

DOCKET

09-ALT-1

DATE SEP 14 2009

RECD. SEP 23 2009



CEC Biofuels Workshop
September 14, 2009

Rob Elam, President
propelfuels.com



Propel Mission

**Provide public
access to
low-carbon fuels
for California fleets
and consumers**

Building public access 2009



Citrus Heights



Rocklin



Elk Grove



Sacramento – Folsom Blvd



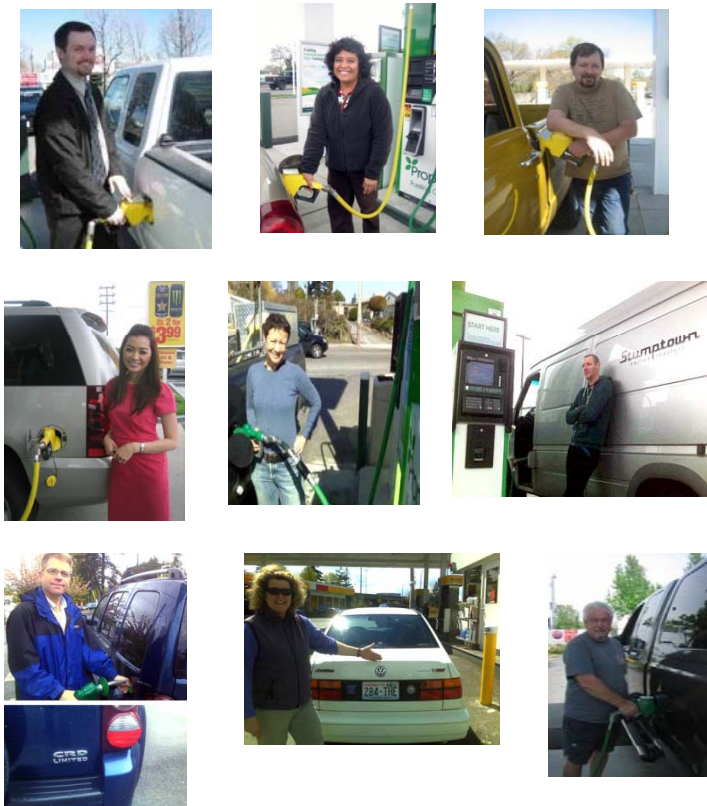
Sacramento
Florin Ave

Engaging California drivers

Fleet Market

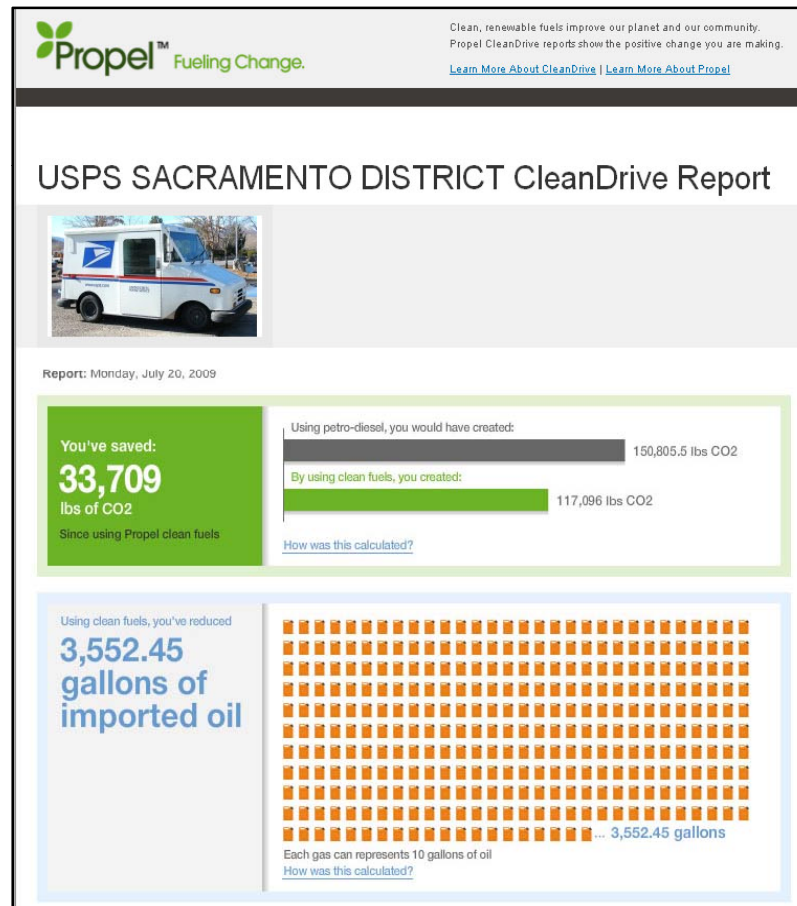


Consumer Market



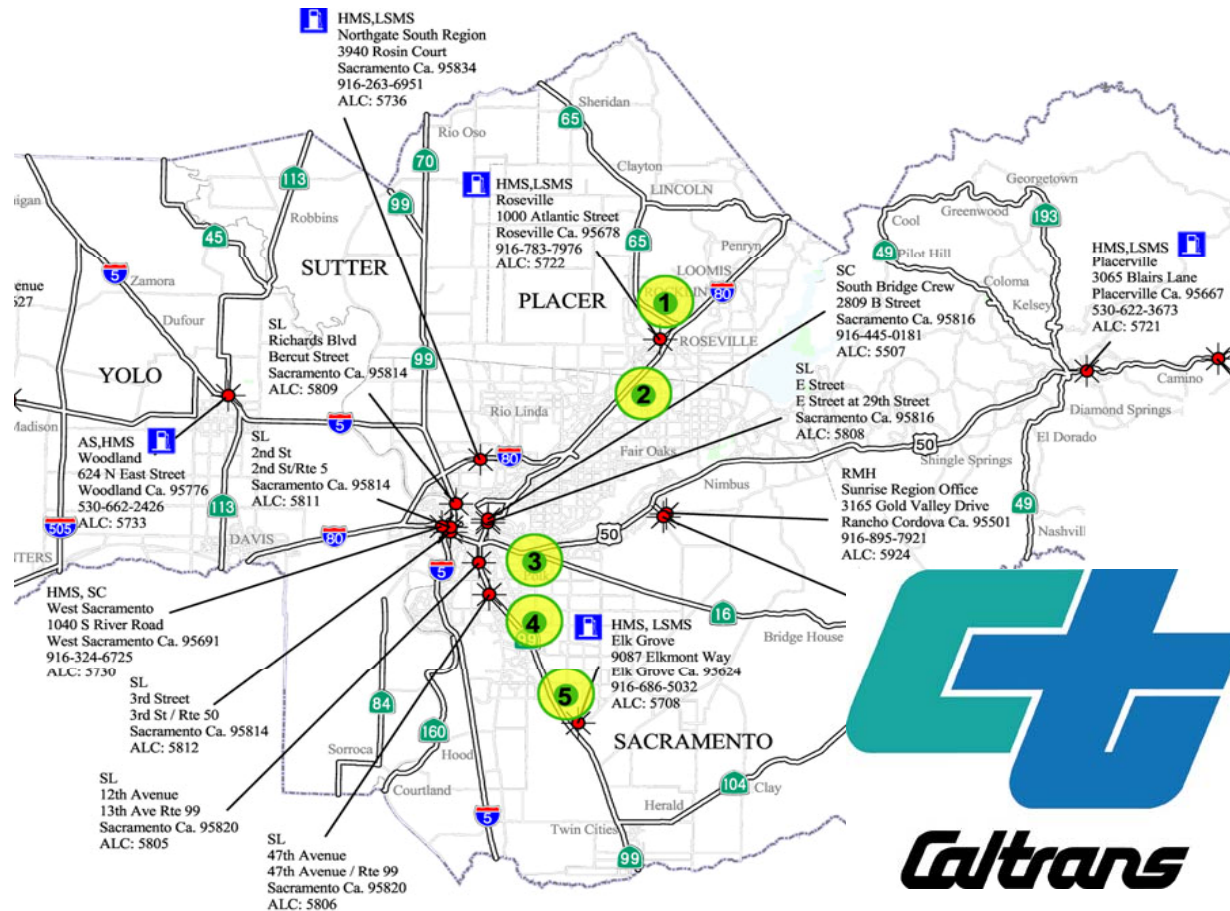
USPS & Propel

Fleet-wide AlternativeFuel program and GHG tracking Registering 800 vehicles with Propel CleanDrive



