

Clean Energy Fuels Corp.
Form PRE 14A
April 04, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

CLEAN ENERGY FUELS CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
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 - (4) Date Filed:
-

CLEAN ENERGY FUELS CORP.

**3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740**

April , 2011

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders (the "Annual Meeting") of Clean Energy Fuels Corp. (the "Company") to be held at The Island Hotel at 690 Newport Center Drive, Newport Beach, California 92660, on Wednesday, May 25, 2011, at 9:00 a.m. (Pacific Time).

The attached notice of Annual Meeting and proxy statement include the agenda for the Annual Meeting, explain the matters that we will discuss at the meeting and provide general information about our Company.

For our 2011 Annual Meeting, we are pleased to take advantage of the Securities & Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders on the Internet. We believe these rules allow us to provide you with the information you need while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting.

Your vote is very important. If you do not plan to attend the Annual Meeting in person, please vote as promptly as possible. Thank you for supporting our Company.

Sincerely,

MITCHELL W. PRATT
Corporate Secretary

CLEAN ENERGY FUELS CORP.

3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 25, 2011

The annual meeting of stockholders (the "Annual Meeting") of Clean Energy Fuels Corp. (the "Company") will be held at The Island Hotel at 690 Newport Center Drive, Newport Beach, California 92660, on Wednesday, May 25, 2011, at 9:00 a.m. (Pacific Time) for the following purposes:

1. To elect seven directors;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;
3. To hold an advisory, non-binding vote on executive compensation;
4. To hold an advisory, non-binding vote on whether the vote on executive compensation should occur every one, two or three years;
5. To approve an amendment to the Company's Amended and Restated 2006 Stock Incentive Plan ("2006 Plan") to increase the aggregate number of shares available under the 2006 Plan by 3,000,000;
6. To approve an amendment to the Warrant to Purchase Common Shares of Clean Energy Fuels Corp., dated December 28, 2006 (the "Warrant"), to provide Mr. Boone Pickens, the Warrant holder, with an incentive to exercise a portion of the Warrant prior to December 28, 2011 (the "Exercise Period"), the current expiration date of the Warrant; and
7. To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

The foregoing items of business are more fully described in the proxy statement.

The Board has fixed the close of business on March 28, 2011 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at our offices.

By order of the Board,

Dated: April 11, 2011

MITCHELL W. PRATT
Corporate Secretary

CLEAN ENERGY FUELS CORP.

**3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740**

2011 PROXY STATEMENT

General Information

The board of directors (the "Board") of Clean Energy Fuels Corp., a Delaware corporation (the "Company"), is providing these proxy materials to you in connection with the solicitation of proxies for use at our 2011 annual meeting of stockholders (the "Annual Meeting"). The Annual Meeting will be held at The Island Hotel at 690 Newport Center Drive, Newport Beach, California, 92660, on Wednesday, May 25, 2011, at 9:00 a.m. (Pacific Time) or at any adjournment or postponement thereof, for the purposes stated herein. This proxy statement (the "Proxy Statement") summarizes the information that you will need to know to vote in an informed manner.

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to the Company's stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. We encourage you to take advantage of the availability of the proxy materials on the Internet in order to help reduce the environmental impact of the Annual Meeting. The Company's proxy materials are available at the following website: www.proxyvote.com.

Voting Rights and Outstanding Shares

We will mail the Notice on or about April 15, 2011, to all stockholders of record that are entitled to vote. Only stockholders that owned our common stock at the close of business on March 28, 2011, the date which has been fixed by the Board as the record date, are entitled to vote at the Annual Meeting. On the record date, 70,256,309 shares of our common stock were outstanding.

Each share of our common stock that you own entitles you to one vote on all matters to be voted upon at the meeting. The proxy card indicates the number of shares of our common stock that you own. We will have a quorum to conduct the business of the Annual Meeting if holders of a majority of the shares of our common stock are present in person or represented by proxy. Abstentions and broker non-votes, discussed below, will be counted as present for purposes of determining whether a quorum is present at the meeting. Generally, broker non-votes occur when shares held by a broker, bank, or other nominee in "street name" for a beneficial owner are not voted with respect to a particular proposal because the broker, bank, or other nominee (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal.

A broker is entitled to vote shares held for a beneficial owner on "routine" matters, such as the ratification of the appointment of KPMG LLP as our independent registered public accounting firm (Proposal 2), without instructions from the beneficial owner of those shares. On the other hand, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on certain "non-routine" matters, such as the election of directors (Proposal 1), the proposal to approve, on an advisory, non-binding basis, the compensation of our named executive

officers, as disclosed in this proxy statement in accordance with the SEC's rules (Proposal 3), the advisory, non-binding recommendation as to the frequency with which stockholders will vote on executive compensation (every year, every two years or every three years) (Proposal 4), the amendment to our 2006 Plan (Proposal 5) and the amendment to the Warrant (Proposal 6).

If you hold your shares in street name, it is critical that you cast your vote if you want it to count in the election of directors (Proposal 1), the proposal to approve on an advisory, non-binding basis, the compensation of our named executive officers (Proposal 3), the advisory, non-binding recommendation as to the frequency with which stockholders will vote on executive compensation (Proposal 4), the amendment to our 2006 Plan (Proposal 5) or the amendment to the Warrant (Proposal 6). With respect to the election of directors, we note that in the recent past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your broker was allowed to vote those shares on your behalf in the election of directors as they felt appropriate. Regulatory changes, which apply to proxy voting for stockholder meetings held on or after January 1, 2010, took away the ability of your broker to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your broker how to vote in the election of directors, the broker will not vote your shares in the director election.

Broker non-votes are counted for purposes of determining whether or not a quorum exists for the transaction of business, but will not be counted for purposes of determining the number of shares represented and voted with respect to an individual proposal. Thus, if you do not give your broker specific voting instructions, your shares will not be voted on these "non-routine" matters and will not be counted in determining the number of shares necessary for approval.

Directors will be elected by a plurality of votes cast by shares present in person or represented by proxy at the meeting. Abstentions and broker non-votes, if any, will have no impact on the election of directors. The proposals to ratify the appointment of KPMG LLP as our independent registered public accounting firm, to approve on an advisory, non-binding basis, the compensation of our named executive officers, to approve the amendment to our 2006 Plan and to approve the amendment to the Warrant must be approved by the affirmative vote of a majority of the votes cast for each respective proposal by shares present in person or represented by proxy at the meeting. Accordingly, an abstention or broker non-vote, if any, will have no impact on the outcome of the votes for these proposals. The advisory, non-binding recommendation as to the frequency with which stockholders will vote on executive compensation (every year, every two years or every three years) will be determined by a plurality of the votes cast on the proposal by shares present in person or represented by proxy at the meeting, such that the frequency that receives the highest number of votes will be deemed the choice of the stockholders. Abstentions and broker non-votes, if any, will have no impact on the outcome of this proposal.

Attending the Annual Meeting

All stockholders that owned our common stock at the close of business on March 28, 2011, the record date, or their duly appointed proxies, may attend the Annual Meeting. Registration will begin at 8:30 a.m. (PT), and seating will begin immediately thereafter. If you attend, please note that you may be asked to present valid picture identification, such as a driver's license or passport. Please also note that if you hold your shares in "street name" (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the Annual Meeting.

Voting Shares Registered in Your Name

If you are a stockholder of record, you may vote in one of four ways:

You may vote in person at the Annual Meeting. We will provide a ballot when you arrive.

If you request printed copies of the proxy materials by mail, you may vote by proxy by filling out the proxy card and sending it back in the envelope provided.

You may vote by telephone by calling the toll free number found on the proxy card.

You may vote by proxy via the Internet at the website <http://www.proxyvote.com> by following the instructions provided in the Notice.

Votes submitted by telephone or via the Internet must be received by 11:59 p.m. (PT) on Tuesday, May 24, 2011. Submitting your proxy by telephone or via the Internet will not affect your right to vote in person should you decide to attend the Annual Meeting.

Voting Shares Registered in the Name of a Broker, Bank or Other Nominee

Most beneficial owners whose stock is held in street name will receive instructions for voting their shares from their broker, bank or other nominee.

If you wish to vote in person at the Annual Meeting and your stock is held in street name, then you must obtain a legal proxy issued in your name from the broker, bank or other nominee that holds your shares of record.

Tabulation of Votes

The inspector of elections will tabulate the votes. The shares of our common stock represented by proxy will be voted in accordance with the instructions given on the proxy so long as the proxy is properly executed and received by us prior to the close of voting at the Annual Meeting or any adjournment or postponement thereof (or in the case of proxies submitted by telephone or via the Internet, by the deadline specified above). If no instruction is given on a proxy that is properly executed and received by us, then the proxy will be voted "for" the nominees for director; "for" the proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm; "for" the approval of the compensation of our named executive officers, as disclosed in this proxy statement in accordance with the SEC's compensation disclosure rules; "for" the option of once every two years as the frequency with which stockholders will vote, on an advisory, non-binding basis, on executive compensation; "for" the approval of the amendment to our 2006 Plan; and "for" the approval of the amendment to the Warrant. In addition, the individuals that we have designated as proxies for the meeting will have discretionary authority to vote for or against any other stockholder matter presented at the meeting.

Revocability of Proxies

As a stockholder of record, once you have submitted your proxy by mail, telephone or Internet, you may revoke it at any time before it is voted at the meeting. You may revoke your proxy in any one of three ways:

You may grant another proxy marked with a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method);

You may notify our Corporate Secretary in writing that you wish to revoke your proxy before it is voted at the Annual Meeting; or

You may vote in person at the Annual Meeting.

Adjourned or Postponed Annual Meeting

In the event that the Annual Meeting is adjourned or postponed, your proxy will still be effective and will be voted at the rescheduled Annual Meeting. You will still be able to change or revoke your proxy until it is voted.

Solicitation

This solicitation is made by our Board and we will bear the entire cost of soliciting proxies. We have retained Broadridge Financial Solutions, Inc. to assist in obtaining proxies by mail, facsimile or e-mail from registered stockholders, brokers, bank nominees and other institutions for the Annual Meeting. The estimated cost for this service is approximately \$83,500. We will also bear the costs of preparation, assembly, printing and mailing of any printed proxy statements requested by stockholders, the proxy card and any additional information furnished to stockholders. We will provide copies of solicitation materials to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock that are beneficially owned by others for forwarding to the beneficial owners that have requested printed materials. We may reimburse persons representing beneficial owners of common stock for their costs of forwarding solicitation materials to the beneficial owners. Solicitations will be made primarily through the Notice and the solicitation materials made available via the Internet, via e-mail or in print to those who request copies, but may be supplemented by telephone, telegram, facsimile or personal solicitation by our directors, executive officers or employees. No additional compensation will be paid to these individuals for these services. In addition, we may engage a proxy solicitation firm to assist us in soliciting proxies. We may pay additional compensation to Broadridge Financial Solutions, Inc. or other proxy solicitation firms to assist us in soliciting proxies.

Results of the Annual Meeting

Preliminary results will be announced at the Annual Meeting. Final results also will be published in a current report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

Stockholder Proposals for 2012 Annual Meeting

Requirements for Stockholder Proposals to be Considered for Inclusion in Our Proxy Materials. Stockholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and intended to be presented at our 2012 annual meeting of stockholders must be received by us not later than December 17, 2011, in order to be considered for inclusion in our proxy materials for that meeting.

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. Our bylaws provide that, for stockholder nominations to the Board or other proposals to be considered at an annual meeting outside the processes of Rule 14a-8, the stockholder must have given timely notice of the proposal or nomination in writing to the Company. To be timely for the 2012 annual meeting, a stockholder's notice must be delivered to or mailed and received by our Corporate Secretary at our principal executive offices between February 25, 2012 and March 26, 2012. A stockholder's notice to the Company must set forth, as to each matter the stockholder proposes to bring before the annual meeting, the information required by our bylaws. We will not entertain any proposals or nominations at the Annual Meeting that do not meet the requirements set forth in our bylaws. If the stockholder does not also comply with the requirements of Rule 14a-4(c)(2) under the Exchange Act, we may exercise

discretionary voting authority under proxies that we solicit to vote in accordance with our best judgment on any such stockholder proposal or nomination.

Separate Copy of Annual Report or Proxy Materials

We have adopted a procedure called "householding," which the SEC has approved. Under this procedure, we are delivering a single copy of the Notice and, if requested, this Proxy Statement and our annual report to stockholders for the year ended December 31, 2010 (the "Annual Report") to multiple stockholders who share the same address unless we have received contrary instructions from one or more of the stockholders. This procedure reduces the Company's printing costs, mailing costs and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the Notice and, if applicable, this Proxy Statement and the Annual Report to any stockholder at a shared address to which we delivered a single copy of these documents. To receive a separate copy of the Notice and, if applicable, this Proxy Statement or Annual Report, write to Investor Relations at Clean Energy Fuels Corp., 3020 Old Ranch Parkway, Suite 400, Seal Beach, CA 90740 or call 562-493-7215. Stockholders who share an address and receive multiple copies of our Annual Report and proxy materials may also request to receive a single copy following the instructions above.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the amount of common stock beneficially owned on March 28, 2011 (unless otherwise indicated) by holders of more than 5% of the outstanding shares of any class of our voting securities, other than with respect to Mr. Boone Pickens (our founder and a member of our Board) whose ownership is included in the second table below.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the two tables below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to applicable community property laws.

Applicable percentage ownership is based on 70,256,309 shares of common stock outstanding on March 28, 2011. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed as outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 28, 2011. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Common Shares Beneficially Owned	Percent of Common Shares Outstanding
FMR LLC(1) 82 Devonshire Street Boston, Massachusetts 02109	3,924,226	5.677%
Madeleine Pickens(2) c/o Clean Energy Fuels Corp. 3020 Old Ranch Parkway, Suite 400 Seal Beach, CA 90740	34,289,209	40.72%

(1) Based on a Schedule 13G/A filed on February 14, 2011, as of December 31, 2010: (i) FMR LLC reported beneficial ownership of 3,924,226 shares, sole voting power as to 907,918 of the shares, and sole dispositive power as to 3,924,226 of the shares, (ii) Fidelity Management & Research Company ("Fidelity"), a wholly-owned subsidiary of FMR LLC, reported beneficial ownership of 3,016,308 shares, (iii) Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, each has sole dispositive power as to 3,016,308 of the shares and neither has sole voting power with respect to these shares, (iv) Edward C. Johnson 3d has sole voting and dispositive power over 15,661 of the shares and (v) Strategic Advisers, Inc., a wholly-owned subsidiary of FMR LLC, reported beneficial ownership of 892,257 of the shares.

