



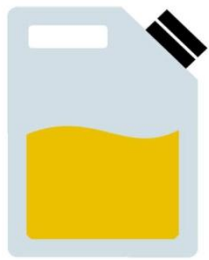
Clean Cities Coalition Workshop
Renewable Fuels Update

Chris LaPlante/Darren Johnson
August 8, 2013

The Renewable Fuels Landscape

- Industry Overview & Federal/State Goals
- What Customers Think >> a market-wide study
- Top 5 Things to Know About Renewable Fuels
- Fleet and Dealership Programs

Creating choice at the pump.

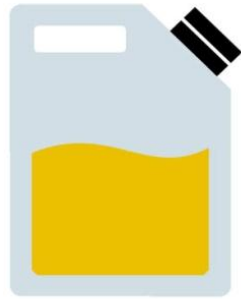


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U.S. Production

Ethanol: 13.3 B gal

Gasoline Market is ~135 B gallons

217 plants, 87,000 directly employed

Production is 70% ethanol, 30% feed

**National Goals
(RFS)**

Today: 16 billion

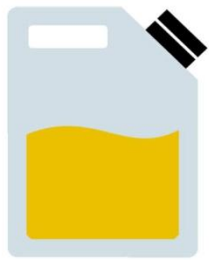
2022: 36 billion (~20%)

Biodiesel: 1.3 B gallons

Diesel Market is ~35 B gallons

200 facilities, 50,000 employed

Creating choice at the pump.



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Ethanol: 13 B gal

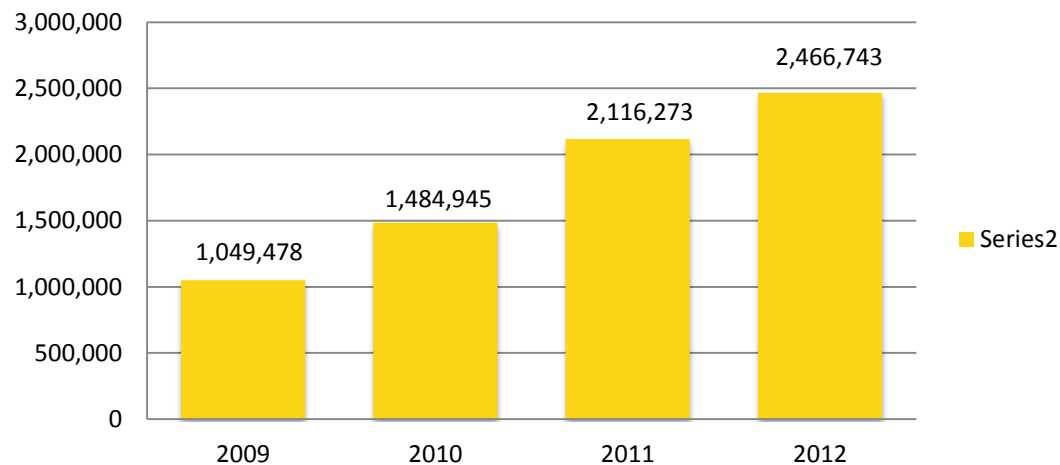
Biodiesel: 1.3 B gal



Thanks to you!

14 million Flex Fuel Vehicles

Flex Fuel Vehicles Sold - US

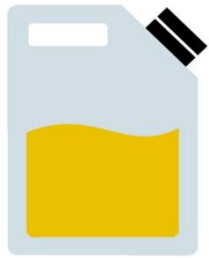


5 million Diesel Vehicles

Cars, Pickups and SUVs.

Growing by 500,000 annually.

Creating choice at the pump.