CalTrans & Propel

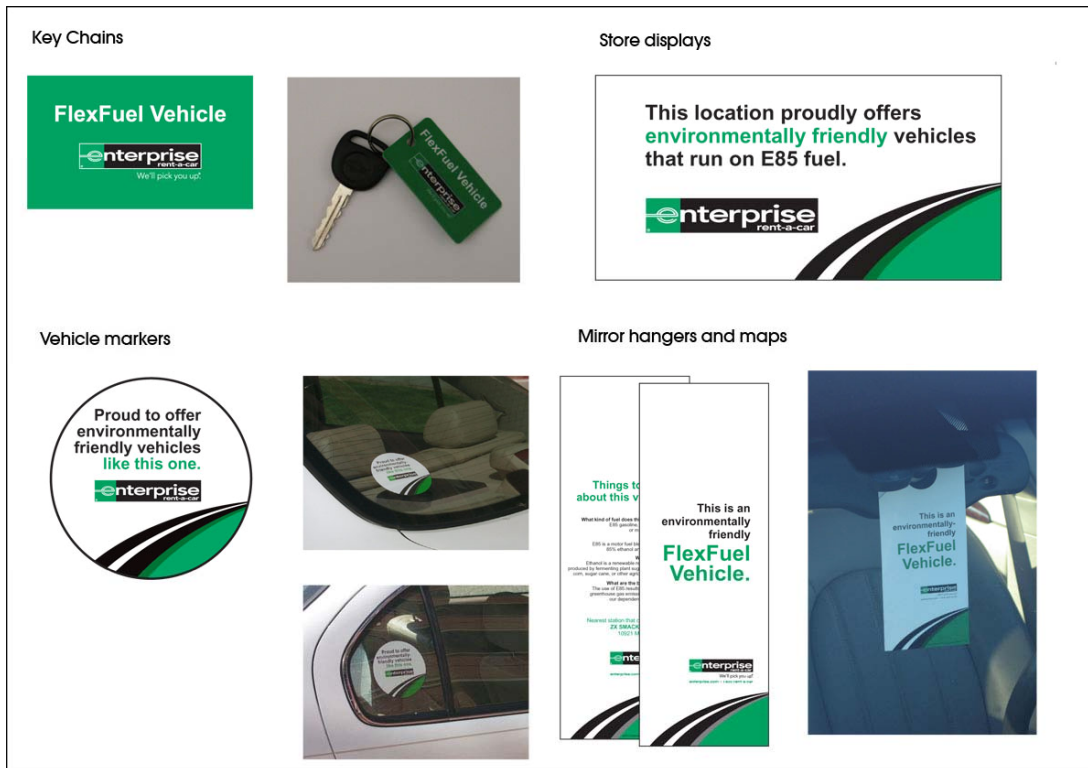
Alt Fuel Program Successfully met 10% goal.



CalTrans Approved District 3 Locations

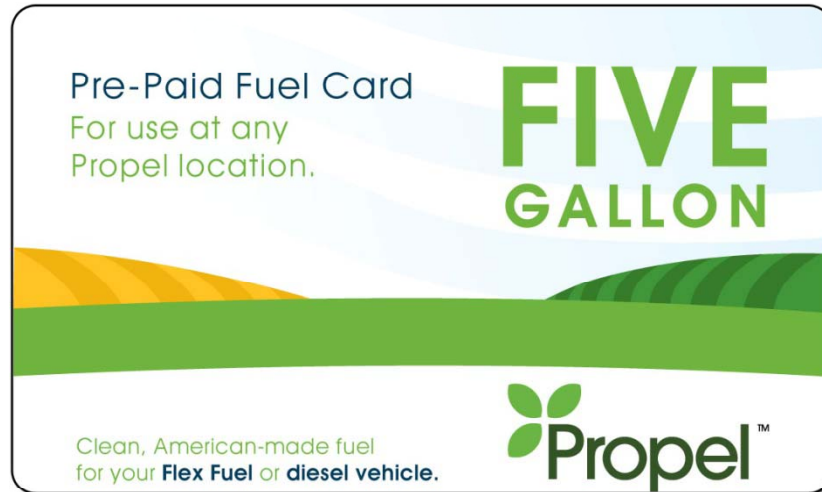
Enterprise Partnership

America's Largest FFV Rental Fleet



- In-store Customer Awareness campaigns
- Pilot Program includes 11 Enterprise locations across Sacramento
- State-wide expansion in development

Chevrolet & Ford Dealerships



- Increase awareness for Alt Fuels
- Provide dealership support and credibility
- **Free Fuel Card:** co-promote with sales and service departments



Local Conservation Corps

Creating Meaningful Green Collar Jobs



- Launched green collar Job Training Program
- Plan to expand state-wide

Consumer Survey

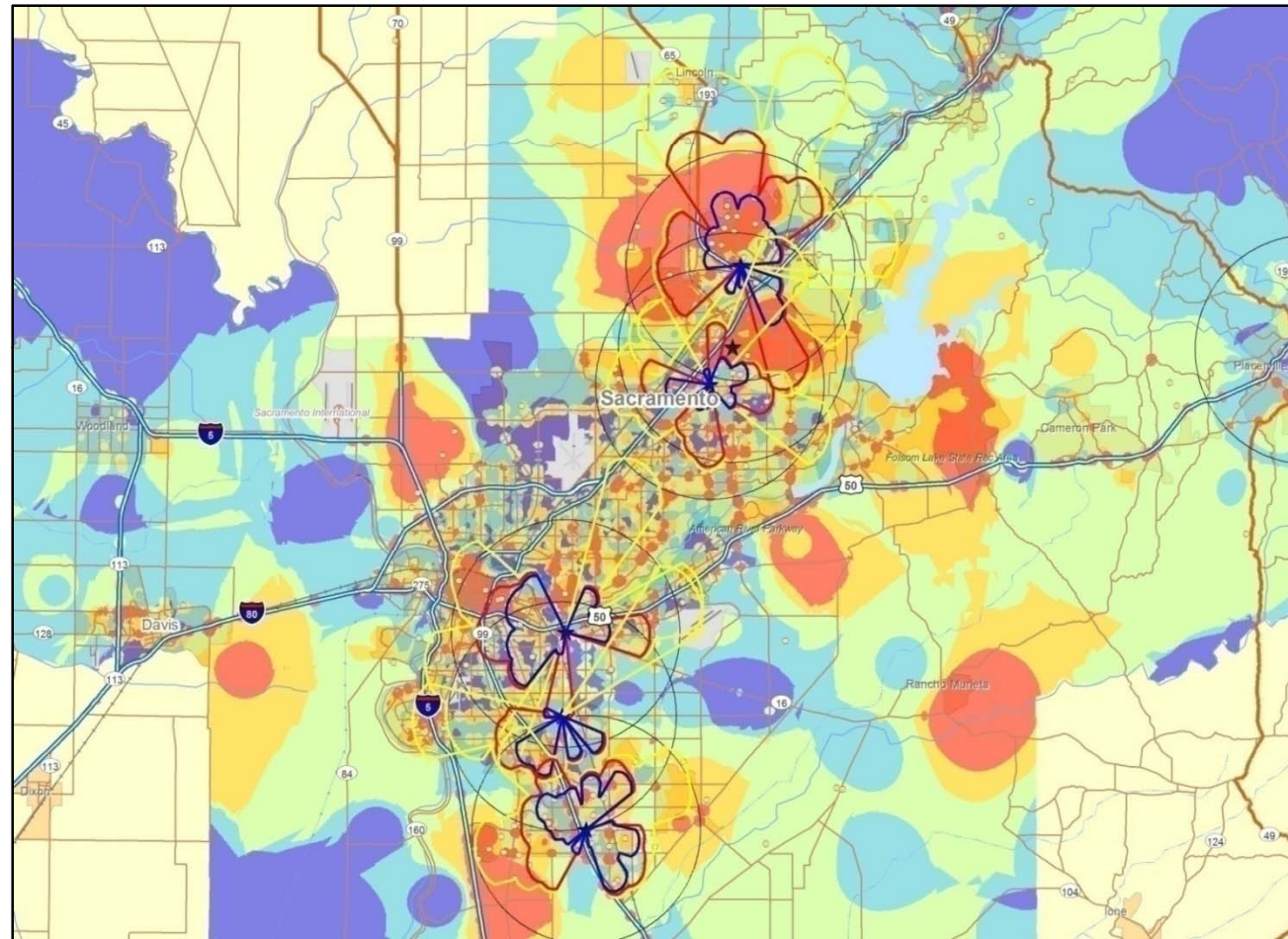
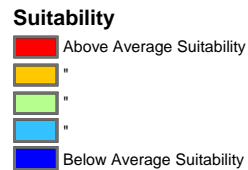
Alternative Fuel Use Analysis



