UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2019

Commission File Number: 001-33480

CLEAN ENERGY FUELS CORP.

(Exact name of registrant as specified in its charter)

4675 MacArthur Court, Suite 800, Newport Beach, CA 92660

(Address of principal executive offices, including zip code)

(949) 437-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name each exchange on which registered
Common stock, $0.0001 par value per share	CLNE	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232,405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o	Smaller reporting company o
	Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes o No x

As of August 1, 2019, there were 204,709,929 shares of the registrant's common stock, par value $0.0001 per share, issued and outstanding.

CLEAN ENERGY FUELS CORP. AND SUBSIDIARIES

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Unless the context indicates otherwise, all references to “Clean Energy,” the “Company,” “we,” “us,” or “our” in this report refer to Clean Energy Fuels Corp. together with its consolidated subsidiaries.

This report contains forward-looking statements. See the cautionary note regarding these statements in Part I, Item 2.-Management’s Discussion and Analysis of Financial Condition and Results of Operations of this report.

We own registered or unregistered trademark or service mark rights to Redeem™, NGV Easy Bay™, Clean Energy™, Clean Energy Renewables™, and Clean Energy Cryogenics™. Although we do not use the “®” or “™” symbol in each instance in which one of our trademarks appears in this report, this should not be construed as any indication that we will not assert our rights thereto to the fullest extent under applicable law. Any other service marks, trademarks and trade names appearing in this report are the property of their respective owners.

PART I.—FINANCIAL INFORMATION

Item 1.—Financial Statements (Unaudited)

Clean Energy Fuels Corp. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data, Unaudited)

	December 31, 2018	June 30, 2019
Assets		
Current assets:		
Cash, cash equivalents and current portion of restricted cash	$ 30,624	$ 41,666
Short-term investments	65,646	66,584
Accounts receivable, net of allowance for doubtful accounts of $1,919 and $2,074 as of December 31, 2018 and June 30, 2019, respectively	68,865	60,567
Other receivables	15,544	9,408
Derivative assets, related party	1,508	655
Inventory	34,975	33,870
Prepaid expenses and other current assets	8,444	9,043
Total current assets	225,606	221,793
Operating lease right-of-use assets	—	24,490
Land, property and equipment, net	350,568	328,630
Long-term portion of restricted cash	4,000	4,848
Notes receivable and other long-term assets, net	17,470	17,968
Long-term portion of derivative assets, related party	8,824	5,041
Investments in other entities	26,079	26,072
Goodwill	64,328	64,328
Intangible assets, net	2,207	1,704
Total assets	$ 699,082	$ 694,874
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of debt	$ 4,712	$ 55,562
Current portion of finance lease obligations	693	654
Current portion of operating lease obligations	—	3,570
Accounts payable	19,024	16,462
Accrued liabilities	48,469	39,763
Deferred revenue	7,361	7,438
Total current liabilities	80,259	123,449
Long-term portion of debt	75,003	24,912
Long-term portion of finance lease obligations	3,776	3,236
Long-term portion of operating lease obligations	—	22,245
Other long-term liabilities	15,035	12,901
Total liabilities	174,073	186,743
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, $0.0001 par value. Authorized 1,000,000 shares; issued and outstanding no shares	—	—
Common stock, $0.0001 par value. Authorized 304,000,000 shares as of December 31, 2018 and June 30, 2019, respectively; issued and outstanding 203,599,892 shares and 204,655,146 shares as of December 31, 2018 and June 30, 2019, respectively	20	20
Additional paid-in capital	1,198,769	1,201,340
Accumulated deficit	(688,653)	(704,982)
Accumulated other comprehensive loss	(2,138)	(1,440)
Total Clean Energy Fuels Corp. stockholders' equity	507,998	494,938
Noncontrolling interest in subsidiary	17,011	13,193
Total stockholders' equity	525,009	508,131
Total liabilities and stockholders' equity	$ 699,082	$ 694,874

See accompanying notes to condensed consolidated financial statements.

Clean Energy Fuels Corp. and Subsidiaries

Condensed Consolidated Statements of Operations

(In thousands, except share and per share data, Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019
Revenue:				
Product revenue	$ 61,120	$ 59,691	$ 153,371	$ 128,139
Service revenue	9,347	12,627	19,499	21,877
Total revenue	70,467	72,318	172,870	150,016
Operating expenses:				
Cost of sales (exclusive of depreciation and amortization shown separately below):				
Product cost of sales	41,396	40,121	91,595	94,551
Service cost of sales	4,255	7,489	8,852	11,887
Change in fair value of derivative warrants	(70)	(17)	(92)	1,597
Selling, general and administrative	19,938	17,933	38,797	36,368
Depreciation and amortization	13,332	12,605	26,133	25,084
Total operating expenses	78,851	78,131	165,285	169,487
Operating income (loss)	(8,384)	(5,813)	7,585	(19,471)
Interest expense	(4,527)	(1,842)	(9,030)	(3,733)
Interest income	489	567	1,064	1,147
Other income (expense), net	79	93	67	2,764
Loss from equity method investments	(729)	(33)	(2,197)	(500)
Income (loss) before income taxes	(13,072)	(7,028)	(2,511)	(19,793)
Income tax expense	(89)	(66)	(177)	(126)
Net income (loss)	(13,161)	(7,094)	(2,688)	(19,919)
Loss attributable to noncontrolling interest	1,186	1,711	2,935	3,590
Net income (loss) attributable to Clean Energy Fuels Corp.	$ (11,975)	$ (5,383)	$ 247	$ (16,329)
Income (loss) per share:				
Basic	$ (0.07)	$ (0.03)	$ 0.00	$ (0.08)
Diluted	$ (0.07)	$ (0.03)	$ 0.00	$ (0.08)
Weighted-average common shares outstanding:				
Basic	162,613,316	204,653,723	157,432,786	204,426,459
Diluted	162,613,316	204,653,723	161,682,245	204,426,459

See accompanying notes to condensed consolidated financial statements.

Clean Energy Fuels Corp. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In thousands, Unaudited)

	Clean Energy Fuels Corp.		Noncontrolling Interest		Total	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2018	2019	2018	2019	2018	2019
Net income (loss)	$ (11,975)	$ (5,383)	$ (1,186)	$ (1,711)	$ (13,161)	$ (7,094)
Other comprehensive income, net of tax:						
Foreign currency translation adjustments, net of $0 tax in 2018 and 2019	(25)	321	—	—	(25)	321
Unrealized gains on available-for-sale securities, net of $0 tax in 2018 and 2019	549	3	—	—	549	3
Total other comprehensive income (loss)	524	324	—	—	524	324
Comprehensive income (loss)	$ (11,451)	$ (5,059)	$ (1,186)	$ (1,711)	$ (12,637)	$ (6,770)

	Clean Energy Fuels Corp.		Noncontrolling Interest		Total	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019	2018	2019
Net income (loss)	$ 247	$ (16,329)	$ (2,935)	$ (3,590)	$ (2,688)	$ (19,919)
Other comprehensive income, net of tax:						
Foreign currency translation adjustments, net of $0 tax in 2018 and 2019	(104)	629	—	—	(104)	629
Unrealized gains on available-for-sale securities, net of $0 tax in 2018 and 2019	603	69	—	—	603	69
Total other comprehensive income (loss)	499	698	—	—	499	698
Comprehensive income (loss)	$ 746	$ (15,631)	$ (2,935)	$ (3,590)	$ (2,189)	$ (19,221)

See accompanying notes to condensed consolidated financial statements.

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Clean Energy Fuels Corp. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity

(In thousands, except share data)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiary	Total Stockholders' Equity
Balance, December 31, 2017	151,650,969	$ 15	$ 1,111,432	$ (683,570)	$ (887)	$ 22,668	$ 449,658
Cumulative effect of adopting ASU 2014-09	—	—	—	(1,293)	—	—	(1,293)
Balance, January 1, 2018	151,650,969	15	1,111,432	(684,863)	(887)	22,668	448,365
Issuance of common stock, net of offering costs	863,581	—	110	—	—	—	110
Stock-based compensation	—	—	1,898	—	—	—	1,898
Net income (loss)	—	—	—	12,222	—	(1,749)	10,473
Other comprehensive loss	—	—	—	—	(25)	—	(25)
Balance, March 31, 2018	152,514,550	$ 15	$ 1,113,440	$ (672,641)	$ (912)	$ 20,919	$ 460,821
Issuance of common stock, net of offering costs	50,916,228	5	80,753	—	—	—	80,758
Stock-based compensation	—	—	1,208	—	—	—	1,208
Net income (loss)	—	—	—	(11,975)	—	(1,186)	(13,161)
Other comprehensive loss	—	—	—	—	524	—	524
Balance, June 30, 2018	203,430,778	$ 20	$ 1,195,401	$ (684,616)	$ (388)	$ 19,733	$ 530,150

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiary	Total Stockholders' Equity
Balance, December 31, 2018	203,599,892	$ 20	$ 1,198,769	$ (688,653)	$ (2,138)	$ 17,011	$ 525,009
Issuance of common stock, net of offering costs	1,052,040	—	175	—	—	—	175
Stock-based compensation	—	—	1,246	—	—	—	1,246
Net loss	—	—	—	(10,946)	—	(1,879)	(12,825)
Other comprehensive income	—	—	—	—	374	—	374
Increase in ownership in subsidiary	—	—	228	—	—	(228)	—
Balance, March 31, 2019	204,651,932	$ 20	$ 1,200,418	$ (699,599)	$ (1,764)	$ 14,904	$ 513,979
Issuance of common stock, net of offering costs	3,214	—	4	—	—	—	4
Stock-based compensation	—	—	918	—	—	—	918
Net loss	—	—	—	(5,383)	—	(1,711)	(7,094)
Other comprehensive income	—	—	—	—	324	—	324
Balance, June 30, 2019	204,655,146	$ 20	$ 1,201,340	$ (704,982)	$ (1,440)	$ 13,193	$ 508,131

See accompanying notes to condensed consolidated financial statements.

Clean Energy Fuels Corp. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(In thousands, Unaudited)

	Six Months Ended June 30,	
	2018	**2019**
Cash flows from operating activities:		
Net income (loss)	$ (2,688)	$ (19,919)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	26,133	25,084
Provision for doubtful accounts, notes and inventory	407	646
Stock-based compensation expense	3,106	2,164
Change in fair value of derivative instruments	(92)	5,992
Amortization of discount and debt issuance cost	488	(429)
Realized loss on sale of available-for-sale debt securities	103	—
Loss (gain) on disposal of property and equipment	1,048	(3,967)
Loss from equity method investments	2,197	500
Non-cash lease expense	—	1,695
Changes in operating assets and liabilities:		
Accounts and other receivables	(2,183)	9,361
Inventory	(2,189)	656
Prepaid expenses and other assets	(1,795)	(1,027)
Operating lease liabilities	—	(1,860)
Accounts payable	(3,448)	560
Deferred revenue	3,269	(2,723)
Accrued expenses and other	(1,432)	(7,950)
Net cash provided by operating activities	22,924	8,783
Cash flows from investing activities:		
Purchases of short-term investments	(250,311)	(72,029)
Maturities and sales of short-term investments	180,961	71,666
Purchases of and deposits on property and equipment	(9,830)	(7,743)
Payments on and proceeds from sales of loans receivable	213	(281)
Cash received from sale of certain assets of subsidiary, net	871	5,016
Proceeds from disposal of property and equipment	—	6,337
Net cash (used in) provided by investing activities	(78,096)	2,966
Cash flows from financing activities:		
Issuances of common stock	83,419	179
Fees paid for issuances of common stock	(455)	—
Proceeds from debt instruments	6,261	3,394
Repayment of finance lease obligations and debt instruments	(27,724)	(3,533)
Payments for debt issuance costs	—	(29)
Net cash provided by financing activities	61,501	11
Effect of exchange rates on cash, cash equivalents and restricted cash	(130)	130
Net increase in cash, cash equivalents and restricted cash	6,199	11,890
Cash, cash equivalents and restricted cash, beginning of period	37,208	34,624
Cash, cash equivalents and restricted cash, end of period	$ 43,407	$ 46,514
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 160	$ 32
Interest paid, net of approximately $106 and $178 capitalized, respectively	$ 6,743	$ 2,590

See accompanying notes to condensed consolidated financial statements.

Clean Energy Fuels Corp. and Subsidiaries

Notes to Condensed Consolidated Financial Statements

(In thousands, except share and per share data, Unaudited)

Note 1—General

Nature of Business

Clean Energy Fuels Corp., together with its majority and wholly owned subsidiaries (hereinafter collectively referred to as the "Company," unless the context or the use of the term indicates or requires otherwise) is engaged in the business of selling natural gas as an alternative fuel for vehicle fleets and related natural gas fueling solutions to its customers, primarily in the United States and Canada.