(2) Madeleine Pickens is the wife of Boone Pickens. The beneficial ownership reported in the table includes 32,589,209 shares beneficially owned by Boone Pickens. Ms. Pickens disclaims beneficial ownership over these shares.

The following table presents information concerning the beneficial ownership of the shares of our common stock as of March 28, 2011 by:

each of our named executive officers and current directors that is a beneficial owner of 5% of more of our outstanding shares of common stock, and

all of our named executive officers and directors as a group.

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The address of each beneficial owner listed in the table is c/o Clean Energy Fuels Corp., 3020 Old Ranch Parkway, Suite 400, Seal Beach, CA 90740.

Name of Beneficial Owner	Common Shares Beneficially Owned	
	Number	%
Directors and Named Executive Officers:		
Boone Pickens(1)	34,829,207	40.72%
Andrew J. Littlefair(2)	2,082,820	2.90%
James N. Harger(3)	1,212,051	1.70%
Richard R. Wheeler(4)	620,567	*
Mitchell W. Pratt(5)	829,020	1.17%
Barclay F. Corbus(6)	433,246	*
John S. Herrington(7)	278,006	*
Warren I. Mitchell(8)	288,461	*
Kenneth M. Socha(9)	104,171	*
James C. Miller, III(10)	30,202	*
Vincent C. Taormina(11)	92,011	*
All current officers and directors as a group (11 persons)(12)	40,799,762	49.11%

* Represents less than 1%.

- (1) Beneficial ownership includes: (a) 269,999 options exercisable within 60 days of March 28, 2011; (b) 1,700,000 shares held by Madeleine Pickens, his wife; (c) 1,319,488 shares held by Boone Pickens Interests Ltd. over which Mr. Pickens possesses voting and investment control; and (d) 15,000,000 shares subject to a warrant exercisable within 60 days of March 28, 2011. Mr. Pickens disclaims beneficial ownership over (a) the 1,319,488 shares held by the Boone Pickens Interests Ltd.; and (b) the 1,700,000 shares held by Madeleine Pickens. As of March 28, 2011, 16,539,720 shares held by Mr. Pickens are pledged as collateral on a loan from a bank.
- (2) Beneficial ownership includes 1,560,371 shares subject to options exercisable within 60 days of March 28, 2011.
- (3) Beneficial ownership includes 870,567 shares subject to options exercisable within 60 days of March 28, 2011.
- (4) Beneficial ownership includes 620,567 shares subject to options exercisable within 60 days of March 28, 2011.
- (5) Beneficial ownership includes 805,567 shares subject to options exercisable within 60 days of March 28, 2011.
- (6) Beneficial ownership includes 420,567 shares subject to options exercisable within 60 days of March 28, 2011.
- (7) Beneficial ownership includes 177,415 shares subject to options exercisable within 60 days of March 28, 2011 held by the J&L Herrington 2002 Family Trust, over which Mr. Herrington possesses voting and investment control.
- (8) Beneficial ownership includes 238,361 shares subject to options exercisable within 60 days of March 28, 2011.
- (9) Beneficial ownership includes 28,561 shares subject to options exercisable within 60 days of March 28, 2011.
- (10) Beneficial ownership includes 30,102 shares subject to options exercisable within 60 days of March 28, 2011.
- (11)

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Beneficial ownership includes 54,111 shares subject to options exercisable within 60 days of March 28, 2011.

- (12) Beneficial ownership includes 20,076,188 shares subject to options and warrants exercisable within 60 days of March 28, 2011.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Board, acting pursuant to our bylaws, has determined that the number of directors constituting the full Board shall be seven at the present time. The Board has, upon recommendation of our nominating and corporate governance committee, nominated Andrew J. Littlefair, Warren I. Mitchell, John S. Herrington, James C. Miller III, Boone Pickens, Kenneth M. Socha and Vincent C. Taormina for reelection as members of the Board.

Each of the nominees is currently a director of our Company. Each newly elected director will serve a one-year term until the next annual meeting of stockholders or until his successor is duly qualified and elected. During the course of a term, the Board may appoint a new director to fill any vacant spot, including a vacancy caused by an increase in the size of the Board. The new director will complete the term of the director he or she replaced. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unable to serve. However, if any nominee cannot serve, then your proxy will be voted for another nominee proposed by the Board, or if no nominee is proposed by the Board, a vacancy will occur.

We, as a matter of policy, encourage our directors to attend meetings of stockholders and in 2010 all seven directors attended our Annual Meeting. There are no family relationships between any nominees or executive officers of our Company, and there are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was or is selected as a director or nominee.

Nominees for Director

You are being asked to vote on the seven director nominees listed below. Unless otherwise instructed, the proxy holders will vote the proxies received by them for these seven nominees. All of our nominees for director are current members of our Board. The names of the director nominees, their ages as of January 31, 2011, and other information about them are shown below.

Name of Director Nominee	Age	Position
Andrew J. Littlefair	50	President, Chief Executive Officer and Director
Warren I. Mitchell	73	Chairman of the Board
John S. Herrington	71	Director
James C. Miller III	68	Director
Boone Pickens	82	Director
Kenneth M. Socha	64	Director
Vincent C. Taormina	55	Director

Andrew J. Littlefair, one of our founders, has served as our President, Chief Executive Officer and a director since June 2001. From 1996 to 2001, Mr. Littlefair served as President of Pickens Fuel Corp. From 1987 to 1996, Mr. Littlefair served in various management positions at Mesa, Inc., an energy company of which Boone Pickens was Chief Executive Officer. From 1983 to 1987, Mr. Littlefair served in the Reagan Administration as a Staff Assistant to the President. Mr. Littlefair served as Chairman of NGV America, the leading U.S. advocacy group for natural gas vehicles from _____ to _____. Mr. Littlefair earned a B.A. from the University of Southern California. Mr. Littlefair served on the board of directors of Westport Innovations Inc. , a publicly traded company from 2007 to June 2010, and has served on the board of directors of PlainsCapital Corporation, a reporting company under the Exchange Act, since 2009.

Warren I. Mitchell has served as our Chairman of the Board and a director since May 2005. For over 40 years until his retirement in 2000, Mr. Mitchell worked in various positions at Southern

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California Gas Company, including as President beginning in 1990 and Chairman beginning in 1996. Mr. Mitchell currently serves on the board of directors of The Energy Coalition, a non-profit organization devoted to education on energy management, and on the board of directors of a privately held technology company. Mr. Mitchell earned a B.S. and an M.B.A. from Pepperdine University.

John S. Herrington has served as a director of our Company since November 2005. For over a decade, Mr. Herrington has been a self-employed businessman and attorney-at-law. From 1985 to 1989, Mr. Herrington served as the U.S. Secretary of Energy, and from 1983 to 1985, Mr. Herrington served as Assistant to the President for presidential personnel in the Reagan Administration. From 1981 to 1983, Mr. Herrington served as Deputy Assistant to the President and Assistant Secretary of the Navy. Mr. Herrington earned an A.B. from Stanford University and a J.D. and an LL.B. from the University of California, Hastings College of the Law.

James C. Miller III has served as a director of our Company since May 2006. Mr. Miller has served on the board of governors of the United States Postal Service since April 2003 and as its chairman from January 2005 to 2008. Mr. Miller has served on the boards of directors of the Washington Mutual Investors Fund since October 1992 and the J.P. Morgan Value Opportunities Fund since December 2001. From 1981 to 1985, Mr. Miller was Chairman of the U.S. Federal Trade Commission in the Reagan Administration, and also served as Director of the U.S. Office of Management and Budget from 1985 to 1988. Mr. Miller served on the board of directors of FLYI, Inc., formerly Atlantic Coast Airlines, Inc., a Delaware company publicly traded on the NASDAQ Global Market from 2004 to 2006. Mr. Miller earned a B.B.A. from the University of Georgia and a Ph.D. from the University of Virginia.

Boone Pickens has served as a director of our Company since June 2001 and founded Pickens Fuel Corp. in 1996. Mr. Pickens has served as the Chairman and Chief Executive Officer of BP Capital, L.P. since he founded the company in 1996, and is also active in management of the BP Capital Equity Fund and BP Capital Commodity Fund, which are privately held investment funds. Mr. Pickens also serves on the board of directors of EXCO Resources, Inc., a publicly traded energy company. Mr. Pickens was the founder of Mesa Petroleum Company, an oil and gas company, and served as Chief Executive Officer and a director of it and its successors from 1956 to 1996. Mr. Pickens earned a B.S. from Oklahoma State University.

Kenneth M. Socha has served as a director of our Company since January 2003. Since 1995, Mr. Socha has served as a Senior Managing Director of Perseus, L.L.C. and its predecessors, a merchant bank and private equity fund management company. Previously, Mr. Socha practiced corporate and securities law as a partner in the New York office of Dewey Ballantine. Mr. Socha served on the board of directors of Westport Innovations Inc., a Canadian company publicly traded on the NASDAQ Global Market from 2006 to 2007. Mr. Socha earned an A.B. from the University of Notre Dame and a J.D. from Duke University Law School.

Vincent C. Taormina has served as a director of our Company since April 2008. Mr. Taormina is the former Chief Executive Officer of Taormina Industries, Inc., one of California's largest solid waste and recycling companies. In 1997, Taormina Industries merged with Republic Services, a publicly-held waste handling company that operates throughout the United States. Mr. Taormina served as Regional Vice-President of Republic Services from 1997 to 2001, managing the overall operations of eleven western states. Since 2001, Mr. Taormina has served and continues to serve as a consultant to Republic Services and operates his own investment company. Mr. Taormina is a past President of the Orange County Solid Waste Management Association, past President Elect of the California Refuse Removal Council and a former board member of the Waste Recyclers Council for the National Solid Waste Management Board.

Required Vote and Board Recommendation

Directors will be elected by a plurality of the votes cast on this proposal by shares present in person or represented by proxy and entitled to vote on the election of directors at the Annual Meeting. The nominees who receive the highest number of votes of the votes cast by shares of common stock present in person or represented by proxy at the Annual Meeting will be elected. Abstentions and broker non-votes, if any, will have no impact on the election of directors.

**OUR BOARD RECOMMENDS A VOTE "FOR" THE ELECTION
TO THE BOARD OF EACH OF THESE NOMINEES**

PROPOSAL NO. 2**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We are asking you to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011. KPMG LLP has audited our financial statements annually since 2001. Representatives of KPMG LLP are expected to be at the Annual Meeting to answer any questions and make a statement should they choose to do so.

Although our bylaws do not require that our stockholders approve the appointment of our independent registered public accounting firm, our Board is submitting the selection of KPMG LLP as our independent registered public accounting firm to our stockholders for ratification as a matter of good corporate practice. If our stockholders vote against the ratification of KPMG LLP, our Board will reconsider whether to retain the firm. Even if our stockholders ratify the appointment, our Board may choose to appoint a different independent registered public accounting firm at any time during the year if our Board determines that such a change would be in the best interests of our Company and our stockholders.

Independent Registered Public Accounting Firm Fees and Services

The following table presents fees for professional audit and other services rendered by KPMG LLP for the audit of our annual financial statements as of and for the fiscal years ended December 31, 2009 and December 31, 2010, and fees billed for other services rendered by KPMG LLP during those periods.

	2009(\$)	2010(\$)
Audit Fees(1)	755,000	899,250
Audit Related Fees(2)		
Tax Fees(3)	408,400	282,372
All Other Fees(4)		
Total	1,163,400	1,182,622

- (1) Audit Fees consist of fees billed for professional services rendered for the audit of our consolidated annual financial statements and review of the interim consolidated financial statements included in quarterly reports, the audit of our internal control over financial reporting, audits of stand-alone financial statements of certain of our subsidiaries, professional services rendered in connection with our filing of various registration statements (i.e. Form S-8 and Form S-3 registration statements, including related comfort letters) and other professional services that are normally provided by KPMG LLP in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. During fiscal years 2009 and 2010 there were no such services rendered to us by KPMG LLP.
- (3) Tax Fees consist of fees billed for professional services rendered for tax compliance, tax advice and tax planning (domestic and international). These services include assistance regarding federal, state and international tax compliance, acquisitions and international tax planning.

(4)

All Other Fees consist of fees for products and services other than the services reported above. During fiscal years 2009 and 2010 there were no such services rendered to us by KPMG LLP.

Pre-Approval Policies and Procedures

As a matter of policy, all audit and non-audit services provided by our independent registered public accounting firm are approved in advance by the audit committee of the Company, which considers whether the provision of non-audit services is compatible with maintaining such firm's independence. All services provided by KPMG LLP during fiscal years 2009 and 2010 were pre-approved by the audit committee. The audit committee has considered the role of KPMG LLP in providing services to us for the fiscal year ended December 31, 2010, and has concluded that such services are compatible with their independence as our auditors.

Required Vote and Board Recommendation

Ratification of KPMG LLP as our independent registered public accounting firm requires the affirmative vote of the majority of the votes cast on this proposal by shares present in person or represented by proxy at the Annual Meeting. Accordingly, abstentions and broker non-votes, if any, will have no impact on the outcome of the vote for this proposal.

**OUR BOARD RECOMMENDS A VOTE "FOR" RATIFICATION
OF KPMG LLP AS OUR
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

PROPOSAL NO. 3

ADVISORY, NON-BINDING VOTE ON EXECUTIVE COMPENSATION

The recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our stockholders to vote to approve, on an advisory, non-binding basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the SEC's compensation disclosure rules.

As described in detail under the heading "Compensation Discussion and Analysis," our executive compensation programs are designed to align the interests of our named executive officers with the interests of our stockholders, to encourage retention and reward individual responsibility and productivity, and to achieve the Company's corporate objectives without promoting excessive or unnecessary risk-taking. Under these programs, our named executive officers' compensation is based on the performance of the individual and of the Company, the seniority of the individual, the level of responsibility associated with the position, the individual's long-term commitment to the Company, the scarcity of individuals with similar skills and the Company's business judgment. Please read the "Compensation Discussion and Analysis" beginning on page 27 for additional details about our executive compensation programs.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement. We believe that the compensation of our named executive officers is appropriate and serves to both incentivize and retain our highly skilled executive leadership team. Retaining and motivating our key executives is crucial to our success. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to indicate whether they approve of our named executive officers' compensation. This vote is not intended to address any specific element of compensation, but rather relates to the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement in accordance with the SEC's compensation disclosure rules. Accordingly, we will ask our stockholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2011 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure."

