CLEANFUEL USA

December 7, 2012

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 12-ALT-2
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET: 12-ALT-2

Subject: Rollover of AB118 Funding for Propane Buy-Down Incentives with "two revision requests" for the 2013/2014 Investment Plan

Reference: California Energy Commission Alternate Fuel Advisory Committee Meeting December 4, 2012

This letter will serve to respond for a request for comment from the California Energy Commission Alternate Fuel Advisory Committee Meeting of December 4, 2012 and support the rollover of AB118 funding to 2013/2014 for Propane Autogas applications.

CleanFUEL USA would like to see two revisions to the current propane vehicle buy-down incentive schedule:

1. Add an additional funding category for vehicles above 26001 GVWR to accommodate the new S2G Freightliner Custom Chassis with purpose built propane GM 8.0 engine. The S2G chassis goes up to 33000 GVWR and is one of the most popular medium-heavy-duty trucks on the market.
2. Allow school bus funding to be leveraged with other local, state and federal incentive programs to broaden the base of school districts wanting to purchase alternative fueled buses. School districts are under tremendous economic pressure during this budget crunch and rising fuel prices can have devastating impacts on school transportation budgets. The current price of fleet propane to school districts is about $1.50 a gallon (GGE $1.65 and DGE $1.95). Even with the reduced MPG vs. diesel, districts are still able to attain lower operating costs on fuel, oil changes (8-quarts vs. 15-quarts), and propane buses do not require add-on emission controls to reduce PM.

In the last year CleanFUEL USA, Inc. and our OEM partners making steady progress to bring Propane Autogas vehicle offerings to California market specifically aimed at Medium Duty truck and bus applications.

The most recent and significant OEM release has been made by General Motors Corporation with the Regular Production Option (RPO) of our LPI®, Liquid Propane Injection system on the VORTEC 6.0 engine offered in the G4500 Cutaway Van Chassis. The GM G4500 is used in a number of bus

applications including student, special needs, airport parking, hotel, and on demand people transportation as well as van body delivery vehicles. Released by GM in 2012 and promoted during their 2013 Product Announcements, we expect a growing interest for this product by fleets interested in a clean, low cost fuel that aids our National and State energy independence goals. Typical airport and hotel shuttle buses accumulate significant annual mileage ranging from 40,000 to a high of 100,000 miles per year. At a conservative, 50,000 miles per year for this application the GM G4500 6.0 LPI would eliminate the use of 5,000 gallons of diesel fuel or 6,494 of gasoline usage per vehicle per year. Given GM's release and promotion of this chassis for 2013 and beyond we believe the rollover of California Energy Commission AB118 funds to 2013 and 2014 to aid fleets in adopting the alternate fuel, Propane Autogas, highly desirable.

In addition to the General Motors G4500 6.0 LPI Propane Autogas application, CleanFUEL USA, Inc. in partnership with Powertrain Integration of Sterling Heights, Michigan and the Propane Education & Research Council (PERC) have developed an 8.0 Liter engine equipped with our LPI fuel system utilizing a base engine supplied by GM. OEM vehicle partners in this program include Freightliner Custom Chassis Corporation, Thomas Built Buses, Inc. and Capacity of Texas, Inc.

Freightliner is offering the 8.0 LPI in their S2G® Medium Duty truck applications from 19,500 lbs. to 33,000 lbs. GVWR focused on van delivery and propane delivery markets. This Propane Autogas fueled vehicle is now in early production with full production scheduled for April 1, 2013 as a Freightliner factory installed engine option. At an average annual mileage of 30,000 miles per year the S2G 8.0 LPI would eliminate the use of 3,750 gallons of diesel fuel or 4,878 gasoline usage per vehicle per year. Typically "first owner service" for this application is 5 to 7 years in small to medium sized fleets of ten vehicles. Based on a conservative 5 Years and ten vehicles 187,500 gallons of diesel fuel or 243,900 gallons of gasoline would be replaced with a clean, cost effective Propane Autogas.

Thomas is offering the 8.0 LPI in their in their Saf-T-Liner® C2 for school bus/student transportation market. This Propane Autogas fueled vehicle parallel's the production release of the Freightliner S2G chassis and is now in early production with full production scheduled for April 1, 2013. Typically school bus applications accumulate an average of 15,000 miles per year with Propane Autogas replacing 1,875 gallons of diesel fuel or 2,439 gallons per bus per year. With "first owner service" a minimum of 10 years a 25 bus fleet would replace 478,759 gallons of diesel fuel or 609,750 gallons of gasoline with Propane Autogas. In addition Thomas has released Minotour® Type A utilizing the General Motors G4500 Propane Autogas Chassis mentioned above.