The Company's principal business is supplying renewable natural gas ("RNG"), compressed natural gas ("CNG") and liquefied natural gas ("LNG") (RNG can be delivered in the form of CNG or LNG) for light, medium and heavy-duty vehicles and providing operation and maintenance ("O&M") services for public and private vehicle fleet customer stations. As a comprehensive solution provider, the Company also designs, builds, operates and maintains fueling stations; sells and services natural gas fueling compressors and other equipment used in CNG stations and LNG stations; offers assessment, design and modification solutions to provide operators with code-compliant service and maintenance facilities for natural gas vehicle fleets; transports and sells CNG and LNG via "virtual" natural gas pipelines and interconnects; procures and sells RNG; sells tradable credits it generates by selling RNG and conventional natural gas as a vehicle fuel, including Renewable Identification Numbers ("RIN Credits" or "RINs") under the federal Renewable Fuel Standard Phase 2 and credits under the California and the Oregon Low Carbon Fuel Standards (collectively, "LCFS Credits"); helps its customers acquire and finance natural gas vehicles; and obtains federal, state and local credits, grants and incentives.

Basis of Presentation

The accompanying interim unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries, and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's consolidated financial position as of June 30, 2019, and results of operations, comprehensive income (loss) and cash flows for the three and six months ended June 30, 2018 and 2019. All intercompany accounts and transactions have been eliminated in consolidation. The results of operations for the three and six month periods ended June 30, 2018 and 2019 are not necessarily indicative of the results to be expected for the year ending December 31, 2019 or for any other interim period or for any future year.

Certain information and disclosures normally included in the notes to consolidated financial statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), but the resultant disclosures contained herein are in accordance with accounting principles generally accepted in the United States of America ("US GAAP") as they apply to interim reporting. The accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2018 that are included in the Company's Annual Report on Form 10-K filed with the SEC on March 12, 2019.

Reclassifications

Certain prior period amounts have been reclassified in the condensed consolidated balance sheets and condensed consolidated statements of operations and cash flows to conform to the current period presentation. These reclassifications had no material impact on the Company's consolidated financial position, results of operations, or cash flows as previously reported.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the accompanying condensed consolidated financial statements and these notes. Actual results could differ from those estimates and may result in material effects on the Company's operating results and financial position. Significant estimates made in preparing the accompanying condensed consolidated financial statements include (but are not limited to) those related to revenue recognition, fair value measurements, goodwill and long-lived asset valuations and impairment assessments, income tax valuations and stock-based compensation expense.

Note 2—Revenue from Contracts with Customers

Revenue Recognition Overview

The Company recognizes revenue when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration to which it expects to be entitled in exchange for the goods or services. To achieve that core principle, a five-step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue allocated to each performance obligation when the Company satisfies the performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account for revenue recognition.

The table below presents the Company's revenue disaggregated by revenue source. The Company is generally the principal in its customer contracts because it has control over the goods and services prior to them being transferred to the customer, and as such, revenue is recognized on a gross basis. Sales and usage-based taxes are excluded from revenues. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019
Volume -related [1]	$ 62,642	$ 66,260	$ 129,978	$ 140,788
Station construction sales	5,781	5,943	11,579	9,113
Alternative fuels excise tax credit ("AFTC")	1,382	—	26,863	—
Other	662	115	4,450	115
Total revenue	$ 70,467	$ 72,318	$ 172,870	$ 150,016

[1] Includes changes in fair value of derivative instruments related to the Company's commodity swap and customer fueling contracts. The amounts are classified as revenue because the Company's commodity swap contracts are used to economically offset the risk associated with the diesel -to -natural gas price spread resulting from anticipated customer fueling contracts under the Company's *Zero Now* truck financing program. See Note 6 for more information about these derivative instruments. For the three and six months ended June 30, 2019, changes in the fair value of commodity swaps and customer fueling contracts amounted to a gain of $565 and a loss of $4,395, respectively.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of customer orders for which the work has not been performed. As of June 30, 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was $10,825 which related to the Company's station construction sale contracts. The Company expects to recognize revenue on the remaining performance obligations under these contracts over the next 12 to 24 months.

For volume -related revenue, the Company has elected to apply an optional exemption, which waives the requirement to disclose the remaining performance obligation for revenue recognized through the 'right to invoice' practical expedient.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) in the accompanying condensed consolidated balance sheets. Changes in the contract asset and liability balances during the six months ended June 30, 2019, were not materially impacted by any factors outside the normal course of business.

As of December 31, 2018 and June 30, 2019, the Company's contract balances were as follows:

	December 31, 2018	June 30, 2019
Receivables, net	$ 68,865	$ 60,567
Contract Assets - Current	$ 656	$ 893
Contract Assets - Noncurrent	3,825	3,654
Contract Assets - Total	$ 4,481	$ 4,547
Contract Liabilities - Current	$ 5,513	$ 4,896
Contract Liabilities - Noncurrent	9,844	7,044
Contract Liabilities - Total	$ 15,357	$ 11,940

Receivables, Net

"Receivables, net" in the accompanying condensed consolidated balance sheets include amounts billed and currently due from customers. The amounts due are stated at their net estimated realizable value. The Company maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that will not be collected. The allowance is based upon an assessment of customer creditworthiness, historical payment experience, and the age of outstanding receivables.

Contract Assets

Contract assets include unbilled amounts typically resulting from the Company's station construction sale contracts, when the cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Contract assets are classified as current or noncurrent based on the timing of billings. The current portion is included in "Prepaid expenses and other current assets" and the noncurrent portion is included in "Notes receivable and other long-term assets, net" in the accompanying condensed consolidated balance sheets.

Contract Liabilities

Contract liabilities consist of billings in excess of revenue recognized from the Company's station construction sale contracts and payments received primarily from a customer of NG Advantage, LLC ("NG Advantage") in advance of the performance obligations. Deferred revenue is classified as current or noncurrent based on when the revenue is expected to be recognized. The current portion and noncurrent portion of deferred revenue are included in "Deferred revenue" and "Other long -term liabilities," respectively, in the accompanying condensed consolidated balance sheets.

Revenue recognized during the six months ended June 30, 2018 related to the Company's contract liability balances as of December 31, 2017 was $1,479. The decrease in the contract liability balances for the six months ended June 30, 2019 is primarily driven by billings in excess of revenue recognized, offset by $4,412 of revenue recognized related to the Company's contract liability balances as of December 31, 2018.

Note 3— Investments in Other Entities and Noncontrolling Interest in a Subsidiary

SAFE&CEC S.r.l.

On November 26, 2017, the Company, through its former subsidiary IMW Industries Ltd. (formerly known as Clean Energy Compression Corp.) ("CEC"), entered into an investment agreement with Landi Renzo S.p.A. ("LR"), an alternative fuels company based in Italy. Pursuant to the investment agreement, the Company and LR agreed to combine their respective natural gas compressor subsidiaries, CEC and SAFE S.p.A, in a new company known as "SAFE&CEC S.r.l." (such combination transaction is referred to as the "CEC Combination"). SAFE&CEC S.r.l. is focused on manufacturing, selling and servicing natural gas fueling compressors and related equipment for the global natural gas fueling market. As of the closing of the CEC Combination on December 29, 2017, the Company owns 49% of SAFE&CEC S.r.l. and LR owns 51% of SAFE&CEC S.r.l.

The Company accounts for its interest in SAFE&CEC S.r.l. using the equity method of accounting because the Company does not control but has the ability to exercise significant influence over SAFE&CEC S.r.l.'s operations. The Company recorded a loss from this investment of $706 and $6 for the three months ended June 30, 2018 and 2019, respectively, and $2,147 and $446 for the six months ended June 30, 2018 and 2019, respectively. The Company has an investment balance in SAFE&CEC S.r.l. of $23,372 and $23,419 as of December 31, 2018 and June 30, 2019, respectively.

NG Advantage

On October 14, 2014, the Company entered into a Common Unit Purchase Agreement ("UPA") with NG Advantage for a 53.3% controlling interest in NG Advantage. NG Advantage is engaged in the business of transporting CNG in high-capacity trailers to industrial and institutional energy users, such as hospitals, food processors, manufacturers and paper mills that do not have direct access to natural gas pipelines.

NG Advantage has entered into an arrangement with BP Products North America ("BP") for the supply, sale and reservation of a specified volume of CNG transportation capacity until March 2022. On February 28, 2018, the Company entered into a guaranty agreement with NG Advantage and BP pursuant to which the Company guarantees NG Advantage's payment obligations to BP in the event of default by NG Advantage under the supply arrangement, in an amount up to an aggregate of $30,000 plus related fees. This guaranty is in effect until thirty days following the Company's notice to BP of its termination. As initial consideration for the guaranty agreement, NG Advantage issued to the Company 19,660 common units, which increased the Company's controlling interest in NG Advantage from 53.3% to 53.5%.

On October 1, 2018, the Company purchased 1,000,001 common units from NG Advantage for an aggregate cash purchase price of $5,000. This purchase increased Clean Energy's controlling interest in NG Advantage from 53.5% to 61.7%.

In each month from November 2018 through February 2019, the Company was issued 100,000 additional common units of NG Advantage, for a total of 400,000 common units, pursuant to the guaranty agreement entered in February 2018. The issuance of 400,000 additional common units increased the Company's controlling interest in NG Advantage to 64.6% as of June 30, 2019.

On February 15, 2019, NG Advantage and the Company entered into a transaction pursuant to which the Company agreed to lend to NG Advantage up to $5,000 in accordance with the terms of a delayed draw convertible promissory note (the "2019 Note"). NG Advantage simultaneously drew $2,500 under the 2019 Note, and on April 15, 2019, NG Advantage drew the remaining $2,500 under the 2019 Note. As discussed below, on June 28, 2019, all unpaid principal and accrued interest under the 2019 Note was subsumed within the 2019 Convertible Note (as defined below).

On May 17, 2019, the Company agreed to lend to NG Advantage up to $500 in accordance with the terms of the promissory note (the "2019 Bridge Loan"). On June 11, 2019, NG Advantage drew $144 under the 2019 Bridge Loan. As discussed below, on June 28, 2019, all unpaid principal and accrued interest under the 2019 Bridge Loan was subsumed within the 2019 Convertible Note.

On June 28, 2019, the Company agreed to lend to NG Advantage up to $15,188 in accordance with the terms of the convertible promissory note (the "2019 Convertible Note"). NG Advantage simultaneously drew $3,500 under the 2019 Convertible Note. The outstanding principal and accrued interest under the 2019 Note and 2019 Bridge Loan were incorporated into the 2019 Convertible Note, which resulted in the cancellation of the 2019 Note and 2019 Bridge Loan. All unpaid principal and accrued interest is due on the earlier of December 31, 2019 or in the event of default. In connection with the 2019 Convertible Note, NG Advantage issued to the Company a warrant to purchase 86,879 common units. As of June 30, 2019, NG Advantage had an outstanding balance of $8,688 under the 2019 Convertible Note. This intercompany transaction has been eliminated in consolidation.

The Company recorded a loss attributable to the noncontrolling interest in NG Advantage of $1,186 and $1,711 for the three months ended June 30, 2018 and 2019, respectively and $2,935 and $3,590 for the six months ended June 30, 2018 and 2019, respectively. The value of the noncontrolling interest was $17,011 and $13,193 as of December 31, 2018 and June 30, 2019, respectively.

Note 4—Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents and restricted cash as of December 31, 2018 and June 30, 2019 consisted of the following:

	December 31, 2018	June 30, 2019
Current assets:		
Cash and cash equivalents	$ 29,844	$ 40,886
Restricted cash - standby letter of credit	30	30
Restricted cash - held in escrow	750	750
Total cash, cash equivalents and current portion of restricted cash	$ 30,624	$ 41,666
Long-term assets:		
Restricted cash - standby letter of credit	$ 4,000	$ 4,000
Restricted cash - held in escrow	—	848
Total long-term portion of restricted cash	$ 4,000	$ 4,848
Total cash, cash equivalents and restricted cash	$ 34,624	$ 46,514

The Company considers all highly liquid investments with maturities of three months or less on the date of acquisition to be cash equivalents.

The Company places its cash and cash equivalents with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation ("FDIC") and Canadian Deposit Insurance Corporation ("CDIC") limits. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. The amounts in excess of FDIC and CDIC limits were approximately $28,524 and $39,556 as of December 31, 2018 and June 30, 2019, respectively.

The Company classifies restricted cash as short-term and a current asset if the cash is expected to be used in operations within a year or to acquire a current asset. Otherwise, the restricted cash is classified as long-term.

Note 5—Short-term Investments

Short-term investments include available-for-sale debt securities and certificates of deposit. Available-for-sale debt securities are carried at fair value, inclusive of unrealized gains and losses. Unrealized gains and losses for debt securities are recognized in other comprehensive income, net of applicable income taxes. Gains or losses on sales of available-for-sale debt securities are recognized on the specific identification basis.

The Company reviews available-for-sale debt securities for other-than-temporary declines in fair value below their cost basis each quarter and whenever events or changes in circumstances indicate that the cost basis of an asset may not be recoverable. This evaluation is based on a number of factors, including the length of time and the extent to which the fair value has been below its cost basis and adverse conditions related specifically to the security, including any changes to the credit rating of the security. As of June 30, 2019, the Company believes its carrying values for its available-for-sale debt securities are properly recorded.

