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June 8, 2007

California Energy Commission  
Docket Office, MS-4  
Re: Docket 06-AFP-1, Alternative Fuels Transportation Plan  
1516 Ninth Street  
Sacramento, CA 95814-5512

<b>DOCKET</b> <b>06-AFP-1</b>
DATE JUN 0 8 2007
RECD. JUN 0 7 2007

To Whom It May Concern:

On behalf of the propane industry in California, I would like to express my appreciation to the California Energy Commission and the California Air Resources Board for its work to increase the use of alternative transportation fuel as directed by AB 1007. We respectfully submit the following four comments regarding the Alternative Fuels Transportation Plan, Docket 06-AFP-1:

1. In the Liquefied Petroleum Gas Vehicle Fuel Plan presentation, TIAX's Larry Waterland presented vehicles penetration projections of 5,000 vehicles in the "business as usual" scenario, 10,000 vehicles in a "moderate growth" scenario, and 15,000 vehicles in an "aggressive growth" scenario.

While interest in propane as an on-road fuel has waned in recent years, the industry anticipates that major investments in OEM products – including a Blue Bird school bus and a Roush/Ford F-150 truck that are hitting California's roadways this year – combined with investments in infrastructure and consumer education will increase propane's market share in the alternative fuel arena. The Western Propane Gas Association, working in conjunction with national efforts being coordinated by the Propane Education & Research Council (PERC) and the National Propane Gas Association (NPGA), is actively promoting these two OEM projects as well as additional CARB-certified propane engines.

Because of this active promotion, we believe these projections are very conservative. While we are not requesting any change to the report, we would like it noted that the industry's own aggressive promotion combined with any assistance from the state will likely result in far greater sales.

2. As was mentioned on numerous occasions at the May 29 workshop, the average cost of gasoline and diesel cited in the statistical analysis is, in our estimation, extremely out of synch with current prices. While we understand that the average gasoline and diesel prices are based on outside agencies' calculations, we would also like it noted that the propane prices that are being used in the report are real-time, actual prices seen in the California market and not estimates coming from outside agencies. We believe propane would have an even greater cost advantage over gasoline and diesel if today's true pump prices were used.

3. During the May 29 workshop, comments were again made regarding propane's position in the full fuel cycle analysis. On March 3, our association filed comments regarding the *Full Fuel Cycle Assessment: Well to Tank Energy Inputs, Emissions, and Water Impacts*, CEC-600-2007-002-D, specifically in section 5.3.2, LPG and DME Distribution (pages 5-35 through 5-37) and in section 7.1.3, Results & Interpretations (page 7-6).

The research cited in section 5.3.2 is from 1992 and 1994. Since that time, the propane industry has taken tremendous steps to improve its equipment, thereby significantly reducing the emissions from delivery operations. The Western

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Propane Gas Association funds a project to promote the purchase and installation of this low-emission equipment.

In addition, the Propane Education & Research Council and the National Propane Gas Association are considering changing the nationally-recognized Certified Employee Training Program (CETP) to retrain operators in the use of the outage valve to reduce emissions. In California, CETP courses already include this instruction. New devices recently entered into the marketplace reduced emissions from the outage valve by approximately 70 percent.

4. It is extremely important that we stimulate the retrofit market for propane vehicles. I would refer you to a comment submitted on June 5 by IMPCO Technologies, Inc., regarding current impediments they face in bringing retrofits to the California market. Our association receives multiple inquiries every week from consumers who would like to retrofit their vehicles, but at this point, is it not an option. If the California Air Resources Board and California Energy Commission could work with the retrofit manufacturers to ensure quality products without burdensome regulations which increase the cost of the product, we feel propane could reach even more users in a cost-effective fashion.

Again, California's propane industry is grateful for the opportunity to be included in the Alternative Fuels Transportation Plan. Our industry looks forward to being part of the state's long-term solution to making transportation cleaner.

Sincerely,

Lesley Brown Garland  
Vice President