Capacity is in the early stages of engineering the 8.0 LPI engine into their Terminal Tractor line used extensively in dock yards and large warehouses to move intermodal containers and freight trailers between ships, railroads, cruise ships, etc. It is anticipated the Capacity Propane Terminal Tractor will be released to production in late 2013. In high volume intermodal terminals these tractors typically accumulate 5,000 hours per year or an equivalent 75,000 miles per year consuming 9,275 gallons of diesel fuel per tractor per year. A fleet of 10 Capacity Propane Terminal Tractors would replace 762,195 gallons of diesel fuel in 5 years based on a typical fuel consumption model.

We attached sales information and press releases related to these products to provide an indication of the breadth of commitment of these OEM's to provide fleets with alternate fuel options. To date these releases or pending releases for 2013 represent a combined direct investment of over $5.0M.

We believe the rollover of California Energy Commission AB118 funds to 2013 and 2014 to directly aid

fleets in adopting Propane Autogas as a replacement for diesel fuel and/or gasoline highly desirable if not critical to influencing fleets to become "early adopters" of alternate fuel vehicles.

We applaud the California Energy Commissions initiatives like to promote alternate fuel use and request the rollover of current AB118 funds to 2013/2014.

Thank you for your consideration of these comments.

Sincerely,

A.A. (Al) McFadden
Corporate Director
Business Development

Attachments:

2012 GM Express/Savana LPG Cutaway Chassis Handout Sheet
Freightliner Custom Chassis S2G Sales Sheet
CleanFUEL USA - Freightliner S2G Propane Bobtail Delivery Sales Sheet
Thomas Built Bus Propane Autogas Sales Sheet
CleanFUEL USA – Capacity Propane Terminal Tractor Press Release

2012 Express/Savana LPG Cutaway Van

A Complete, Integrated LPG Solution

Whether it's meeting companywide initiatives or government standards, fleet managers face many challenges. GM helps meet your needs with its fully integrated, factory installed, single-invoice LPG (Liquefied Petroleum Gas) fuel system, backed by GM's 5-Year/100,000-Mile Transferable Powertrain Limited Warranty[1]. The LPG option is **immediately available for ordering on Express/Savana 4500 Cutaway Vans.**

EASY ORDERING

- Ordering is easy — just **choose a 3- or 4-tank system** and your sales consultant checks the order box
- The vehicle is **built with a gaseous fuel-ready engine.** The fuel delivery/storage systems are added using a dual-stage, single-invoice process. The ordering system allows you to then take advantage of the many upfitters available for cargo management solutions or other customization
- GM is the **only manufacturer with a single-invoice, factory-built and warranted solution for cutaway vans**

ENGINEERED BY GM

- LPG vehicles use a **proven, 6.0L Vortec V8 engine** with factory-installed hardened exhaust valves and intake/exhaust valve seats. These components are engineered to GM durability standards for gaseous fuel use
- **Two systems are offered:**
  - **(UFM) 3-tank system** provides a range up to approximately 315 miles
  - **(UFP) 4-tank system** provides a range up to approximately 425 miles. This system adds a 22-gallon single tank on the driver's side of the underbody, in front of the rear axle
- **Meets rigorous GM standards for safety, reliability and durability**

BACKED BY GM

- **All major components will have GM service part numbers** for broad availability, providing you peace of mind that parts will be available to keep your fleet on the road
- LPG vehicles have a comprehensive 5-Year/100,000-Mile Transferable Powertrain Limited Warranty[1]
- Backed by the largest dealer network in the U.S.
- Express/Savana are the only cutaway vans with **available factory OnStar®[2]** including a Live Advisor for help when you need it

To learn more, visit gmfleet.com/afv.

GM **Fleet & Commercial**
CHEVROLET • BUICK • GMC • CADILLAC

[1]Whichever comes first. See dealer for details. [2]Vehicle must be equipped with OnStar® digital hardware. Offer expires 12/31/12. Visit onstar.com for coverage map, details and system limitations. Excludes FMV.