Short-term investments as of December 31, 2018 consisted of the following:

	Amortized Cost	Gross Unrealized Losses	Estimated Fair Value
Municipal bonds and notes	$ 9,210	$ (19)	$ 9,191
Zero coupon bonds	29,823	(28)	29,795
Corporate bonds	26,175	(22)	26,153
Certificates of deposit	507	—	507
Total short-term investments	$ 65,715	$ (69)	$ 65,646

Short-term investments as of June 30, 2019 consisted of the following:

	Amortized Cost	Gross Unrealized Gains (Losses)	Estimated Fair Value
Municipal bonds and notes	$ 15,265	$ 2	$ 15,267
Zero coupon bonds	35,514	(2)	35,512
Corporate bonds	15,288	—	15,288
Certificates of deposit	517	—	517
Total short-term investments	$ 66,584	$ —	$ 66,584

Note 6 - Derivative Instruments and Hedging Activities

In October 2018, the Company executed two commodity swap contracts with Total Gas & Power North America, an affiliate of TOTAL and THUSA (as defined in Notes 15 and 12, respectively), for a total of five million diesel gallons annually from April 1, 2019 to June 30, 2024. These commodity swap contracts are used to manage diesel price fluctuation risks related to the natural gas fuel supply commitments the Company makes in its fueling agreements with fleet operators that participate in the *Zero Now* truck financing program. These contracts are not designated as accounting hedges and as a result, changes in the fair value of derivative instruments are recognized as earnings in “Product revenue” in the accompanying condensed consolidated statements of operations.

During the six months ended June 30, 2019, the Company entered into fueling agreements with fleet operators under the *Zero Now* truck financing program. The fueling agreements contain a pricing feature indexed to diesel, which the Company evaluated to be embedded derivatives and recorded at fair value at the time of execution with the changes in fair value of the embedded derivatives recognized as earnings in “Product revenue” in the accompanying condensed consolidated statements of operations.

Derivatives as of December 31, 2018 consisted of the following:

	Gross Amounts Recognized	Gross Amounts Offset	Net Amount Presented
Assets:			
Commodity swaps:			
Current portion of derivative assets, related party	$ 1,508	$ —	$ 1,508
Long-term portion of derivative assets, related party	8,824	—	8,824
Total derivative assets	$ 10,332	$ —	$ 10,332

Derivatives and embedded derivatives as of June 30, 2019 consisted of the following:

	Gross Amounts Recognized	Gross Amounts Offset	Net Amount Presented
Assets:			
Commodity swaps:			
Current portion of derivative assets, related party	$ 655	$ —	$ 655
Long-term portion of derivative assets, related party	5,041	—	5,041
Fueling agreements:			
Prepaid expenses and other current assets	134	—	134
Notes receivable and other long-term assets, net	316	—	316
Total derivative assets	$ 6,146	$ —	$ 6,146

As of December 31, 2018 and June 30, 2019, the Company had a total volume on open commodity swap contracts of 25.0 million and 24.4 million diesel gallons at a weighted -average price of approximately $3.18 and $2.82 per gallon, respectively.

The following table reflects the weighted -average price of open commodity swap contracts as of December 31, 2018 and June 30, 2019, by year with associated volumes, respectively:

	December 31, 2018		June 30, 2019	
Year	Volumes (Diesel Gallons)	Weighted -Average Price per Diesel Gallon	Volumes (Diesel Gallons)	Weighted -Average Price per Diesel Gallon
2019	3,125,000	$ 3.18	2,500,000	$ 2.92
2020	5,000,000	$ 3.18	5,000,000	$ 2.82
2021	5,000,000	$ 3.18	5,000,000	$ 2.82
2022	5,000,000	$ 3.18	5,000,000	$ 2.82
2023	5,000,000	$ 3.18	5,000,000	$ 2.82
2024	1,875,000	$ 3.18	1,875,000	$ 2.62

Note 7—Fair Value Measurements

The Company follows the authoritative guidance for fair value measurements with respect to assets and liabilities that are measured at fair value on a recurring basis and non-recurring basis. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. The standard also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The hierarchy consists of the following three levels: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company's available-for-sale debt securities and certificate of deposits are classified within Level 2 because they are valued using the most recent quoted prices for identical assets in markets that are not active and quoted prices for similar assets in active markets.

The Company used the income approach to value its outstanding commodity swap contracts and embedded derivatives in its fueling agreements under the *Zero Now* truck financing program (see Note 6). Under the income approach, the Company used a discounted cash flow ("DCF") model in which cash flows anticipated over the term of the contracts are discounted to their present value using an expected discount rate. The discount rate used for cash flows reflects the specific risks in spot and forward rates and credit valuation adjustments. This valuation approach is considered a Level 3 fair value measurement. The significant unobservable inputs used in the fair value measurement of the Company's derivative instruments are Ultra-Low Sulfur Diesel ("ULSD") forward prices and differentials from ULSD to Petroleum Administration for Defense District ("PADD") regions. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. Generally, a change in the ULSD forward prices is accompanied by a directionally opposite but less extreme change in the ULSD-PADD differential.

The Company estimated the fair value of its outstanding commodity swap contracts based on the following inputs as of December 31, 2018 and June 30, 2019, respectively:

	December 31, 2018		June 30, 2019	
Significant Unobservable Inputs	Input Range	Weighted Average	Input Range	Weighted Average
ULSD Gulf Coast Forward Curve	$1.71 - $1.79	$1.75	$1.80 - $1.86	$1.83
Historical Differential to PADD 3 Diesel	$0.76 - $1.16	$0.89	$0.76 - $1.16	$0.90
Historical Differential to PADD 5 Diesel	$1.22 - $2.12	$1.55	$1.25 - $2.30	$1.65

The Company estimated the fair value of embedded derivatives in its fueling agreements under the *Zero Now* truck financing program based on the following inputs as of June 30, 2019:

	June 30, 2019	
Significant Unobservable Inputs	Input Range	Weighted Average
ULSD Gulf Coast Forward Curve	$1.80 - $1.86	$1.83
Historical Differential to PADD 5 Diesel	$1.25 - $2.30	$1.65
Historical Differential to PADD 1B Diesel	$1.00 - $1.60	$1.26

The Company's liability-classified warrants, which were all issued by NG Advantage, are classified within Level 3 because the Company uses the Black-Scholes option pricing model to estimate the fair value based on inputs that are not observable in any market.

There were no transfers of assets or liabilities between Level 1, Level 2, or Level 3 of the fair value hierarchy as of December 31, 2018 or June 30, 2019.

The following tables provide information by level for assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2018 and June 30, 2019, respectively:

	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Available-for-sale securities (1):				
Municipal bonds and notes	$ 9,191	$ —	$ 9,191	$ —
Zero coupon bonds	29,795	—	29,795	—
Corporate bonds	26,153	—	26,153	—
Certificates of deposit (1)	507	—	507	—
Commodity swap contracts (2)	10,332	—	—	10,332
Embedded derivatives (3)	—	—	—	—
Liabilities:				
Warrants (4)	$ 1,079	$ —	$ —	$ 1,079

	June 30, 2019	Level 1	Level 2	Level 3
Assets:				
Available-for-sale debt securities (1):				
Municipal bonds and notes	$ 15,267	$ —	$ 15,267	$ —
Zero coupon bonds	35,512	—	35,512	—
Corporate bonds	15,288	—	15,288	—
Certificates of deposit (1)	517	—	517	—
Commodity swap contracts (2)	5,696	—	—	5,696
Embedded derivatives (3)	450	—	—	450
Liabilities:				
Warrants (4)	$ 2,676	$ —	$ —	$ 2,676

(1) Included in "Short-term investments" in the accompanying condensed consolidated balance sheets. See Note 5 for more information.

(2) Included in "Derivative assets, related party" and "Long-term portion of derivative assets, related party" in the accompanying condensed consolidated balance sheets. See Note 6 for more information.

(3) Included in "Prepaid expenses and other current assets" and "Notes receivable and other long-term assets, net" in the accompanying condensed consolidated balance sheets. See Note 6 for more information.

(4) Included in "Other long-term liabilities" in the accompanying condensed consolidated balance sheets.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis as shown in the tables above that used significant unobservable inputs (Level 3):

	Assets: Commodity Swap Contracts	Assets: Embedded Derivatives	Liabilities: Warrants
Balance as of December 31, 2017	$ —	$ —	$ (536)
Gain (loss) included in earnings	—	—	92
Balance as of June 30, 2018	$ —	$ —	$ (444)
Balance as of December 31, 2018	$ 10,332	$ —	$ (1,079)
Settlements, net	209	—	—
Gain (loss) included in earnings	(4,845)	450	(1,597)
Balance as of June 30, 2019	$ 5,696	$ 450	$ (2,676)

Other Financial Assets and Liabilities

The carrying amounts of the Company's cash, cash equivalents and restricted cash, receivables and payables approximate fair value due to the short-term nature of those instruments. The carrying amounts of the Company's debt instruments approximated their respective fair values as of December 31, 2018 and June 30, 2019. The fair values of these debt instruments were estimated using a discounted cash flow analysis based on interest rates offered on loans with similar terms to borrowers of similar credit quality, which are Level 3 inputs. See Note 12 for more information about the Company's debt instruments.

Note 8—Other Receivables

Other receivables as of December 31, 2018 and June 30, 2019 consisted of the following:

	December 31, 2018	June 30, 2019
Loans to customers to finance vehicle purchases	$ 276	$ 1,821
Accrued customer billings	6,261	5,897
Fuel tax credits	434	434
Other	8,573	1,256
Total other receivables	$ 15,544	$ 9,408

Note 9—Inventory

Inventory consists of raw materials and spare parts, work in process and finished goods and is stated at the lower of cost (first-in, first-out) or net realizable value. The Company evaluates inventory balances for excess quantities and obsolescence by analyzing estimated demand, inventory on hand, sales levels and other information, and reduces inventory balances to net realizable value for excess and obsolete inventory based on this analysis.

Inventory as of December 31, 2018 and June 30, 2019 consisted of the following:

	December 31, 2018	June 30, 2019
Raw materials and spare parts	$ 34,890	$ 33,781
Finished goods	85	89
Total inventory	$ 34,975	$ 33,870

Note 10—Land, Property and Equipment

Land, property and equipment as of December 31, 2018 and June 30, 2019 consisted of the following:

	December 31, 2018	June 30, 2019
Land	$ 3,681	$ 3,681
LNG liquefaction plants	94,633	94,633
Station equipment	319,119	315,547
Trailers	75,901	75,242
Other equipment	97,268	98,424
Construction in progress	73,485	75,995
	664,087	663,522
Less: accumulated depreciation	(313,519)	(334,892)
Total land, property and equipment, net	$ 350,568	$ 328,630

Included in "Land, property and equipment, net" are capitalized software costs of $29,344 and $29,987 as of December 31, 2018 and June 30, 2019, respectively. Accumulated amortization of the capitalized software costs is $22,472 and $24,568 as of December 31, 2018 and June 30, 2019, respectively.

The Company recorded amortization expense related to the capitalized software costs of $955 and $1,064 for the three months ended June 30, 2018 and 2019, respectively, and $1,673 and $2,099 for the six months ended June 30, 2018 and 2019, respectively.

As of June 30, 2018 and 2019, $1,536 and $817, respectively, are included in "Accounts payable" and "Accrued liabilities," which amounts are related to purchases of property and equipment. These amounts are excluded from the accompanying condensed consolidated statements of cash flows as they are non-cash investing activities.

Note 11—Accrued Liabilities

Accrued liabilities as of December 31, 2018 and June 30, 2019 consisted of the following:

	December 31, 2018	June 30, 2019
Accrued alternative fuels incentives	$ 6,923	$ 6,212
Accrued employee benefits	2,248	3,009
Accrued interest	78	1,142
Accrued gas and equipment purchases	12,833	7,774
Accrued property and other taxes	3,397	4,605
Accrued salaries and wages	8,609	5,681
Other	14,381	11,340
Total accrued liabilities	$ 48,469	$ 39,763

Note 12—Debt

Debt obligations as of December 31, 2018 and June 30, 2019 consisted of the following and are further discussed below:

	December 31, 2018		
	Principal Balances	Unamortized Debt Financing Costs	Balance, Net of Financing Costs
7.5% Notes	$ 50,000	$ 58	$ 49,942
NG Advantage debt	28,904	155	28,749
Other debt	1,024	—	1,024
Total debt	79,928	213	79,715
Less amounts due within one year	(4,811)	(99)	(4,712)
Total long-term debt	$ 75,117	$ 114	$ 75,003

	June 30, 2019		
	Principal Balances	Unamortized Debt Financing Costs	Balance Net of Financing Costs
7.5% Notes	$ 50,000	$ 38	$ 49,962
NG Advantage debt	29,726	126	29,600
Other debt	912	—	912
Total debt	80,638	164	80,474
Less amounts due within one year	(55,620)	(58)	(55,562)
Total long-term debt	$ 25,018	$ 106	$ 24,912

7.5% Notes

In June 2013, the Company issued notes (the “7.5% Notes”) to T. Boone Pickens and Green Energy Investment Holdings, LLC (“GEIH”) in the amount of $150,000. The 7.5% Notes bear interest at the rate of 7.5% per annum and are convertible at the option of the holder into shares of the Company’s common stock at a conversion price of $15.80 per share (the “7.5% Notes Conversion Price”). Upon written notice to the Company, each holder of a 7.5% Note has the right to exchange all or any portion of the principal and accrued and unpaid interest under its 7.5% Notes for shares of the Company’s common stock at the 7.5% Notes Conversion Price. Additionally, subject to certain restrictions, the Company can force conversion of each 7.5% Note into shares of its common stock if, following the second anniversary of the issuance of a 7.5% Note, such shares trade at a 40% premium to the 7.5% Notes Conversion Price for at least 20 trading days in any consecutive 30 trading day period.