- Completed the most comprehensive alternative fuel consumer survey in state of CA
- Project in coordination with Sacramento State Career Center

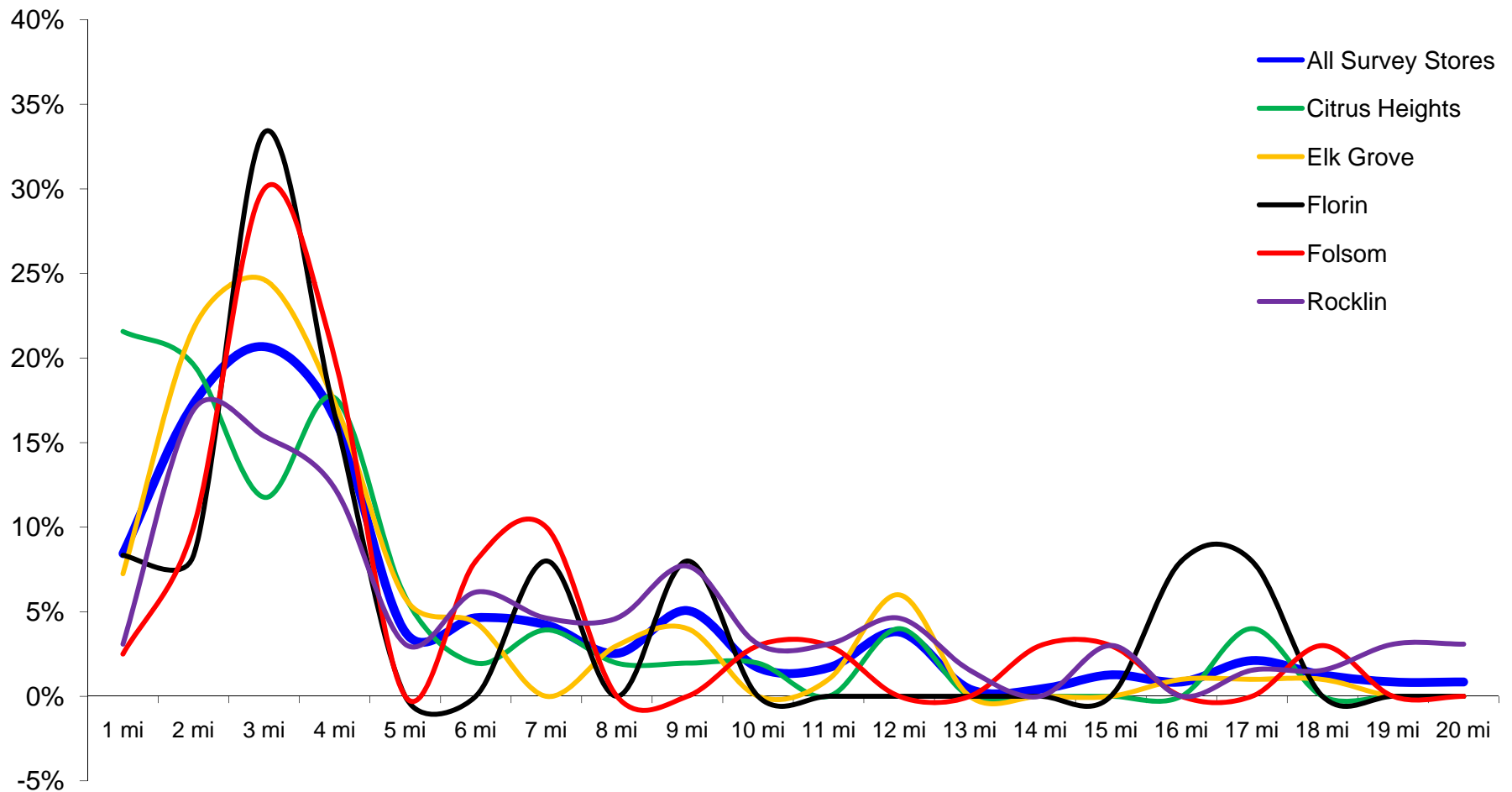


Clarify Alternative Fuel Use Patterns



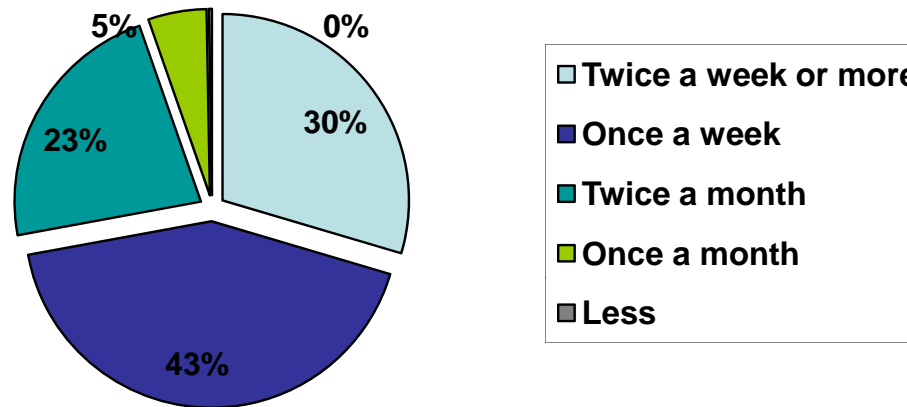
Distance Sensitivity

How far customers will travel for Alt Fuels

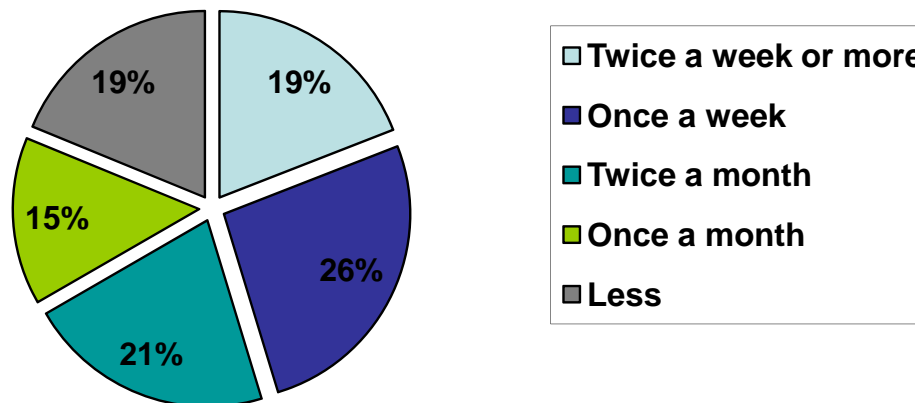


Frequency of Alt Fuel Use, Loyalty patterns

How many times do you fill-up, in an average month?

