



Mobile Emissions Technology, Policy, and Implementation

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New Study Shows Natural Gas Vehicle Financial Incentive Programs Contribute Significantly to Success of Fleet Emission Reduction Efforts

NEW YORK – July 7, 2009 - Regional and local governments and private fleets operating in the New York Metropolitan area are facing mounting pressures to address harmful air contaminants and greenhouse gas emissions, especially those from mobile sources such as diesel-powered trucks, transit buses, utility/contractor and delivery vehicles.

But progress toward reducing emissions by switching to clean-burning natural gas vehicles (NGVs) is gaining strength, according to a new research report published today by Emisstar LLC. The study authors attribute much of the progress achieved to NGV financial incentive programs adopted by municipal planning or air quality agencies.

Emisstar Principal Glenn Goldstein said, “Our aim with this study was to analyze existing incentive-based emissions reduction approaches nationwide, and to recommend how a regional NGV financial incentive program could be developed and implemented in the New York area.” The Emisstar report was commissioned by NGV America, a national organization dedicated to the development of a growing, sustainable and profitable market for vehicles powered by natural gas or hydrogen.

Remarking on the study, NGV America President Rich Kolodziej, said, “Municipalities and agencies throughout the New York region are working hard to comply with evolving emissions reduction mandates, and are actively seeking ways to cost-effectively replace their aging diesel vehicle fleets with alternative-fueled models.”

Kolodziej cited the New York townships of Smithtown and Brookhaven as examples of local municipalities that have implemented a 100-percent natural gas fuel standard for their contracted refuse hauling fleets, in cooperation with project partners Clean Energy Fuels Corp. (Nasdaq: CLNE) and National Grid ([LSE:NG](#), [NYSE: NGG](#)). “In both cases, financial grants, subsidies and rebates for natural gas vehicle purchases were major factors in the success of the towns’ fleet emission reduction efforts.”

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In the New York region, Emisstar reports that there is a large, currently unsatisfied demand for alternative-fueled vehicles. “Addressing this \$90 million backlog by replacing diesel vehicles with NGVs would dramatically curtail harmful emissions. With this approach, we estimate that total reduction of air contaminants would approach 6,000 tons annually.”

The Emisstar report suggests a specific framework for a regional natural gas program that would offer incentives for the replacement of Class 6 through Class 8 diesel-fueled vehicles with new vehicles powered by natural gas. The report provides detailed recommendations regarding administrative processes and program criteria including vehicle eligibility, scrapping requirements, funding sources and thresholds based on emissions reduced.

The recommendations were based upon extensive interviews of stakeholders in the public and private sector, as well as an analysis of existing emission reduction incentive programs, including the Texas Emissions Reduction Plan and California’s Carl Moyer Air Quality Standards Attainment Program.

“The study results demonstrate the feasibility of implementing a voluntary natural gas vehicle incentive program that is attractive to business and public interest alike,” Goldstein concluded.

The Emisstar Natural Gas Vehicle Incentive Program Report is available for downloading at no charge at www.emisstar.com. Emisstar LLC is an independent consulting practice that focuses on energy and mobile emissions policy, technology and implementation for the low carbon economy.

National Grid is an international energy delivery company. In the U.S., National Grid delivers electricity to approximately 3.3 million customers in Massachusetts, New Hampshire, New York and Rhode Island, and manages the electricity network on Long Island under an agreement with the Long Island Power Authority (LIPA). It is the largest distributor of natural gas in the northeastern U.S., serving approximately 3.4 million customers in Massachusetts, New Hampshire, New York and Rhode Island. National Grid also owns over 4,000 megawatts of contracted electricity generation that provides power to over one million LIPA customers.

Clean Energy (Nasdaq: CLNE) is the leading provider of natural gas (CNG and LNG) for transportation in North America. It has a broad customer base in the refuse, transit, ports, shuttle, taxi, trucking, airport and municipal fleet markets, fueling more than 17,200 vehicles at 184 strategic locations across the United States and Canada. Clean Energy owns and operates two LNG production plants, one in Willis, TX and one in Boron, CA, with combined capacity of 260,000 LNG gallons per day and designed to expand to 340,000 LNG gallons per day as demand increases. It also owns and operates a landfill gas facility in Dallas, TX that produces renewable methane gas or biogas for delivery in the nation’s gas pipeline network. Please visit www.cleanenergyfuels.com