The entire principal balance of each 7.5% Note is due and payable seven years following its original issuance and the Company may repay each 7.5% Note at maturity in shares of its common stock (provided that the Company may not issue more than 13,993,630 shares of its common stock to holders of 7.5% Notes) or cash. All of the shares issuable upon conversion of the 7.5% Notes have been registered for resale by their holders pursuant to a registration statement that has been filed with and declared effective by the SEC.

The 7.5% Notes include customary events of default which, if any of them occurs, would permit or require the principal of, and accrued interest on, the 7.5% Notes to become, or to be declared, due and payable. No events of default under the 7.5% Notes had occurred as of June 30, 2019.

Prior to January 1, 2018, (i) the Company purchased $25,000 of the 7.5% Notes from Mr. Pickens, (ii) Mr. Pickens transferred all remaining balance of his 7.5% Notes to third parties, and (iii) GEIH transferred $16,800 in principal amount of its 7.5% Notes to third parties.

On June 29, 2018, and pursuant to the consent of the holders of the 7.5% Notes to the Company’s payments of amounts owed thereunder before maturity, the Company paid to the holders, in cash, an aggregate of $25,000 in principal amount and $505 in accrued and unpaid interest owed under all outstanding 7.5% Notes due July 2018. Upon such payment, the purchased 7.5% Notes were canceled in full.

On December 4, 2018, the Company purchased from the holders thereof all outstanding 7.5% Notes due July 2019, having an aggregate outstanding principal amount of $50,000, for a cash purchase price of $50,500. Upon such purchase, the purchased 7.5% Notes were canceled in full.

As a result of the foregoing transactions, as of June 30, 2019, (i) GEIH held 7.5% Notes in an aggregate principal amount of $32,906, and (ii) other third parties held 7.5% Notes in an aggregate principal amount of $17,094, all of which are due June 2020.

Plains Credit Facility

On February 29, 2016, the Company entered into a Loan and Security Agreement (the "Plains LSA") with PlainsCapital Bank ("Plains"), which, as amended on December 6, 2017, has a maturity date of September 30, 2019. Pursuant to the Plains LSA, Plains agreed to lend the Company up to $50,000 on a revolving basis from time to time (the "Credit Facility"). The Company had no amounts outstanding under the Credit Facility as of June 30, 2019.

Interest on the Plains Note is payable monthly and accrues at a rate equal to the greater of (i) the then-current LIBOR rate plus 2.30% or (ii) 2.70%. As collateral security for the prompt payment in full when due of the Company's obligations to Plains under the Plains LSA and the Plains Note, the Company pledged to and granted Plains a security interest in all of its right, title and interest in the cash and corporate and municipal bonds that the Company holds in an account at Plains. There are certain covenants and events of default associated with the Plains LSA. No events of default under the Plains LSA had occurred as of June 30, 2019.

Société Générale Term Loan Facility

On January 2, 2019, the Company entered into a term credit agreement (the "Credit Agreement") with Société Générale, a company incorporated as a société anonyme under the laws of France ("SG"). The Credit Agreement provides for a term loan facility (the "SG Facility") pursuant to which the Company may obtain, subject to certain conditions, up to $100,000 of loans ("Loans") in support of its *Zero Now* truck financing program. Under the Credit Agreement, the Company is permitted to use the proceeds from the Loans solely to fund the incremental cost of trucks purchased or financed under the *Zero Now* truck financing program and related fees and expenses incurred by the Company in connection therewith. Interest on outstanding Loans accrues at a rate equal to LIBOR plus 1.30% per annum, and a commitment fee on any unused portion of the SG Facility accrues at a rate equal to 0.39% per annum. Interest and commitment fees are payable quarterly.

The Credit Agreement does not include financial covenants, and the Company has not provided SG with any security for its obligations under the Credit Agreement. As described below, THUSA has entered into the Guaranty to guarantee the Company's payment obligations to SG under the Credit Agreement. The Company has not drawn down on the SG Facility and no events of defaults had occurred as of June 30, 2019.

TOTAL Credit Support Agreement

On January 2, 2019, the Company entered a credit support agreement ("CSA") with Total Holdings USA Inc. ("THUSA"), a wholly owned subsidiary of TOTAL (as defined in Note 15). Under the CSA, THUSA agreed to enter into a guaranty agreement ("Guaranty") pursuant to which it has guaranteed the Company's obligation to repay to SG up to $100,000 in Loans and interest thereon in accordance with the Credit Agreement. In consideration for the commitments of THUSA under the CSA, the Company is required to pay THUSA a quarterly guaranty fee at a rate per quarter equal to 2.5% of the average aggregate Loan amount for the preceding calendar quarter.

As security for the Company's obligations under the CSA, on January 2, 2019, the Company entered into a pledge and security agreement with THUSA and delivered a collateral assignment of contracts to THUSA, pursuant to which the Company collaterally assigned to THUSA all fueling agreements it enters into with participants in the *Zero Now* truck financing program. In addition, on January 2, 2019, the Company entered into a lockbox agreement with THUSA and Plains, under which the Company granted THUSA a security interest in the cash flow generated by the fueling agreements the Company enters into with participants in the *Zero Now* truck financing program.

The CSA will terminate following the later of: the payment in full of all of the Company's obligations under the CSA; and the termination or expiration of the Guaranty following the maturity date of the last outstanding Loan or December 31, 2023, whichever is earlier.

NG Advantage Debt

On May 12, 2016 and January 24, 2017, respectively, NG Advantage entered into a Loan and Security Agreement (the "Commerce LSA") with Commerce Bank & Trust Company ("Commerce"), pursuant to which Commerce agreed to lend NG Advantage $6,300 and $6,150, respectively. The proceeds were primarily used to fund the purchases of CNG trailers and equipment. Interest and principal for both loans are payable monthly in 84 equal monthly installments at an annual rate of 4.41% and 5.0%, respectively. As collateral security for the prompt payment in full when due of NG Advantage's obligations to Commerce under the Commerce LSA, NG Advantage pledged to and granted Commerce a security interest in all of its right, title and interest in the CNG trailers and equipment purchased with the proceeds received under the Commerce LSA.

On November 30, 2016, NG Advantage entered into a Loan and Security Agreement (the “Wintrust LSA”) with Wintrust Commercial Finance (“Wintrust”), pursuant to which Wintrust agreed to lend NG Advantage $4,695. The proceeds were primarily used to fund the purchases of CNG trailers and equipment. Interest and principal is payable monthly in 72 equal monthly installments at an annual rate of 5.17%. As collateral security for the prompt payment in full when due of NG Advantage’s obligations to Wintrust under the Wintrust LSA, NG Advantage pledged to and granted Wintrust a security interest in all of its right, title and interest in the CNG trailers and equipment purchased with the proceeds received under the Wintrust LSA.

Financing Obligations

NG Advantage has entered into sale and leaseback transactions with various lessors as described below. In each instance, the sale and leaseback transaction does not qualify for sale-leaseback accounting because of NG Advantage’s continuing involvement with the buyer-lessor due to a fixed price repurchase option. As a result, the transactions are recorded under the financing method, in which the assets remain on the accompanying condensed consolidated balance sheets and the proceeds from the transactions are recorded as financing liabilities.

On December 18, 2017, NG Advantage entered into a sale-leaseback arrangement through a Master Lease Agreement (the “BoA MLA”) with Bank of America Leasing & Capital, LLC (“BoA”). Pursuant to the BoA MLA, NG Advantage received $2,117 in cash for CNG trailers and simultaneously leased them back from BoA for five years commencing January 1, 2018 with interest and principal payable in 60 equal monthly installments.

On March 1, 2018, NG Advantage entered into a sale-leaseback arrangement through a Master Lease Agreement (the “First National MLA”) with First National Capital, LLC (“First National”). Pursuant to the First National MLA, NG Advantage received $6,261 in cash, net of fees and the first month’s lease payment for CNG trailers and simultaneously leased them back from First National for six years commencing March 1, 2018 with interest and principal payable in 72 equal monthly installments.

On December 20, 2018 (the “Closing Date”), NG Advantage entered into a purchase agreement to sell a compression station for a purchase price of $7,000 to an entity whose member owners are noncontrolling interest member owners of NG Advantage. On the Closing Date and immediately following the consummation of the sale of the compression station, NG Advantage entered into a lease agreement with the buyer of the station (the “Lease”) pursuant to which the station was leased back to NG Advantage for a term of five years with monthly rent payments equal to $70. Of the purchase price, NG Advantage received $4,730 in cash, net of fees, the first month’s lease payment, and the repayment of a $2,000 promissory note from one of the member owners of the buyer, which was issued on November 19, 2018.

On January 17, 2019, NG Advantage entered into a sale-leaseback arrangement through a Master Lease Agreement (the “Nations MLA”) with Nations Fund I, LLC (“Nations”). Pursuant to the Nations MLA, NG Advantage received $3,358 in cash, net of the first month’s lease payment, for CNG trailers and simultaneously leased them back from Nations for four years commencing February 1, 2019 with interest and principal payable in 48 equal monthly installments.

Other Debt

The Company has other debt due at various dates through 2023 bearing interest at rates up to 5.02%, with weighted -average interest rates of 4.78% and 4.78% as of December 31, 2018 and June 30, 2019, respectively.

Note 13—Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to Clean Energy Fuels Corp. by the weighted-average number of common shares outstanding and common shares issuable for little or no cash consideration during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to Clean Energy Fuels Corp. by the weighted-average number of common shares outstanding and common shares issuable for little or no cash consideration during the period and potentially dilutive securities outstanding during the period, and therefore reflects the dilution from common shares that may be issued upon exercise or conversion of these potentially dilutive securities, such as stock options, warrants, convertible notes and restricted stock units. The dilutive effect of stock awards and warrants is computed under the treasury stock method. The dilutive effect of convertible notes and restricted stock units is computed under the if-converted method. Potentially dilutive securities are excluded from the computations of diluted net income (loss) per share if their effect would be antidilutive.

The information required to compute basic and diluted net income (loss) per share is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019
Weighted-average common shares outstanding	162,613,316	204,653,723	157,432,786	204,426,459
Dilutive effect of potential common shares from restricted stock units and stock options	—	—	4,249,459	—
Weighted-average common shares outstanding - diluted	162,613,316	204,653,723	161,682,245	204,426,459

The following potentially dilutive securities have been excluded from the diluted net income (loss) per share calculations because their effect would have been antidilutive. Although these securities were antidilutive for these periods, they could be dilutive in future periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019
Stock options	10,127,427	10,192,762	8,329,642	10,192,762
Convertible notes	13,409,242	3,164,557	13,409,242	3,164,557
Restricted stock units	2,451,674	1,289,751	2,451,674	1,289,751
Total	25,988,343	14,647,070	24,190,558	14,647,070

Note 14—Stock-Based Compensation

The following table summarizes the compensation expense and related income tax benefit related to the Company's stock-based compensation arrangements recognized in the accompanying condensed consolidated statements of operations during the periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2019	2018	2019
Stock-based compensation expense, net of $0 tax in 2018 and 2019	$ 1,208	$ 918	$ 3,106	$ 2,164

As of June 30, 2019, there was $4,643 of total unrecognized compensation costs related to unvested shares subject to outstanding stock options and restricted stock units, which is expected to be expensed over a weighted-average period of approximately 1.74 years.

Note 15—Stockholders' Equity

Issuance of Common Stock

On May 9, 2018, the Company entered into a stock purchase agreement (the "Purchase Agreement") with Total Marketing Services, S.A., a wholly owned subsidiary of Total S.A. ("Total"). Pursuant to the Purchase Agreement, the Company agreed to sell and issue, and Total agreed to purchase, up to 50,856,296 shares of the Company's common stock at a purchase price of $1.64 per share, in a private placement (the "Total Private Placement"). The purchase price per share was the volume-weighted average price for the Company's common stock between March 23, 2018 (the day on which discussions began between the Company and Total) and May 3, 2018 (the day on which the Company agreed in principle with Total regarding the structure and basic terms of its investment). As of the date of the Purchase Agreement, Total did not hold or otherwise beneficially own any shares of the Company's common stock, and Total has agreed, until the later of May 9, 2020 or such date when it ceases to hold more than 5.0% of the Company's common stock then outstanding, among other similar undertakings and subject to customary conditions and exceptions, to not purchase shares of the Company's common stock or otherwise pursue transactions that would result in Total beneficially owning more than 30.0% of the Company's equity securities without the approval of the Company's board of directors.