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Ethanol: 13 B gal

Biodiesel: 1.2 B gal

**19 MILLION
VEHICLES**



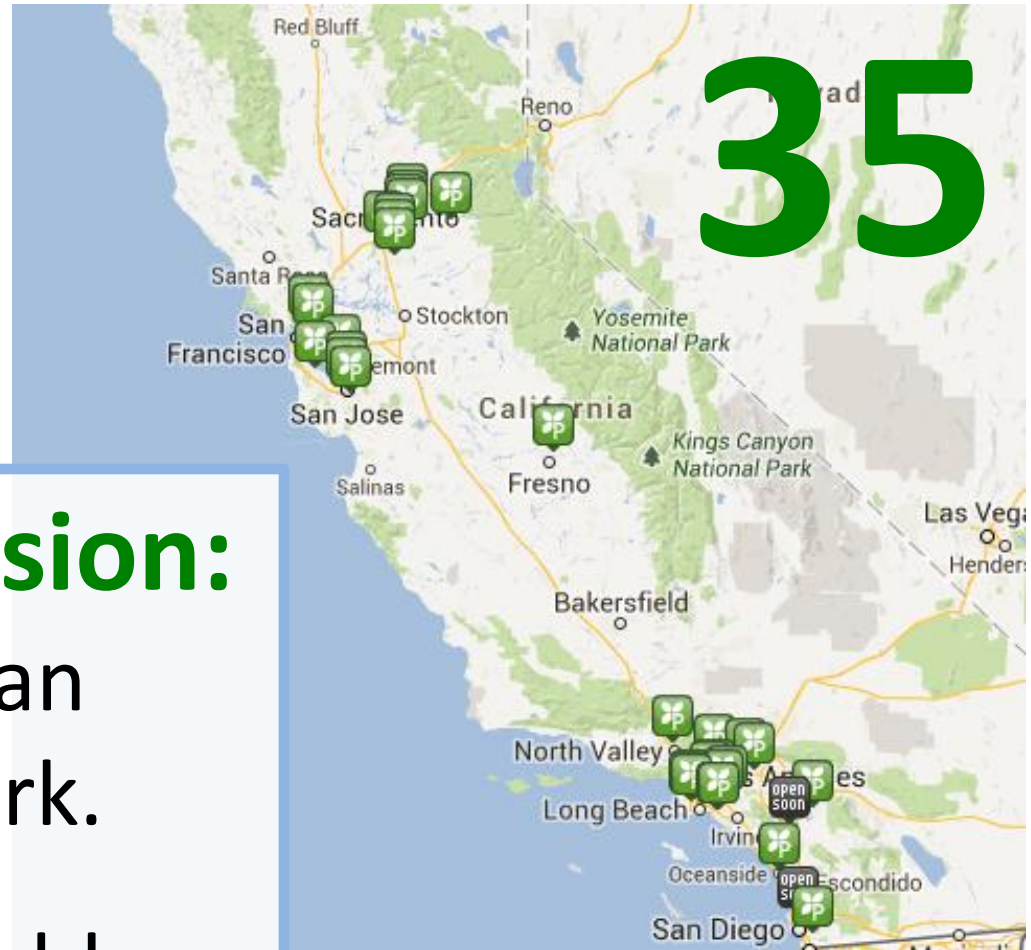
ExxonMobil.



Propel's Mission:

The Largest Clean
Mobility Network.

Leading Renewable
Fuel Brand.



Alternative Fuels Data Center

65

**All Public E85
Stations In CA**

Bay Area



Sacramento



Inland Empire



LA/Orange County



...now in Fresno



Creating Public Access...

Grant Program 75 Stations

California Goals (LCFS)

10% reduction in CI by 2020



U.S. DEPARTMENT OF
ENERGY



What's Next? Next Gen Fuels



Cellulosic

- Convert waste plant matter into sugars >> ferment
- Municipal Solid Waste & Agricultural waste
- ~9 producers close to scale



Algae

- 9,000 gallons/acre Oils
- Autotrophic (sunlight + CO₂)
- Heterotrophic (sugars + CO₂)
- 10 producers close to commercial scale



Cellulosic: INEOS (now shipping from Florida), Poet, Pacific, American Process, Bluefire, Moscoma/Valero, Abegonia, Gran Bio, COFCO

Algae: Algae Tec, Algenol, Aurora Algae, BioProcess Algae, Cellana, Heliae, Muradel, Pond Biofuels, Sapphire Energy, Solazyme

World's First Algae Biodiesel



So...What About Customers?

