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March 25, 2011

Todd R. Campbell, MEM, MPP
Director of Public Policy

DOCKET

10-ALT-01

DATE	MAR 25 2011
RECD.	MAR 25 2011

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

Re: 2011-2012 Investment Plan Draft Staff Report – Docket 10-ALT-1

Dear Investment Plan Team:

Clean Energy is very appreciative of the Energy Commission's strong support of the Natural Gas Vehicle Industry under the AB 118 program. As a California-based company now with 125 California employees and over 210 natural gas stations nationwide that fuel roughly 21,000 vehicles daily, we believe the Energy Commission's investment in our Industry is not only justified, but making a huge difference in the healthy development of natural gas as a transportation fuel. Clean Energy is also investing significant capital resources in renewable natural gas (RNG) production as we see this fuel adding additional greenhouse gas benefits to natural gas in a world that is growing increasingly concerned about carbon. Clean Energy, as a fuel provider and a renewable fuel producer, is committed to the Energy Commission and to the state of California to make natural gas vehicles work as a strategy not just for the near- or mid-term, but also for the long-term.

Investing in High Volume NGVs should be the Commission's Highest Priority.

After reviewing the 2011-2012 Investment Plan Draft Staff Report, we wanted to provide you with the single most important comment that our company could make: incentive funding for natural gas vehicles, particularly high fuel use vehicles, should receive the highest priority for AB 118 program funding. Not only do high volume vehicles create a significant demand for the production of low and ultra-low carbon fuels, these vehicles displace a significant volume of foreign oil that serves as the baseline for California's Low Carbon Fuel Standard. In other words, by investing in high volume natural gas vehicles, you are supporting both the Low Carbon Fuel Standard and improving the state's energy security goals by displacing high carbon gasoline and diesel.



Furthermore, by placing the majority of the AB 118 funds allocated for our Industry toward vehicles over stations, the Energy Commission will achieve two additional goals that are critical to the growth of our Industry: (1) the need for more natural gas fueling facilities that can be built without government subsidy and (2) the creation of market signals that encourage original equipment manufacturers to provide more product line. In other words, by placing more funds behind vehicles, fueling stations will be created without subsidy to support them and those stations will be both strategic and sustainable on their own because the vehicles will provide such stations the volume required to become good private investments. Further, more AB 118 funds allocated toward vehicle incentives sends a strong message to OEMs that California is serious about natural gas transportation and leads to the development of more product line that meets the needs of more fleets.

As a natural gas fueling station provider, it might sound counter-intuitive for us to advocate for less money allocated toward natural gas fueling station incentives but this is exactly what we are asking you to do. We have seen far too many alternative transportation fuels attempt to build fueling infrastructure hoping that alternative fuel vehicles will show up that ultimately become poor investments, leading to bankruptcies and lost opportunities by otherwise well intended government policies. By weighting AB 118 funds heavily behind vehicle incentives, the volume is created for station creation without the need for public funds and strategic investment of private funds ensues, creating a healthy NGV station network.

Concluding Remarks.

In conclusion, Clean Energy would like to thank the Energy Commission for its strong support for our Industry as evidenced by your recommendations in the 2011-2012 Investment Plan Draft Staff Report. If we could ask of you to adopt one policy approach, it would be to heavily weight the AB 118 funds for the Natural Gas Vehicle Industry behind the creation of a robust NGV population on California's roads.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd R. Campbell", written over a horizontal line.

Todd R. Campbell