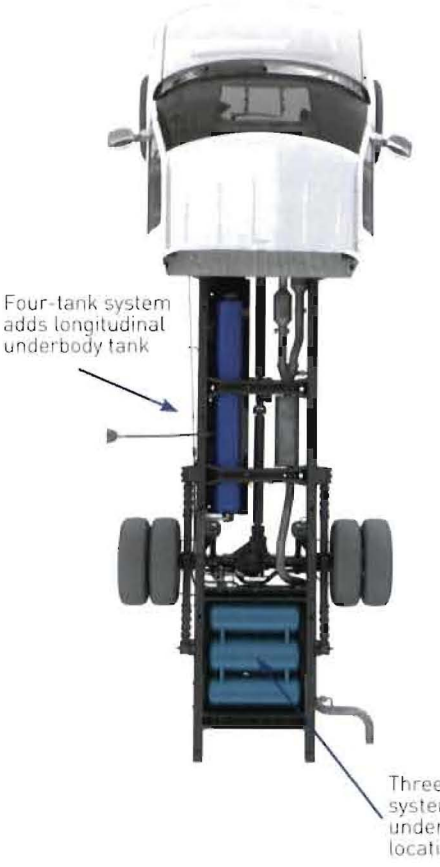
04729-05/2012

Express/Savana LPG Cutaway Van Specifications

Model Availability	G33803 159" Wheelbase Cutaway 14,200 GVWR
Engine	(LC8) 6.0L Gaseous Fuel Engine
Power	332 hp @ 4,800 rpm 370 lb.-ft. @ 4,400 rpm
Transmission	6-Speed Automatic
Emissions Level	Federal and CARB
Payload	3-Tank – 8,707 lbs. 4-Tank – 8,552 lbs.
Fuel Tank Capacity, GGE (Gas Gallon Equivalent)	3-Tank – 35 gallons 4-Tank – 57 gallons
Estimated Maximum Range	3-Tank – 315 miles 4-Tank – 425 miles
Fuel Tank Locations	**3-Tank System:** 3 manifolded, underbody tanks, mounted aft of the rear axle **4-Tank System:** Adds an additional underbody, midship longitudinal tank (space previously occupied by gasoline tank)
Manufacturer Warranty (includes full LPG system)	5-Year/100,000-Mile Transferable Powertrain Limited Warranty[1] 3-Year/36,000-Mile Limited Bumper-to-Bumper Warranty[1]
Emissions Warranty	Subject to individual state regulations
Options Required	(K07) Liquefied Petroleum Gas (LPG) Fuel Package (LC8) 6.0L Gaseous Fuel Ready Engine (UFP) 4-Tank System or (UFM) 3-Tank System

Liquefied Petroleum Gas

Tank Locations



[1] Whichever comes first. See dealer for details.

S2G LPG Commercial Chassis

Features & Benefits

1. Chassis is equipped with interlock wiring and body builder interface connections, eliminating the need for OEMs to splice into chassis wiring.
2. Dedicated 8.0L LPG engine rated at 325 hp and 450 lb/ft of torque. Proven, dedicated factory-installed engine without need for aftermarket fuel systems.
3. 9,000 lbs. taperleaf front suspension. 12,500 lbs. 52" variable rate multi-leaf spring rear suspension. Tuned suspensions and match-marked tires offer a superior ride compared to a traditional truck suspension.
4. S2G offers a 20% larger windshield for better visibility compared to the competition.
5. Offers 30% to 50% better driver's line of sight compared to the competition, reducing blind spots and potential hazards.
6. Low-effort, easy-tilt hood minimizes stress on the driver during inspections. Hood also offers a dampening device that minimizes rapid closure, reducing hood damage or potential injury to maintenance personnel.
7. 55-degree wheel cut offers improved maneuverability compared to traditional automotive-style pick-up truck cab configuration.
8. Clean frame rails for ease of body installation.
9. Factory-installed fuel system supported through our nationwide Freightliner service network.
10. The engine assembly and fuel system are certified for use in all 50 states and Canada in applications up to 33,000 lbs. GVWR.

STANDARD FEATURES AND OPTIONS: S2G

When it comes to making the most out of its time on the road, nothing compares to our all-new S2G.