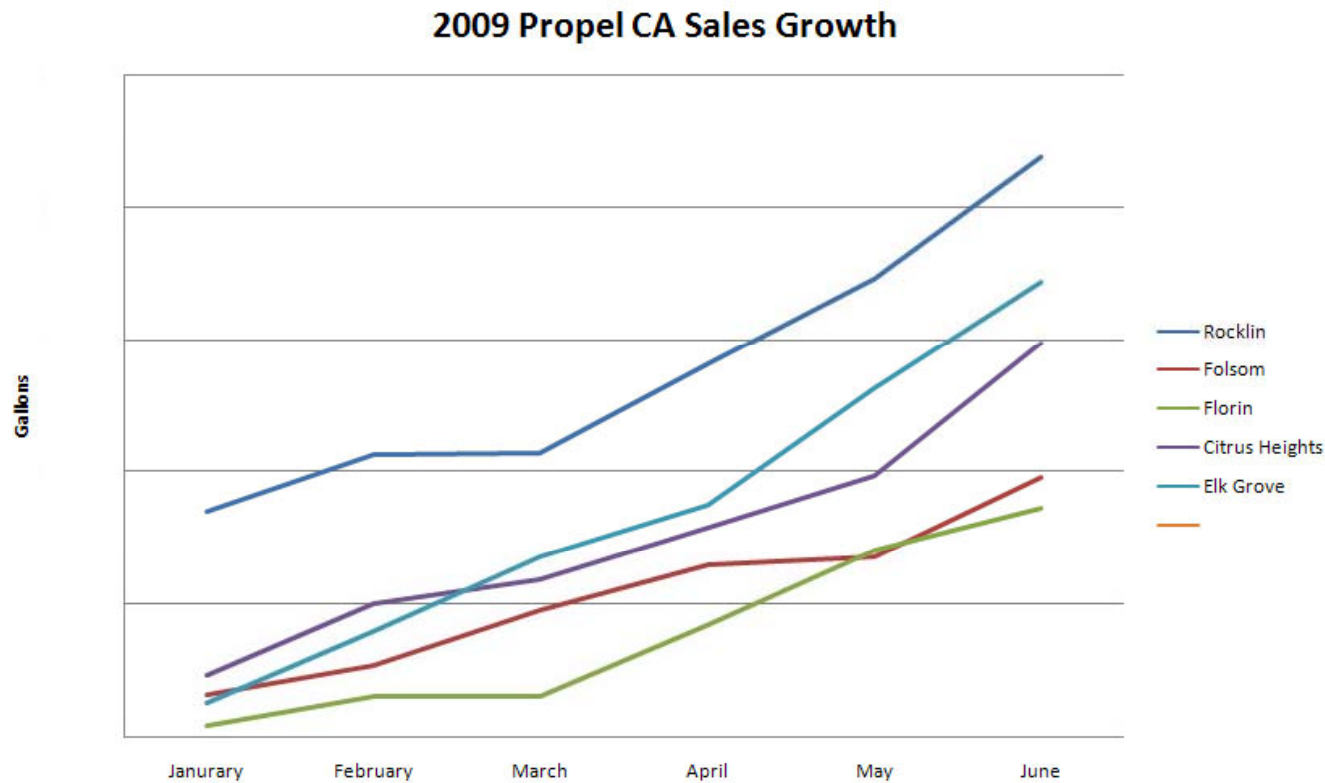


Of those fills, how often do you fill-up with Alternative Fuels?



California is Embracing Alternative Fuels

Month of over month volumes are rising.



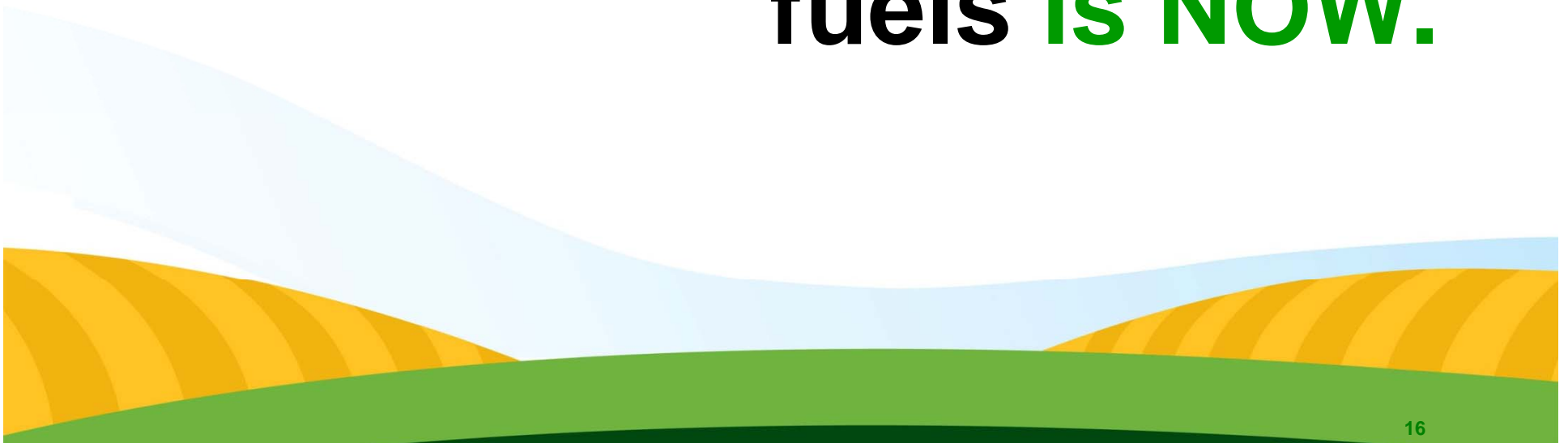
Building a Low-carbon Fuel Platform

Today's Alternative Fuels E85 & Biodiesel

Building markets for future fuels: algae, cellulosic, H2 & EV



**The Opportunity to build
viable, long term end-user
markets for low carbon
fuels is NOW.**



Making progress, but...

Where is AB118?



Zero Dollars AB118 has provided no support towards stated goals.

- Award timelines have been repeatedly delayed.
- Opportunity lost due to DOE/ARRA match strategy.
- Clean tech VCs and Private investment very concerned about the AB118 process and what future holds.

Headline: Industry experts question where stimulus funds are going.

Mohr Davidow Ventures Partner Marianne Wu said “... companies receiving stimulus funds need to be able to have a long-term competitive impact.”

ARRA is “throwing money at the wrong kinds of industries.”

Cleantech Forum XXIII in Boston, Sept 9th

VC and Private Capital **will invest alongside AB118 funds. IF...**

- CEC is aligned with AB118 stated goals, and actual funding awards.
- CEC needs to do appropriate diligence before awarding dollars, and have transparent process.
- CA has world's largest concentration of Clean Tech investors- why not leverage towards achieving AB118 goals.

ARRA/DOE and AB118 Cost Share?

Question:

Are cost share winners the top scoring proposals in AB118 program? Are CA fees funding projects not aligned with AB118 goals?

Recommendation:

Hit pause button, fund best AB118 projects as evaluated by staff. California sovereignty for CA funds. Why abdicate decision making process to DOE.

Retail infrastructure recommendations

- Support public alt fuel location build out statewide-last mile required for true impact to happen.
- Cost share risk associated with retail build out as market for alt-fuels grows. We are building ahead of the market (chickenoregg).
- Support the most viable ideas and companies.

