



OFFICERS AND MEMBERS OF EXECUTIVE COMMITTEE

CHAIRMAN OF THE BOARD
Brent Wingett
Central Coast Propane
PO Box 3152
Paso Robles, CA 93447

VICE CHAIRMAN
Dan Binning
AmeriGas
9384 West Hinsdale Place
Littleton, CO 80128

SECRETARY-TREASURER
Pat Walker
Triple "R" Gas
11985 Tyler Road
Red Bluff, CA 96080

IMMEDIATE PAST CHAIRMAN
Dwaine Goodwin
TEECO Products, Inc.
16881 Armstrong Avenue
Irvine, CA 92606

PRESIDENT AND CEO
Lesley Brown Garland
WPGA
2131 Capitol Avenue, Suite 206
Sacramento, CA 95816

2131 Capitol Avenue, Suite 206 • Sacramento, CA 95816-5755 • (916) 447-9742 • FAX (916) 447-9740 • TOLL FREE (888) 447-9701

February 19, 2010

California Energy Commission
Docket Office, MS-4
Re: Docket 09-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET	
09-ALT-1	
DATE	<u>FEB 19 2010</u>
RECD.	<u>FEB 24 2010</u>

Dear Vice Chair Boyd and Commissioner Eggert:

On behalf of the propane industry in California, I would like to express my appreciation to the California Energy Commission (CEC) for its work to increase the use of alternative and renewable transportation fuel as directed by AB 118.

Our industry is extremely appreciative of the funding allocation provided for propane vehicles in the *2010-2011 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program*. We believe the proposed investment plan allows a balanced opportunity to capture early benefits for affordable fuels currently available – such as propane – while still allowing investments to develop fuels for the future.

I am pleased to announce that the propane industry anticipates launching a program that would provide funds in addition to the AB 118 program to further incentivize the purchase of and conversion to propane vehicles. This program, co-funded by the Propane Education & Research Council and the Western Propane Education & Research Council, could launch as soon as summer 2010. When this program comes to fruition, we would like to work with the California Energy Commission to coordinate our efforts to streamline the incentive process for potential propane vehicle purchasers.

As we suggested during the development of the 2009-10 Investment Plan, we would request the plan also put emphasis on the development of additional technologies in the propane and natural gas market along with the incentive funding.

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 80 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.

Our industry is grateful for the collaborative relationship we have developed with the Commission staff and look forward to continuing our work with you for many years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Lesley @ Q". The signature is fluid and cursive, with the first part resembling "Lesley" and the second part being a stylized monogram or initials.

Lesley Brown Garland
President and CEO