



Press Release

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Propel Fuels Launches Bay Area's First Network of Renewable Fuel Stations *Company and Partners Awarded \$10.9 Million to Expand State-wide Access to Renewable Fuels*

OAKLAND, Calif. (August 31, 2010) – At a grand opening event today at the Bay Area's newest renewable fuel station, California Energy Commissioner Anthony Eggert, Director of California Governor Schwarzenegger's Office of Economic Development (GoED) Joel Ayala, and officials from Propel Fuels, CALSTART, and East Bay Clean Cities, formally launched Propel's Bay Area operations, which will include more than 20 stations across the Bay, with up to 10 open by the year's end. The event also announced a \$10.9 million grant from the U.S. Department of Energy (DOE) and California Energy Commission (CEC) to build and operate 75 retail renewable fuel stations throughout California over the next two years.

The station development project, known as the Low Carbon Fuel Infrastructure Investment Initiative (LCFI3), has the potential to create more than 450 green jobs in California, while displacing 39 million gallons of petroleum and 187,500 tons of CO2 emissions per year. Propel will match this grant with \$16 million in private investment to accelerate the build-out of Propel's statewide network of Clean Fuel Points.

"California is leading the way in the development and deployment of low carbon fuels and clean vehicles by investing in a portfolio of the most promising alternatives to petroleum," said Energy Commissioner Anthony Eggert. "The Energy Commission is proud to team up with Propel Fuels and the partner agencies to bring next generation low carbon biofuels, including cellulosic ethanol, to the nearly half a million flex fuel vehicle customers in California, while creating hundreds of green jobs, and continuing to lead the way in our nation's battle against climate change."

"This grant brings a new choice to Californians looking to do their part to reduce our nation's dependency on imported oil and help meet the state's emission reduction goals," said Matt Horton, CEO of Propel Fuels. "As advanced biofuel production facilities prepare to break ground in the state, this fueling infrastructure is a critical link between California's citizens and the next generation of low carbon fuels."

Approximately \$6.9 million of the project funding was awarded by the U.S. DOE Clean Cities' Petroleum Reduction program, with another \$4 million granted through the state of California's Alternative and Renewable Fuel and Vehicle Technology program. Both programs are working to reduce petroleum consumption and greenhouse gas emissions while increasing the use of alternative fuels through implementation of innovative technologies. California boasts the largest fleet of alternative fuel fleet vehicles in the U.S., making the state an ideal partner for Propel on this project.

"The launch of the Bay Area's first renewable fuel station network by Propel Fuels represents a bold and confident step into the future of renewable fuels and is a clear indicator that government can help streamline economic development operations for out-of-state companies," said Governor's Office of Economic Development Director Joel Ayala. "With the activation of this network, California is again showing the world how the green economy can create jobs, protect the environment and secure our standing as a state whose innovation and creativity continues to fuel our economic recovery."

Along with the new station build-out, alternative fuel education and community outreach are a critical piece of LCFI3. Propel will work with community partners CALSTART and East Bay Clean Cities to educate consumers and fleets on the wide spread benefits of low carbon, alternative fuels available today and those next generation fuels coming in the future.

“Presently in California more than one million diesel and Flex Fuel passenger cars are capable of running on renewable fuels, but there hasn’t been a sufficient number of renewable fuel stations,” said John Boesel, President and CEO of CALSTART. “This program takes a major step forward by creating 75 new renewable stations which will give consumers the choice to say 'no' to oil dependence, 'yes' to the American economy and 'yes' to the environment.”

“Clean Cities is focused on reducing our nation’s consumption of petroleum fuels, and the best way to do this is by making alternative fuels available,” said Richard Battersby, Director, East Bay Clean Cities Coalition. “Propel’s network of low carbon renewable fuel stations offers the citizens of California additional alternative fuel choices and their CleanDrive tracking system provides a convenient way to track and measure the positive environmental impacts of their fueling choices.”

Propel has already begun construction of the station locations in major markets across California, with the network of 75 stations funded by this project to be complete by the end of 2011. Currently there are three locations open in the Bay Area (Fremont, Oakland, South San Jose) with additional sites planned for Downtown San Jose, North San Jose, Berkeley, Palo Alto, Redwood City, Livermore, and Concord in the coming months. More information on current and future Propel locations can be found at www.propelfuels.com.

About Propel

Propel builds, owns and operates a network of Clean Fuel Points – green-built, self-serve filling stations providing convenient access to clean, American, renewable fuels. The company offers drivers and fleets a cleaner fuel choice that reduces carbon emissions, creates jobs and lowers America’s dependency on foreign oil. Propel has also developed CleanDrive™, the nation’s first integrated carbon emission reduction tracking platform. Propel operates a growing network of Clean Fuel Points in Washington State and California. More information is available at www.propelfuels.com.

About CALSTART

With offices in Pasadena and Richmond, CALSTART’s mission is to accelerate the growth of the clean transportation technology industry. CALSTART has more than 140 member companies developing and selling a wide array of clean fuels and vehicles. Visit www.calstart.org for more information.

About East Bay Clean Cities Coalition

The East Bay Clean Cities Coalition is headed by Richard Battersby, the Director of Fleet Services at the University of California, Davis. The EBCCC works closely with board member CALSTART, and is heavily involved with alternative fuel and advanced clean air vehicle projects. The organization has extensive experience implementing a broad range of vehicle and fuel technologies.

About the Governor’s Office of Economic Development (GoED)

The Governor’s Office of Economic Development (GoED) was launched by Governor Arnold Schwarzenegger to help stimulate and facilitate economic growth across the state. GoEd serves as a one-stop shop for business needs and can offer assistance, resources, and other tools to assist with the creation, expansion and retention of businesses. GoED’s mission is to make it easier to do business in the state.

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