

**August 25, 2010**  
**Energy Commission Business Meeting**  
**Item #4**

**PROPEL FUELS, INC.**

**Grant Agreement ARV-10-002**  
**for the**  
**California Low Carbon Fuels Infrastructure**  
**Investment Initiative (LCF13) Project**

**Abstract**

Propel Fuels, Inc., proposes to build ten publicly-accessible alternative fuel dispensers for E-85 to supply low carbon, domestically-produced fuel in regions throughout California. These dispensers will distribute an estimated 3,240,000 gallons of alternative fuel per year. Propel Fuels has conducted an extensive market analysis to determine the best locations that takes into account census demographic data, alternative-fuel vehicle registration data, socio-economic segmentation data, as well as traffic pattern analyses and customer intercept research. The origin of fuel and/or feedstock used will be from California production facilities, as they are available. The Energy Commission will provide \$1,000,000 in Alternative and Renewable Fuel and Vehicle Transportation program funds. Additional match funding of \$2,945,188 will be provided by the project participant.

The goal of this project is to develop a statewide network of E85 fuel dispensers that will be accessible by individuals as well as private and public fleets. Through this project, Propel will optimize the use of fuel and/or feedstock from California. The project proponents will work with the state, federal, and business fleets to meet advanced technology vehicular fueling needs and to maximize mandated and/or elected alternative fuel use. Propel projects include an education and outreach component to increase public awareness around alternative fuels.

**Participants**

Propel Fuels, Inc. builds, owns and operates a growing network of alternative fuel dispensers across the West Coast. They have developed a market business plan that leverages existing equipment configurations already in the marketplace and tailors them to provide cost effective infrastructure at locations that benefit the motoring public. Propel Fuels, Inc. will plan and construct the E-85 dispensers at existing gasoline fueling stations located throughout California.

## **Benefits**

This project represents an effective opportunity to secure alternative fuel infrastructure for the Energy Commission. Successful completion of this infrastructure will result in a per annum displacement of approximately 3,234,000 gallons of petroleum-based fuel as well as an estimated reduction of more than 22 thousand tons of greenhouse gas emissions per year. This project will create or retain over 60 direct and indirect jobs across multiple trades and disciplines.