

“Propel Fuels works with California to rollout 75 renewable fuel stations”



California Governor Arnold Schwarzenegger and Propel CEO Matt Horton at a recent station opening in San Jose.

California Governor Arnold Schwarzenegger was the first customer at the October 28th grand opening of a new renewable fuel station in San Jose. The new station, which offers both E85 Flex Fuel and biodiesel to retail and fleet customers, is part of Propel's two-year 75-station rollout. By spring of 2011, Propel will have brought access to renewable fuels to the San Francisco Bay area, San Diego, Sacramento, and greater Los Angeles in addition to its existing California locations. Propel also operates filling stations in Washington State.

Propel's green-built, self-serve stations are an answer to a problem that many states have struggled to solve. While the number of flex-fuel vehicles in the US has risen significantly over the last few years, there is still a shortage of high-blend fueling infrastructure across the country. The USDA and DOE have committed to address this challenge and have directed states to consider renewable fuel infrastructure as a valuable use of unspent Recovery Act funds.

Partnerships between public agencies and private companies like Propel are ideal candidates for government funding. Propel received \$10.9 million in state and federal grants after submitting a joint application along with the California Department of General Services, CALSTART, and East Bay Clean Cities Coalition. Propel will match the grants with \$16 million in private investment to accelerate the

build-out of the statewide network. The California Energy Commission, through its Alternative and Renewable Fuels and Vehicle Technology program, awarded the partnership \$4 million, which was matched by \$6.9 million through the DOE's Clean Cities Petroleum Reduction program. Both programs are working to reduce petroleum consumption and greenhouse gas emissions while increasing the use of alternative fuel fleet vehicles in the U.S.

The CA Department of General Services (DGS) was an ideal partner for Propel, since DGS manages the nation's largest state fleet, including more than 11,000 alternative fuel capable vehicles that need access to the fuel. Both state and federal mandates require DGS to maximize the use of low carbon, renewable fuels. By partnering with Propel, DGS can displace more petroleum than any other alternative fuel infrastructure project to date in California. Propel provides additional benefits to DGS through its CleanDrive™ emissions reporting, allowing the agency to track reductions in petroleum use and carbon emissions.

Along with the new station build-out, alternative fuel education and community outreach are a critical piece of Propel's collaborative project. CALSTART and East Bay Clean Cities are working with Propel to educate consumers and fleets on the widespread benefits of low carbon, alternative fuels available today and those next generation fuels coming in the future.

Projects like Propel's station rollout are ideal recipients of Recovery Act funds, as the 75-station project will create more than 450 green jobs in California, while displacing 39 million gallons of petroleum and 187,500 tons of CO2 per year. Propel's rapid project implementation will also help California quickly meet reporting and payment obligation deadlines.

Propel's streamlined approach can also be implemented in other states, and the company is looking forward to expanding into new markets. Please contact Esther Perman at Propel (esther.perman@propelfuels.com) if your state is considering offering a renewable fueling infrastructure funding program and would like input on program design.

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