S2G CUTAWAY CHASSIS

Engine	8.0 Liter LPG 325 hp @ 4,400 rpm, 4,600 gov rpm, 450 lb/ft @ 4,400 rpm
Transmission	Allison® 2300 HS automatic transmission without PTO provision
Optional transmission	Allison 2300 PTS, 2300 RDS, 2350 HS, 2350 PTS, 2350 RDS with PTO provision
GVWR	19,500 lbs. to 33,000 lbs.
Alternator	Delco Remy® 160 amp, 28-SI
Optional alternator	DR 12V 160 amp 36-SI , Leece Neville® 210, 270 and 320 amp
Axles	
Front	DA-F-8.0-2 8,000 lbs. FC1 72.0 KPI/3.74 drop single front axle
Optional front axle	DA-F-10.0-3 10,000 lbs., DA-F-12.0-3 12,000 lbs., DA-F-8.0-3 8,000 lbs., FF1 71.5 KPI/3.74 drop single front axle
Rear	DA-RS-15.0-2 15,000 lbs. F-series single rear axle
Optional rear axle	DA-RS-17.5-2 17,500 lbs., DA-RS-19.0-2 19,000 lbs. L-series, DA-RS-20.0-2 20,000 lbs., DA-RS-21.0-2 21,000 lbs
Suspension	
Front	Taper-leaf spring, 9,000 lbs.
Optional front suspension	Taper-leaf spring, 10,000 lbs. and 12,000 lbs. ratings
Rear	52" variable-rate multi-leaf spring, 12,500 lbs.
Optional rear suspension	52" variable rate multi-leaf spring rear suspension with helper: 16,000 lbs., 19,000 lbs., 21,000 lbs. and 23,000 lbs. ratings; 21,000 lbs. and 23,000 lbs. AirLiner® air suspension with tuned Sachs® shocks with rear sway bar
Steering	TRW® tilt/telescoping steering column; TRW THP-45 or THP-60 steering gear; 55-degree wheel cut
	TRW tilt/telescoping and tilt only steering column
Brakes	Bosch® hydraulic pin-slide disc brakes, front and rear WABCO® hydraulic ABS (4) channel
Optional air brakes	Bendix® air disc (front 22.5" wheel only), Meritor™ drum (front and rear)
Frame	5/16" x 3" x 10 1/8" 50 kpsi; 80 kpsi with rear air suspension
Wheelbase	188" (CA 122"), 204" (CA 138"), 210" (CA 144"), 216" (CA 150"), 219" (CA 153"), 238", 259", 279"
Fuel tank	60-gal. 16"x97" LPG fuel tank - RH
Tires	Goodyear® G647 RSS 245/70R 19.5" 14-ply radial
Optional tires	Goodyear 661 & 670 or Michelin® 19.5" OR 22.5"
Cab	106" BBC flat roof aluminum conventional cab
Dash	New automotive-styled, ergonomically designed dash; odometer/trip, hour/diagnostic/voltage display; LED backlights on switches and gauges offer solid-state design and longer life; integral driver cup holders
Wiring	Fully multiplexed electrical system with body-builder-ready electrical drop for interlock wiring
Hood	Torsion bar-assisted for easy opening with minimal force; composite headlamps with brighter beam pattern and integral turn signals
Bumper	Three-piece steel bumper
Battery box	Frame-mounted battery under cab
Select standards	- Daylight running lights
Select options	- Standard cruise control and programmable high idle - Center switch panel with cutouts for body-builder switches - Chrome grille and headlight bezels - Sanden compact air conditioner compressor - T-handle shift lever with interlock - Dash A/C

Call Freightliner Custom Chassis Corporation at (800) 545-8831, or visit us on the Web at *freightlinerchassis.com*

03/12. FCC/MC-S-371. Specifications are subject to change without notice. Freightliner Custom Chassis Corporation is registered to ISO 9001:2008 and ISO 14001:2004.

PROVEN ALTERNATIVE

Freightliner S2G

HIGHLIGHTS	
Engine:	8.0L
Horsepower:	325 hp
Torque:	450 lb-ft
GVWR:	33,000 lb

Overview

This S2G chassis incorporates a dedicated propane engine built on our popular S2 chassis platform. The benefits of an LPG chassis include lower operational costs and reduced emissions without sacrificing payload capability or performance.

FCCC has more than a decade of experience designing and building factory-installed natural gas and liquid propane fueled chassis for its commercial bus products. And while the S2G brings that experience to the medium-duty commercial market, it is also a new product developed in part through direct customer input.