On June 13, 2018, the Company and Total closed the Total Private Placement, in which: (1) the Company issued to Total all of the 50,856,296 shares of its common stock issuable under the Purchase Agreement, resulting in Total holding approximately 25.0% of the outstanding shares of the Company's common stock and the largest ownership position of the Company as of June 30, 2019; (2) Total paid to the Company an aggregate of $83,404 in gross proceeds, which the Company has used and expects to continue to use for working capital and general corporate purposes, which may include executing its business plans, pursuing opportunities for further growth, and retiring a portion of its outstanding indebtedness; and (3) the Company and Total entered into a registration rights agreement, described below. In connection with the issuance of common stock, the Company incurred transaction fees of $1,909.

Pursuant to the Purchase Agreement, the Company and Total also entered into a registration rights agreement on June 13, 2018, upon the closing under the Purchase Agreement. Pursuant to the registration rights agreement, the Company filed a registration statement with the SEC to cover the resale of the shares issued and sold under the Purchase Agreement, which was declared effective on August 16, 2018, and is obligated to use its commercially reasonable efforts to maintain the effectiveness of such registration statement until all such shares are sold or may be sold without restriction under Rule 144 under the Securities Act of 1933, as amended. As of June 30, 2019, the Company was in compliance with all of its registration covenants set forth in the registration rights agreement.

Note 16—Income Taxes

The provision for income taxes for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, the Company updates the estimate of the annual effective tax rate, and if the estimated tax rate changes, a cumulative adjustment is recorded.

The Company's income tax expense was $89 and $66 for the three months ended June 30, 2018 and 2019, respectively and $177 and $126 for the six months ended June 30, 2018 and 2019, respectively. Tax expense for all periods was comprised of taxes due on the Company's U.S. and foreign operations. The decrease in the Company's income tax expense for the three and six months ended June 30, 2019 as compared to the three and six months ended June 30, 2018 was primarily due to a reduction in the Company's expected state tax expense. The effective tax rates for the three and six months ended June 30, 2018 and 2019 are different from the federal statutory tax rate primarily due to losses for which no tax benefit has been recognized.

The Company increased its liability for unrecognized tax benefits in the six months ended June 30, 2018 by $2,689. This increase is the portion of AFTC revenue recognized in the period attributed to the federal fuel tax the Company collected from its customers during the year ended December 31, 2017. The net interest incurred was immaterial for both the three and six months ended June 30, 2018 and 2019, respectively.

Note 17—Commitments and Contingencies

Environmental Matters

The Company is subject to federal, state, local and foreign environmental laws and regulations. The Company does not anticipate any expenditures to comply with such laws and regulations that would have a material impact on the Company's consolidated financial position, results of operations or liquidity. The Company believes that its operations comply, in all material respects, with applicable federal, state, local and foreign environmental laws and regulations.

Litigation, Claims and Contingencies

The Company may become party to various legal actions that arise in the ordinary course of its business. The Company is also subject to audit by tax and other authorities for varying periods in various federal, state, local and foreign jurisdictions, and disputes may arise during the course of these audits. It is impossible to determine the ultimate liabilities that the Company may incur resulting from any of these lawsuits, claims, proceedings, audits, commitments, contingencies and related matters or the timing of these liabilities, if any. If these matters were to ultimately be resolved unfavorably, it is possible that such an outcome could have a material adverse effect upon the Company's consolidated financial position, results of operations, or liquidity. The Company does not, however, anticipate such an outcome and it believes the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

Note 18—Leases

Leases (Topic 842)

On January 1, 2019, the Company adopted the new lease accounting standard (see Note 20 for more information on the standard and the impact of the adoption) where leases are now classified as either operating leases or finance leases. The Company's operating leases are comprised of real estate for fueling stations, office spaces, warehouses, a LNG liquefaction plant, and office equipment, and its finance leases are comprised of vehicles.

At the inception of a contract the Company assesses whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether it obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether it has the right to direct the use of the asset. The commencement date of the contract is when the lessor makes the underlying asset available for use by the lessee.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset during the lease term and lease liabilities represent obligations to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the net present value of fixed lease payments over the lease term. ROU assets also include any initial direct costs and advance lease payments made, and exclude lease incentives. Lease liabilities also include terminal purchase options when deemed reasonably certain to exercise. The Company's lease term includes options to extend when it is reasonably certain that it will exercise that option. The Company has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less.

As most of the Company's operating leases do not have an implicit rate that can be readily determined, the Company uses its secured incremental borrowing rate for the same term as the underlying lease based on information available at lease commencement. For finance leases, the Company uses the rate implicit in the lease.

The lease classification affects the expense recognition on the condensed consolidated statement of operations. Operating lease charges are recorded in "Cost of sales, exclusive of depreciation and amortization," and "Selling, general and administrative" expense. Finance lease charges are split, where depreciation on assets under finance leases is recorded in "Depreciation and amortization" expense and an implied interest component is recorded in "Interest expense." The expense recognition for operating leases and finance leases is substantially consistent with legacy accounting.

The Company leases an office space from T. Boone Pickens in Dallas, TX. The lease, which expires in October 2019, calls for monthly rental payments of $12.

NG Advantage has provided residual value guarantees on leases of certain vehicles aggregating $1,381 to the lessors. NG Advantage expects to owe these amounts in full and therefore they have been included in the measurement of the lease liabilities and ROU assets.

Certain of the Company's real estate leases contain variable lease payments, including payments based on a change in the index or gasoline gallon equivalents of natural gas dispensed at fueling stations. These variable lease payments cannot be determined at the commencement of the lease, are not included in the ROU assets and liabilities and are recorded as a period expense when incurred.

Lessee Accounting

As of June 30, 2019, the Company's finance and operating lease asset and liability balances were as follows:

	June 30, 2019
Finance leases:	
Land, property and equipment, gross	$ 5,917
Accumulated depreciation	(1,927)
Land, property and equipment, net	$ 3,990
Current portion of finance lease obligations	$ 654
Long-term portion of finance lease obligations	3,236
Total finance lease liabilities	$ 3,890
Operating leases:	
Operating lease right-of-use assets (1)	$ 24,490
Current portion of operating lease obligations	$ 3,570
Long-term portion of operating lease obligations	22,245
Total operating lease liabilities	$ 25,815

(1) The Company’s operating lease ROU assets are comprised of the following:

	June 30, 2019	
	Assets	Liabilities
Real estate for fueling stations	$ 18,432	$ 18,432
LNG plant, office spaces and warehouses	6,048	7,373
Office equipment	10	10
Total operating lease right-of-use assets	$ 24,490	$ 25,815

The components of lease expense for finance and operating leases consisted of the following:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Finance leases:		
Depreciation on assets under finance leases	$ 105	$ 364
Interest on lease liabilities	50	99
Total finance leases expense	$ 155	$ 463
Operating leases:		
Lease expense	$ 1,618	$ 3,101
Lease expense on short-term leases	485	1,587
Variable lease expense	699	1,330
Sublease income	(52)	(103)
Total operating leases expense	$ 2,750	$ 5,915

Supplemental information on finance and operating leases are as follows:

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating cash outflows from finance leases	$ (49)	$ (98)
Operating cash outflows from operating leases	$ (710)	$ (1,860)
Financing cash outflows from finance leases	$ (665)	$ (849)
Assets obtained in exchange for new finance lease liabilities (1)	$ 134	$ 263
ROU assets obtained in exchange for new operating lease liabilities (1)	$ 1,732	$ 1,732

	June 30, 2019
Weighted-average remaining lease term - finance leases	4.91 years
Weighted-average remaining lease term - operating leases	11.24 years
Weighted-average discount rate - finance leases	4.72%
Weighted-average discount rate - operating leases	8.20%

(1) These amounts are excluded from the accompanying condensed consolidated statements of cash flows as they are non-cash investing activities.

The following schedule represents the Company's maturities of finance and operating lease liabilities as of June 30, 2019:

	Finance Leases	Operating Leases
Fiscal year:		
2019	$ 437	$ 2,808
2020	752	4,627
2021	662	3,720
2022	555	2,809
2023	479	2,807
Thereafter	1,610	24,242
Total minimum lease payments	4,495	41,013
Less amount representing interest	(605)	(15,198)
Present value of lease liabilities	$ 3,890	$ 25,815

Lessor Accounting

The Company leases fueling station equipment to customers that contain an option to extend and an end-of-term purchase option. Receivables from these leases are accounted for as finance leases, specifically sales-type leases, and are included in "Other receivables" and "Notes receivable and other long-term assets, net" in the condensed consolidated balance sheets.

The Company recognizes the net investment in the lease as the sum of the lease receivable and the unguaranteed residual value, both of which are measured at the present value using the interest rate implicit in the lease.

During the three and six months ended June 30, 2019, the Company recognized $37 and $73, respectively, in "Interest income" on its lease receivables.

The following schedule represents the Company's maturities of lease receivables as of June 30, 2019:

Fiscal year:	
2019	$ 93
2020	186
2021	186
2022	186
2023	186
Thereafter	1,240
Total minimum lease payments	2,077
Less amount representing interest	(1,007)
Present value of lease receivables	$ 1,070

Leases (Topic 840)

As required by the new lease accounting standard, legacy disclosures are provided for periods prior to adoption.

Operating Lease Commitments

The Company leases facilities, including the land for its LNG production plant in Boron, California and certain equipment under noncancelable operating leases expiring at various dates through 2038. If a lease has a fixed and determinable escalation clause, or periods of rent holidays, the difference between rental expense and rent paid is included in "Accrued liabilities" and "Other long-term liabilities" in the accompanying consolidated balance sheets.

The following schedule represents the Company's future minimum lease obligations under all noncancelable operating leases as of December 31, 2018:

Fiscal year:		
2019	$	6,340
2020		4,332
2021		3,311
2022		2,409
2023		2,300
Thereafter		13,214
Total future minimum lease payments	$	31,906

Rent expense totaled $1,698 and $3,225 for the three and six months ended June 30, 2018, respectively.

Capital Lease Obligations and Receivables

The Company leases equipment under capital leases with a weighted-average interest rate of 4.48%. As of December 31, 2018, future payments under these capital leases are as follows:

Fiscal year:		
2019	$	883
2020		742
2021		656
2022		540
2023		529
Thereafter		1,868
Total minimum lease payments		5,218
Less amount representing interest		(749)
Capital lease obligations		4,469
Less current portion		(693)
Capital lease obligations, less current portion	$	3,776

The value of the equipment under capital leases as of December 31, 2018 was $6,143, with related accumulated amortization of $1,832, respectively.

The Company also leases fueling station equipment to customers under sales-type leases with a weighted-average interest rate of 13.5%.

As of December 31, 2018, future receipts under this lease are as follows:

Fiscal year:		
2019	$	186
2020		186
2021		186
2022		186
2023		186
Thereafter		1,240
Capital lease receivables		2,170
Less amount representing interest		(1,080)
Capital lease receivables, less current portion	$	1,090

Note 19—Alternative Fuels Excise Tax Credit

Under separate pieces of U.S. federal legislation, the Company has been eligible to receive the AFTC tax credit for its natural gas vehicle fuel sales made between October 1, 2006 and December 31, 2017. The AFTC, which had previously expired on December 31, 2016, was reinstated on February 9, 2018 to apply to vehicle fuel sales made from January 1, 2017 through December 31, 2017. The AFTC credit is equal to $0.50 per gasoline gallon equivalent of CNG that the Company sold as vehicle fuel and $0.50 per diesel gallon of LNG that the Company sold as vehicle fuel in 2016 and 2017.

Based on the service relationship with its customers, either the Company or its customers claims the credit. The Company records its AFTC credits, if any, as revenue in its consolidated statements of operations because the credits are fully payable to the Company and do not offset income tax liabilities. As such, the credits are not deemed income tax credits under the accounting guidance applicable to income taxes.

As a result of the most recent legislation authorizing AFTC being signed into law on February 9, 2018, all AFTC revenue for vehicle fuel the Company sold in the 2017 calendar year, totaling $25,481, has been recognized during the three months ended March 31, 2018 and was collected subsequent to that date. In addition, during the three months ended June 30, 2018, the Internal Revenue Service approved, and the Company recognized as revenue, $1,382 of AFTC credit claims related to prior years. AFTC is not currently available, and may not be reinstated, for vehicle fuel sales made after December 31, 2017.

Note 20—Recently Adopted Accounting Changes

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (“ASC 842”), which amends the guidance in former Accounting Standards Codification Topic 840, *Leases* (“ASC 840”). The new standard requires most leases to be recognized on the balance sheet which will increase reported assets and liabilities. Accounting for lessors and capital leases (now known as finance leases) is substantially similar to ASC 840. The new standard is effective for annual and interim periods in fiscal years beginning after December 15, 2018, which for the Company is the first quarter of 2019.