The say-on-pay vote is advisory, and therefore not binding on the Company, the compensation committee or our Board. Our Board and our compensation committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this Proxy Statement, we will consider our stockholders' concerns and the compensation committee will evaluate whether any actions are necessary to address those concerns.

Required Vote and Board Recommendation

The proposal to approve, on an advisory, non-binding basis, the compensation of our named executive officers, as disclosed in this Proxy Statement in accordance with the SEC's compensation disclosure rules, requires the affirmative vote of the majority of the votes cast on this proposal by shares present in person or represented by proxy at the Annual Meeting. Accordingly, abstentions and broker non-votes, if any, will have no impact on the outcome of the vote for this proposal.

**OUR BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION OF
OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT
PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.**

PROPOSAL NO. 4

**ADVISORY, NON-BINDING VOTE ON THE FREQUENCY OF
AN ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Section 14A to the Exchange Act requires that we provide our stockholders with an opportunity to vote, on an advisory, non-binding basis, for their preference as to how frequently we should seek an advisory, non-binding vote on the compensation of our named executive officers as disclosed in accordance with the SEC's compensation disclosure rules. By voting on this proposal, stockholders may indicate whether they would prefer that we conduct an advisory vote on executive compensation once every one, two, or three years. Stockholders may also abstain from casting a vote on this proposal.

After careful consideration of this proposal, the Board has determined that an advisory vote on executive compensation that occurs every two years is the most appropriate alternative for the Company, and therefore our Board recommends that you vote for a two year interval for the advisory vote on executive compensation.

In formulating its recommendation, our Board considered that a two year interval for the advisory vote on executive compensation would provide the most effective timeframe because it allows our Board and compensation committee sufficient time to engage in discussions regarding our executive compensation philosophy and programs following each such vote and to respond with any changes to the compensation of our named executive officers in response to the results of a stockholder advisory vote. In addition, our named executive officers are incentivized for the achievement of specific long term and strategic goals and the realization of increased stockholder value. Accordingly, we believe that a vote every two years will provide our stockholders with additional time to evaluate the effectiveness of our executive compensation philosophy, policies and practices, in the context of our long-term business results for the corresponding period, while avoiding over emphasis on short term variations in compensation and business results. An advisory vote occurring once every two years will also permit our stockholders to observe and evaluate the impact of any changes to our executive compensation policies and practices that have occurred since the last advisory vote, including changes made in response to the outcome of a prior advisory vote on executive compensation.

You may cast your vote on your preferred voting frequency by choosing the option of every one year, every two years, every three years or abstain from voting when you vote in response to the resolution set forth below.

"RESOLVED, that the stockholders determine, on an advisory basis, whether the preferred frequency of an advisory vote on the executive compensation of the Company's named executive officers as set forth in the Company's proxy statement should be every one year, every two years, or every three years."

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. This vote is advisory, and therefore not binding on the Company, the compensation committee or our Board in any way, and the Board may decide that it is in the best interests of our stockholders and the Company to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders. However, we look forward to hearing from our stockholders as to their preferences on the frequency of an advisory vote on executive compensation.

Required Vote and Board Recommendation

The advisory, non-binding recommendation as to the frequency with which stockholders will vote on executive compensation (every year, every two years or every three years) will be determined by a plurality of the votes cast on this proposal by shares present in person or represented by proxy at the Annual Meeting. Accordingly, abstentions and broker non-votes, if any, will have no impact on the outcome of the vote for this proposal.

**OUR BOARD RECOMMENDS A VOTE FOR "EVERY TWO YEARS" AS THE FREQUENCY FOR
FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION.**

PROPOSAL NO. 5

APPROVAL OF AMENDED AND RESTATED 2006 EQUITY INCENTIVE PLAN

We are seeking stockholder approval of an amendment to our Amended and Restated 2006 Equity Incentive Plan (the "2006 Plan") to increase the maximum number of shares of common stock that may be issued under the 2006 Plan by 3,000,000 to an aggregate maximum of 15,890,500 shares. The Board adopted a resolution to approve the amendment to the 2006 Plan, subject to approval by the Company's stockholders, on April 1, 2011. Other than the foregoing revision, all other provisions of the 2006 Plan will remain unchanged from those that were adopted by our Board and approved by our stockholders in May 2009.

As of December 31, 2010, a total of 10,408,551 shares were outstanding under the 2006 Plan and a total of 21,555 shares remained available under the plan. Pursuant to the terms of the 2006 Plan, on January 1, 2011, the shares authorized for issuance under the 2006 Plan increased by 1,000,000 shares, and from January 1, 2011 to April 1, 2011, we issued 571,000 options to our employees and directors.

The Board believes that the proposed increase to the maximum aggregate number of shares that may be issued under the 2006 Plan is in the best interests of the Company, consistent with our compensation strategy and essential to our continued success. We rely significantly on equity incentives to attract, motivate and retain executive officers and engineering, marketing, sales and other personnel necessary to successfully sell our products, design and build our natural gas fueling infrastructure and manage our business. Equity awards are a particularly important component of our compensation mix because they align the interests of our employees with those of our stockholders and allow us to conserve cash for other uses. Increasing the maximum aggregate number of shares that may be issued under the 2006 Plan will enable us to provide retention incentives to existing personnel and to be flexible and opportunistic in hiring additional personnel that can contribute to the successful development of our business. As of March 28, 2011, there were only 692,540 shares available for issuance under the 2006 Plan, which substantially limits our ability to offer equity incentives to existing employees or potential new hires.

New Plan Benefits

No awards relating to the additional shares of common stock, as contained in the proposed amendment, will be granted pursuant to the 2006 Plan until such amendment is approved by our stockholders. In addition, awards under the 2006 Plan are subject to the discretion of our compensation committee. Therefore, it is not possible to determine the benefits that will be received in the future by participants in the 2006 Plan as a result of the adoption of the proposed amendment or the benefits that would have been received by such participants if the proposed increase to the maximum aggregate number of shares that may be issued under the 2006 Plan had been in effect in the year ended December 31, 2010.

General Description of our Proposed 2006 Plan

A general description of our 2006 Plan is set forth below in the Section entitled "Stock Incentive Plans: 2006 Equity Incentive Plan" and is qualified in its entirety by the terms of our proposed amendment to the 2006 Plan, a copy of which is attached to this Proxy Statement as Appendix A and is incorporated herein by reference.

Required Vote and Board Recommendation

Approval of this Proposal No. 5 requires the affirmative vote of a majority of the votes cast on this proposal by shares present in person or represented by proxy at the Annual Meeting. Accordingly, abstentions and broker non-votes, if any, will have no impact on the outcome of the vote for this proposal.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE
AMENDMENT TO THE COMPANY'S 2006 PLAN**

PROPOSAL NO. 6

APPROVAL OF AMENDMENT TO WARRANT

We are seeking stockholder approval of an amendment to a warrant previously issued to Mr. Boone Pickens to purchase 15,000,000 shares of our common stock at \$10.00 per share (the "Warrant"). The purpose of the Warrant amendment is to incentivize Mr. Pickens to exercise a portion of the Warrant prior to December 28, 2011, the current expiration date of the Warrant (the "Exercise Period"). The Board adopted a resolution to approve the amendment to the Warrant, subject to approval by the Company's stockholders, on April 1, 2011. A copy of the proposed Warrant, as amended, is attached to this Proxy Statement as Appendix B and is incorporated herein by reference.

In December 2006, the Warrant was issued to Mr. Pickens, the Company's largest stockholder, in exchange for the cancellation of all amounts owed to him by the Company under a revolving line of credit entered into in 2006, which we used for margin deposits related to futures contracts. Also in exchange for issuance of the Warrant, Mr. Pickens assumed all of our then-outstanding liabilities related to certain futures contracts. Under the proposed amendment to the Warrant, if Mr. Pickens exercises a portion of the Warrant prior to the expiration date of the Exercise Period, the Company will extend the Exercise Period of the Warrant for an identical number of shares for a length of time whereby the non-cash financial gain that the Company recognizes due to the early exercise (calculated in accordance with generally accepted accounting principles) becomes identical to the non-cash financial charge the Company recognizes with respect to such extension (calculated in accordance with generally accepted accounting principles).

If this proposal is approved, Section 1 of the Warrant will be amended to read as follows:

"1. *Exercise; Issuance of Certificates; Payment for Shares.* This Warrant may be exercised by Holder, as a whole or in part, and on one or more occasions, by written notice to the Company at any time within the Exercise Period and by payment to the Company by wire transfer (in accordance with the wire transfer instructions) of the aggregate Warrant Price for the number of Shares designated by Holder (but not more than the number of Shares for which this Warrant then remains subject and unexercised). As an inducement to Holder to exercise a portion of the Warrant prior to the expiration date of the Exercise Period (an "Early Exercise"), the Company hereby agrees that in the event of an Early Exercise, the Company will extend the Exercise Period of the Warrant for an identical number of Shares that are purchased pursuant to the Early Exercise for a duration of time determined in accordance with this Section 1. The length of the extension of the Exercise Period will be determined as follows: the Company will determine the non-cash financial gain that the Company will recognize due to the Early Exercise (the "Early Exercise Gain") and extend the Exercise Period of the Warrant for the same number of shares purchased pursuant to the Early Exercise so that the non financial charge the Company recognizes with respect to such extension (the "Extension Charge") is of identical value to the Early Exercise Gain. For example, in the event that Holder exercises the Warrant with respect to five million (5,000,000) shares on June 28, 2011 and the Company recognizes a \$2.5 million Early Exercise Gain with respect to the Early Exercise, the Company will extend the Exercise Period of the Warrant with respect to five million (5,000,000) Shares by a number of days that results in an Extension Charge of \$2.5 million, determined as of the date of the Early Exercise."

The Board believes that it is in the best interest of the Company and our stockholders to incentivize Mr. Pickens to exercise the Warrant by amending the Warrant pursuant to this Proposal 6. An exercise of a portion of the Warrant would provide the Company with cash proceeds to fund its planned capital expenditures and fund potential corporate strategic alternatives prior to the December 28, 2011 expiration date of the Warrant.

By its terms, the Warrant may be amended only by an instrument in writing signed by the Company and Mr. Pickens. In addition, approval of the amendment by the Company's stockholders is

required pursuant to NASDAQ Marketplace Rule 5635(c), which requires stockholder approval for any material amendment to an existing arrangement pursuant to which stock may be acquired by officers, directors, employees or consultants. This includes any sale or issuance of securities to an officer, director, employee or consultant at a discount to the market value, as such issuance is considered a form of "equity compensation." To the extent that the proposed amendment to the Warrant could be considered a form of equity compensation, the Company is seeking stockholder approval pursuant to NASDAQ Marketplace Rule 5635(c).

The amendment will not change the estimated value of the Warrant. Please read the sections of this Proxy Statement entitled "Security Ownership of Certain Beneficial Owners and Management," "Compensation of Directors and Executive Officers," and "Certain Relationships and Related Party Transactions" for additional information on Mr. Pickens' interests in and relationship with the Company.

Required Vote and Board Recommendation

Approval of this Proposal No. 6 requires the affirmative vote of a majority of the votes cast by shares present in person or represented by proxy on this proposal at the Annual Meeting. Accordingly, abstentions and broker non-votes, if any, will have no impact on the outcome of the vote for this proposal.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" APPROVAL OF THE
AMENDMENT TO THE WARRANT**

CORPORATE GOVERNANCE

Director Independence

Our Board has determined that Messrs. Mitchell, Herrington, Miller, Socha and Taormina meet the independence requirements under NASDAQ Marketplace Rule 5605(a)(2). Messrs. Littlefair and Pickens do not meet the independence requirements under NASDAQ Marketplace Rule 5605(a)(2) for the following reasons: (1) Mr. Littlefair is our President and Chief Executive Officer; and (2) Mr. Pickens was a party to material transactions, relationships and arrangements with our Company described in "Certain Relationships and Related Party Transactions" below.

In the course of determining whether Messrs. Mitchell, Herrington, Miller, Socha and Taormina were independent under NASDAQ Marketplace Rule 5605(a)(2), the Board considered the following transactions, relationships and arrangements not required to be disclosed in "Certain Relationships and Related Party Transactions":

With respect to Mr. Mitchell, the Board considered that Mr. Mitchell is an investor in certain funds controlled by Mr. Pickens and serves as the General Partner of a real estate investment vehicle in which Mr. Littlefair and Mr. Pickens are investors.

With respect to Messrs. Herrington and Miller, the Board considered that each of Messrs. Herrington and Miller served with Mr. Littlefair in the Reagan Administration. The Board also considered that Mr. Herrington is an investor in certain funds controlled by Mr. Pickens.

With respect to Mr. Socha, the Board considered his role as a former director of Vehicle Production Group LLC, a company in which Perseus, L.L.C. is the largest investor and in which we have invested approximately \$12.0 million through April, 2011. We may also do business with Vehicle Production Group LLC in the future with respect to its development and sales of a CNG vehicle. Mr. Socha resigned from the board of Vehicle Production Group LLC effective March 23, 2010. Mr. Socha is also a Senior Managing Director of Perseus, L.L.C.

With respect to Mr. Taormina, the Board considered his business relationships, including his consulting arrangement with Republic Services, a customer of our Company.

Board Structure

The Board has determined that our current structure of separating the roles of Chief Executive Officer and Chairman of the Board is in the best interests of the Company and our stockholders. Mr. Mitchell has served as Chairman of the Board since May 2005 and Mr. Littlefair has been the Chief Executive Officer of the Company since June 2001. As Chairman of the Board, Mr. Mitchell focuses on organizing Board activities to enable the Board to effectively provide guidance to and oversight and accountability of management. The Chairman of the Board, among other things, creates and maintains an effective working relationship with the Chief Executive Officer and other members of management and with the other members of the Board, provides the Chief Executive Officer ongoing direction as to Board needs, interests and opinions, and assures that the Board agenda is appropriately directed toward significant matters of the Company. Separating the roles of Chairman and Chief Executive Officer allows Mr. Littlefair, as Chief Executive Officer, to focus on carrying out the day to day direction and long term strategic goals of the Company.

The functions of the Board are carried out by the full Board and, when delegated, by the Board Committees. Each director is a full and equal participant in the major strategic and policy decisions of our Company.