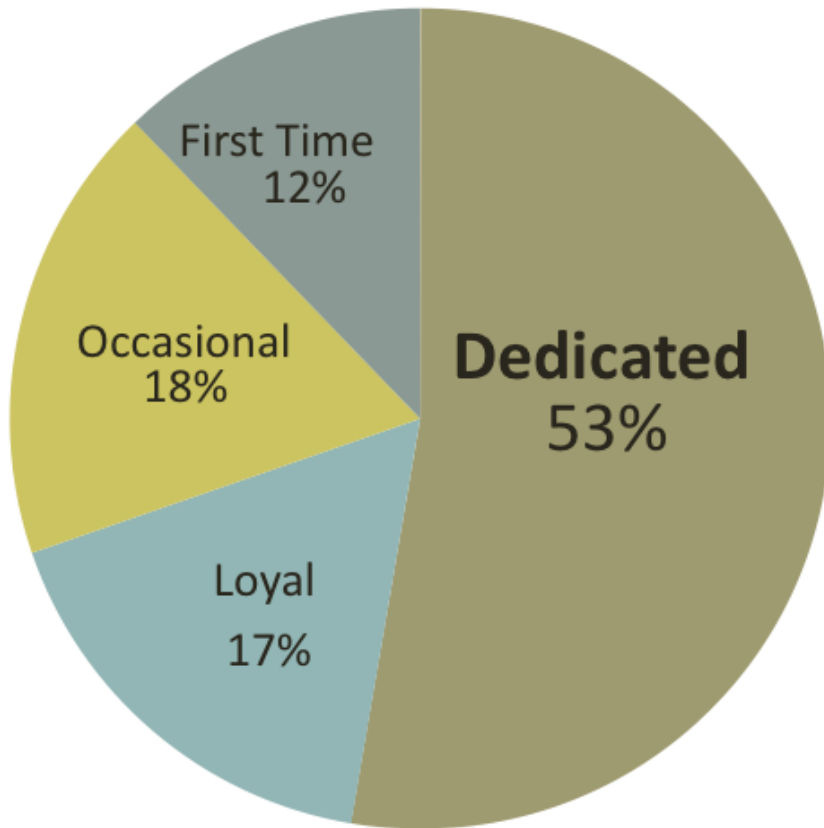


Customer Study

- 900 surveys
- 4 markets
- 10 sites
- 3% Margin of error

Customer Study Results

REPEAT BUSINESS/ LOYALTY



1/2

Always Fuel Up At Propel

Self-Reported Fuel Ups



fuel ups per customer
each month at Propel