The Company adopted this standard using the modified retrospective method and recognized the cumulative effect of initially applying ASC 842 as an adjustment to accumulated deficit in the consolidated balance sheet as of January 1, 2019. Results for reporting periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts are not adjusted. This adoption had a material impact to the Company’s condensed consolidated balance sheets and did not have a material impact to the Company’s condensed consolidated statements of operations or its condensed consolidated statements of cash flows. The primary impact was to record ROU assets and lease liabilities for existing operating leases on the condensed consolidated balance sheets.

As permitted under ASC 842, the Company elected the package of practical expedients that permit it to not reassess (1) whether an existing contract is or contains a lease, (2) the classification of existing leases, and (3) whether previously capitalized costs continue to qualify as initial indirect costs. The Company also elected the practical expedient allowing it to use hindsight in determining the lease term and in assessing the likelihood a purchase option will be exercised.

The ASC 842 adoption adjustments are as follows:

	Balance as of December 31, 2018	Adjustments Due to ASC 842	Balance as of January 1, 2019
Operating lease right-of-use assets	$ —	$ 24,453	$ 24,453
Operating lease obligations	$ —	$ 25,943	$ 25,943
Accrued liabilities	$ 48,469	$ (496)	$ 47,973
Other long-term liabilities	$ 15,035	$ (994)	$ 14,041

The ASC 842 adoption adjustments on the accompanying condensed consolidated balance sheet as of June 30, 2019 are as follows:

	June 30, 2019		
	Balance before ASC 842 Adoption	Effect of Change	As Reported
Operating lease right-of-use assets	$ —	$ 24,490	$ 24,490
Current portion of operating lease obligations	$ —	$ 3,570	$ 3,570
Long-term portion of operating lease obligations	$ —	$ 22,245	$ 22,245
Accrued liabilities	$ 40,294	$ (531)	$ 39,763
Other long-term liabilities	$ 13,611	$ (710)	$ 12,901

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (this discussion, as well as discussions under the same heading in our other periodic reports, are referred to as the "MD&A") should be read together with our unaudited condensed consolidated financial statements and the related notes included in this report, and all cross references to notes included in this MD&A refer to the identified note in such consolidated financial statements. For additional context with which to understand our financial condition and results of operations, refer to the MD&A included in our Annual Report on Form 10-K for our fiscal year ended December 31, 2018, which was filed with the Securities and Exchange Commission ("SEC") on March 12, 2019, as well as the audited consolidated financial statements and notes included therein (collectively, our "2018 Form 10-K"). Pursuant to Instruction 2 to paragraph (b) of Item 303 of Regulation S-K promulgated by the SEC, in preparing this MD&A, we have presumed that readers have access to and have read the MD&A contained in our 2018 Form 10-K. Unless the context indicates otherwise, all references to "Clean Energy," the "Company," "we," "us," or "our" in this MD&A refer to Clean Energy Fuels Corp. together with its consolidated subsidiaries.

Cautionary Note Regarding Forward Looking Statements

This MD&A and the other disclosures in this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act")*, and Section 21E of the Securities Exchange Act of 1934, as amended* (the "Exchange Act")*. Forward-looking statements are statements other than historical facts. These statements relate to future events or circumstances or our future performance, and they are based on our current assumptions, expectations and beliefs concerning future developments and their potential effect on our business. In some cases, you can identify forward-looking statements by the following words: "if," "may," "might," "shall," "will," "can," "could," "would," "should," "expect," "intend," "plan," "goal," "objective," "initiative," "anticipate," "believe," "estimate," "predict," "project," "forecast," "potential," "continue," "ongoing" or the negative of these terms or other comparable terminology, although the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements we make in this discussion include statements about, among other things, our future financial and operating performance, our growth strategies and anticipated trends in our industry and our business. Although the forward-looking statements in this discussion reflect our good faith judgment based on available information, they are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Factors that might cause or contribute to such differences include, among others, those discussed under "Risk Factors" in this report and in our 2018 Form 10-K. In addition, we operate in a competitive and rapidly evolving industry in which new risks emerge from time to time, and it is not possible for us to predict all of the risks we may face, nor can we assess the effect of all factors on our business or the extent to which any factor or combination of factors could cause actual results to differ from our expectations. As a result of these and other potential risks and uncertainties, our forward-looking statements should not be relied on or viewed as predictions of future events. All forward-looking statements in this discussion are made only as of the date of this document and, except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason, including to conform these statements to actual results or to changes in our expectations.*

Overview

We are the leading provider of natural gas as an alternative fuel for vehicle fleets in the United States and Canada, based on the number of stations operated and the amount of GGEs of RNG, CNG and LNG delivered.

Our principal business is supplying RNG, CNG and LNG (RNG can be delivered in the form of CNG or LNG) for light, medium and heavy-duty vehicles and providing O&M services for public and private vehicle fleet customer stations. As a comprehensive solution provider, we also design, build, operate and maintain fueling stations; sell and service natural gas fueling compressors and other equipment used in CNG stations and LNG stations; offer assessment, design and modification solutions to provide operators with code-compliant service and maintenance facilities for natural gas vehicle fleets; transport and sell CNG and LNG via "virtual" natural gas pipelines and interconnects; procure and sell RNG; sell tradable credits we generate by selling RNG and conventional natural gas as a vehicle fuel, including RIN Credits and LCFS Credits; help our customers acquire and finance natural gas vehicles; and obtain federal, state and local tax credits, grants and incentives. In addition, before March 31, 2017, we produced RNG at our own production facilities (which we sold, along with certain of our other RNG production assets, in the BP Transaction), and before December 29, 2017, we manufactured natural gas fueling compressors and other equipment used in CNG stations (which we combined with Landi Renzo S.p.A.'s natural gas fueling compressor manufacturing business in a newly formed company, in the CEC Combination).

We serve fleet vehicle operators in a variety of markets, including heavy-duty trucking, airports, refuse, public transit, industrial and institutional energy users, and government fleets. We believe these fleet markets will continue to present a growth opportunity for natural gas vehicle fuel for the foreseeable future. As of June 30, 2019, we served over 1,000 fleet customers operating over 47,000 natural gas vehicles, and we currently own, operate or supply approximately 540 natural gas fueling stations in 41 states in the United States and four provinces in Canada.

Performance Overview

This performance overview discusses matters on which our management focuses in evaluating our financial condition and our operating results.

Sources of Revenue

The following table represents our sources of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue (in millions)	**2018**	**2019**	**2018**	**2019**
Volume -related [1]	$ 62.6	$ 66.3	$ 130.0	$ 140.8
Station construction sales	5.8	5.9	11.6	9.1
AFTC [2]	1.4	—	26.9	—
Other	0.7	0.1	4.4	0.1
Total revenue	$ 70.5	$ 72.3	$ 172.9	$ 150.0

[1] Our volume-related revenue primarily consists of sales of RNG, CNG and LNG fuel, performance of O&M services, and sales of RINs and LCFS Credits in addition to changes in fair value of our derivative instruments. More information about our volume of fuel and O&M services delivered in the periods is included below under "Key Operating Data," and our derivative instruments consist of commodity swap contracts (see Note 6 to the accompanying condensed consolidated financial statements for more information). The following table summarizes our volume-related revenue in the periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
Revenue (in millions)	**2018**	**2019**	**2018**	**2019**
Fuel sales and performance of O&M services	$ 57.8	$ 57.6	$ 119.6	$ 127.2
Change in fair value of derivative instruments	—	0.6	—	(4.4)
RIN Credits	3.1	5.1	$ 6.5	$ 11.2
LCFS Credits	1.7	3.0	3.9	6.8
Total volume -related revenue	$ 62.6	$ 66.3	$ 130.0	$ 140.8

[2] Represents a federal alternative fuels tax credit that we refer to as "AFTC," which on February 9, 2018, was retroactively reinstated for vehicle fuel sales made in 2017. AFTC is not currently available, and may not be reinstated, for vehicle fuel sales made after December 31, 2017.

Key Operating Data

In evaluating our operating performance, our management focuses primarily on: (1) the amount of RNG, CNG and LNG gasoline gallon equivalents delivered (which we define as (i) the volume of gasoline gallon equivalents we sell to our customers as fuel, plus (ii) the volume of gasoline gallon equivalents dispensed at facilities we do not own but where we provide O&M services on a per-gallon or fixed fee basis, plus (iii) our proportionate share of the gasoline gallon equivalents sold as CNG by our joint venture with Mansfield Ventures, LLC called Mansfield Clean Energy Partners, LLC ("MCEP"), plus (iv) for periods before completion of the BP Transaction, our proportionate share (as applicable) of the gasoline gallon equivalents of RNG produced and sold as pipeline quality natural gas by our former RNG production facilities, which we sold in the BP Transaction), (2) our station construction cost of sales, (3) our gross margin (which we define as revenue minus cost of sales), and (4) net loss attributable to us. The following tables present our key operating data for the years ended December 31, 2016, 2017, and 2018 and for the three and six months ended June 30, 2018 and 2019:

Gasoline gallon equivalents delivered (in millions)	**Year Ended December 31, 2016**	**Year Ended December 31, 2017**	**Year Ended December 31, 2018**	**Three Months Ended June 30, 2018**	**Three Months Ended June 30, 2019**	**Six Months Ended June 30, 2018**	**Six Months Ended June 30, 2019**
CNG [1]	259.2	283.4	299.5	73.8	83.8	144.6	162.3
LNG	66.8	66.1	66.0	15.6	15.8	29.9	32.5
RNG [2]	3.0	1.9	—	—	—	—	—
Total	329.0	351.4	365.5	89.4	99.6	174.5	194.8

Gasoline gallon equivalents delivered (in millions)	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Three Months Ended June 30, 2018	Three Months Ended June 30, 2019	Six Months Ended June 30, 2018	Six Months Ended June 30, 2019
O&M services	176.6	199.5	206.1	52.4	53.5	101.2	103.3
Fuel (1)	128.5	127.3	133.6	30.5	39.6	60.6	78.8
Fuel and O&M services (3)	23.9	24.6	25.8	6.5	6.5	12.7	12.7
Total	329.0	351.4	365.5	89.4	99.6	174.5	194.8

Other operating data (in millions)	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Three Months Ended June 30, 2018	Three Months Ended June 30, 2019	Six Months Ended June 30, 2018	Six Months Ended June 30, 2019
Station construction cost of sales	$ 57.0	$ 47.0	$ 25.1	$ 6.0	$ 6.3	$ 11.9	$ 10.1
Gross margin (4)	$ 147.1	$ 85.8	$ 133.5	$ 24.8	$ 24.7	$ 72.4	$ 43.6
Net income (loss) attributable to Clean Energy Fuels. Corp (4)	$ (12.2)	$ (79.2)	$ (3.8)	$ (12.0)	$ (5.4)	$ 0.2	$ (16.3)

(1) As noted above, amounts include our proportionate share of the GGEs sold as CNG by our joint venture MCEP. GGEs sold by this joint venture were 0.5 million, 0.5 million, and 0.5 million, for the years ended December 31, 2016, 2017, and 2018, respectively, 0.1 million and 0.1 million for the three months ended June 30, 2018 and 2019, respectively, and $0.2 million and $0.2 million for the six months ended June 30, 2018 and 2019, respectively.

(2) Represents RNG sold as non-vehicle fuel. RNG, sold as vehicle fuel, is sold under the brand name Redeem™ and is included in this table in the CNG or LNG amounts as applicable based on the form in which it was sold. GGEs of Redeem sold were 58.6 million, 78.5 million, and 110.1 million for the years ended December 31, 2016, 2017, and 2018, respectively, 24.0 million and 38.9 million for the three months ended June 30, 2018 and 2019, respectively, and 42.4 million and 73.5 million for the six months ended June 30, 2018 and 2019, respectively.

(3) Represents gasoline gallon equivalents at stations where we provide both fuel and O&M services.

(4) Includes the following amounts of AFTC revenue: $26.6 million, $0.0 million, and $26.7 million for the years ended December 31, 2016, 2017, and 2018, respectively, and $1.4 million and $26.9 million for the three and six months ended June 30, 2018, respectively.

Recent Developments

On February 15, 2019, we agreed to lend to NG Advantage up to $5,000 in accordance with the terms of a delayed draw convertible promissory note (the "2019 Note"). NG Advantage simultaneously drew $2,500 under the 2019 Note, and on April 15, 2019, NG Advantage drew the remaining $2,500 under the 2019 Note. As discussed below, on June 28, 2019, the 2019 Note was subsumed within the 2019 Convertible Note.

On May 17, 2019, we agreed to lend to NG Advantage up to $500 in accordance with the terms of the promissory note (the "2019 Bridge Loan"). On June 11, 2019, NG Advantage drew $144 under the 2019 Bridge Loan. As discussed below, on June 28, 2019, the 2019 Bridge Loan was subsumed within the 2019 Convertible Note.

