

# **CEC AB 118 WORKSHOP**

## **Natural Gas and Propane**

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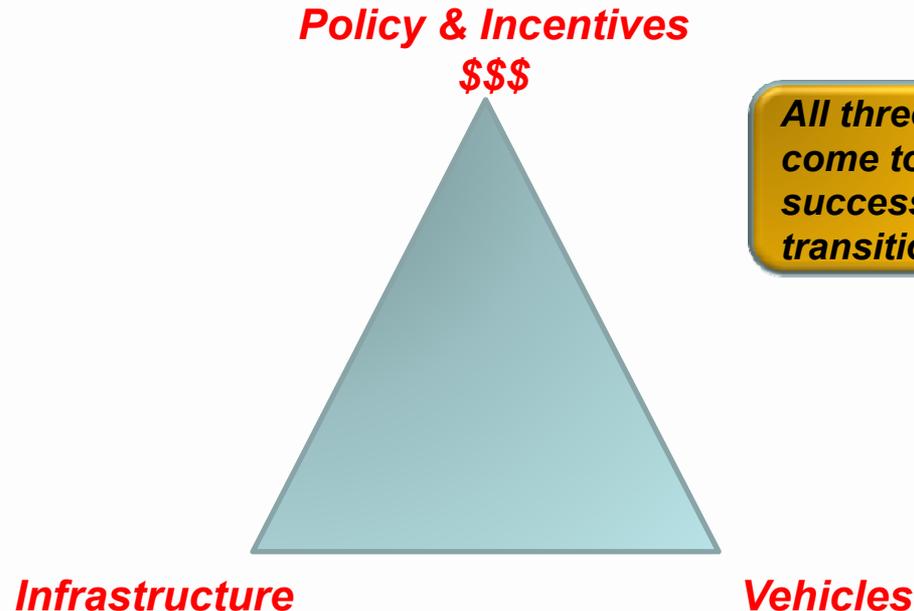
# Trillium's Company Profile

- Design, build, and operate high-capacity CNG stations
- National fueling with operational hubs in Los Angeles, Orange County and New York City
- Dispense 35M gallons of CNG annually, growing at about 10% per year
- Significant California presence and growing



# “Boyd’s Law for Alternative Fuels”

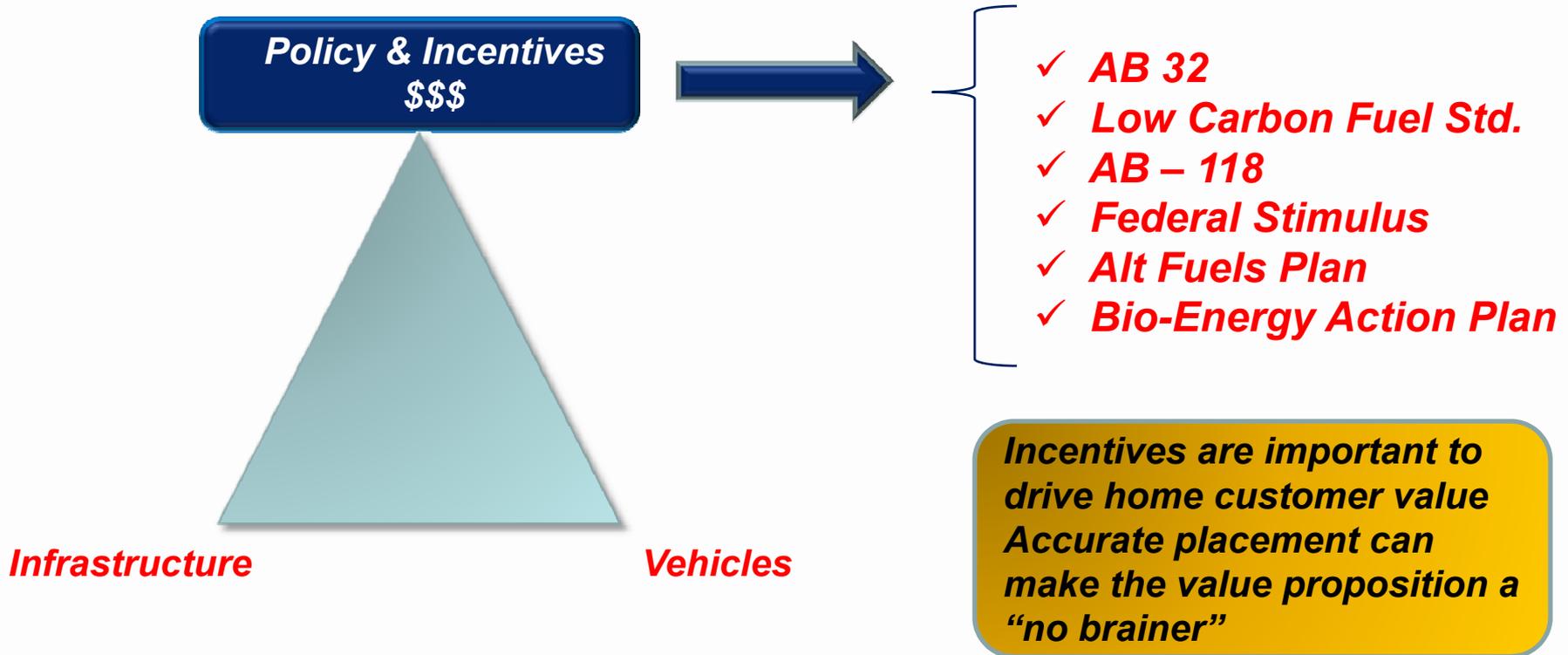
Policy/Incentives + Infrastructure + Vehicles = SUCCESS !!