Board Committees

We have an audit committee, compensation committee, nominating and corporate governance committee and derivative committee. Our Board also creates committees from time to time to approve financing transactions or other significant corporate transactions. Our Board and audit committee generally meet at least quarterly and our other committees meet on an as needed basis. Each of the Board committees has the composition and responsibilities described below. Current copies of the charters of the audit committee, the compensation committee and the nominating and corporate governance committee, which have been adopted by the Board, are publicly available on our website at <http://investors.cleanenergyfuels.com/governance.cfm>.

Audit committee. Our audit committee consists of three directors, John S. Herrington, James C. Miller III and Vincent C. Taormina, all of whom our Board determined to be independent under SEC Rule 10A-3(b)(1) and NASDAQ Marketplace Rule 5605(a)(2). The audit committee held six meetings in fiscal 2010. The chair of the audit committee is Mr. Miller. Mr. Miller qualifies as an audit committee financial expert under the rules of the SEC. The Board determined that each audit committee member has sufficient knowledge in reading and understanding the Company's financial statements to serve on the audit committee. The functions of this committee include:

selecting and overseeing the engagement of a firm to serve as an independent registered public accounting firm to audit our financial statements,

helping to ensure the independence of our independent registered public accounting firm,

discussing the scope and results of the audit with our independent registered public accounting firm,

developing procedures for employees to anonymously submit concerns about questionable accounting or audit matters,

meeting with our independent registered public accounting firm and our management to consider the adequacy of our internal accounting controls and audit procedures, and

approving all audit and non-audit services to be performed by our independent registered public accounting firm.

We believe that the composition of our audit committee meets the criteria for independence under, and the functioning of our audit committee will comply with the applicable requirements of, the Sarbanes Oxley Act of 2002 and the NASDAQ and SEC rules, including the requirement that the audit committee have at least one qualified financial expert.

Compensation committee. Our compensation committee currently consists of three directors, John S. Herrington, Warren I. Mitchell and Kenneth M. Socha, all of whom our Board determined to be independent under NASDAQ Marketplace Rule 5605(a)(2). The compensation committee held four meetings in fiscal 2010. The chair of the compensation committee is Mr. Mitchell. The functions of this committee include:

determining or recommending to the Board the compensation of our executive officers, including annual cash bonuses and related performance criteria,

administering our stock and equity incentive plans,

reviewing and, as it deems appropriate, recommending to our Board, policies, practices, and procedures relating to the compensation of our directors, officers, and other managerial employees and the establishment and administration of our employee benefit plans, and

advising and consulting with our officers regarding managerial personnel and development.

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We believe that the composition of our compensation committee meets the criteria for independence under, and the functioning of our compensation committee will comply with the applicable requirements of, the NASDAQ and SEC rules.

Nominating and corporate governance committee. Our nominating and corporate governance committee currently consists of three directors, John S. Herrington, Kenneth M. Socha, and Vincent C. Taormina, all of whom our Board determined to be independent under NASDAQ Marketplace Rule 5605(a)(2). The nominating and corporate governance committee held two meetings in fiscal 2010. The chair of the nominating and corporate governance committee is Mr. Herrington. The functions of this committee include:

establishing standards for service on our Board,

identifying, evaluating and recommending nominees to our Board and committees of our Board,

conducting searches for appropriate directors,

evaluating the performance of our Board and of individual directors,

considering and making recommendations to the Board regarding the size and composition of the board and its committees,

reviewing developments in corporate governance practices, and

evaluating the adequacy of our corporate governance practices and reporting.

We believe that the composition of our nominating and corporate governance committee meets the criteria for independence under, and the functioning of our nominating and corporate governance committee will comply with the applicable requirements of, the NASDAQ and SEC rules.

Derivative committee. Our derivative committee consists of three directors, Andrew J. Littlefair, James C. Miller III and Warren I. Mitchell. The derivative committee did not meet in fiscal 2010. The chair of the derivative committee is Mr. Littlefair. The functions of this committee include:

formulating derivative strategy and directing derivative activities,

engaging and meeting with advisors regarding derivative activities and strategies, and

making recommendations to the Board regarding derivative strategy and activity.

Meetings of the Board and Board Committees

During fiscal 2010, our Board held eight meetings and each director attended at least 75% of all meetings of the Board and applicable committees during the periods that he served. Our independent directors typically hold at least two executive sessions without management present each year.

The Board's Role in Risk Oversight

The Board and each of the Board committees regularly discuss risks confronting our business in the context of their respective review and approval of corporate financial risk management, corporate strategy, acquisitions, compensation, derivative transactions, corporate governance and financing transactions. When granting authority to management and approving business and marketing strategies, the Board considers, among other things, the risks and vulnerabilities we face. Additionally, the Board holds annual strategic planning sessions with senior

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management in which they review and analyze, among other items, political and legislative risk, environmental and regulatory risk, commodity based exposures and the risks associated with depending on third parties to assist in developing our industry, for example in the manufacture of heavy duty trucks and other vehicles that operate on natural gas. Our Board also regularly reviews our cash management practices, derivative exposure and budget

variance. Members of management prepare regular reports for the Board which are reviewed at Board meetings and address the risks confronting our business.

As part of its oversight function, the Board monitors how management operates the Company, in part, through its committee structure as follows:

The audit committee considers risk issues associated with our overall financial reporting and disclosure process and accounting policies, and periodically meets with and receives reports from management to discuss these risks.

The compensation committee is responsible for oversight of risk associated with our compensation practices and policies.

The nominating and corporate governance committee is responsible for oversight of Board processes and corporate governance-related risks.

The derivative committee oversees the Company's hedging activities in an effort to minimize financial risk associated with fixed price sales contracts and hedging activity.

Code of Ethics

We have adopted a written code of ethics applicable to our directors, officers and employees in accordance with the rules of NASDAQ and the SEC. Our code of ethics is designed to deter wrongdoing and to promote:

honest and ethical conduct,

full, fair, accurate, timely and understandable disclosure in reports and documents that we file with the SEC and in our other public communications,

compliance with applicable laws, rules and regulations, including insider trading compliance, and

accountability for adherence to the code and prompt internal reporting of violations of the code, including illegal or unethical behavior regarding accounting or auditing practices.

The audit committee of our Board will review our code of ethics periodically and may propose or adopt additions or amendments that it determines are required or appropriate. Our code of ethics is posted on our website at <http://investors.cleanenergyfuels.com/governance.cfm>.

Equity Ownership by the Board

Pursuant to stock ownership guidelines recommended by our nominating and corporate governance committee and as approved by the Board, each director is expected to own at least 1,000 shares of our common stock during their term of service as a director, with new directors expected to purchase at least that number of shares within 180 days of commencement of service as a director or at the earliest legally permissible opportunity, if later than 180 days after election or appointment. Each of our current directors will satisfy these guidelines at the earliest legally permissible opportunity.

Compensation Committee Interlocks and Insider Participation

Our compensation committee consists of Messrs. Herrington, Mitchell and Socha. No member of our compensation committee is a present or former executive officer or employee of the Company or any of its subsidiaries or has any relationship requiring disclosure below under "Certain Relationships and Related Party Transactions" pursuant to SEC rules. No executive officer of our Company (1) served as a member of

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the compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire board) of another entity, one of whose executive officers served on our Company's compensation committee, (2) served as a director

of another entity, one of whose executive officers served on our Company's compensation committee, or (3) served as a member of the compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board) of another entity, one of whose executive officers served as a director of our Company.

Stockholder Communications with the Board

We have adopted a formal process by which stockholders and interested parties may communicate with our Board which is available on our website at <http://investors.cleanenergyfuels.com/contactboard.cfm>. Communications to the Board must either be in writing and sent care of the Corporate Secretary by mail to our offices at 3020 Old Ranch Parkway, Suite 400, Seal Beach, California 90740, or delivered via e-mail to mpratt@cleanenergyfuels.com. This centralized process will assist the Board in reviewing and responding to stockholder and interested party communications in an appropriate manner. The name of any specific intended recipient should be noted in the communication. All communications (i) must be accompanied by a statement of the type and amount of the securities of our Company that the person holds, (ii) must identify any special interest, meaning an interest not in the capacity of a stockholder of our Company, of the person submitting the communication, and (iii) the address, telephone number and e-mail address, if any, of the person submitting the communication. The Board has instructed the Corporate Secretary to forward it such correspondence; however, before forwarding any correspondence, the Board has also instructed the Corporate Secretary to review such correspondence and, in the Corporate Secretary's discretion, not to forward certain items if they are deemed of a personal, illegal, commercial, offensive or frivolous nature or otherwise inappropriate for director consideration.

Stockholder Recommendations for Membership on our Board

Our nominating and corporate governance committee is responsible for evaluating properly submitted stockholder recommendations of candidates for membership on the Board in accordance with our Corporate Governance Guidelines and as described below under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the nominating and corporate governance committee will consider the membership criteria set forth below under "Director Qualifications." Any stockholder nominations proposed for consideration by the nominating and corporate governance committee should include the nominee's name and qualifications for membership on the Board and should be addressed to: Mitchell Pratt, Corporate Secretary, Clean Energy Fuels Corp., 3020 Old Ranch Parkway, Suite 400, Seal Beach, CA 90740.

In any recommendation of candidates, the recommending stockholder must include a statement in writing setting forth the following:

(i)

as to each person whom the stockholder proposes to nominate for election or re-election as a director:

the name, age, business address and residence address of the person or persons to be nominated;

the principal occupation or employment of such person or persons;

the class and number of all shares of each class of our capital stock owned beneficially and of record by the nominee;

a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder; and;

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any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Exchange Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(ii)

as to the stockholder sending the recommendation, the name and record address of the stockholder, the class and number of shares of the Company's stock which are beneficially owned by the stockholder, any material interest of the stockholder in the nomination and any other information which is required to be provided by the stockholder pursuant to Regulation 14A under the Exchange Act.

We may require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as a director.

Director Qualifications

Under our Corporate Governance Guidelines, our nominating and corporate governance committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new board members as well as the composition of the Board as a whole. This assessment includes members' qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board.

All of our directors bring to our Board a wealth of executive leadership experience derived from their service as executives, senior government officials and board members of other organizations. Certain individual qualifications and skills of our directors that contribute to the Board's effectiveness as a whole are described in the following paragraphs.

Andrew J. Littlefair. Mr. Littlefair's experience as co-founder and Chief Executive Officer of our Company gives him unique insight into our Company's operations, challenges and opportunities.

Warren I. Mitchell. Mr. Mitchell has extensive knowledge of the natural gas industry obtained during his long and distinguished career at the Southern California Gas Company. Mr. Mitchell also provides leadership to our Board, served as Chairman of the Southern California Gas Company, and remains actively involved in the energy industry through his Chairman role with the Energy Coalition.

John S. Herrington. Mr. Herrington has a unique understanding of energy markets and policy gained during his service as the U.S. Secretary of Energy. He also brings to our Board the perspective of an entrepreneur, the legal insight of an attorney and the discipline of a former marine.

James C. Miller. Mr. Miller has significant financial expertise and extensive knowledge of regulatory affairs gained during his service on the board of governors of the United States Postal Service, Chairman of the U.S. Federal Trade Commission and Director of the U.S. Office of Management and Budget. Mr. Miller brings to our Board financial acumen and experience dealing with large and financially complex organizations.

Boone Pickens. Mr. Pickens brings to our Board his experience as an energy industry entrepreneur, legendary deal-maker and unparalleled advocate on U.S. energy policy.

Kenneth M. Socha. Mr. Socha brings to our Board unique legal insight gained during his distinguished legal career and the perspective and financial acumen of a highly successful private equity investor gained during his tenure as a Senior Managing Director of Perseus, L.L.C.

Vincent C. Taormina. Mr. Taormina brings to our Board the perspective of a highly successful entrepreneur and industry leader in the refuse and recycling industry, one of our key market segments.

Identifying and Evaluating Nominees for Directors

Our nominating and corporate governance committee utilizes a variety of methods for identifying and evaluating nominees for directors. Our nominating and corporate governance committee has the duty of identifying individuals qualified to become members of the Board. Candidates may come to the attention of the nominating and corporate governance committee through current members of our Board, professional search firms, stockholders or other persons. These candidates will be evaluated by our nominating and corporate governance committee and may be considered at any point during the year. As described above, our nominating and corporate governance committee will consider properly submitted stockholder recommendations for candidates for our Board. Following verification of the stockholder status of persons recommending candidates, recommendations will be aggregated and considered by our nominating and corporate governance committee. If any materials are provided by a stockholder in connection with the recommendation of a director candidate, such materials will be forwarded to our nominating and corporate governance committee. Stockholder recommendations that comply with our procedures will receive the same consideration that our nominating and corporate governance committee nominees receive.

Director Diversity

While the Company does not have a formal diversity policy, the nominating and corporate governance committee seeks to assemble a board of directors that brings to our Company a variety of perspectives, skills, expertise, and sound business understanding and judgment, derived from high quality business, professional, governmental, community and natural gas and energy industry experience. The nominating and corporate governance committee monitors its assessment of diversity as part of the annual self-evaluation process.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and beneficial owners of more than 10% of our common stock (see "Security Ownership of Certain Beneficial Owners and Management" above for identification of those persons who are beneficial owners of more than 10% of our common stock) to file reports of ownership and changes in ownership with the SEC. Based solely on copies of these reports provided to us and written representations that no other reports were required, we believe that these persons met all of the applicable Section 16(a) filing requirements during fiscal 2010.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names of our current executive officers, their ages as of January 31, 2011, and their positions are shown below. Biographical summaries of each of our executive officers who are not also members of our Board are included below.

Name	Age	Position Held
Andrew J. Littlefair	50	President, Chief Executive Officer and Director
Richard R. Wheeler	46	Chief Financial Officer
James N. Harger	52	Chief Marketing Officer
Mitchell W. Pratt	51	Chief Operating Officer and Corporate Secretary
Barclay F. Corbus	44	Senior Vice President, Strategic Development

Richard R. Wheeler has served as our Chief Financial Officer since February 2003. From November 2001 to January 2003, Mr. Wheeler served as Chief Financial Officer of Blue Energy & Technologies LLC, a privately held natural gas vehicle fuels company that we acquired in December 2002. From May 2000 to October 2001, Mr. Wheeler served as Executive Vice President and Chief Financial Officer of

Encoda Systems, Inc., a privately held software company. Mr. Wheeler earned a B.S. and an M.B.A. from the University of Colorado, Boulder and is a certified public accountant.

