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09-IEP-1K	
DATE	<u>April 14 2009</u>
RECD.	<u>April 14 2009</u>

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

April 14, 2009

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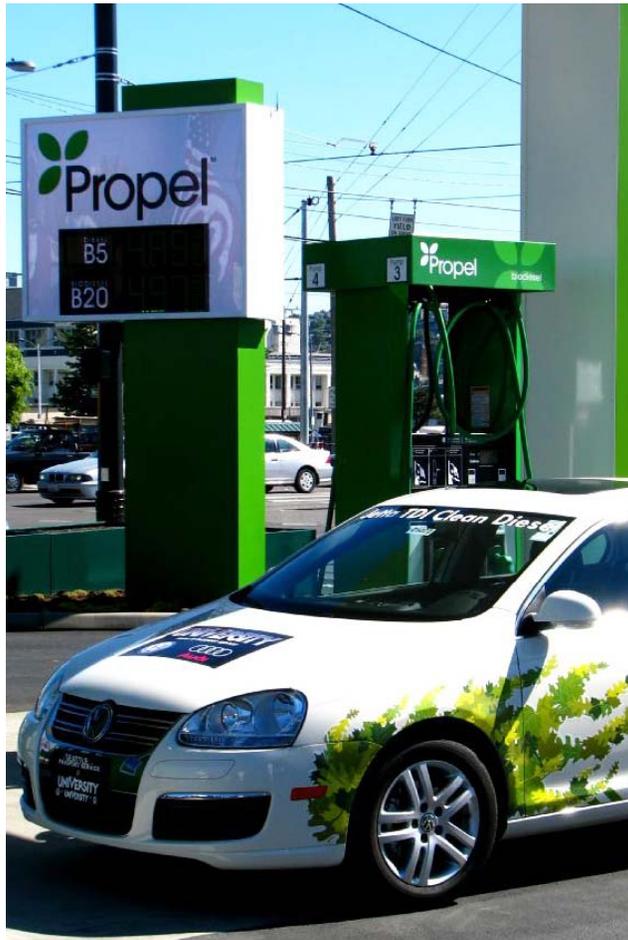
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Propel builds, owns, and operates a network of low-carbon fuel access points.





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



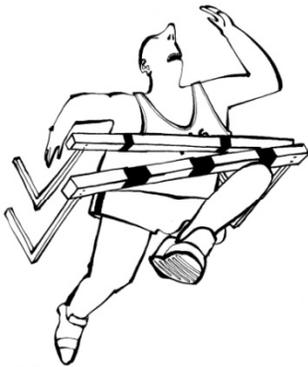
✓ Large Installed Vehicle Base:
400,000 Flex Fuel vehicles (E85)
Up to **5 million** in CA by 2022 *CEC

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

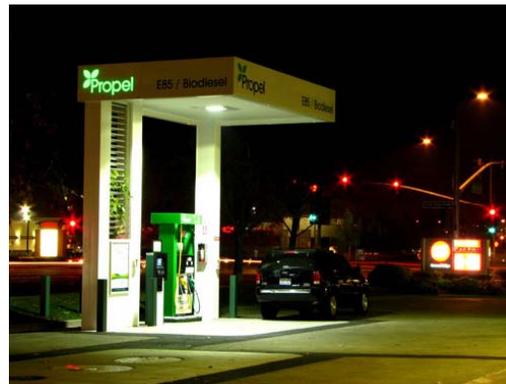
✓ Future Fuels Platform



Barriers in California to Low Carbon Fuels and GHG Reductions



Citrus Heights



Rocklin



Sacramento -
Florin Ave



Elk Grove



Sacramento – Folsom Blvd

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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