On June 28, 2019, we agreed to lend to NG Advantage up to $15,188 in accordance with the terms of a convertible promissory note (the "2019 Convertible Note"). NG Advantage simultaneously drew $3,500 under the 2019 Convertible Note. The outstanding principal and accrued interest under the 2019 Note and 2019 Bridge Loan were incorporated into the 2019 Convertible Note which resulted in the cancellation of the 2019 Note and 2019 Bridge Loan. All unpaid principal and accrued interest is due on the earlier of December 31, 2019 or in the event of default. In connection with the 2019 Convertible Note, NG Advantage issued to the Company a warrant to purchase 86,879 common units. As of June 30, 2019, NG Advantage had an outstanding balance of $8,688 under the 2019 Convertible Note.

Business Risks and Uncertainties and Other Trends

Our business and prospects are exposed to numerous risks and uncertainties. For more information, see "Risk Factors" in Part II, Item 1A of this report. In addition, our performance in any period may be affected by various trends in our business and our industry, including certain seasonality trends. See the description of the key trends in our past performance and anticipated future trends included in the MD&A contained in our 2018 Form 10-K. Except as set forth below, there have been no material changes to such trends as described in the MD&A contained in our 2018 Form 10-K.

The market for natural gas as a vehicle fuel is a relatively new and developing market, and has experienced slow, volatile or unpredictable growth in many sectors. For example, to date, adoption and deployment of natural gas vehicles, both in general and in certain of our key customer markets, including heavy-duty trucking, have been slower and more limited than we anticipated. Also, other important markets, including airports, refuse and public transit, had slower volume and customer growth in 2018 that may continue. Moreover, adoption of and demand for the different types of natural gas vehicle fuel, including RNG, CNG and

LNG, are subject to significant risks, including decreased LNG volumes in some markets in recent periods that may continue and may not be sufficiently offset by any increase in demand for RNG or CNG.

Market prices for RINs and LCFS Credits can be volatile and unpredictable, and the prices for such credits can be subject to significant fluctuations. The value of RINs and LCFS Credits (derived from market prices) can materially affect our revenue. Since approximately the beginning of June 2019, market prices for RINs have trended lower, and this may continue.

Debt Compliance

Certain of the agreements governing our outstanding debt, which are discussed in Note 12, have certain non-financial covenants with which we must comply. As of June 30, 2019, we were in compliance with all of these covenants.

Risk Management Activities

Our risk management activities are discussed in the MD&A contained in our 2018 Form 10-K. In the six months ended June 30, 2019, there were no material changes to these activities.

Critical Accounting Policies

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements.

- Revenue recognition;
- Impairment of goodwill and long-lived assets;
- Income taxes; and
- Fair value measurements.

These critical accounting policies and the related judgments and estimates are discussed in the MD&A contained in our 2018 Form 10-K, except that effective January 1, 2019, we adopted new guidance for lease accounting that superseded the previous guidance. The new guidance and its affect is described Notes 18 and 20 to the accompanying condensed consolidated financial statements, respectively. There have been no other material changes to our critical accounting policies as described in the MD&A contained in our 2018 Form 10-K.

Recently Issued and Adopted Accounting Standards

See Note 20 to the accompanying condensed consolidated financial statements for a description of recently issued and adopted accounting standards.

Results of Operations

Three Months Ended June 30, 2019 Compared to Three Months Ended June 30, 2018

The discussions below compare our results of operations in the three months ended June 30, 2019 and 2018. Historical results are not indicative of the results to be expected in the current period or any future period.

The table below presents, for each period, each line item of our statement of operations data as a percentage of our total revenue for the period. The narrative that follows provides a comparative discussion of certain of these line items between periods.

	Three Months Ended June 30,	
	2018	**2019**
Statement of Operations Data:		
Revenue:		
Product revenue	86.7 %	82.5 %
Service revenue	13.3	17.5
Total revenue	100.0	100.0
Operating expenses:		
Cost of sales (exclusive of depreciation and amortization shown separately below):		
Product cost of sales	58.7	55.5
Service cost of sales	6.0	10.4
Change in fair value of derivative warrants	(0.1)	—
Selling, general and administrative	28.3	24.8
Depreciation and amortization	18.9	17.4
Total operating expenses	111.8	108.1
Operating income (loss)	(11.8)	(8.1)
Interest expense	(6.4)	(2.5)
Interest income	0.7	0.8
Other income (expense), net	0.1	0.1
Loss from equity method investments	(1.0)	—
Income (loss) before income taxes	(18.4)	(9.7)
Income tax expense	(0.1)	(0.1)
Net income (loss)	(18.5)	(9.8)
Loss attributable to noncontrolling interest	1.7	2.4
Net income (loss) attributable to Clean Energy Fuels Corp.	(16.8)%	(7.4)%

Revenue. Revenue increased by $1.9 million to $72.3 million in the three months ended June 30, 2019, from $70.5 million in the three months ended June 30, 2018. This increase was due to increased volume -related revenue primarily from sales of RINs and LCFS Credits.

Volume -related revenue increased by $3.7 million between periods, primarily due to an increase in gallons delivered offset by a lower effective price per gallon between periods. Additionally, there was a $0.6 million increase in fair value of our commodity swap and customer contracts related to our *Zero Now* truck financing program (see Note 6 to the accompanying condensed consolidated financial statements for more information).

Our effective price per gallon charged was $0.66, excluding a $0.6 million change in fair value of derivative instruments discussed above for the three months ended June 30, 2019, a $0.04 per gallon decrease from $0.70 per gallon for the three months ended June 30, 2018. Our effective price per gallon is defined as revenue generated from selling RNG, CNG, LNG, and any related RINs and LCFS Credits and providing O&M services to our vehicle fleet customers at stations we do not own and for which we receive a per-gallon or fixed fee, all divided by the total GGEs delivered less GGEs delivered by non-consolidated entities, such as entities that are accounted for under the equity method. The decrease in our effective price per gallon between periods was due to a decrease in natural gas prices and fuel price mix.

Station construction sales increased by $0.1 million between periods due to increased construction activities.

AFTC revenue decreased by $1.4 million between periods due to the absence of AFTC in 2019 and our recognition in 2018 of AFTC revenue for all of the vehicle fuel we sold in 2017.

Cost of sales. Cost of sales increased by $2.0 million to $47.6 million in the three months ended June 30, 2019, from $45.7 million in the three months ended June 30, 2018. This increase was due to a $3.1 million increase in gas commodity costs due to the increase in gallons delivered. This increase was partially offset by a $0.6 million decrease in costs to purchase used heavy -duty trucks that we sold to our customers.

Our effective cost per gallon decreased by $0.02 per gallon between periods, to $0.42 per gallon in the three months ended June 30, 2019 from $0.44 per gallon in the three months ended June 30, 2018. Our effective cost per gallon is defined as the total costs associated with delivering natural gas, including gas commodity costs, transportation fees, liquefaction charges, and other site operating costs, plus the total cost of providing O&M services at stations that we do not own and for which we receive a per-gallon or fixed fee, including direct technician labor, indirect supervisor and management labor, repair parts and other direct maintenance costs, all divided by the total GGEs delivered less GGEs delivered by non-consolidated entities, such as entities that are accounted for under the equity method. The decrease in our effective cost per gallon was due to a decrease in natural gas prices and transportation costs.

C*hange in fair value of derivative warrants*. Change in fair value of derivative warrants, all of which have been issued by our subsidiary, NG Advantage, was immaterial in the three months ended June 30, 2019.

Selling, general and administrative. Selling, general and administrative expenses decreased by $2.0 million to $17.9 million in the three months ended June 30, 2019, from $19.9 million in the three months ended June 30, 2018. This decrease was primarily driven by continued cost reduction efforts.

Depreciation and amortization. Depreciation and amortization decreased by $0.7 million to $12.6 million in the three months ended June 30, 2019, from $13.3 million in the three months ended June 30, 2018, primarily due to increases in disposals of assets.

Interest expense. Interest expense decreased by $2.7 million to $1.8 million in the three months ended June 30, 2019, from $4.5 million in the three months ended June 30, 2018. This decrease was primarily due to a reduction of outstanding indebtedness between periods.

Other income (expense), net. Other income (expense), net increased by less than $0.1 million between periods.

Loss from equity method investments. Loss from equity method investments decreased by $0.7 million between periods, which was primarily attributable to improved operating results from SAFE&CEC S.r.l.

Income tax expense. Income tax expense decreased between periods, primarily due to a reduction in the Company's expected state tax expense.

Loss attributable to noncontrolling interest. During the three months ended June 30, 2018 and 2019, we recorded a $1.2 million and $1.7 million reversal of loss, respectively, for the noncontrolling interest in the net loss of our subsidiary, NG Advantage LLC ("NG Advantage"). The noncontrolling interest in NG Advantage represents a 46.5% and 35.4% minority interest that was held by third parties during the 2018 and 2019 periods, respectively.

Six Months Ended June 30, 2019 Compared to Six Months Ended June 30, 2018

The table below presents, for each period indicated, each line item of our statement of operations data as a percentage of our total revenue for the period. Additionally, the narrative that follows provides a comparative discussion of certain of these line items between the periods indicated. Historical results are not indicative of the results to be expected in the current period or any future period.

	Six Months Ended June 30,	
	2018	2019
Statement of Operations Data:		
Revenue:		
Product revenue	88.7 %	85.4 %
Service revenue	11.3	14.6
Total revenue	100.0	100.0
Operating expenses:		
Cost of sales (exclusive of depreciation and amortization shown separately below):		
Product cost of sales	53.0	63.0
Service cost of sales	5.1	7.9
Change in fair value of derivative warrants	(0.1)	1.1
Selling, general and administrative	22.5	24.2
Depreciation and amortization	15.1	16.7
Total operating expenses	95.6	112.9
Operating income (loss)	4.4	(12.9)
Interest expense	(5.2)	(2.5)
Interest income	0.6	0.8
Other income (expense), net	0.0	1.8
Loss from equity method investments	(1.3)	(0.3)
Income (loss) before income taxes	(1.5)	(13.1)
Income tax expense	(0.1)	(0.1)
Net income (loss)	(1.6)	(13.2)
Loss attributable to noncontrolling interest	1.7	2.4
Net income (loss) attributable to Clean Energy Fuels Corp.	0.1 %	(10.8)%

Revenue. Revenue decreased by $22.9 million to $150.0 million in the six months ended June 30, 2019, from $172.9 million in the six months ended June 30, 2018. This decrease was due to the absence in 2019 of AFTC revenue and sales of used natural gas heavy -duty trucks in addition to lower station construction sales in 2019. These decreases were offset by increased volume -related revenue in 2019 due to higher volumes and sales of RINs and LCFS Credits.

Volume -related revenue increased by $10.8 million between periods, primarily due to a higher effective price per gallon charged and an increase in gallons delivered between periods. These increases were offset by a $(4.4) million decrease in fair value of our commodity swap and customer contracts related to our *Zero Now* truck financing program (see Note 6 to the accompanying condensed consolidated financial statements for more information).

Our effective price per gallon charged was $0.75, excluding a $(4.4) million change in fair value of derivative instruments discussed above for the six months ended June 30, 2019, a $0.01 per gallon increase from $0.74 per gallon for the six months ended June 30, 2018. The increase in our effective price per gallon between periods was due to higher natural gas prices and higher revenue from sales of RINs and LCFS Credits.

Station construction sales decreased by $2.5 million between periods, principally due to fewer full station projects in process.

AFTC revenue decreased by $26.9 million between periods due to the absence of AFTC in 2019 and our recognition in 2018 of AFTC revenue for all of the vehicle fuel we sold in 2017.

Cost of sales. Cost of sales increased by $6.0 million to $106.4 million in the six months ended June 30, 2019, from $100.4 million in the six months ended June 30, 2018. This increase was due to a $14.6 million increase in gas commodity costs due to the increase in gallons delivered and our effective cost per gallon. This increase was partially offset by a $4.5 million decrease in costs to purchase used heavy -duty trucks that we sold to our customers and a $1.8 million decrease in station construction costs due to lower station construction sales.

Our effective cost per gallon increased by $0.01 per gallon between periods, to $0.49 per gallon in the six months ended June 30, 2019 from $0.48 per gallon in the six months ended June 30, 2018. The increase in our effective cost per gallon was due to an increase in natural gas prices and transportation costs.

C*hange in fair value of derivative warrants.* Change in fair value of derivative warrants, all of which have been issued by our subsidiary, NG Advantage, increased to $1.6 million of expense in the six months ended June 30, 2019, from an immaterial amount of income in the six months ended June 30, 2018, due to the majority of the warrants being in-the-money during 2019 and additional issuances.

Selling, general and administrative. Selling, general and administrative expenses decreased by $2.4 million to $36.4 million in the six months ended June 30, 2019, from $38.8 million in the six months ended June 30, 2018. This decrease was primarily driven by continued cost reduction efforts.

Depreciation and amortization. Depreciation and amortization decreased by $1.0 million to $25.1 million in the six months ended June 30, 2019, from $26.1 million in the six months ended June 30, 2018, primarily due to increases in disposals of assets.

Interest expense. Interest expense decreased by $5.3 million to $3.7 million in the six months ended June 30, 2019, from $9.0 million in the six months ended June 30, 2018. This decrease was primarily due to a reduction of outstanding indebtedness between periods.