James N. Harger was appointed Chief Marketing Officer in May 2009, served as our Senior Vice President, Marketing and Sales, from June 2003 to May 2009, and served as our Vice President, Marketing from June 2001 to June 2003. From 1997 to 2001, Mr. Harger served as Vice President, Marketing and Sales of Pickens Fuel Corp. From 1983 to 1997, Mr. Harger served in management positions at Southern California Gas Company, where he assisted in the launch of the natural gas vehicle program in 1992. Mr. Harger earned a B.S. from the University of California, Los Angeles, and an M.B.A. from Pepperdine University.

Mitchell W. Pratt was appointed Chief Operating Officer in December 2010 and has served as our Corporate Secretary since December 2002. Prior to being appointed as Chief Operating Officer, Mr. Pratt served as our Senior Vice President, Engineering, Operations and Public Affairs, from January 2006 to December 2010. From August 2001 to December 2005, Mr. Pratt served as our Vice President, Business Development. From 1983 to July 2001, Mr. Pratt held various positions in sales and marketing, operations and public affairs at Southern California Gas Company. Mr. Pratt earned a B.S. from the California State University at Northridge and an M.B.A. from the University of California, Irvine.

Barclay F. Corbus has served as our Senior Vice President, Strategic Development, since September 2007. From July 2003 to September 2007, Mr. Corbus served as Co-Chief Executive Officer and a director of WR Hambrecht + Co which managed our initial public offering. Mr. Corbus joined WR Hambrecht + Co in 1999 and, from October 2000 to July 2003, Mr. Corbus served as Head of Investment Banking of WR Hambrecht + Co. From 1989 to 1999, Mr. Corbus worked with Donaldson, Lufkin & Jenrette. Mr. Corbus serves as a director of Overstock.com, a publicly traded company. Mr. Corbus earned an A.B. from Dartmouth College and an M.B.A. from Columbia Business School.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

We have adopted a basic philosophy and practice of offering market competitive compensation that is designed to attract, retain, reward and motivate a highly qualified executive management team. With respect to (1) each person who served as our principal executive officer or principal financial officer during fiscal 2010 (Andrew J. Littlefair and Richard R. Wheeler, respectively), and (2) the three most highly compensated executive officers during fiscal 2010 who were serving as executive officers at the end of fiscal 2010 and who did not serve as principal executive officer or principal financial officer (James N. Harger, Mitchell W. Pratt and Barclay F. Corbus and together with Messrs. Littlefair and Wheeler, the "named executive officers"), this Compensation Discussion and Analysis describes our compensation philosophy and objectives, the methodologies used for establishing the compensation programs for the named executive officers, and the policies and practices to administer such programs.

Compensation Philosophy

We believe compensation should include a mix of a competitive base salary and bonus incentives to encourage retention and reward individual responsibility and productivity, equity grants to align the interests of our officers with those of our stockholders, and case-specific compensation plans to accommodate individual circumstances or non-recurring situations. Our compensation committee uses its judgment and experience and works closely with our named executive officers to determine the appropriate mix of compensation for each individual. Our compensation committee historically has not used tally sheets, internal pay equity studies, accumulated wealth analyses, equity retention policies, benchmarking or similar tools in assisting with compensation determinations for our named executive officers.

The compensation committee has no formal policy, but does retain the discretion, to adjust or recover awards or payments made to its named executive officers if the relevant performance measures upon which they are based are restated or are otherwise adjusted in a manner that would reduce the size of the initial award or payment.

Review of Competitive Market Practices

We informally consider competitive market practices with respect to the salaries and total compensation of our named executive officers for the purpose of staying informed on current compensation practices and developments; however, we do not benchmark compensation levels based on this data nor do we determine our named executive officers' compensation based on market data for comparable company compensation levels. We did not conduct any market evaluation during 2010. Our prior studies of market data did not prove instructive, as we do not believe there are a sufficient number of comparable companies to evaluate.

Elements of Compensation

Our named executive officers' compensation has three primary components base compensation or salary, annual cash bonuses, and equity awards. In addition, we provide our named executive officers with a variety of benefits that are generally available to all salaried employees.

We view the various components of compensation as related, but distinct. Although our compensation committee reviews each named executive officer's total compensation, we do not believe that significant compensation derived from one component of compensation should negate or reduce compensation from other components. We determine the appropriate level for each compensation component based on the performance of the employee (including any extraordinary performance), the level of responsibility and commitment associated with the position and our business judgment and experience. In addition, our compensation decisions generally reflect our belief that employees with comparable levels of responsibility and performance deserve comparable compensation, and that employees with a greater degree of responsibility and performance deserve greater compensation on a relative basis. Our compensation committee has not adopted any formal or informal policies or guidelines for allocating compensation between long-term and short term compensation, between cash and non-cash compensation, or among different forms of non-cash compensation.

Our annual process of determining overall compensation for named executive officers begins with recommendations made by Mr. Littlefair, our President and Chief Executive Officer, to our compensation committee. In making his recommendation, Mr. Littlefair considers a number of factors, including the seniority of the individual, the functional role of the position, the level of the individual's responsibility, the individual's performance and contribution to our overall business objectives, the individual's long-term commitment to our Company, and the scarcity of individuals with similar skills. Acting with the recommendation from Mr. Littlefair, our compensation committee makes the final determination of compensation for our named executive officers. The compensation committee determines the compensation of Mr. Littlefair. Mr. Littlefair also submits recommendations to the compensation committee regarding his own proposed compensation levels, which are taken under advisement by the committee.

Assessment of Individual Performance

Andrew J. Littlefair President and Chief Executive Officer

As the Company's President and Chief Executive Officer, Mr. Littlefair works with the Board and senior management to establish and execute the Company's operating and strategic plans to increase revenue, achieve the Company's long and short term strategic growth objectives and profit targets and maximize return for stockholders. Mr. Littlefair also serves as the Company's principal spokesperson

and is responsible for conveying the Company's message to the Company's customers and the investor community. Mr. Littlefair's effective leadership of the Company led to positive financial and operating results in 2009 and 2010, with total revenue increasing to \$131.5 million in 2009 and \$211.8 million in 2010, and gasoline gallon equivalents sold increasing to 101.0 million gallons delivered in 2009 and 122.7 million gallons delivered in 2010. Further, in 2009 and 2010, Mr. Littlefair successfully oversaw the planning and execution of our acquisitions of Exterran Energy Solutions, BAF Technologies, I.M.W. Industries, Ltd. ("IMW") and Wyoming Northstar Incorporated, Southstar LLC and M&S Rental, LLC (collectively "Northstar").

Richard R. Wheeler Chief Financial Officer

As the Chief Financial Officer, Mr. Wheeler oversees the Company's financial operations, including financial plans and policies, accounting practices and procedures, financial and tax reporting functions and the disbursement of financial information to the investor community. Mr. Wheeler effectively provides direction to the Company with respect to increasing revenue, achieving its financial objectives, pursuing strategic investments and raising capital. During 2009, Mr. Wheeler played a key role in our acquisitions of Exterran Energy Solutions and BAF Technologies, and in connection with our \$73.2 million stock offering that closed in July 2009. During 2010, Mr. Wheeler was instrumental in the acquisitions of IMW and Northstar, as well as the Company's common stock offering of 3,450,000 shares in November 2010.

James N. Harger Chief Marketing Officer

As the Chief Marketing Officer, Mr. Harger directs the Company's marketing and sales strategies to optimize the growth of the Company, increase revenue and achieve the profit goals of the Company. Mr. Harger effectively leads the Company's marketing team in its efforts to expand Clean Energy's presence in major market segments, such as airports, refuse, transit and trucking, with a focus on national accounts, and provides guidance with respect to increasing the number of the Company's natural gas stations. In 2009, Mr. Harger's efforts were key to the Company surpassing the 100 million gasoline gallon equivalent mark. In 2010, Mr. Harger was instrumental in increasing the volume of compressed natural gas and liquefied natural gas delivered to 122.7 million gallons.

Mitchell W. Pratt Chief Operating Officer and Corporate Secretary

As the Chief Operating Officer and Corporate Secretary, Mr. Pratt directs and manages the Company's operations, engineering and public affairs teams, ensures that the proper personnel are assembled to assess opportunities and carry out strategic activities, such as acquisitions integration, and provides effective oversight of the Company's infrastructure growth in a variety of market segments. Mr. Pratt administers critical corporate governance matters in his role as Corporate Secretary and serves as the focal point for communication between the Board, senior management and the Company's stockholders. In 2009 and 2010, Mr. Pratt successfully oversaw the post-acquisition integration of Exterran Energy Solutions, BAF Technologies, IMW and Northstar.

Barclay F. Corbus Senior Vice President, Strategic Development

As the Senior Vice President of Strategic Development, Mr. Corbus develops growth opportunities, acquisitions and financing strategies for the Company. In 2009, Mr. Corbus led our efforts to acquire Exterran Energy Solutions and BAF Technologies. He also successfully spearheaded our \$73.2 million stock offering that closed in July 2009. In 2010, Mr. Corbus effectively guided the Company through the acquisition of IMW, an advanced, nonlubricated natural gas fueling compressor and related equipment manufacturing and servicing business, and Northstar, a leading provider of design, engineering, construction and maintenance services for LNG fueling stations. Mr. Corbus served a critical role in connection with the Company's offering of 3,450,000 shares of common stock that closed

in November 2010. In addition, Mr. Corbus made key contributions toward securing our agreement with Pilot Travel Centers LLC to build, own and operate public access CNG and LNG fueling facilities at agreed upon Pilot travel centers nationwide and in Canada.

Base Salary

We provide base salaries to recognize the experience, skills, knowledge and responsibilities required of our named executive officers, taking into account competitive market compensation paid by other companies for similar position, and to reward individual performance and contribution to our overall business goals. The compensation committee uses its judgment and discretion in determining the amount of base salary and does not target a particular range in relation to salaries at other companies. Base salaries are reviewed annually.

Proposed base salaries are prepared by Mr. Littlefair and recommended to the compensation committee for its consideration. In setting 2010 base salaries for our named executive officers, the compensation committee focused on Mr. Littlefair's recommendations, our performance and each executive's performance in 2009, the executive's experience, responsibilities and tenure with our Company, and our need to motivate and retain our executive officers. Based on these factors, the compensation committee increased 2010 base salaries for our named executive officers from 2009 levels, as follows:

Named Executive Officer	2009 Base Salary(\$)	2010 Base Salary(\$)
Andrew J. Littlefair	475,200	520,000
Richard R. Wheeler	313,250	345,000
James N. Harger	306,250	335,000
Mitchell W. Pratt	280,000	310,000
Barclay F. Corbus	260,000	286,000

In the first quarter of 2011, the compensation committee approved the following 2011 base salaries for our named executive officers:

Named Executive Officer	2011 Base Salary(\$)
Andrew J. Littlefair	600,000
Richard R. Wheeler	365,000
James N. Harger	365,000
Mitchell W. Pratt	365,000
Barclay F. Corbus	350,000

Annual Cash Bonus

We believe a cash based incentive compensation program is important in order to focus our management on, and reward our executives for, achieving key Company objectives. Each year our compensation committee approves a cash bonus plan and pays bonuses after determining whether performance criteria set forth in the plan were satisfied. In setting the performance criteria, the compensation committee considers the recommendation of our management and competitive market practices. For each named executive officer, the performance criteria for cash bonus awards for the fiscal year 2010 were bifurcated, with 35% of the total potential cash bonus award based on the volume of gasoline gallon equivalents of natural gas sold by us, and 65% of the total potential cash bonus award based on the target Adjusted EBITDA, as defined below, of our Company. For the fiscal year 2011, we have added performance criteria for cash bonus awards to further encourage management to make decisions that align our corporate goals with our stockholders' interests and mitigate the risk of executives approving high volume deals with low profit margins. In fiscal year 2011, the cash payment awards for each named executive officer will be based on four performance criteria, with 25% of the

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total potential cash bonus award based on the volume of gasoline gallon equivalents of natural gas delivered by us, 25% of the total potential cash bonus award based on the target Adjusted EBITDA, as defined below, of our Company, 25% of the total potential cash bonus award based on the Company's gross profit margin, and 25% of the total potential cash bonus award based on the achievement of the Company's strategic initiatives. The financial performance criteria are prepared by our Chief Financial Officer based on our annual budget and presented to our compensation committee for approval and to the Board for their consideration.

The specific performance criteria approved by our compensation committee and Board for 2010 are set forth in the table below:

Performance Criteria	Weighting	Base Target (thousands)	Middle Target (thousands)	Maximum Target (thousands)
Adjusted EBITDA	65%	\$ 18,000	\$ 25,275	\$ 32,000
Volume (in gasoline gallon equivalents)	35%	130,000	138,009	146,000

Adjusted EBITDA is calculated by adding back non-cash stock based compensation expense, losses or gains associated with marking to market our outstanding Series I warrants for our common stock, foreign currency charges or gains on the notes we issued to purchase IMW or other significant unanticipated non-cash charges to the Company's EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization).

Under our annual cash bonus performance plan, if the Company exceeds a performance target, the executive officers receive a pro-rata portion of the incremental annual cash bonus amount, up to the next target limit. In 2010, the Company achieved \$18.0 million in Adjusted EBITDA, thereby meeting the Company's base Adjusted EBITDA target, and sold 122.7 million gasoline gallon equivalents, which did not reach the base volume target for the year. Consequently, the bonuses payable in 2010 were based solely on the performance criteria with respect to Adjusted EBITDA, amounting to 65% of the base target bonus amount for this objective.

Under our performance based annual cash bonus plan, Mr. Littlefair receives 70%, 100% or 150% of his base salary for achievement of the base, middle and maximum performance targets, respectively, by our Company. For each of Messrs. Wheeler, Pratt, Corbus and Harger, achievement of the base, middle and maximum performance targets by our Company result in a bonus equivalent to 50%, 70% or 100%, respectively, of his respective base salary. These performance percentages are as specified in the respective executive officers' employment agreements with the Company. Our compensation committee believes it is appropriate to reward our Chief Executive Officer with a higher percentage of his base salary for achievement of the performance targets due to the fact that the position of Chief Executive Officer is deemed by our compensation committee to be the most important and demanding position with the Company.