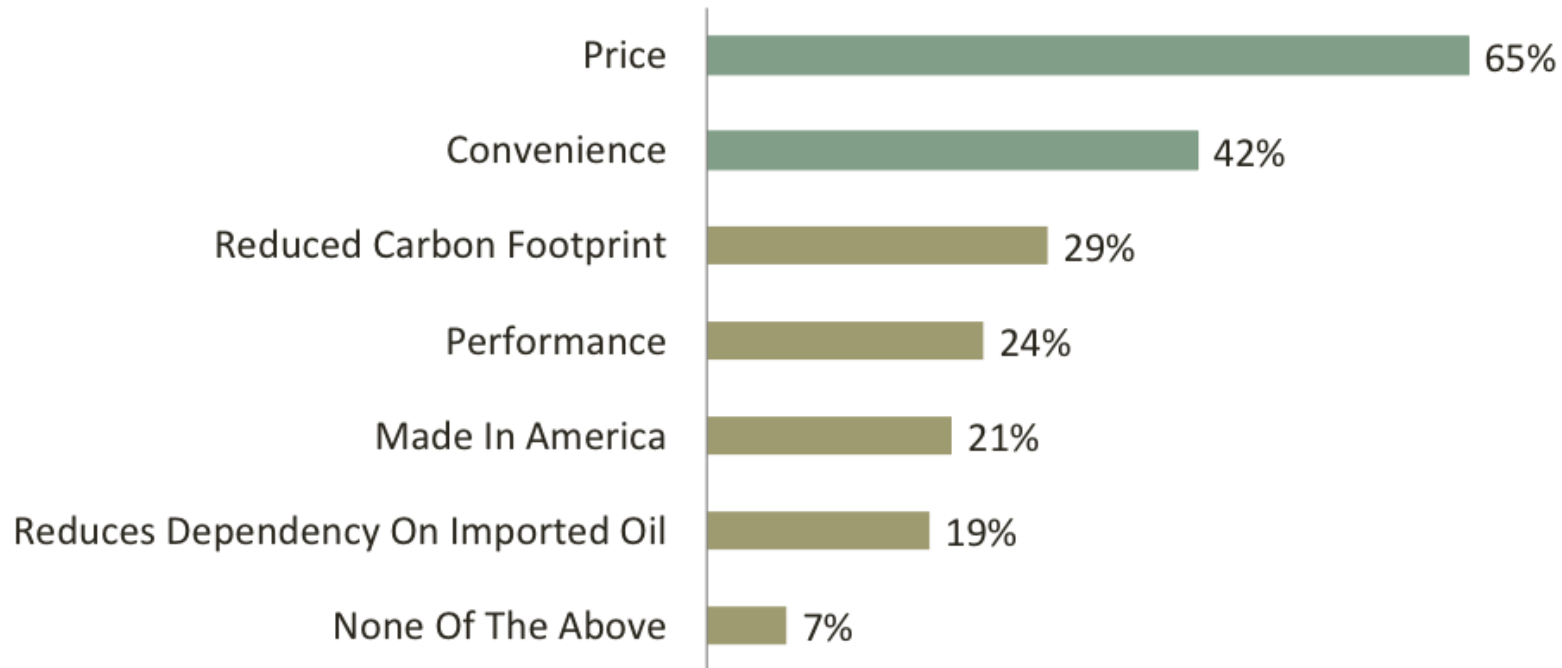
n =

fuel ups each month in
total

Customer Study Results

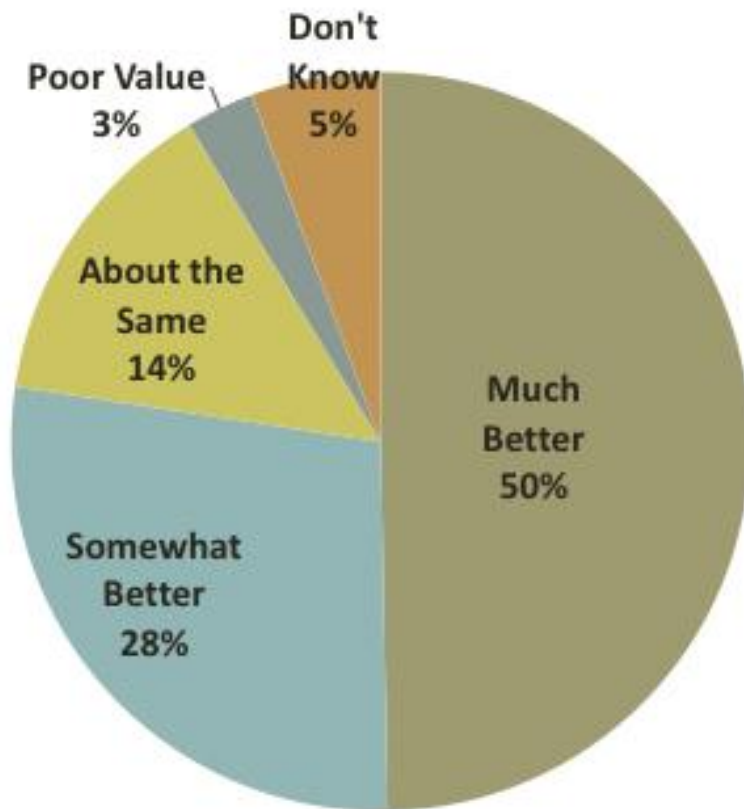
FUNCTIONAL MOTIVATORS

"You have a number of stations you can choose from. Which options from this list are top reasons why you fuel up at Propel?"