*All three elements must come together for successful market transition*

# Policy and Incentives

Policy/Incentives + Infrastructure + Vehicles = SUCCESS !!



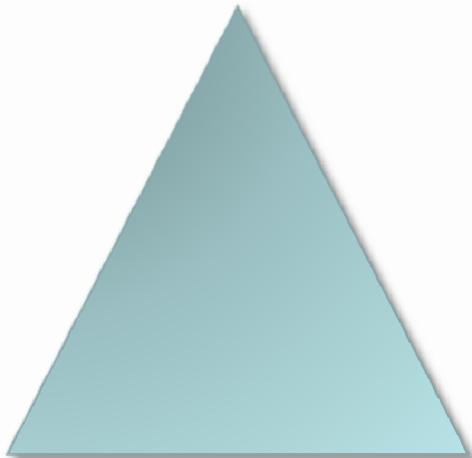
# Vehicles

Policy/Incentives + Infrastructure + Vehicles = SUCCESS !!

**Policy & Incentives**  
**\$\$\$**

*Vehicle incentives are key to moving market transformation forward.  
Vehicle incentives will drive a need for infrastructure.  
Coordinated funding adds to value proposition*

**Infrastructure**



**Vehicles**



- ✓ **Light Duty**
- ✓ **Medium Duty**
- ✓ **Heavy Duty**
- ✓ **Product RD&D**
- ✓ **CARB Certification**

# Infrastructure

Policy/Incentives + Infrastructure + Vehicles = SUCCESS !!

**Policy & Incentives**  
**\$\$\$**

*Infrastructure incentives add considerably to the value proposition*  
*Public / Private combination can serve several market segments*  
*Aging infrastructure needs upgrading – Location and Value*

**Vehicles**

**Infrastructure**

- ✓ **Volume, Volume, Volume**
- ✓ **Public Retail**
- ✓ **Private Fleet**
- ✓ **Combination**