Special Cash Bonuses

Our compensation committee may, in its discretion, award additional special cash bonuses to reward extraordinary efforts by our named executive officers coupled with successful results for our Company. During 2010, our compensation committee awarded the following special cash bonuses to

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our executive officers for their efforts in the Company's sale of 3,450,000 shares of its Common Stock that closed in November 2010 and their efforts in successfully acquiring IMW and Northstar:

Named Executive Officer	Bonus(\$)
Andrew J. Littlefair	200,000
Richard R. Wheeler	100,000
James N. Harger	100,000
Mitchell W. Pratt	100,000
Barclay F. Corbus	150,000

Equity Compensation

We believe that long-term performance is achieved through an ownership culture that encourages performance by our named executive officers through the use of stock and stock based awards. Our stock compensation plans have been established to provide certain of our employees, including our named executive officers, with incentives to align those employees' interests with the interests of our stockholders. Our compensation committee believes the use of stock and stock based awards offers the best approach to achieving this goal. Our stock compensation plans have provided the principal method for our named executive officers to acquire equity or equity linked interests in our Company. The compensation committee develops its equity award determinations based on its judgments as to whether the equity awards provided to our named executive officers are sufficient to further our ownership culture and retain, motivate and adequately reward the executives.

We sponsor a 2002 Stock Option Plan ("2002 Plan") and the 2006 Plan. Upon the closing of our initial public offering, the 2006 Plan became effective and the 2002 Plan became unavailable for new awards. For more information about the 2002 Plan and the 2006 Plan, please read "Compensation of Directors and Executive Officers Stock Incentive Plans" below. The 2002 Plan and the 2006 Plan are administered by our Board or our compensation committee. In the case of awards intended to qualify as "performance based compensation" excludable from the deduction limitation under Section 162(m) of the Internal Revenue Code, the administrator of the 2006 Plan will consist of two or more "outside directors" within the meaning of Section 162(m).

In order to meet the objectives of our compensation program, we have historically awarded stock options to our named executive officers on an annual basis. Our compensation committee does not maintain any formal policies with respect to the timing of option grants. However, with respect to the timing of option grants to our named executive officers, such grants generally occur annually or at regularly scheduled meetings of our Board or our compensation committee (the administrators of our 2002 Plan and 2006 Plan), and are priced based on the closing price of our common stock on that date. For new hires, options are generally priced at the later to occur of the date of the meeting at which the Board or compensation committee approves the grant or the first date of employment.

In 2010, the compensation committee awarded stock options to our named executive officers to reward them for our performance and their individual performance in 2010. The compensation committee further determined that the 2010 equity awards were important to incentivize our named executive officers to continue with our Company for longer periods of time. The options awarded in 2010 vest at a rate of one third of the shares originally subject to the options on each anniversary of the grant date, subject to the executive's continued service to our Company.

Change in Control and Severance Payments

The employment agreements of our named executive officers provide them benefits if their employment is terminated (other than for misconduct or voluntary termination that does not follow a change in control), including termination following a change in control. The compensation committee

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believes that our named executive officers' interests are best aligned with the interests of our stockholders, and we will be better able to retain their services, if they are entitled to these benefits. The details and amounts of such benefits are set forth below in the section entitled "Potential Payments Upon Termination or Change in Control."

Stock options awarded under the 2006 Plan that are held by our named executive officers vest in full upon a change in control ("single trigger"). We believe single trigger treatment for stock options is appropriate because: (i) it helps retain key employees during change in control discussions, especially more senior executive officers where equity represents a significant portion of their total pay package; and (ii) the Company that made the original equity grant may no longer exist after a change in control and employees should not be required to have the fate of their outstanding equity tied to the new company's future success.

Deductibility of Executive Compensation

Our compensation committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code, which provides that we may not deduct certain compensation of more than \$1,000,000 that is paid to certain individuals. Our compensation committee believes that compensation paid to our named executive officers should generally be fully deductible for federal income tax purposes. However, in certain situations, our compensation committee may approve compensation that will not meet these requirements in order to ensure competitive levels of total compensation for our named executive officers. All of the compensation paid to our named executive officers was fully deductible in fiscal 2010. With respect to compensation awarded (or to be awarded) under the 2006 Plan, in the past, we relied on transitional relief under Section 162(m) to exclude such compensation from the \$1,000,000 limit on deductibility. At our 2009 annual meeting of stockholders, the stockholders approved our 2006 Plan, and, as a result, the awards under the 2006 Plan continue to qualify as "performance based" compensation under Section 162(m) and therefore are fully deductible without reliance on the transitional rules.

Compensation Committee Report

We, the compensation committee of the Board of Clean Energy Fuels Corp., have reviewed and discussed the Compensation Discussion and Analysis (set forth above) with the management of the Company, and, based on such review and discussion, have recommended to the Board inclusion of the Compensation Discussion and Analysis in this Proxy Statement.

Compensation Committee:

Warren I. Mitchell, *Chairman*
John S. Herrington
Kenneth M. Socha

Risks Related to Compensation Policies and Practices

The Compensation Committee has considered whether our overall compensation program for employees creates incentives for employees to take excessive or unreasonable risks that could materially harm our Company. We believe our approach to goal setting, payouts at multiple levels of performance and evaluation of performance results assist in mitigating such risks. Although a portion of our executive compensation plan is performance based, we do not believe that our compensation structure encourages excessive or unnecessary risk taking. Although risk taking is a necessary part of building a business, the compensation committee has focused on aligning the Company's compensation policies

with the long term interests of the Company and avoiding short term rewards for management decisions that could pose long term risks to the Company, as follows:

Our compensation structure includes a combination of a competitive base salary, equity grants to align the interests of our employees and named executive officers with those of our stockholders, and annual cash bonuses to encourage retention and reward individual responsibility and productivity.

In fiscal year 2010, the cash payment awards for each named executive officer were bifurcated, with 35% of the total potential cash bonus award based on the volume of gasoline gallon equivalents of natural gas sold by us, and 65% of the total potential cash bonus award based on the target Adjusted EBITDA of our Company. In an effort to further mitigate the risk of executives approving high volume deals with low profit margins, for fiscal year 2011, the cash payment awards for each named executive officer will be based on four performance criteria, with 25% of the total potential cash bonus award based on the volume of gasoline gallon equivalents of natural gas sold by us, 25% of the total potential cash bonus award based on the target Adjusted EBITDA of our Company, 25% of the total potential cash bonus award based on the achievement of the Company's strategic goals and 25% of the total potential cash bonus award based on the Company's gross profit margin.

Our stock option grants have been established to provide certain of our employees, including our named executive officers, with incentives to help align those employees' interests with the interests of our stockholders.

We further believe that our internal legal and financial controls appropriately mitigate the probability and potential impact of an individual employee committing our Company to a harmful long term business transaction in exchange for short term compensation benefit.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Summary Compensation Table

The table below summarizes the total compensation earned by each of the named executive officers for the fiscal years ended December 31, 2008, 2009 and 2010.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(2)	Option Awards\$(1)	Non-Equity Incentive Plan Compensation	All Other Compensation \$(3)	Total (\$)
Andrew J. Littlefair President & Chief Executive Officer	2010	520,000	200,000	963,000	236,600	12,888	1,932,488
	2009	475,200	200,000	939,455	405,733	26,885	2,047,273
	2008	475,200		492,616		8,545	976,361
Richard R. Wheeler Chief Financial Officer	2010	345,000	100,000	481,500	112,125	11,519	1,050,144
	2009	313,250	125,000	649,957	188,018	20,087	1,296,312
	2008	313,250		287,361		9,124	609,735
James N. Harger Chief Marketing Officer	2010	335,000	100,000	481,500	108,875	14,186	1,230,130
	2009	306,250		649,957	190,569	28,267	1,175,043
	2008	287,500		287,361		11,490	586,351
Mitchell W. Pratt Chief Operating Officer and Corporate Secretary	2010	310,000	100,000	481,500	100,750	13,320	1,173,631
	2009	280,000		649,957	168,061	34,355	1,132,373
	2008	280,000		287,361		8,427	575,788
Barclay F. Corbus Senior Vice President, Strategic Development	2010	286,000	150,000	481,500	92,950	10,056	1,176,563
	2009	260,000	75,000	649,957	156,057	30,411	1,171,425
	2008	260,000		287,361		3,875	551,236

- (1) The amounts listed in this column reflect the grant date fair values calculated in accordance with Financial Accounting Standards Board's Accounting Standards Codification Topic 718, "Share Based Payment," or FASB ASC 718. For a more detailed discussion on the valuation model and assumptions used to calculate the fair value of these awards, see note 9 to the consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2010.
- (2) The amounts listed in this column represent "Special Bonuses" awarded for successful capital raises and acquisitions.
- (3) The compensation represented by the amounts for 2010 in this column are detailed in the following table.

Name	Qualified Retirement Plan Employer Match (\$)	Payment of Health and Welfare Insurance Premiums \$(i)	CNG Fuel \$(ii)	Tax Gross-Ups \$(iii)	Total (\$)
2010					
Andrew J. Littlefair	11,000	1,448	242	198	12,888
Richard R. Wheeler	8,250	1,396	1,122	751	11,519
James N. Harger	11,000	1,448	956	782	14,186
Mitchell W. Pratt	11,000	1,448	480	392	13,320
Barclay F. Corbus	8,250	966	462	378	10,056

- (i) We pay 80% of our employees' insurance premiums associated with the health and welfare programs we sponsor. We pay 100% of such premiums for our named executive officers. The

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amounts in this column are intended to quantify the extra benefit we provide only to our named executive officers.

- (ii) The amounts in this column are attributable to the cost of Company provided natural gas fuel for the compressed natural gas vehicles of our named executive officers (as calculated in accordance with Internal Revenue Service guidelines), the value of which is included as compensation on the W-2 of our named executive officers who receive such benefit. Each of these named executive officers is responsible for paying income tax on such amount.
- (iii) The amounts in this column are attributable to the amount we provide to our named executive officers (a "gross-up" payment) in respect of taxes that are imposed due to their receipt of free natural gas vehicle fuel. The gross-up payment is intended to make our named executive officers whole for the taxes they must pay due to their receipt of the Company provided natural gas vehicle fuel.

Grants of Plan-Based Awards in Fiscal Year 2010

The following table provides information regarding the amount of plan-based awards granted in 2010 for each of the named executive officers.

Name	Grant Date(1)	Approval Date(1)	Estimated Future Payouts Under Non-Equity Incentive Based Plans(2)			All Other Option Awards: Number of Securities Underlying Options(3)(#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(4)(\$)
			Threshold (\$)	Target (\$)	Maximum (\$)			
Andrew J. Littlefair	12/1/2010	12/1/2010	236,600 127,400	338,000 182,000	507,000 273,000	100,000	13.49	963,000
Richard R. Wheeler	12/1/2010	12/1/2010	112,125 60,375	156,975 84,525	224,250 120,750	50,000	13.49	481,500
James N. Harger	12/1/2010	12/1/2010	108,875 58,625	152,425 82,075	217,750 117,250	50,000	13.49	481,500
Mitchell W. Pratt	12/1/2010	12/1/2010	100,750 54,250	141,050 75,950	201,500 108,500	50,000	13.49	481,500
Barclay F. Corbus	12/1/2010	12/1/2010	92,950 50,050	130,130 70,070	185,900 100,100	50,000	13.49	481,500

- (1) On December 1, 2010, our compensation committee approved and granted options to purchase an aggregate of 300,000 shares of our common stock to certain of our named executive officers as reflected on the table above.
- (2) The threshold, target and maximum amounts shown in the table correspond to the original base, middle and maximum target amounts our compensation committee determined to pay to our named executive officers upon the achievement of pre-established 2010 performance targets relating to Adjusted EBITDA and the volume of gasoline gallon equivalents of natural gas sold. The threshold, target and maximum amounts for achievement of the Adjusted EBITDA and volume targets are shown on separate lines in the table, with the Adjusted EBITDA targets on the upper line. For a more detailed discussion of the 2010 performance targets, see "Annual Cash Bonus" under Compensation Discussion and Analysis.

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(3) All options shown in this column were awarded under our 2006 Plan. The options granted on December 1, 2010 vest 34% on the first anniversary of the date of grant and 33% on each subsequent anniversary until fully vested, in each case subject to continuing service by the named executive officer.

(4) Option awards are shown at their grant date fair value under FASB ASC 718, "Share Based Payment." The fair value of the options granted on December 1, 2010 was \$9.63 per share. For discussion regarding the valuation model and assumptions used to calculate the fair value of these option awards, see note 9 to the consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2010.

Outstanding Equity Awards at 2010 Fiscal Year End

The table below summarizes outstanding equity awards held by our named executive officers at December 31, 2010.

Name	Option Awards				
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	
Andrew J. Littlefair	400,000(1)		2.96	12/12/2012	
	60,000(2)		2.96	6/11/2013	
	115,000(3)		2.96	5/6/2015	
	100,000(4)		2.96	5/05/2015	
	60,000(4)		2.96	5/05/2015	
	525,000(5)		12.00	5/23/2017	
	100,000(6)		15.27	12/12/2017	
	104,428(7)	51,434(7)	5.09	12/9/2018	
	40,062(8)	77,776(8)	6.33	1/1/2019	
	17,000(9)	33,000(9)	14.06	10/8/2019	
		100,000(14)	13.49	12/01/2020	
	Richard R. Wheeler	105,000(10)		2.96	6/11/2013
		125,000(11)		2.96	2/01/2014
		70,000(3)		2.96	2/04/2015
55,000(4)			2.96	5/05/2015	
45,000(4)			2.96	5/05/2015	
100,000(6)			15.27	12/12/2017	
60,916(7)		30,004(7)	5.09	12/9/2018	
23,369(8)		45,364(8)	6.33	1/1/2019	
13,600(9)		26,400(9)	14.06	10/8/2019	
		50,000(14)	13.49	12/01/2020	
James N. Harger	50,000(2)		2.96	6/11/2013	
	80,000(3)		2.96	2/4/2015	
	65,000(4)		2.96	5/05/2015	
	55,000(4)		2.96	5/05/2015	
	400,000(5)		12.00	5/23/2017	
	100,000(6)		15.27	12/12/2017	
	60,916(7)	30,004(7)	5.09	12/9/2018	
	23,369(8)	45,364(8)	6.33	1/1/2019	
	13,600(9)	26,400(9)	14.06	10/8/2019	
		50,000(14)	13.49	12/01/2020	

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Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
Mitchell W. Pratt	75,000(12)		2.96	12/12/2012
	30,000(2)		2.96	6/11/2013
	85,000(3)		2.96	2/04/2015
	70,000(4)		2.96	5/05/2015
	25,000(4)		2.96	5/05/2015
	300,000(5)		12.00	5/23/2017
	100,000(6)		15.27	12/12/2017
	60,916(7)	30,004(7)	5.09	12/9/2018
	23,369(8)	45,364(8)	6.33	1/1/2019
	13,600(9)	26,400(9)	14.06	10/8/2019
	50,000(14)	13.49	12/01/2020	
Barclay F. Corbus	350,00(13)		13.25	9/10/2017
	30,004(7)	30,004(7)	5.09	12/9/2018
	9,281(8)	45,364(8)	6.33	1/1/2019
	13,600	26,400(9)	14.06	10/8/2019
		50,000(14)	13.49	12/01/2020

- (1) This option, granted under our 2002 Plan on December 12, 2002, had the following initial vesting schedule: 20% of the shares were scheduled to vest on the completion of each 12 month period following June 13, 2001, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (2) This option, granted under our 2002 Plan on June 11, 2003, had the following initial vesting schedule: 34% of the shares were scheduled to vest on June 11, 2004, and 33% of the shares were scheduled to vest for each 12 month period completed thereafter, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (3) This option, granted under our 2002 Plan on February 4, 2005, had the following initial vesting schedule: 34% of the shares were scheduled to vest on the date of grant, 33% were scheduled to vest when the fair market value of our common stock met or exceeded \$5.00 per share, and 33% of the shares were scheduled to vest when the fair market value of our common stock met or exceeded \$7.00, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (4) This option, granted under our 2002 Plan on May 6, 2005, had the following initial vesting schedule: 34% of the shares were scheduled to vest on December 31, 2005, and 33% of the shares were scheduled to vest for each 12 month period completed thereafter, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (5) This option, granted under our 2006 Plan on May 24, 2007, vested $\frac{1}{6}$ on May 24, 2007 and $\frac{1}{6}$ on November 24, 2007, and an additional $\frac{1}{3}$ on each of November 24, 2008 and November 24, 2009, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, would vest in full on the date that immediately precedes the change in control.