Discussion



Rob Elam, President
propelfuels.com



Informational Slides



Need a New Retail Model

to overcome barriers to Alt Fuels

- Propel builds, owns and operates
- Scalable infrastructure deployment
- 100% focus on alt-fuels
- Market to alt-fuel customers
- Efficiencies of scale



And a Scalable Approach

The Propel Clean Fuel Point fueling platform

- ✓ Green Design: limited space required, low power draw, flexible location options
- ✓ Fast to Deploy: prefabricated, multi-configurations, three week build
- ✓ The Best Locations: 8-12 year Agreement with Property Owner



Find The Best Locations

Data Driven Decision Process: Data model developed by Propel. Informed by Propel board member Arthur Rubinfeld, Global President of Starbucks.

Model based on customer metrics:



Vehicle Counts



Traffic Patterns & Demographics



Drive Times

Identify the Right Markets

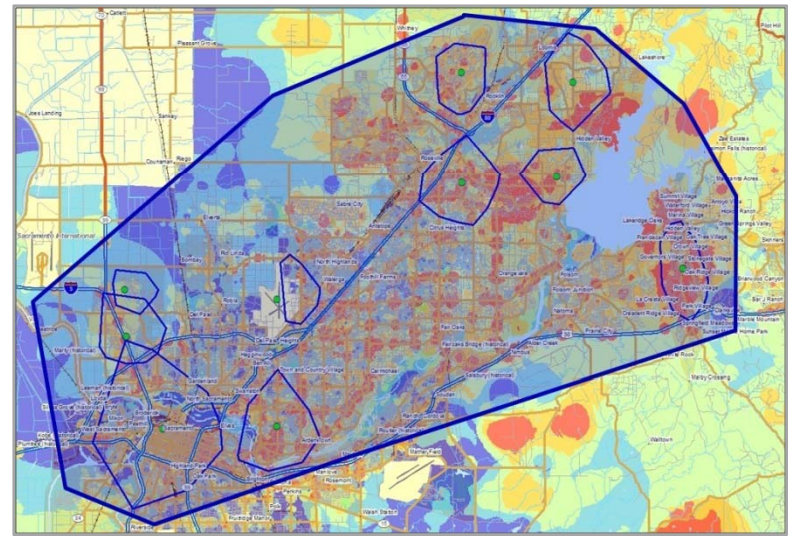
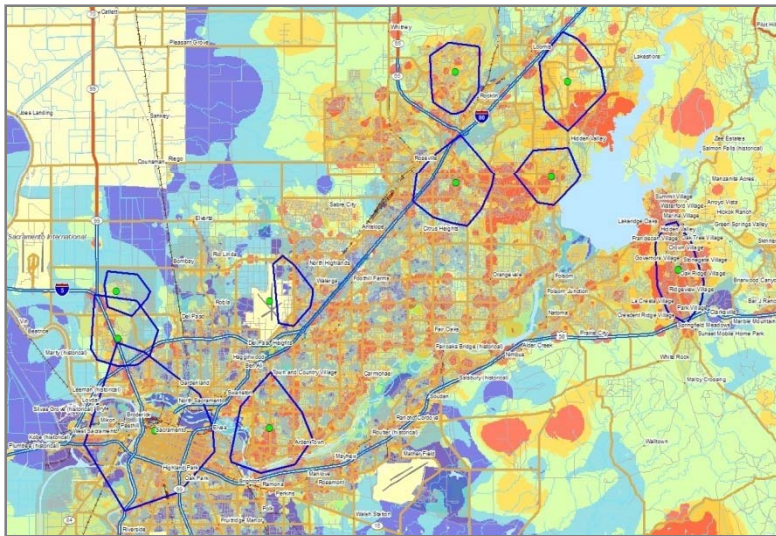
Define Market Holding Capacity

Markets ranked by the number of alt-fuel stations they can effectively support

Sample Market Location	Market Ranking
Los Angeles-Long Beach et al, CA	1
Riverside et al, CA	2
San Francisco-Oakland et al, CA	3
San Diego-Carlsbad et al, CA	4
Sacramento--Arden et al, CA	5
San Jose-Sunnyvale et al, CA	6

Clusters not Corridors

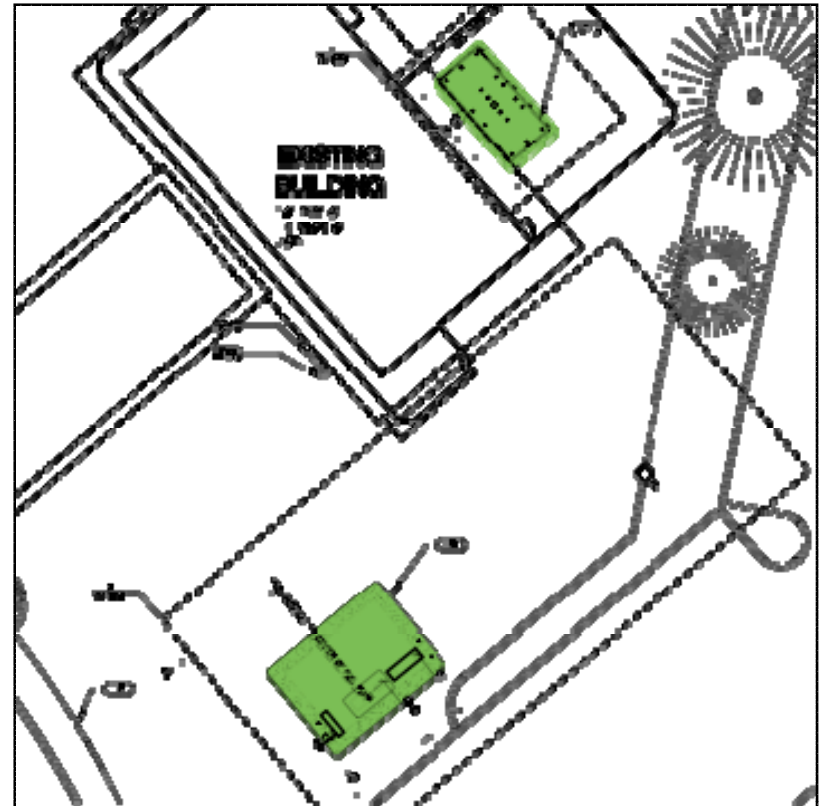
Clusters form by grouping effective trade areas.
Trade areas defined by vehicle density mapping,
drive times and market holding capacity



Permit & Build

Project Management skills and expertise

- ✓ Large scale deployment and resource allocation.
- ✓ Regulatory & Permitting know-how.
- ✓ OEM and Mfr. Relationships
- ✓ Sacramento based HQ