# Retail Price Comparison



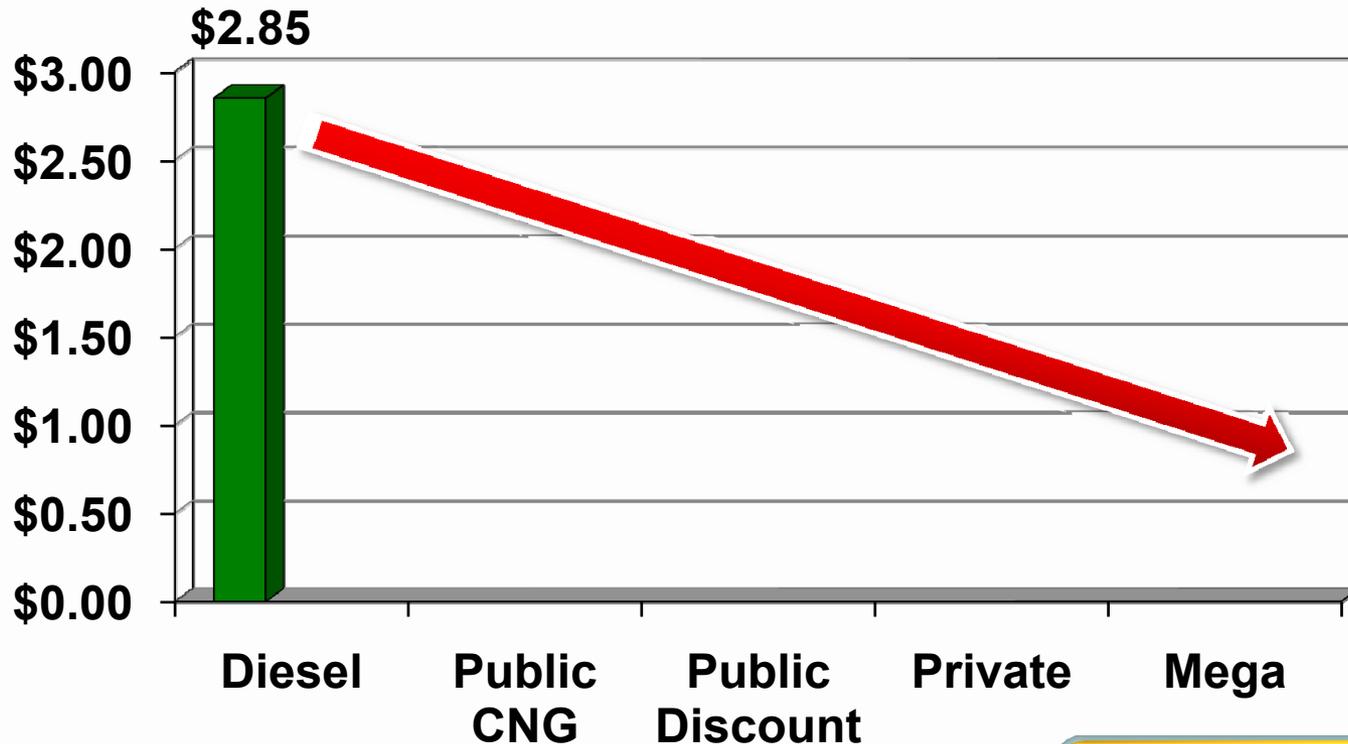
## Public Station

### Historical Fuel Price Comparison



# How Volume Affects Pricing

Fuel Price Comparison  
Based on September 2009 Prices



*Higher volume stations  
can spread costs*

# Infrastructure Considerations Customers & Providers Perspective

## Private Fleet

- ✓ Up-front Investment
- ✓ Designed for specific application
- ✓ Public Retail Option
- ✓ Own or Lease
- ✓ O&M

**VS.**

## Retail

- ✓ Pay Retail Market Rate
- ✓ Discount potential on volume
- ✓ No up-front infrastructure investment

## Infrastructure Providers

- ✓ *Natural gas infrastructure providers are in business to build and support refueling for customers – equipment, construction, operations and maintenance*
- ✓ *Contract versus build on spec – different providers have different business philosophies*
- ✓ *Commodity hedging can add value – very risky!*

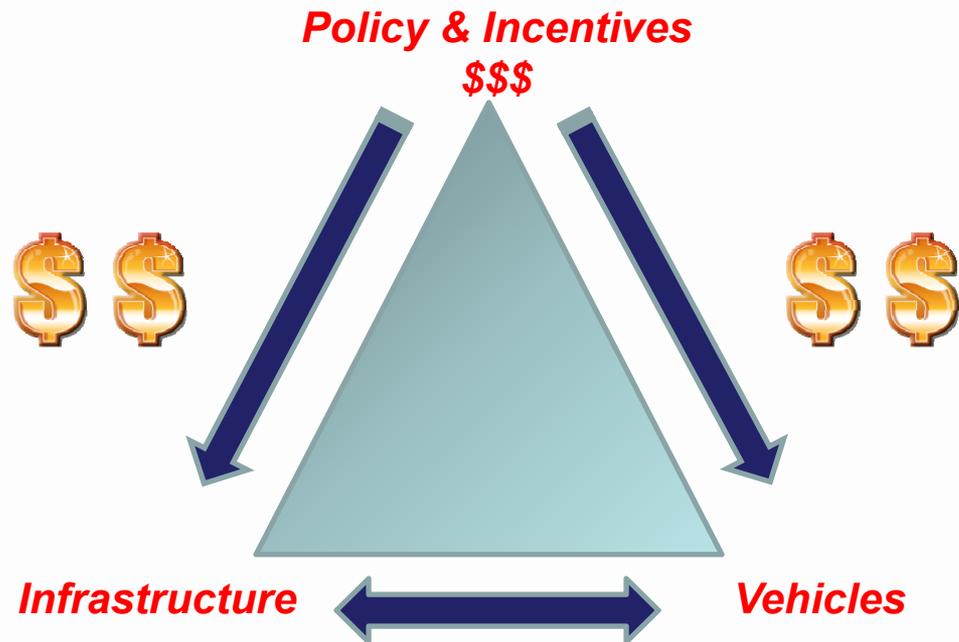
# Conclusions

## Follow “Boyd’s Law for Alternative Fuels”

Policy/Incentives + Infrastructure + Vehicles = SUCCESS !!

### Conclusions

- ❑ *Effective deployment of incentive capital can leverage market transition*
- ❑ *Meet Aggressive State Goals*
- ❑ *Drive Market Transformation*



# Public Station