Like its diesel counterpart, the front-engine S2G utilizes the popular and dependable Freightliner M2 cab, which features a sloped, forward-tilting hood for superior visibility and easy engine access. It has a gross vehicle weight rating of 33,000 pounds and comes equipped with an Allison 2300 automatic transmission with PTO provision.

CLEANFUEL USA

PROPANE AUTOGAS.

THE NEWEST WAY TO GO GREEN WITH THOMAS.

Thomas BUILT BUSES

Because every mile matters.™

OUR BUSES MAY BE YELLOW. BUT OUR COMPANY IS GREEN.

Thomas Built Buses is pleased to announce our new propane-fueled Minotour® and Saf-T-Liner® C2 buses, coming soon. These vehicles join our C2e Hybrid and CNG HDX models, expanding our green line-up.

WHAT DO WE MEAN BY GREEN?

Thomas Built Buses is a Zero-Waste-to-Landfill manufacturer, so every vehicle we produce is green before it rolls off our assembly line. Our parent company, Daimler, is focused on reducing fuel consumption and exhaust emissions for all commercial vehicles. The Shaping Future Transportation initiative has put more than 225,000 alternative-power trucks and buses on the road already. Thomas Built Buses is leading the way in green school transportation. And propane-fueled buses are our latest contribution.

GOOD FIT FOR YOUR FLEET.

Driving our propane autogas Minotour and C2 buses is very similar to driving gasoline or diesel vehicles. Your drivers will barely notice the difference. Both buses offer optimal fuel economy and performance while reducing greenhouse gas emissions. They are CARB-certified, even exceeding EPA 2010 emissions requirements. The buses are easy to maintain. And setting up a propane fueling infrastructure at your fleet location is simple.

THE ADDED BENEFITS OF PROPANE.

Propane-powered vehicles are popular around the world. In fact, there are more than 15 million in use. In the United States, we have an abundant supply of propane. Ninety percent of the propane America uses is produced domestically, reducing our dependence on foreign oil.

Propane is also a great financial decision. Your propane vehicles are eligible for incredible tax credits. A 50¢ per gallon tax credit helps you save at the pump on a fuel that is already economical.

OUR ONGOING COMMITMENT.

Our company is committed to alternative-powered vehicles and environmental sustainability, and we welcome customers who are as passionate as we are. Together, we can drive this movement into a brighter future for everyone.

FAST FACTS

- 50¢/gallon tax credit
- CARB-certified
- Exceeds EPA 2010 emissions requirements
- Abundant domestic supply of propane
- Economical and efficient
- Easy set-up at fleet location
- Exceptional performance
- Fully-integrated fuel system
- Reduction in greenhouse gas emissions

C2: 8.0 liter LPG

Minotour: 6.0 liter LPG

All buses manufactured in a Zero-Waste-to-Landfill facility

Shaping Future Transportation: CleanTech Technologies

Thomas BUILT BUSES

Because every mile matters℠

Visit ThomasBus.com for more information
1408 Courtesy Road, High Point, NC 27260 Tel 336.889.4871 Fax 336.889.2589

Capacity Propane Terminal Trucks

Air quality issues at U.S. ports are gaining attention due to the impact that the growing foreign trade and cruise industries have had on expanding landside operations to service increased port traffic. The new line of Capacity propane-powered off-road trucks is targeted to meet the demand for alternate-fueled vehicles in port communities that are challenged to comply with stricter emissions rules.

CleanFUEL USA announced in 2011 a partnership with Capacity of Texas, Inc., to develop and certify the country's first terminal trucks utilizing its cleaner-burning, liquid propane injection (LPI) engine on a General Motors (GM) 8.0L platform.

Terminal trucks are used extensively in dock yards and large warehouse operations to move intermodal containers and freight trailers between ships, railroads, cruise ships, etc. The duty cycles of a typical terminal truck are relatively severe. The trucks are rarely non-operational and move multiple trailers of freight at one time. The large loads the vehicles are required to tow result in high fuel consumption; double that of a comparable on-highway vehicle. A key benefit for fleets considering a switch to propane is that CleanFUEL's 8.0 LPI engine (33,000-lb GVWR) offers the same horsepower, torque and performance as a gasoline-powered vehicle.

View a webinar on this vehicle, click here