Site Commissioning and Launch



Building a Clean Fuel Brand



 **Propel**TM
Fueling Change.



 **Propel**TM

Propel Fleet Services

provide complete fuel management tools



Working to solve Voyager reporting issues: CalTrans, DGS, USPS



Propel Customers

Monitor GHG Reductions

via CleanDrive™ Personalized CO₂ Reporting

✓ Track emission reductions
for using low-carbon fuels



✓ Compatible with entire
Propel station network



Compliance reporting

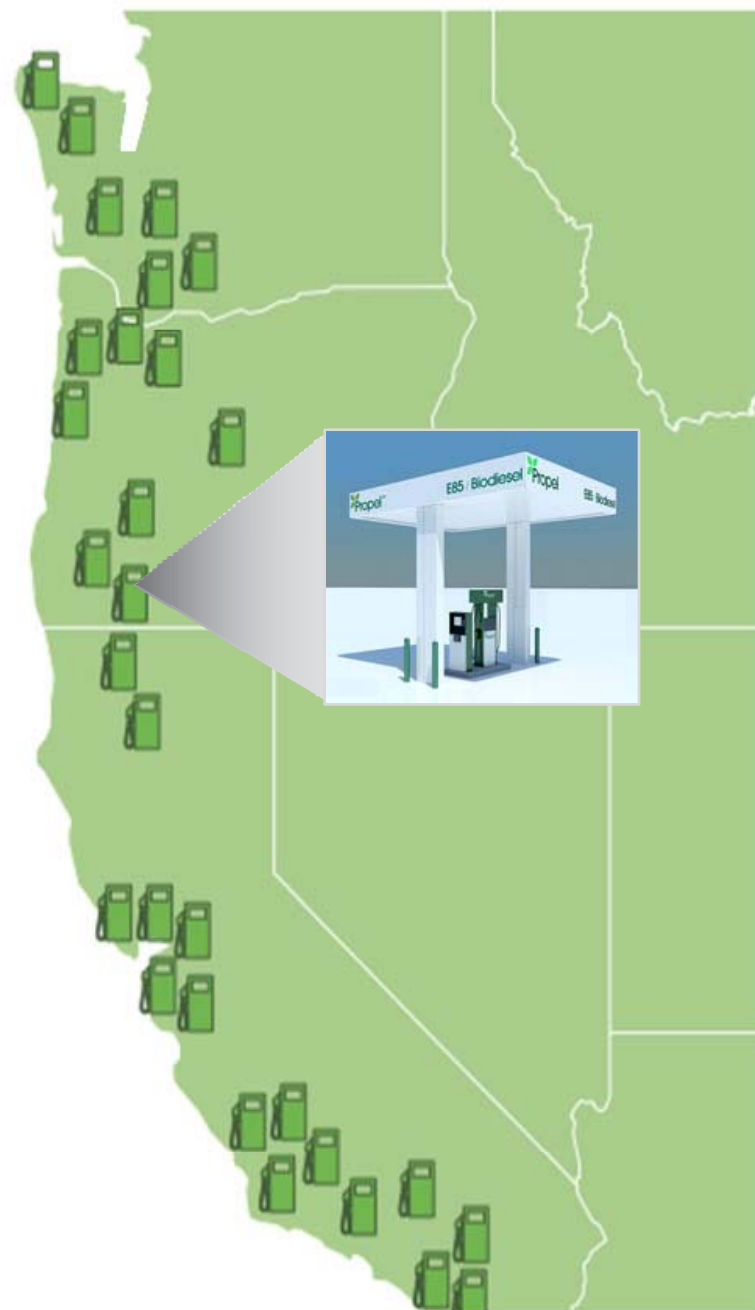


Building access for our Customers



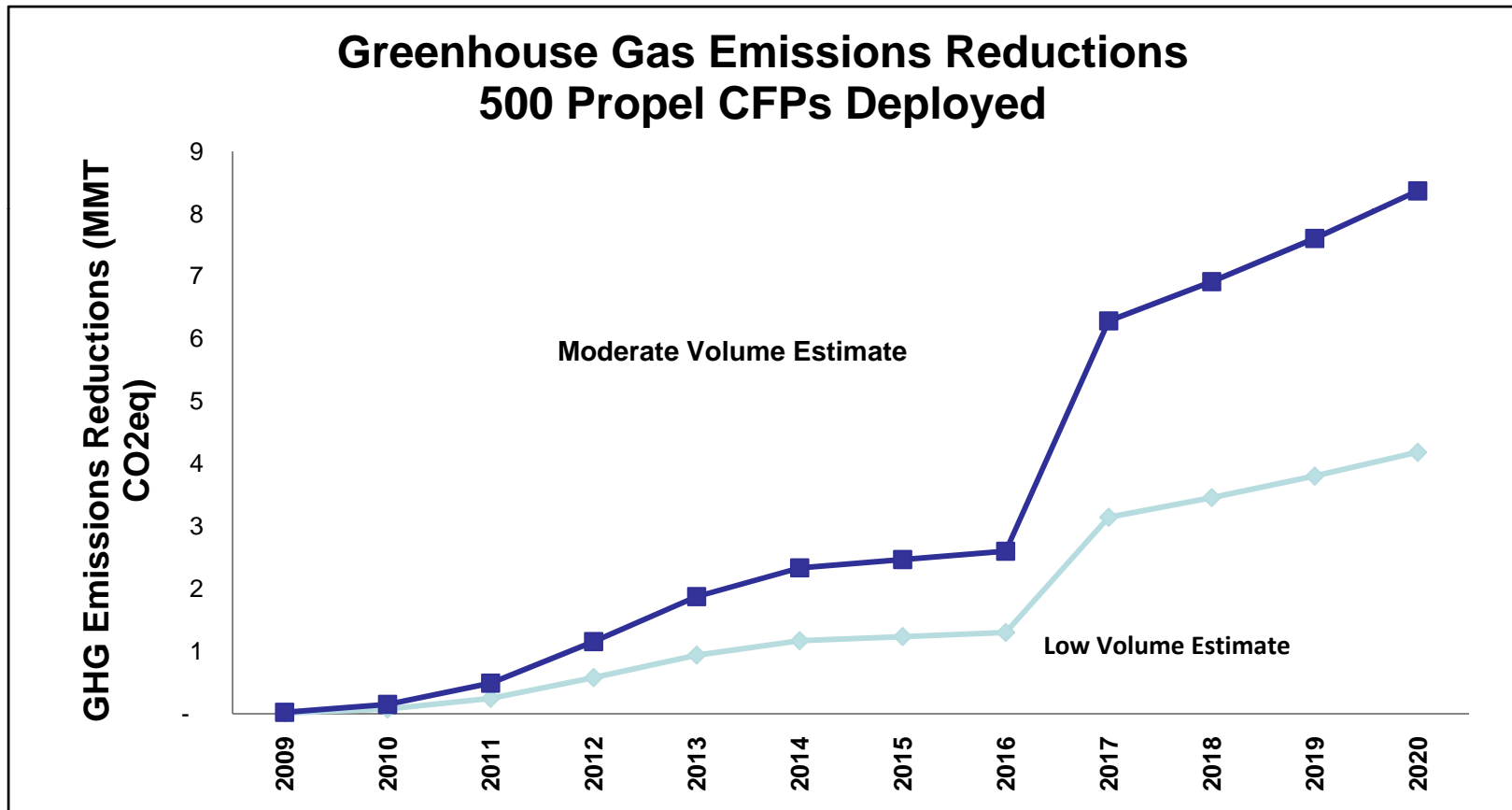
Propel CA 500 Station Plan

- ✓ 500 stations in 5 years
 - ✓ Market based rollout strategy
 - ✓
 - ✓ Alt-fuel platform & quantification tools
- Partnerships with key CA public fleets