Customer Study Results

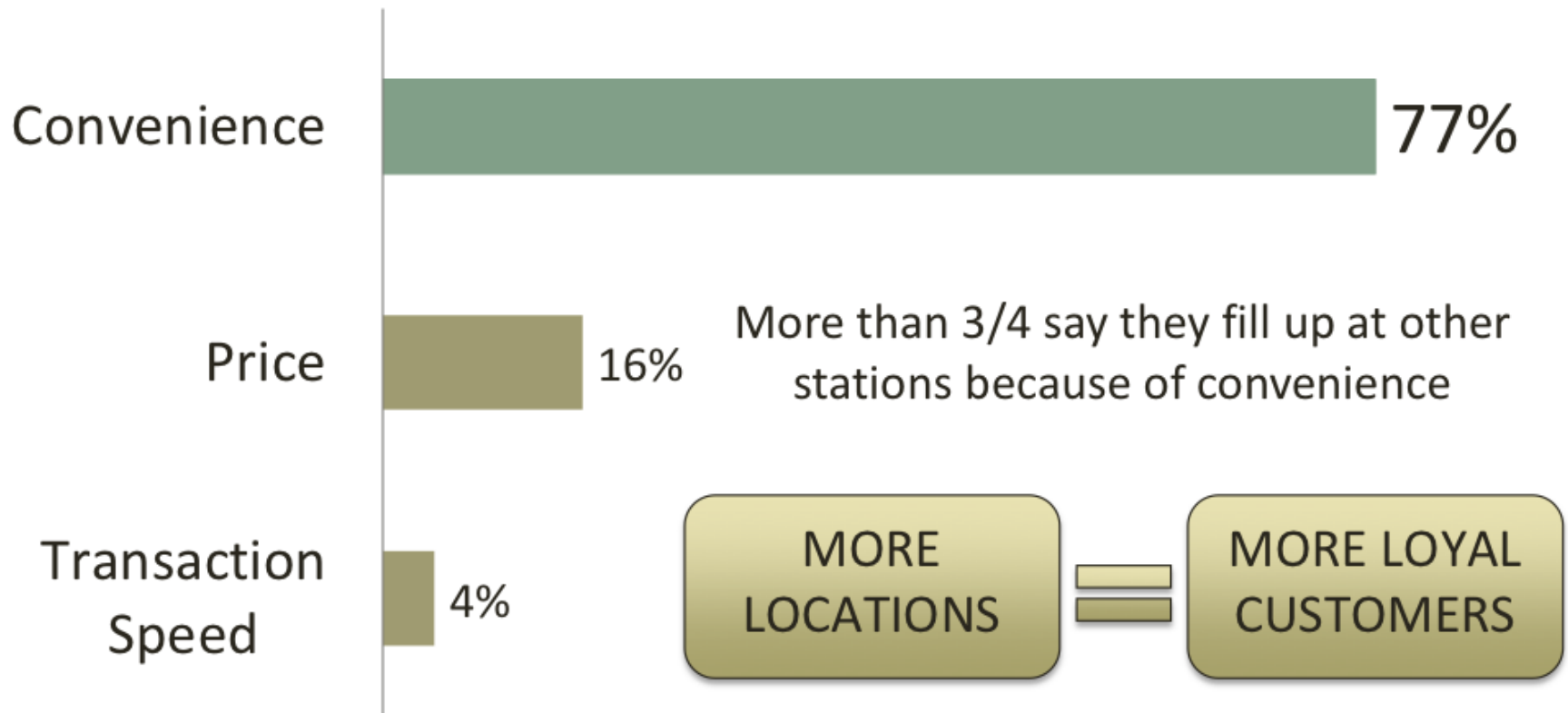
PERCEPTION OF PROPEL VALUE



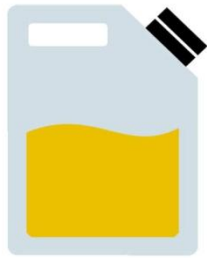
Customer Study Results

BARRIERS TO LOYALTY

"What are some reasons why you fuel up at another station/other stations besides Propel?"



