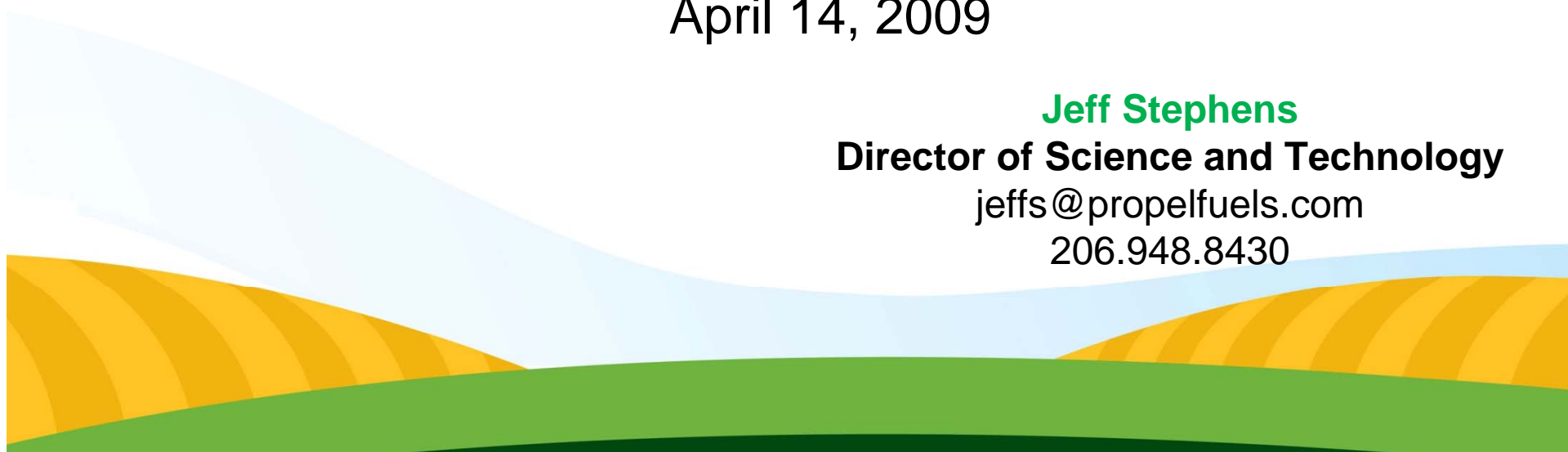
April 14, 2009

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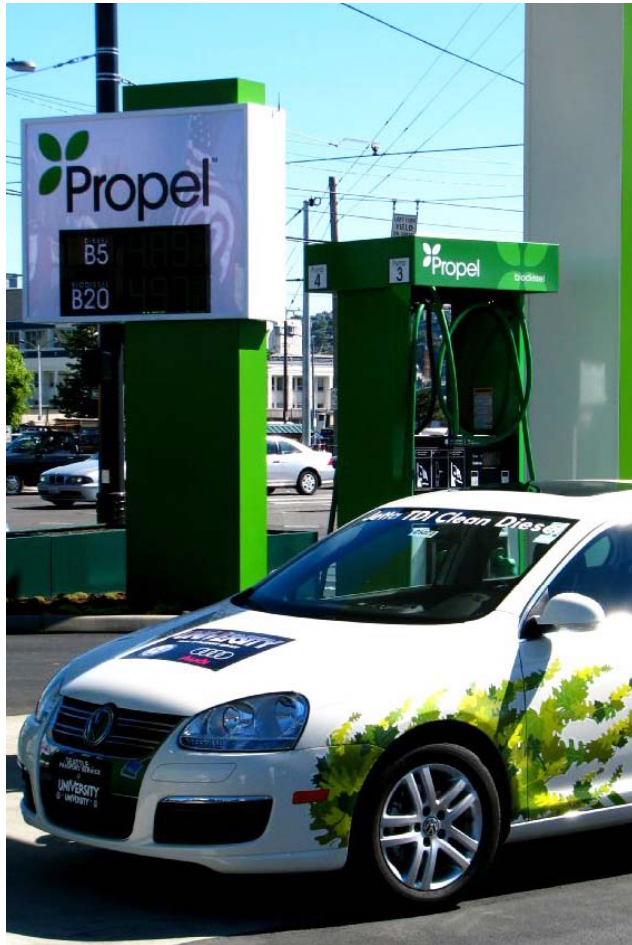
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Propel builds, owns, and operates
a network of low-carbon fuel
access points.





Propel's Mission

Provide
low-carbon fuels to
fleets and
consumers

Consumer participation
is a critical component
of any successful effort
to reduce GHGs.

FlexFuel and Biodiesel Now



Large Installed Vehicle Base:
400,000 Flex Fuel vehicles (E85)
Up to **5 million** in CA by 2022 *CEC



1 million diesel vehicles (Biodiesel)
Diesel passenger cars up 300% by 2015
(outpacing hybrids) *JD Power



Fastest Growing Clean Vehicle Segment



Underserved
Over 80% of fuel sold at public pumps

Future Fuels Platform



Barriers in California to Low Carbon Fuels and GHG Reductions



Citrus Heights



Rocklin



Elk Grove



Sacramento – Folsom Blvd



Sacramento -
Florin Ave

E85

Lack of UL listing for E85 dispenser and inconsistent CUPA enforcement.

Creates a major business risk for retail deployment.

Other states - have issued state-wide variances or provided guidance for local authorities.

More than 2000 e85 stations with no failures.

Recommendation – State Fire Marshall investigate UL listing issue and safety aspects of E85 dispensing and issue state-wide variance or provide guidance to local authorities.

Biodiesel

State Water Resource Board prohibition of biodiesel in Underground Storage Tanks – require 3rd-party testing of compatibility.

Current limited to B5 in USTs. B20 or greater for EPACT compliance.

Other states – many have no requirement for switching from diesel to B20. Federal law, no requirement for 3rd party compatibility.

Recommendation – Immediate passage of emergency regulations to allow up to B20 in double-wall USTs. Expedite or eliminate requirement for 3rd-party testing.

Thank you!



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