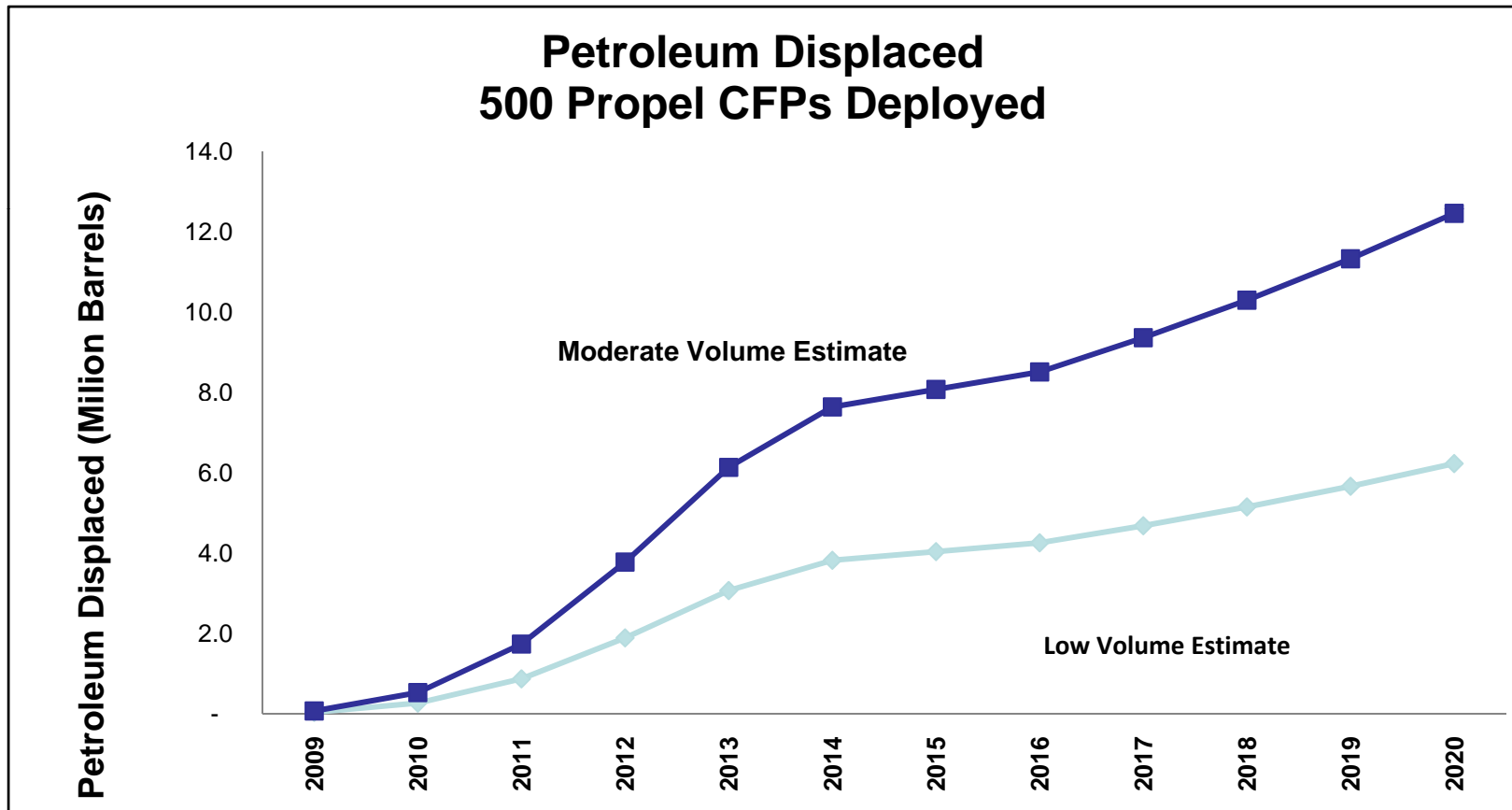
GHG Reductions

Deployment of 500 CFPs reduce between 4 and 8 million tons of GHGs per year



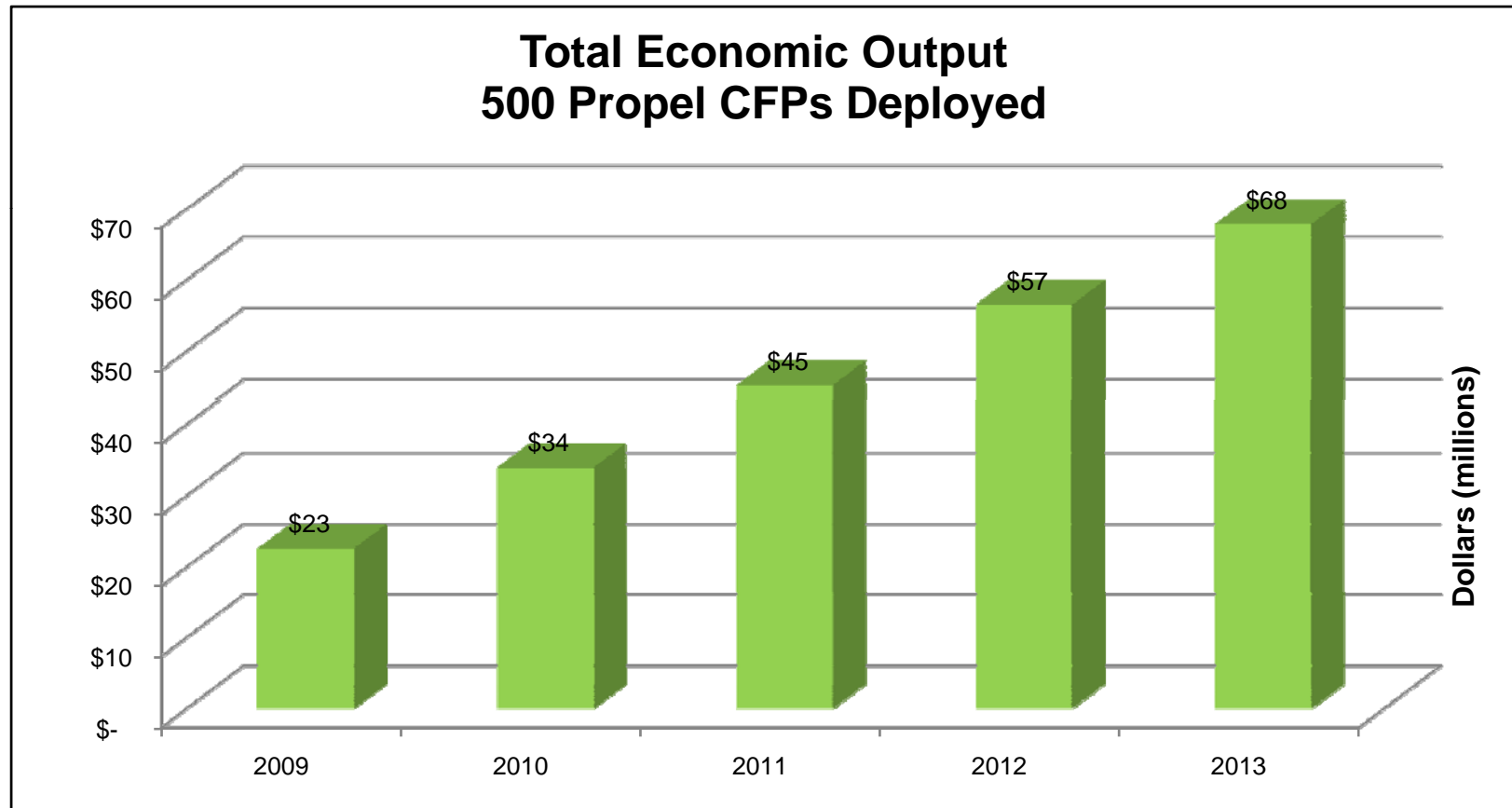
Petroleum Displacement

Deployment of 500 CFPs can displace 6 to 12 million barrels per year of petroleum-based fuel