Creating choice at the pump.



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Ethanol: 13 B gal
Biodiesel: 1.2 B gal

**19 MILLION
VEHICLES**

Work to do!

5 Key Things to Know about Renewable Fuels

Renewable fuels don't have to be complicated.
Know your way around:

- 1) The **PRICE**
- 2) The **VEHICLES**
- 3) The **ADVANTAGES**
- 4) The **MYTHS**
- 5) The **LOCATIONS**

1) The PRICE

E85

(85% Ethanol)

- Priced **LESS THAN** gasoline (up to \$.70)
- Can burn more quickly (5%-20%)
- Ends up being **THE SAME AS** or **LESS THAN** gasoline for most drivers

B20

(20% Biodiesel)

- Priced **THE SAME AS** or **LESS THAN** petroleum diesel
- Equal fuel economy

2) The VEHICLES

E85

(85% Ethanol)



or



B20

(20% Biodiesel)

ANY DIESEL ENGINE can run
low-blend biodiesel without
conversion or modification

3) The ADVANTAGES

E85

(85% Ethanol)



High-octane performance

Up to 105 octane rating and 20% more HP

Fewer tailpipe emissions

20-40% less CO₂, 50% less particulate matter

Renewable, domestic

Sourced from sustainable corn, refined in the US

3) The ADVANTAGES

E85



Manufacturer Ratings

2014 Silverado 5.3L

HP: from 355 to 380

Torque: from 383 to 416



2013 Ford F150 V8

HP: from 360 to 375

Torque: from 380 to 390

3) The ADVANTAGES

B20

(20% Biodiesel)



Better for your engine

Increased lubricity reduces friction/wear & tear, prolongs engine life (no more lubricity additives!)

Renewable, domestic

Sourced from waste grease, soybean oil or other fatty feedstocks, refined in CA

Fewer tailpipe emissions

20-80% less CO₂, 50% fewer cancer causing compounds, reduced air toxins

4) The MYTHS

MYTH: E85 is More Expensive than Gas?

REALITY:

E85 *can* burn faster depending on driver habits and vehicle...



5% - 20% less mileage



...and it's priced accordingly!

For most drivers, E85 costs about the same or less than gasoline.

4) The MYTHS

MYTH: Food versus Fuel?



REALITY: Food and Fuel!

Modern technology allows our farmers to efficiently grow more than enough corn for **animal feed, fuel and exports**

