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DOCKET

10-ALT-1

DATE	FEB 21 2011
RECD.	FEB 21 2011

February 21, 2011

California Energy Commission
Dockets Office, MS-4
RE: Docket No. 10-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: 10-ALT-1-2011-2012 Investment Plan – Northern California

Dear Sirs:

Thank you for the opportunity to comment on the Pilot Demonstration Project titled "Propane Auto-Gas Deployment" as submitted by NoRTEC. Ferrellgas is a major retailer of propane gas in the State of California and the second largest in the United States. Ferrellgas supports this pilot program and urges the California Energy Commission to fully fund the project.

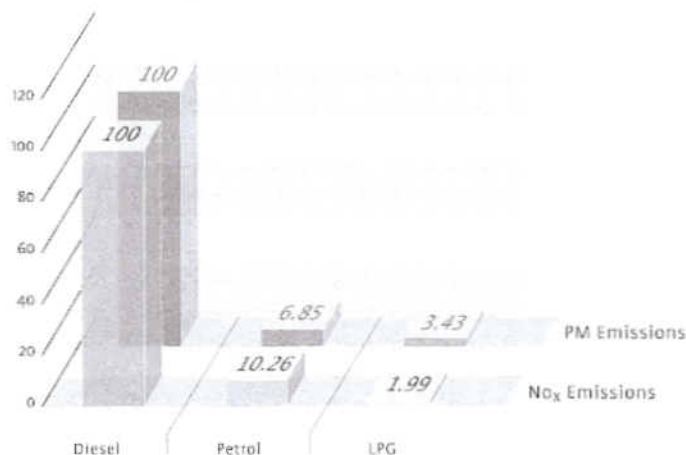
Ferrellgas believes that propane autogas holds strong potential for low cost and rapid deployment of alternative fuel stations and vehicles in California. Just this week a major automotive original equipment manufacturer (OEM) RoushClean Tech announced that the California Air Resources Board issued an executive order approving model year 2010 and 2011 Ford E-450 cutaway trucks with the 6.8L 2V engines. Roush also stated that over the next couple of weeks they will receive CARB approval on the Ford E-150 / 250 / 350 series passenger and cargo vans. These vehicles are common fleet vehicles and have been successfully deployed in non-CARB states.

Furthermore propane autogas fuel infrastructure is one of the least costly to install and upgrade. These proposed stations will fill vehicles at the same gallons per minute rate as gasoline.

Propane autogas has a positive environmental impact. When considering the full fuel cycle there is a considerable reduction in CO₂ emissions when compared to traditional fuels. Propane is non-toxic, is not a groundwater contaminate, and if released in the atmosphere breaks up twenty-five times faster than natural gas and is not considered a greenhouse gas. Ferrellgas uses low emission fuel nozzles on all autogas dispensers to virtually eliminate fugitive emissions. Propane autogas also reduces particulate

matter (PM) and reduces NO_x emissions. See Figure 1 (Source: *Health Effects and Costs of Vehicle Emissions*, World LP Gas Association, 2005).

Figure 1 Average Relative PM and NO_x Emission Rates for Diesel, Petrol and LPG Variants of Same Vehicle Models



Propane Autogas is a domestic fuel with more than 50% of the feedstock coming from natural gas. About 90% of the US supply is produced in Texas and the US is a net exporter of propane.

Ferrellgas currently works with the State of California as we have a state bid award for propane. We are able to service all of the counties in the NoRTEC territory. We stand ready to assist the State of California and NoRTEC with new site installations, site upgrades, end-user training and identifying potential fleets for conversion to propane autogas.

If I can be of any assistance to the Commission please do not hesitate to contact me.

Respectfully,

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