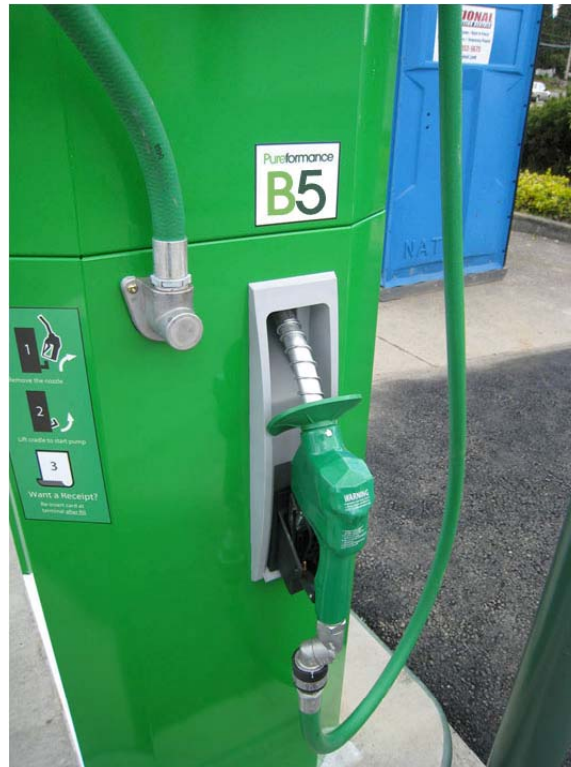
Economic Benefits

Economic output of more than \$200 million
with creation of over 2600 jobs



Building a Low-carbon Fuel Platform

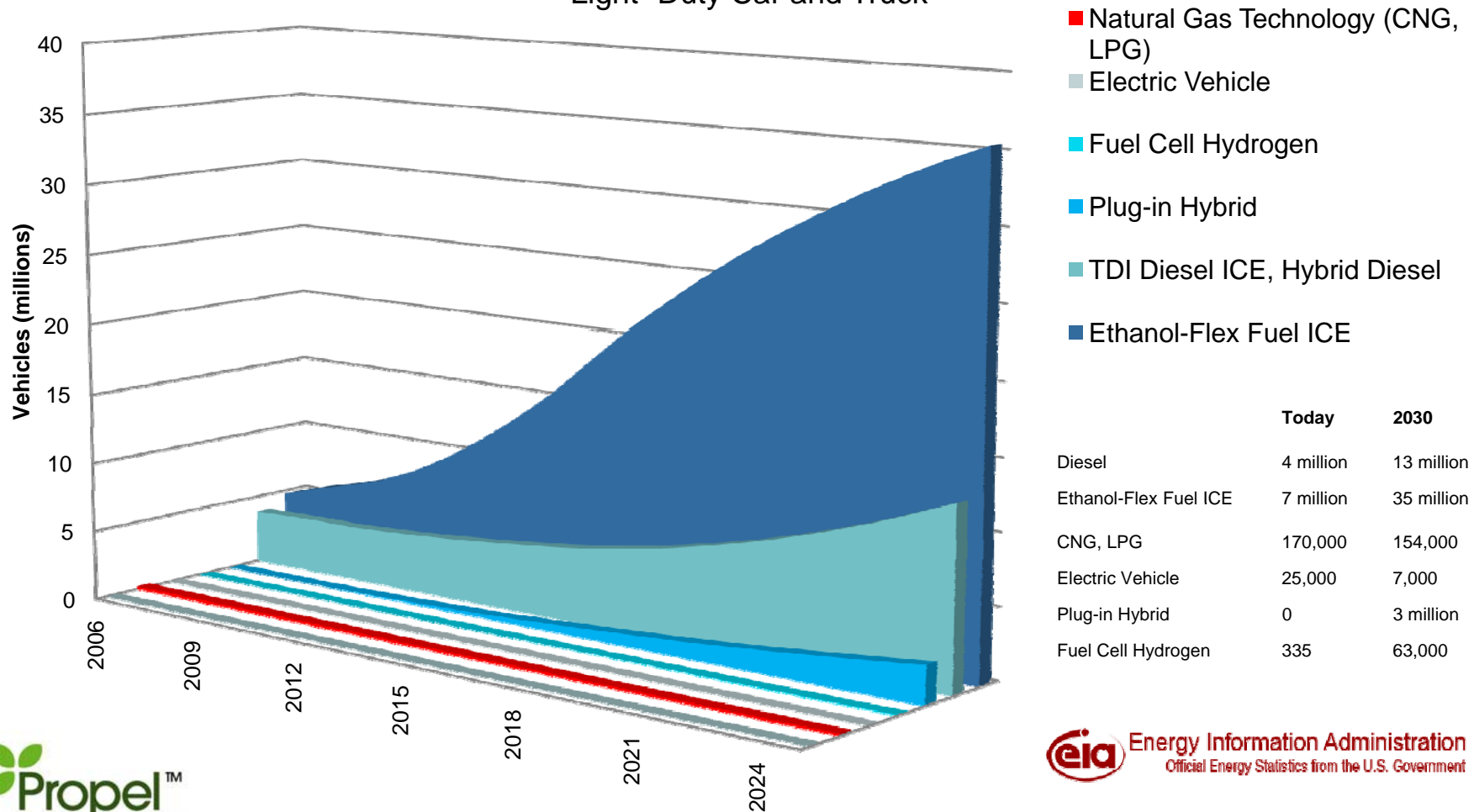
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Bridging to future fuels: algae, cellulosic, H2 & EV



U.S. Alt Fuel Vehicle Projections

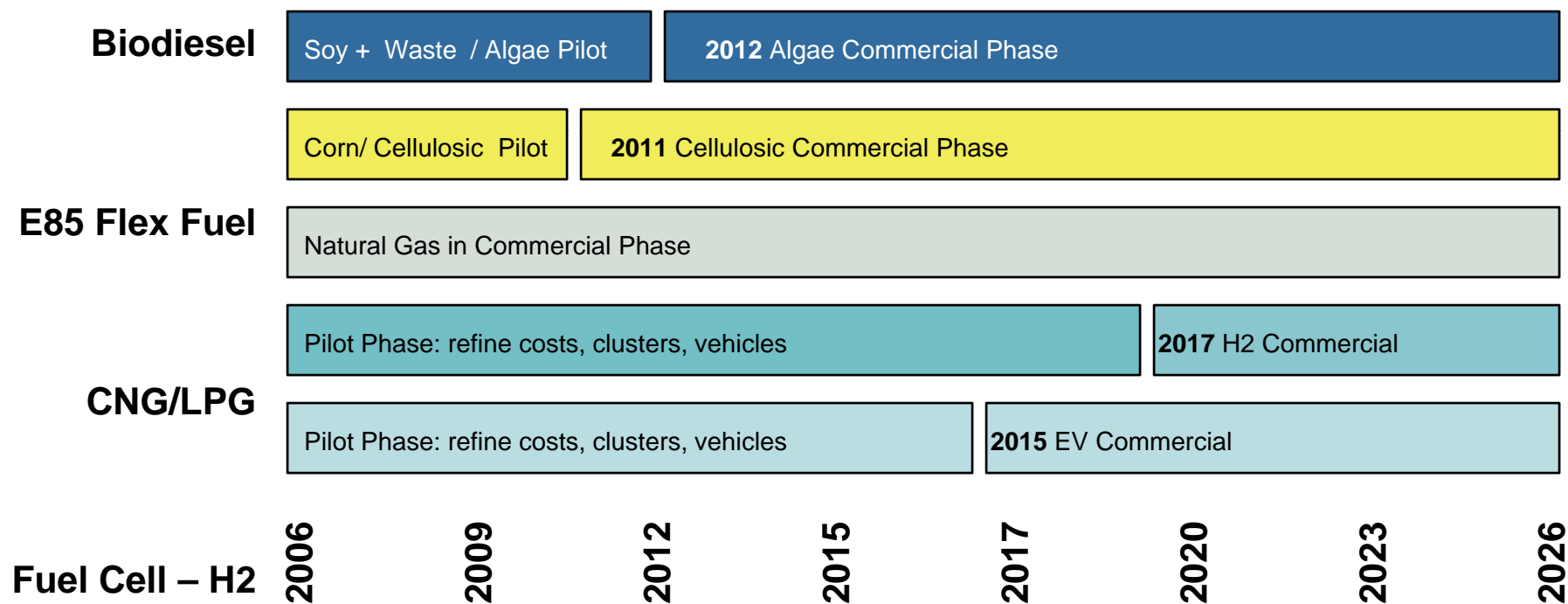
Department of Energy, 2008

Alt-Fuel Vehicle Stock by Technology Type
Light- Duty Car and Truck



Next Generation fuels

Implementation timelines





More Information

Propel Fueling Locations:

www.propelfuels.com

Clean Drive Demo:

propelfuels.com/cleandrive_demo

Contact:

Rob Elam, President

Direct: 206.979.5294

rob@propelfuels.com