5) The LOCATIONS

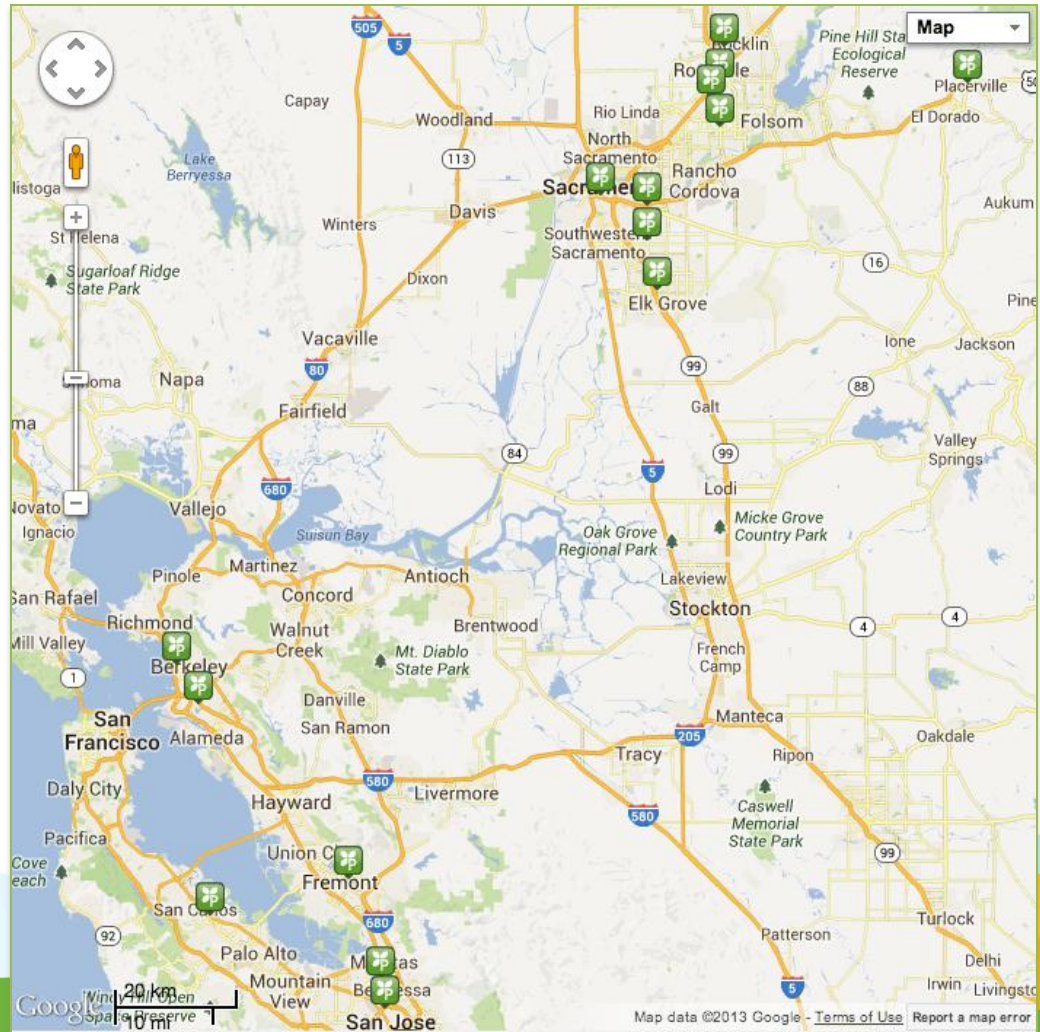
(www.propelfuels.com/locations)

Sacramento (9 pumps)

Folsom/Florin/Broadway
Citrus Heights (x2)
Rocklin
Roseville
Placerville
Elk Grove

Bay Area (7 pumps)

Berkeley
Oakland
Fremont
Redwood City
San Jose (x3)



Renewable Fuels & Fleets

Public Fleets

USPS, CalTrans, EDD, FTB,
Federal Office of Personnel
Mgmt., DHS, Forest Service

Private Fleets

Hertz & Enterprise Rental Cars
Frontier Communications
Comcast/Xfinity
Summit Airworks
Elite Medical
Verizon



Government Supported Fuels

Energy Policy Act (EPACT) Compliance

“Section 701 of EPACT 2005 requires Federal agencies to use alternative fuels in fleet dual-fuel vehicles if the fuel is available **within five miles or 15 minutes...**”

*Source: US Department of Energy Federal Management Program (FEMP) Fact Sheet, 2008

FEMP

Federal Energy Management Program

Fact Sheet

Leading by example, saving energy and taxpayer dollars in Federal facilities and fleets.

Federal Fleet Requirements

EPACT and E.O. 13423: How Do Federal Fleets Comply?