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- (6) This option, granted under our 2006 Plan, vested 34% on the first anniversary of December 12, 2007, the date of grant, and vests 33% on each subsequent anniversary, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, would vest in full on the date that immediately precedes the change in control.
- (7) This option, granted under our 2006 Plan, vested 34% on the first anniversary of December 10, 2008, the date of grant, and vests 33% on each subsequent anniversary until fully vested, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, will vest in full on the date that immediately precedes the change in control.
- (8) This option, granted under our 2006 Plan, vested 34% on the first anniversary of January 2, 2009, the date of grant, and vests 33% on each subsequent anniversary until fully vested, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, will vest in full on the date that immediately precedes the change in control.
- (9) This option, granted under our 2006 Plan, vested 34% on the first anniversary of October 9, 2009, the date of grant, and vests 33% on each subsequent anniversary until fully vested, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, will vest in full on the date that immediately precedes the change in control.
- (10) This option, granted under our 2002 Plan on June 11, 2003, had the following initial vesting schedule: 12% of the shares were scheduled to vest on the completion of the first month of service after February 1, 2003, and 4% of the shares were scheduled to vest for each month completed thereafter, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (11) This option, granted under our 2002 Plan on February 1, 2004, had the following initial vesting schedule: 8% of the shares were scheduled to vest on the completion of the first month of service after February 1, 2004, and 4% of the shares were scheduled to vest for each month completed thereafter, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (12) This option, granted under our 2002 Plan on December 12, 2002, had the following initial vesting schedule: 25% of the shares were scheduled to vest on the completion of each 12 month period following August 20, 2001, subject to continuing service by the named executive officer; provided that the option may be subject to earlier vesting upon a "change in control" as described in the plan.
- (13) This option, granted under our 2006 Plan, vested 34% on the first anniversary of September 10, 2007, the date of grant, and vests 33% on each subsequent anniversary until fully vested, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, will vest in full on the date that immediately precedes the change in control.
- (14) This option, granted under our 2006 Plan, will vest as to 34% on the first anniversary of December 1, 2010, the date of grant, and vests 33% on each subsequent anniversary until fully vested, subject to continuing service by the named executive officer. The 2006 Plan provides that, in the event of a "change in control" as described in the plan, this option, if then outstanding, will vest in full on the date that immediately precedes the change in control.

Option Exercises and Stock Vested

The table below summarizes options exercised by our named executive officers during the fiscal year ended December 31, 2010. None of our executive officers had any restricted stock that vested during the fiscal year ended December 31, 2010.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise(\$)
Richard R. Wheeler	350,000	2,800,000
James N. Harger	75,000	1,173,513
Barclay F. Corbus	45,000	657,371

Employment Agreements*Employment Agreement with Andrew J. Littlefair*

We entered into an amended and restated employment agreement with Andrew J. Littlefair, our President and Chief Executive Officer, on December 31, 2008. The employment agreement has a term ending on December 31, 2013, and thereafter renews for consecutive one (1) year periods unless either party gives written notice of its intent not to renew within sixty (60) days of the expiration of the initial term or any renewal term. Mr. Littlefair is entitled to a base salary of no less than \$475,200, and his current base salary is \$600,000. Pursuant to the agreement, Mr. Littlefair is eligible for an annual performance bonus, as described above under "Compensation Discussion and Analysis Elements of Compensation Annual Cash Bonus." Mr. Littlefair is also eligible to participate in any and all plans providing general benefits to our management level employees. Upon termination of Mr. Littlefair's employment, he is entitled to the compensation and benefits described below under "Potential Payments Upon Termination or Change in Control."

Employment Agreement with Richard R. Wheeler

We entered into an amended and restated employment agreement with Richard R. Wheeler, our Chief Financial Officer, on December 31, 2008. The employment agreement has a term ending on December 31, 2013, and thereafter renews for consecutive one (1) year periods unless either party gives written notice of its intent not to renew within sixty (60) days of the expiration of the initial term or any renewal term. Mr. Wheeler is entitled to a base salary of no less than \$313,250, and his current base salary is \$365,000. Pursuant to the agreement, Mr. Wheeler is eligible for an annual performance bonus, as described above under "Compensation Discussion and Analysis Elements of Compensation Annual Cash Bonus." Mr. Wheeler is also eligible to participate in any and all plans providing general benefits to our management level employees. Upon termination of Mr. Wheeler's employment, he is entitled to the compensation and benefits described below under "Potential Payments Upon Termination or Change in Control."

Employment Agreement with James N. Harger

We entered into an amended and restated employment agreement with James N. Harger, our Chief Marketing Officer, on December 31, 2008. The employment agreement has a term ending on December 31, 2013, and thereafter renews for consecutive one (1) year periods unless either party gives written notice of its intent not to renew within sixty (60) days of the expiration of the initial term or any renewal term. Mr. Harger is entitled to a base salary of no less than \$287,500, and his current base salary is \$365,000. Pursuant to the agreement, Mr. Harger is eligible for an annual performance bonus, as described above under "Compensation Discussion and Analysis Elements of Compensation Annual Cash Bonus." Mr. Harger is also eligible to participate in any and all plans providing general benefits to our management level employees. Upon termination of Mr. Harger's employment, he is

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entitled to the compensation and benefits described below under "Potential Payments Upon Termination or Change in Control."

Employment Agreement with Mitchell W. Pratt

We entered into an amended and restated employment agreement with Mitchell W. Pratt, our Chief Operating Officer, on December 31, 2008. The employment agreement has a term ending on December 31, 2013, and thereafter renews for consecutive one (1) year periods unless either party gives written notice of its intent not to renew within sixty (60) days of the expiration of the initial term or any renewal term. Mr. Pratt is entitled to a base salary of no less than \$280,000, and his current base salary is \$365,000. Pursuant to the agreement, Mr. Pratt is eligible for an annual performance bonus, as described above under "Compensation Discussion and Analysis Elements of Compensation Annual Cash Bonus." Mr. Pratt is also eligible to participate in any and all plans providing general benefits to our management level employees. Upon termination of Mr. Pratt's employment, he is entitled to the compensation and benefits described below under "Potential Payments Upon Termination or Change in Control."

Employment Agreement with Barclay F. Corbus

We entered into an amended and restated employment agreement with Barclay F. Corbus, our Senior Vice President, Strategic Development, on February 17, 2010. The employment agreement has a term ending on December 31, 2013, and thereafter renews for consecutive one (1) year periods unless either party gives written notice of its intent not to renew within sixty (60) days of the expiration of the initial term or any renewal term. Mr. Corbus is entitled to a base salary of no less than \$286,000, and his current base salary is \$350,000. Pursuant to the agreement, Mr. Corbus is eligible for an annual performance bonus, as described above under "Compensation Discussion and Analysis Elements of Compensation Annual Cash Bonus." Mr. Corbus is also eligible to participate in any and all plans providing general benefits to our management level employees. Upon termination of Mr. Corbus's employment, he is entitled to the compensation and benefits described below under "Potential Payments Upon Termination or Change in Control."

Pension Benefits, Non-qualified Defined Contribution and Other Deferred Compensation Plans

We do not have any tax-qualified defined benefit plans or supplemental executive retirement plans that provide for payments or other benefits to our named executive officers in connection with their retirement. We also do not have any non-qualified defined contribution plans or other deferred compensation plans that provide for payments or other benefits to our named executive officers.

Potential Payments Upon Termination or Change in Control

The tables and narrative below describe the amount of compensation to be paid to our named executive officers in the event of a termination of employment or a change in control. The amount of compensation payable to each of our named executive officers upon voluntary termination, involuntary not-for-cause termination, for cause termination, termination following a change in control and in the event of disability or death of our named executive officers is shown in tabular format below. The amounts shown in the tables assume that such termination was effective as of December 31, 2010, and thus includes amounts earned through such time and are estimates of the amounts which would be paid out to our named executive officers upon their termination. On December 31, 2010, the closing price of our common stock was \$13.84 per share. The actual amounts to be paid out can only be determined at the time of such named executive officer's separation with our Company.

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Regardless of the manner in which the employment of a named executive officer is terminated, he is entitled to receive amounts earned during his term of employment. Such amounts include:

non-equity incentive compensation earned, to the extent vested, based on the amount of time the executive was employed by the Company;

equity awarded pursuant to our 2002 Plan and 2006 Plan, to the extent vested;

amounts contributed and vested under our qualified retirement plan; and

unused vacation pay.

Andrew J. Littlefair

The following table shows the potential cash payments upon termination or a change in control of the Company for our President and Chief Executive Officer, Andrew J. Littlefair. If we terminate Mr. Littlefair's employment without cause, or if Mr. Littlefair terminates his employment within one year of a change in control, he is entitled to a payment of 150% of his base salary, 150% of his previous year's annual cash bonus and payment of medical and related benefits for one year. If we terminate his employment without cause within one year of an acquisition or similar change in control, he is entitled to a payment of 200% of his base salary, 200% of his previous year's annual cash bonus and medical and related benefits for one year. At December 31, 2010, Mr. Littlefair's annual base salary was \$520,000 and his prior-year bonus was \$405,733. If his employment is terminated for cause, we may repurchase all or a portion of our stock owned by him. If his employment is terminated because of death or disability, we must repurchase all of our stock owned by him.

Benefit and Payments Upon Separation	Voluntary Termination	Involuntary Not For Cause Termination	For Cause Termination	Voluntary Termination within One Year of a Change in Control	Termination Without Cause within One Year of Change in Control	Termination Due to Disability	Termination Due to Death
Cash Severance Payment:	\$ 0	\$ 1,388,600	\$ 0	\$ 1,388,600	\$ 1,851,466	\$ 0	\$ 0
Continuation of Medical/Welfare Benefits (present value):	\$ 0	\$ 10,131	\$ 0	\$ 10,131	\$ 10,131	\$ 0	\$ 0
Repurchase of Common Stock(1)	\$ 0		\$ 0			\$ 7,562,854	\$ 7,562,854
Total:	\$ 0	\$ 1,398,731	\$ 0	\$ 1,398,731	\$ 1,861,597	\$ 7,562,854	\$ 7,562,854

(1) Assumes a fair market value of \$13.84 per share, the closing price of our common stock on December 31, 2010. Mr. Littlefair held 546,449 shares of common stock on December 31, 2010.

For purposes of Mr. Littlefair's employment agreement, (i) "cause" means (1) Mr. Littlefair committing a material act of dishonesty against our Company, (2) Mr. Littlefair being convicted of a felony involving moral turpitude or (3) Mr. Littlefair committing a material breach of his confidentiality, trade secret, non solicitation or invention obligations under the employment agreement; and (ii) "change in control" means any "person" (as defined or referred to in Section 3(a)(9) and/or 13(d)(1), et seq. of the Securities Exchange Act of 1934, as amended, and the associated rules of the Securities and Exchange Commission promulgated thereunder), other than an existing shareholder of our Company as of January 1, 2006, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of our Company representing 50% plus one share, or more, of the combined voting power of our then outstanding securities.

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Additionally, the 2006 Plan provides that in the event of a change in control, all of Mr. Littlefair's options that are outstanding on the date that immediately precedes the change in control will become immediately exercisable on that date. If a change in control occurred on December 31, 2010, Mr. Littlefair would have received an additional \$1,069,078, which amount represents the aggregate difference between the fair market value of our common stock at December 31, 2010, \$13.84, and the aggregate exercise price of his unvested stock options on December 31, 2010. See "Outstanding Equity Awards at 2010 Fiscal Year End" for information about Mr. Littlefair's unvested options at December 31, 2010.

Richard R. Wheeler

The following table shows the potential cash payments upon termination or a change in control of the Company for our Chief Financial Officer, Richard R. Wheeler. If we terminate Mr. Wheeler's employment without cause, or if Mr. Wheeler terminates his employment within one year of a change in control, he is entitled to a payment of 150% of his base salary, 150% of his previous year's annual cash bonus and payment of medical and related benefits for one year. If we terminate his employment without cause within one year of an acquisition or similar change in control, he is entitled to a payment of 200% of his base salary, 200% of his previous year's annual cash bonus and medical and related benefits for one year. At December 31, 2010, Mr. Wheeler's annual base salary was \$345,000 and his prior-year bonus was \$188,018. If his employment is terminated for cause, we may repurchase all or a portion of our stock owned by him. If his employment is terminated because of death or disability, we must repurchase all of our stock owned by him.

