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Todd R. Campbell, MEM, MPP
Vice President, Public Policy and Regulatory Affairs



April 29, 2013

The Honorable Su Ryden, Chair
House State, Veterans, and Military Affairs Committee
Colorado State Capitol
200 E Colfax
Denver, CO 80203

Subject: SB 203 (Schwartz): STRONG SUPPORT

Dear Chair Ryden and Honorable Members of the House State, Veterans, and Military Affairs Committee,

Clean Energy writes in strong support of Senate Bill 203 (Schwartz), a bill that would disallow government entities from unfairly using monopoly powers to compete in the vehicle refueling business.

Clean Energy is North America's leading provider of natural gas for use in vehicles, and we fuel over 30,000 vehicles daily at over 450 strategically-located stations. We currently have twelve stations in Colorado with plans to continue increasing development. We are in strong support of this bill because if local governments are allowed to enter the private refueling business, they have the potential to destroy this nascent industry in Colorado.

Local governments have the ability to use taxpayer money to fund the construction of compressors and stations and therefore do not bear the financial risk that third-party, privately owned businesses have to undertake. Private firms must perform market research and have a sufficient number of customers before building a station, whereas government entities can benefit from a station regardless of whether or not consumers fuel there because the local government is able to cross-subsidize the station and recover all initial investments.

Moreover, because the local governments do not pay the majority of taxes that private businesses do, they would be able to sell their fuel at lower-than-market prices and would undermine hardworking businesses that would be unable to compete. This bill would still allow government entities to build alternative refueling stations for their own fleets; however, it would prohibit them from selling fuel to non-government customers. This allows municipalities to reduce their greenhouse gases and harmful emissions without directly competing with the private refueling market.



What will result from allowing local governments into this already competitive space will be no competition, no third party innovation of the market or participation, and no infrastructure coordination for refueling between the local governments.

Therefore, we respectfully recommend an “aye” vote on SB 203 in order to save the vehicle refueling industry from local government monopolization in Colorado.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Campbell", written over a circular stamp.

Todd Campbell
Vice President, Public Policy and Regulatory Affairs