The Federal Fleet initiative is shaped by the requirements of Title III of the Energy Policy Act (EPACT) of 1992, as amended by EPACT of 2005, and Executive Order (E.O.) 13423. Under Title III of EPACT 1992, 75% of a Federal fleet's covered light-duty vehicle (LDV) acquisitions in U.S. metropolitan areas must be alternative fuel vehicles (AFVs). Agencies receive credits for each light-, medium-, or heavy-duty AFV they acquire each year and for biodiesel (typically used in B20, a blend of 20% biodiesel, 80% petroleum diesel) used in fleet vehicles. Table 1 lists the number of credits agencies are awarded for AFVs and biodiesel use.



EPACT Section 701 and E.O. 13423 require Federal agencies to use alternative fuel in AFVs. Here, a driver fills a government Honda GX with compressed natural gas.

Table 1. EPACT Credit Structure

Credits Awarded	Situation
1	Dual-fuel (flexible or bi-fuel) vehicles, regardless of vehicle size class as long as the vehicle meets the AFV definition of EPACT 1992, as amended by EPACT 2005
2	Dedicated light-duty AFVs
3	Dedicated medium-duty AFVs
4	Dedicated heavy-duty AFVs
1	Every 450 gallons of pure biodiesel (equivalent to 2,250 gallons of B20) used in diesel vehicles. Caps at 50% of EPACT requirements.

Section 701 of EPACT 2005 requires Federal agencies to use alternative fuels in fleet dual-fuel vehicles (flexible or bi-fuel) if the fuel is available within five miles or 15 minutes and does not cost more than gasoline on a per-gallon basis.

In addition to Title III and Section 701 requirements, Federal agencies must also comply with E.O. 13423, which was issued by President Bush in January 2007 and revoked E.O. 13149. Under E.O. 13423, agencies are required to:

- Reduce petroleum consumption by 2% annually through fiscal year (FY) 2015 compared to their FY 2005 baseline value.
- Increase alternative fuel use by at least 10% compounded annually through FY 2015 compared to their FY 2005 baseline value.

Who Is Covered?

Court Services and Offender Supervision
General Services Administration
National Aeronautics and Space Administration
Smithsonian Institute
Social Security Administration
U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Defense
U.S. Department of Energy
U.S. Department of Health and Human Services
U.S. Department of Homeland Security
U.S. Department of Housing and Urban Development
U.S. Department of the Interior
U.S. Department of Justice
U.S. Department of Labor
U.S. Department of State
U.S. Department of Transportation
U.S. Department of Treasury
U.S. Department of Veterans Affairs
U.S. Environmental Protection Agency
U.S. Postal Service



U.S. Department of Energy
**Energy Efficiency
and Renewable Energy**
Bringing you a prosperous future where energy is clean, abundant, reliable, and affordable.

Convenient Access and Payment

All Major Fleet Cards Accepted



Propel CleanDrive Fleet Card

featuring the
Volume Rebate Program

- Save up to 5¢ per gallon (beginning at 500 gals/month)
- Fuel in and out of network
- Manage your fleet & control fueling costs
- Monitor and report on your environmental impact



CleanDrive[®] CO₂ Reporting

CleanDrive Program Emissions Reporting

- ✓ Track emission reductions associated with and the positive social impact of using low-carbon fuels
- ✓ Compatible with entire Propel station network
- ✓ Compliance reporting for public agencies & green businesses



Propel[®] Dealership Program

Bringing Propel Renewable Fuels to NEW Customers

- ✓ Engage customers in sales and service **with free \$10 fuel trial**
- ✓ Boost existing client loyalty to dealership service department
- ✓ Incentivize new service department clients
- ✓ No cost to DEALERSHIP



Propel[®] Dealership Program

Complete Free In-Store Marketing Suite



Renewable fuels
orientation/team training



Promo floor and/or
tabletop displays



Complimentary pre-paid
fuel trial cards, station
maps, stickers and
renewable fuel literature



Partnering with Propel[®]

Proven: Adoption Through Trial

Free today: FFV ID hangtags

- Instantly request \$10 of FREE E85
- Enter to WIN \$500 of E85





Thank You.

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