



Clean Energy[®]

North America's leader in clean transportation

**Clean Energy Comments to
California Energy Commission**

April 27, 2009

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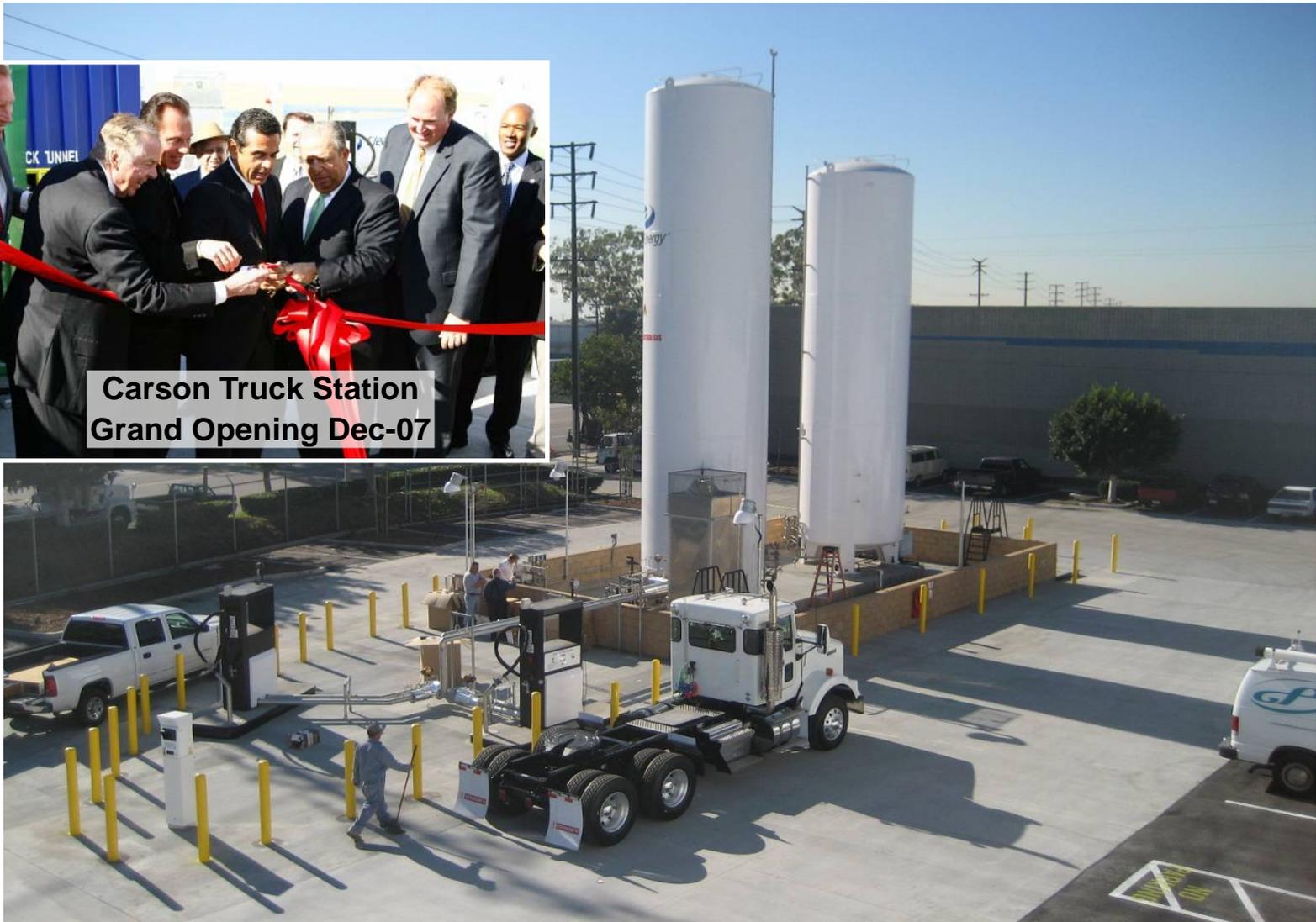
Director of Business Development

Clean Energy Fully Supports CEC AB118

- Maximize Funding to Deploy Natural Gas Vehicles
 - Proven results that make a difference today
 - Immediate GHG reductions are critical to fight climate change
- CNG and LNG
- Light Duty
- Medium Duty
- Heavy Duty
 - Port Trucks
 - Local & Regional Goods Movement Trucks
- Favor Vehicle Funding Over Infrastructure Funding

Clean Energy Is Building the Infrastructure

Carson, CA Public Access LNG Truck Station



Port of LA & Long Beach Fueling Station

Largest LNG & CNG Truck Stop in the World



- 10 Dispenser Lanes, 6 to Start
- 100,000 Gallons of Fuel Storage
- Groundbreaking Nov 2008
- Grand Opening Spring 2009



California LNG for California Trucking

Clean Energy's
Newest LNG
Plant in Boron,
California

160,000 gal/day

Expanding to
240,000 gal/day
at end of 2009

1.8 Million
Gallons Storage



**Clean Energy also owns the Pickens LNG Plant near Houston
and draws from 7 other LNG plants**

Stretch Funding with OEM Incentives

- Grants are traditionally awarded to vehicle buyer to buy-down the incremental cost
- Problem: Big tax bite on grant
 - 30% income tax
 - 12% Federal Excise Tax (FET) on incremental cost
 - 9% Sales Tax on incremental cost
 - Almost half of grant is lost to taxes
- Solution: Provide incentives to OEM
 - Vehicle buyer is no longer subject to income tax hit
 - Incremental cost is reduced which reduces FET and sales tax
 - Less funding per vehicle is needed
- Less Money Accomplishes More
 - In the example:
 - Buyer grant of \$60k has an \$18,500 incremental cost and loses \$28,500 taxes
 - OEM grant of \$50k saves \$10k, has \$0 incremental cost and loses \$0 to taxes

EXAMPLE - Traditional Grant to Buyer		
Base Incremental Cost		\$50,000
Add FET	12%	\$6,000
Add Sales Tax	9%	\$4,500
Total Incremental Cost		\$60,500
Grant		\$60,000
Less Income Tax	30%	(\$18,000)
Net Grant		\$42,000
Net Incremental Cost to Buyer		\$18,500
Total Tax Bite		\$28,500
% of Grant Lost to Taxes		48%

EXAMPLE - OEM Incentive		
Base Incremental Cost		\$50,000
Less OEM Incentive		(\$50,000)
Net Incremental Cost		\$0
Add FET	12%	\$0
Add Sales Tax	9%	\$0
Total Incremental Cost		\$0
Total Tax Bite		\$0