Benefit and Payments Upon Separation	Voluntary Termination	Involuntary Not For Cause Termination	For Cause Termination	Voluntary Termination within One Year of a Change in Control	Termination Without Cause within One Year of Change in Control	Termination Due to Disability	Termination Due to Death
Cash Severance Payment:	\$ 0	\$ 799,527	\$ 0	\$ 799,527	\$ 1,066,036	\$ 0	\$ 0
Continuation of Medical/Welfare Benefits (present value):	\$ 0	\$ 9,837	\$ 0	\$ 9,837	\$ 9,837	\$ 0	\$ 0
Repurchase of Common Stock(1)	\$ 0		\$ 0			\$ 0	\$ 0
Total:	\$ 0	\$ 809,364	\$ 0	\$ 809,364	\$ 1,075,873	\$ 0	\$ 0

(1)

Mr. Wheeler held no shares of common stock on December 31, 2010.

For purposes of Mr. Wheeler's employment agreement, (i) "cause" means (1) Mr. Wheeler committing a material act of dishonesty against our Company, (2) Mr. Wheeler being convicted of a felony involving moral turpitude or (3) Mr. Wheeler committing a material breach of his confidentiality, trade secret, non solicitation or invention obligations under his employment agreement; and (ii) "change in control" means any "person" (as defined or referred to in Section 3(a)(9) and/or 13(d)(1), et seq. of the Securities Exchange Act of 1934, as amended, and the associated rules of the Securities and Exchange Commission promulgated thereunder), other than an existing shareholder of our Company as of January 1, 2006, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of our Company representing 50% plus one share, or more, of the combined voting power of our then outstanding securities.

Additionally, the 2006 Plan provides that in the event of a change in control, all of Mr. Wheeler's options that are outstanding on the date that immediately precedes the change in control will become immediately exercisable on that date. If a change in control occurred on December 31, 2010,

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Mr. Wheeler would have received an additional \$620,714, which amount represents the aggregate difference between the fair market value of our common stock at December 31, 2010, \$13.84, and the aggregate exercise price of his unvested stock options on December 31, 2010. See "Outstanding Equity Awards at 2010 Fiscal Year End" for information about Mr. Wheeler's unvested options at December 31, 2010.

James N. Harger

The following table shows the potential cash payments upon termination or a change in control of the Company for our Chief Marketing Officer, James N. Harger. If we terminate Mr. Harger's employment without cause, or if Mr. Harger terminates his employment within one year of a change in control, he is entitled to a payment of 150% of his base salary, 150% of his previous year's annual cash bonus and payment of medical and related benefits for one year. If we terminate his employment without cause within one year of an acquisition or similar change in control, he is entitled to a payment of 200% of his base salary, 200% of his previous year's annual cash bonus and medical and related benefits for one year. At December 31, 2010, Mr. Harger's annual base salary was \$335,000 and his prior year bonus was \$190,569. If his employment is terminated for cause, we may repurchase all or a portion of our stock owned by him. If his employment is terminated because of death or disability, we must repurchase all of our stock owned by him.

Benefit and Payments Upon Separation	Involuntary			Voluntary	Termination	Termination	Termination Due to Disability	Termination Due to Death
	Voluntary Termination	Not For Cause Termination	For Cause Termination	Termination within One Year of a Change in Control	Termination Without Cause within One Year of Change in Control	Termination Due to Change in Control		
Cash Severance Payment	\$ 0	\$ 788,354	\$ 0	\$ 788,354	\$ 1,051,138	\$ 0	\$ 0	\$ 0
Continuation of Medical/Welfare Benefits (present value):	\$ 0	\$ 10,097	\$ 0	\$ 10,097	\$ 10,097	\$ 0	\$ 0	\$ 0
Repurchase of Common Stock(1)	\$ 0		\$ 0			\$ 4,726,139	\$ 4,726,139	\$ 4,726,139
Total:	\$ 0	\$ 798,451	\$ 0	\$ 798,451	\$ 1,061,235	\$ 4,726,139	\$ 4,726,139	\$ 4,726,139

(1)

Assumes a fair market value of \$13.84 per share, the closing price of our common stock on December 31, 2010. Mr. Harger held 341,484 shares of common stock on December 31, 2010.

For purposes of Mr. Harger's employment agreement, (i) "cause" means (1) Mr. Harger committing a material act of dishonesty against our Company, (2) Mr. Harger being convicted of a felony involving moral turpitude or (3) Mr. Harger committing a material breach of his confidentiality, trade secret, non solicitation or invention obligations under his employment agreement; and (ii) "change in control" means any "person" (as defined or referred to in Section 3(a)(9) and/or 13(d)(1), et seq. of the Securities Exchange Act of 1934, as amended, and the associated rules of the Securities and Exchange Commission promulgated thereunder), other than an existing shareholder of our Company as of January 1, 2006, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of our Company representing 50% plus one share, or more, of the combined voting power of our then outstanding securities.

Additionally, the 2006 Plan provides that in the event of a change in control, all of Mr. Harger's options that are outstanding on the date that immediately precedes the change in control will become immediately exercisable on that date. If a change in control occurred on December 31, 2010, Mr. Harger would have received an additional \$620,714, which amount represents the aggregate difference between the fair market value of our common stock at December 31, 2010, \$13.84, and the

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aggregate exercise price of his unvested stock options on December 31, 2010. See "Outstanding Equity Awards at 2010 Fiscal Year End" for information about Mr. Harger's unvested options at December 31, 2010.

Mitchell W. Pratt

The following table shows the potential cash payments upon termination or a change in control of the Company for our Chief Operating Officer and Corporate Secretary, Mitchell W. Pratt. If we terminate Mr. Pratt's employment without cause, or if Mr. Pratt terminates his employment within one year of a change in control, he is entitled to a payment of 150% of his base salary, 150% of his previous year's annual cash bonus and payment of medical and related benefits for one year. If we terminate his employment without cause within one year of an acquisition or similar change in control, he is entitled to a payment of 200% of his base salary, 200% of his previous year's annual cash bonus and medical and related benefits for one year. At December 31, 2010, Mr. Pratt's annual base salary was \$310,000 and his prior year bonus was \$168,061. If his employment is terminated for cause, we may repurchase all or a portion of our stock owned by him. If his employment is terminated because of death or disability, we must repurchase all of our stock owned by him

Benefit and Payments Upon Separation	Involuntary Not For Cause		Voluntary Termination within One Year of a Change in Control		Termination Without Cause within One Year of Change in Control		Termination Due to Disability	Termination Due to Death
	Voluntary Termination	Termination	For Cause Termination	in Control	of Change in Control	of Change in Control		
Cash Severance Payment:	\$ 0	\$ 717,092	\$ 0	\$ 717,092	\$ 956,122	\$ 0	\$ 0	
Continuation of Medical/Welfare Benefits (present value):	\$ 0	\$ 10,078	\$ 0	\$ 10,078	\$ 10,078	\$ 0	\$ 0	
Repurchase of Common Stock(1)	\$ 0		\$ 0			\$ 324,590	\$ 324,590	
Total:	\$ 0	\$ 727,170	\$ 0	\$ 727,170	\$ 966,200	\$ 324,590	\$ 324,590	

(1) Assumes a fair market value of \$13.84 per share, the closing price of our common stock on December 31, 2010. Mr. Pratt held 23,453 shares of common stock on December 31, 2010.

For purposes of Mr. Pratt's employment agreement, (i) "cause" means (1) Mr. Pratt committing a material act of dishonesty against our Company, (2) Mr. Pratt being convicted of a felony involving moral turpitude or (3) Mr. Pratt committing a material breach of his confidentiality, trade secret, non solicitation or invention obligations under his employment agreement; and (ii) "change in control" means any "person" (as defined or referred to in Section 3(a)(9) and/or 13(d)(1), et seq. of the Securities Exchange Act of 1934, as amended, and the associated rules of the Securities and Exchange Commission promulgated thereunder), other than an existing shareholder of our Company as of January 1, 2006, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of our Company representing 50% plus one share, or more, of the combined voting power of our then outstanding securities.

Additionally, the 2006 Plan provides that in the event of a change in control, all of Mr. Pratt's options that are outstanding on the date that immediately precedes the change in control will become immediately exercisable on that date. If a change in control occurred on December 31, 2010, Mr. Pratt would have received an additional \$620,714, which amount represents the aggregate difference between the fair market value of our common stock at December 31, 2010, \$13.84, and the aggregate exercise price of his unvested stock options on December 31, 2010. See "Outstanding Equity Awards at 2010 Fiscal Year End" for information about Mr. Pratt's unvested options at December 31, 2010.

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Barclay F. Corbus

The following table shows the potential cash payments upon termination or a change in control of the Company for our Senior Vice President of Strategic Development, Barclay F. Corbus. If we terminate Mr. Corbus's employment without cause, or if Mr. Corbus terminates his employment within one year of a change in control, he is entitled to a payment of 150% of his base salary, 150% of his previous year's annual cash bonus and payment of medical and related benefits for one year. If we terminate his employment without cause within one year of an acquisition or similar change in control, he is entitled to a payment of 200% of his base salary, 200% of his previous year's annual cash bonus and medical and related benefits for one year. At December 31, 2010, Mr. Corbus's annual base salary was \$286,000 and his prior year bonus was \$156,057.

Benefit and Payments Upon Separation	Voluntary Termination	Involuntary Cause Not For	For Cause	Voluntary Termination within One Year of a Change in Control	Termination Without Cause within One Year of Change in Control	Termination Due to Disability	Termination Due to Death
Cash Severance Payment:	\$ 0	\$ 663,086	\$ 0	\$ 663,086	\$ 884,114	\$ 0	\$ 0
Continuation of Medical/Welfare Benefits (present value):	\$ 0	\$ 7,582	\$ 0	\$ 7,582	\$ 7,582	\$ 0	\$ 0
Total:	\$ 0	\$ 670,668	\$ 0	\$ 670,668	\$ 891,696	\$ 0	\$ 0

For purposes of Mr. Corbus's employment agreement, (i) "cause" means (1) Mr. Corbus committing a material act of dishonesty against our Company, (2) Mr. Corbus being convicted of a felony involving moral turpitude or (3) Mr. Corbus committing a material breach of his confidentiality, trade secret, non solicitation or invention obligations under his employment agreement; and (ii) "change in control" means any "person" (as defined or referred to in Section 3(a)(9) and/or 13(d)(1), et seq. of the Securities Exchange Act of 1934, as amended, and the associated rules of the Securities and Exchange Commission promulgated thereunder), other than an existing shareholder of our Company as of January 1, 2006, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of securities of our Company representing 50% plus one share, or more, of the combined voting power of our then outstanding securities.

Additionally, the 2006 Plan provides that in the event of a change in control, all of Mr. Corbus's options that are outstanding on the date that immediately precedes the change in control will become immediately exercisable on that date. If a change in control occurred on December 31, 2010, Mr. Corbus would have received an additional \$620,714, which amount represents the aggregate difference between the fair market value of our common stock at December 31, 2010, \$13.84, and the aggregate exercise price of his unvested stock options on December 31, 2010. See "Outstanding Equity Awards at 2010 Fiscal Year End" for information about Mr. Corbus's unvested options at December 31, 2010.

Overview of Director Compensation

We use cash and stock based incentive compensation to attract and retain qualified candidates to serve on our Board. In setting director compensation, we consider the significant amount of time that our directors expend in fulfilling their duties to our Company as well as the skill level required by our members of the Board. We also awarded compensation to individual directors in recognition of outstanding service or efforts on the Company's behalf.

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Cash Compensation Paid to Board Members

For the year ended December 31, 2010, members of our Board (other than the Chairman of the Board) who were not employees of the Company were entitled to receive an attendance fee for Board meetings of \$10,000 for each in person meeting and an additional \$500 per meeting for Board or Board committee meetings conducted telephonically. Our chair of the audit committee received an additional \$2,500 for each regularly scheduled quarterly meeting at which the audit committee reviews the Company's quarterly financial statements. For 2011, Board members will continue to receive \$10,000 per Board meeting and an additional \$500 per meeting for Board or Board committee meetings conducted telephonically. Our audit committee chair will continue to receive \$2,500 for each quarterly meeting of the audit committee at which the audit committee reviews the Company's financial statements. From January to November 2010, the Chairman of the Board received \$7,500 per month in cash, and, beginning in December 2010 and continuing throughout 2011, he will receive \$10,000 per month in cash. These amounts are intended to include his attendance fees. Directors who are our employees receive no additional compensation for their services as directors.

Stock Based Incentive Compensation

From time to time, we award stock options to directors. The determination as to which directors receive awards and the amount of these awards is discretionary. See footnote (2) to the Director Compensation table below for information about the options held by our directors at December 31, 2010.

2010 Director Compensation

The table below summarizes the compensation we paid to directors who are not employees of our Company for the fiscal year ended December 31, 2010.

Name(1)	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(2)(3)	Total (\$)
Warren I. Mitchell, Chairman	92,500(4)	192,600	285,100
John S. Herrington	46,000	192,600	238,600
James C. Miller, III	53,000	192,600	245,600
Boone Pickens	40,500	192,600	233,100
Kenneth M. Socha	43,000	192,600	235,600
Vincent C. Taormina	43,500	192,600	236,100

(1) Andrew J. Littlefair, our President and Chief Executive Officer, is not included in this table because he is an employee of the Company and, thus, receives no additional compensation for his services as a director. The compensation received by Mr. Littlefair as an employee of the Company is shown in the Summary Compensation Table above.

(2) On December 1, 2010, Messrs. Mitchell, Herrington, Miller, Pickens, Socha and Taormina were each granted 20,000 stock options with a fair value of \$192,600 per grant calculated under FASB ASC 718. As of December 31, 2010, Messrs. Mitchell, Herrington, Miller, Pickens, Socha and Taormina had the following options fully vested and outstanding: (i) Mr. Mitchell held options to purchase 102,000 shares at an exercise price of \$2.96, an option to purchase 80,000 shares at an exercise price of \$12.00, an option to purchase 25,000 shares at an exercise price of \$15.27, an option to purchase 17,405 shares at an exercise price of \$5.09, an option to purchase 6,677 shares at an exercise price of \$6.33 and an option to purchase 6,800 shares at an exercise price of \$14.06; (ii) Mr. Herrington held options to purchase 20,000 shares at an exercise price of \$2.96, options to purchase 80,000 shares at an exercise price of \$12.00, an option to purchase 25,000 shares at an

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exercise price of \$15.27, an option to purchase 17,405 shares at an exercise price of \$5.09, an option to purchase 6,677 shares at an exercise price of \$6.33 and an option to purchase 6,800 shares at an