Other income (expense), net. Other income (expense), net increased by $2.7 million between periods, which was attributable to an increase in gains recorded from disposals of assets.

Loss from equity method investments. Loss from equity method investments decreased by $1.6 million between periods, which was primarily attributable to improved operating results from SAFE&CEC S.r.l.

Income tax expense. Income tax expense decreased between periods, primarily due to a reduction in the Company's expected state tax expense.

Loss attributable to noncontrolling interest. During the six months ended June 30, 2018 and 2019, we recorded a $2.9 million and $3.6 million reversal of loss, respectively, for the noncontrolling interest in the net loss of our subsidiary, NG Advantage. The noncontrolling interest in NG Advantage represents a 46.5% and 35.4% minority interest that was held by third parties during the 2018 and 2019 periods, respectively.

Liquidity and Capital Resources

Liquidity

Liquidity is the ability to meet present and future financial obligations through operating cash flows, the sale or maturity of investments or the acquisition of additional funds through capital management. Our financial position and liquidity are, and will continue to be, influenced by a variety of factors, including the level of our outstanding indebtedness and the principal and interest we are obligated to pay on our indebtedness, which could be influenced by the potential phasing out of LIBOR for certain of our debt instruments that tie interest rates to this metric; the amount and timing of any equity financing we may pursue; our capital expenditure requirements; any merger, divestiture or acquisition activity; and our ability to generate cash flows from our operations. We expect cash provided by our operating activities to fluctuate as a result of a number of factors, including our operating results and the factors that affect these results, including the amount and timing of our billing, collections and liability payments, completion of our station construction projects and receipt of government credits, grants and incentives.

Cash Flows

Cash provided by operating activities was $8.8 million in the six months ended June 30, 2019, compared to $22.9 million provided by operating activities in the comparable 2018 period. The decrease in cash provided by operating activities was primarily attributable to the AFTC revenue collected in June 2018 and changes in working capital resulting from the timing of receipts and payments of cash.

Cash provided by investing activities was $3.0 million in the six months ended June 30, 2019, compared to $78.1 million used by investing activities in the comparable 2018 period. The increase in cash provided by investing activities was attributable to a decrease in purchases of short-term investments from the comparable period, proceeds from property and equipment disposals and an increase in earn-out proceeds received in connection with the BP Transaction.

Cash provided by financing activities in the six months ended June 30, 2019 was less than $0.1 million, compared to $61.5 million provided by financing activities in the comparable 2018 period. The decrease in cash provided by financing activities was primarily attributable to proceeds from stock issuances, net of fees, related to the Total Private Placement and lower proceeds from debt incurred by NG Advantage.

Capital Expenditures and Other Uses of Cash

We require cash to fund our capital expenditures, operating expenses and working capital and other requirements, including costs associated with fuel sales; outlays for the design and construction of new fueling stations; additions or other modifications to existing fueling stations; debt repayments and repurchases; purchases of CNG tanker trailers and natural gas heavy-duty trucks; maintenance of LNG production facilities; supporting our operations, including maintenance and improvements of our infrastructure; supporting our sales and marketing activities, including support of legislative and regulatory initiatives; financing natural gas vehicles for our customers; any investments in other entities; any mergers or acquisitions; pursuing market expansion as opportunities arise, including geographically and to new customer markets; and to fund other activities or pursuits and for other general corporate purposes.

Our business plan calls for approximately $18.5 million in capital expenditures for 2019. These capital expenditures primarily relate to the construction of CNG fueling stations, IT software and equipment and LNG plant maintenance costs.

In addition, NG Advantage may spend as much as $28.0 million in 2019 to purchase additional CNG trailers and equipment in support of its operations and customer contracts; NG Advantage has sought financing from third parties for these capital expenditures; we have provided, and may continue to provide, financing for these capital expenditures.

We had total indebtedness comprising of our debt and finance leases of approximately $84.5 million in principal amount as of June 30, 2019, of which approximately $3.1 million, $55.9 million, $5.5 million, $5.4 million, $10.2 million and $4.4 million is expected to become due in 2019, 2020, 2021, 2022, 2023 and thereafter, respectively. We expect our total interest payment obligations relating to our indebtedness to be approximately $7.3 million in 2019, $2.8 million of which had been paid when due as of June 30, 2019.

We also have indebtedness, including the amount representing interest, from our operating leases of approximately $41.0 million as of June 30, 2019, of which approximately $2.8 million, $4.6 million, $3.7 million, $2.8 million, $2.8 million and $24.2 million is expected to become due in 2019, 2020, 2021, 2022, 2023 and thereafter, respectively.

In addition, in connection with implementing our *Zero Now* truck financing program, we have entered into agreements that permit us to incur a material amount of additional debt on a delayed draw basis and obligate us to make interest and other fee payments that vary in amount based on the outstanding principal of this debt and certain other factors; none of this potential debt nor the related interest and other payments are included in the foregoing estimates. As of June 30, 2019 we are permitted to issue up to 14.0 million shares of common stock to repay part of the outstanding principal amount of certain of our convertible notes. Although we believe we have sufficient liquidity and capital resources to repay our debt coming due in the next 12 months, we may elect to pursue alternatives, such as refinancing or debt or equity offerings, to increase our cash management flexibility.

We intend to make payments under our various debt instruments when due and pursue opportunities for earlier repayment and/or refinancing if and when these opportunities arise.

Sources of Cash

Historically, our principal sources of liquidity have consisted of cash on hand, cash provided by our operations, including, if available, AFTC and other government credits, grants and incentives, cash provided by financing activities, and sales of assets. In addition, our revolving credit facility with PlainsCapital Bank ("Plains"), as described below, provides us with an additional source of cash that we could use for general corporate and a variety of other purposes. As of June 30, 2019, we had total cash and cash equivalents and short-term investments of $107.5 million, compared to $95.5 million as of December 31, 2018.

We expect cash provided by our operating activities to fluctuate depending on our operating results, which can be affected by the amount and timing of natural gas vehicle fuel sales, station construction sales, volumes and sale prices of RINs and LCFS Credits and recognition of government credits, grants and incentives, such as AFTC; fluctuations in commodity, station construction and labor costs and natural gas prices; and the amount and timing of our billing, collections and liability payments, as well as the other factors described in this MD&A and Item 1A. Risk Factors of this report.

In October 2018 and January 2019, we entered into agreements to implement our *Zero Now* truck financing program, which permit us to incur up to an additional $100.0 million of indebtedness through the beginning of January 2022, obligate us to make certain interest and other fee payments in connection with this debt and THUSA's related guaranty (which payments will vary in amount but will be owed by us regardless of the revenue we may receive from the program), and subject us to potential additional payments in connection with related commodity swap arrangements. We are permitted to use any proceeds we receive under these agreements solely to fund the incremental cost of trucks purchased or financed by operators that participate in the *Zero Now* program. See Note 15 to the accompanying condensed consolidated financial statements for more information.

On June 13, 2018, we completed the Total Private Placement and received $83.4 million of gross cash proceeds from the transaction. See Note 15 to the accompanying condensed consolidated financial statements for more information.

On February 29, 2016, we entered into a loan and security agreement with, and issued a related promissory note to, Plains, pursuant to which Plains agreed to lend us up to $50.0 million on a revolving basis with a maturity date of September 30, 2019 (the "Credit Facility"). We had no amounts outstanding and $50.0 million of availability under the Credit Facility as of June 30, 2019.

See Notes 12 and 18 to the accompanying condensed consolidated financial statements for more information about all of our outstanding debt and leases.

We believe our cash and cash equivalents and short-term investments and anticipated cash provided by our operating and financing activities will satisfy our business requirements for at least the 12 months following the date of this report. Subsequent to that period, we may need to raise additional capital to fund any planned or unanticipated capital expenditures, investments, debt repayments or other expenses that we cannot fund through cash on-hand, cash provided by our operations or other sources.

The timing and necessity of any future capital raise would depend on various factors, including our rate and volume of natural gas sales and other volume-related activity, new station construction, debt repayments (either before or at maturity) and any potential mergers, acquisitions, investments, divestitures or other strategic relationships we may pursue, as well as the other factors that affect our revenue and expense levels as described in this MD&A and elsewhere in this report.

We may seek to raise additional capital through one or more sources, including, among others, selling assets, obtaining new or restructuring existing debt, obtaining equity capital, or any combination of these or other potential sources of capital. We may not be able to raise capital when needed, on terms that are favorable to us or our stockholders or at all. Any inability to raise necessary capital may impair our ability to develop and maintain natural gas fueling infrastructure, invest in strategic transactions or acquisitions or repay our outstanding indebtedness and may reduce our ability to support and build our business and generate sustained or increased revenue.

Off-Balance Sheet Arrangements

As of June 30, 2019, we had the following off-balance sheet arrangements that have had, or are reasonably likely to have, a material current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources:

- Outstanding surety bonds for construction contracts and general corporate purposes totaling $29.9 million;
- Two long-term natural gas purchase contracts with a take-or-pay commitment;
- One long-term natural gas contract with a fixed supply commitment along with a guaranty agreement; and
- One long-term natural gas contract with a fixed supply commitment.

We provide surety bonds primarily for construction contracts in the ordinary course of our business, as a form of guarantee. No liability has been recorded in connection with our surety bonds because, based on historical experience and available information, we do not believe it is probable that any amounts will be required to be paid under these arrangements for which we will not be reimbursed.

As of June 30, 2019, we had two long-term natural gas purchase contracts with a take-or-pay commitment, which require us to purchase minimum volumes of natural gas at index based prices and expire in December 2020 and June 2022, respectively.

NG Advantage has entered into an arrangement with BP for the supply, sale and reservation of a specified volume of CNG transportation capacity until March 2022. In connection with the arrangement, on February 28, 2018, we entered into a guaranty agreement with NG Advantage and BP in which we guarantee NG Advantage's payment obligations to BP in the event of a default by NG Advantage under the supply arrangement, in an aggregate amount of up to $30.0 million plus related fees. Our guaranty is in effect until thirty days following our notice to BP of termination.

In addition, we entered into an arrangement with UPS for the supply and sale of 170.0 million GGEs of RNG through March 2026.

Item 3.—Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of our business, we are exposed to various market risks, including commodity price risks and risks related to foreign currency exchange rates.

Commodity Price Risk

We are subject to market risk with respect to our sales of natural gas, which have historically been subject to volatile market conditions. Our exposure to market risk is heightened when we have a fixed-price sales contract with a customer that is not covered by a futures contract, or when we are otherwise unable to pass through natural gas price increases to customers. Natural gas prices and availability are affected by many factors, including, among others, drilling activity, supply, weather conditions, overall economic conditions and foreign and domestic government regulations.

Natural gas costs represented $94.9 million of our cost of sales in 2018 and $50.5 million of our cost of sales for the six months ended June 30, 2019.

In October 2018, in support of our *Zero Now* truck financing program, we entered into two commodity swap contracts with Total Gas & Power North America, an affiliate of TOTAL and THUSA, for a total of five million diesel gallons annually from April 1, 2019 to June 30, 2024. These commodity swap contracts are intended to manage risks related to the diesel -to -natural gas price spread in connection with the natural gas fuel supply commitments we expect to make in our anticipated fueling agreements with fleet operators that participate in the *Zero Now* truck financing program.

We have prepared a sensitivity analysis to estimate our exposure to price risk with respect to our commodity swap contracts. If the diesel-to-natural gas price spread were to fluctuate by 10% as of June 30, 2019, we would expect a corresponding fluctuation in the fair value of our commodity swap contracts of approximately $6.7 million.

Foreign Currency Exchange Rate Risk

For the six months ended June 30, 2019, our primary exposure to foreign currency exchange rates related to our Canadian operations that had certain outstanding accounts receivable and accounts payable denominated in the U.S. dollar, which were not hedged.

We have prepared a sensitivity analysis to estimate our exposure to market risk with respect to our monetary transactions denominated in a foreign currency. If the exchange rates on these assets and liabilities were to fluctuate by 10% from the rates as of June 30, 2019, we would expect a corresponding fluctuation in the value of the assets and liabilities of approximately $0.3 million.

London Interbank Offered Rate (“LIBOR”) Risk

Our term credit agreement with Société Générale permits the Company to draw loans, which are subject to an interest rate indexed to LIBOR, from time to time through the beginning of January 2022. LIBOR is expected to be discontinued after 2021. We intend to monitor the developments with respect to the potential phasing out of LIBOR after 2021 and work with our lenders under the Credit Agreement as well as any other indebtedness with an interest rate tied to LIBOR in order to ensure any transition away from LIBOR will have minimal impact on our financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

Item 4.—Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive and principal financial officers, respectively) of the effectiveness of our disclosure controls and procedures as of June 30, 2019. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

We regularly review and evaluate our internal control over financial reporting, and from time to time we may make changes to our processes and systems to improve controls or increase efficiencies. Such changes may include, among others, implementing new and more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Procedures and Internal Control Over Financial Reporting

In designing our disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of our controls and procedures must reflect the fact that there are resource constraints, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure and internal controls may not prevent or detect all instances of fraud, misstatements or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that compliance with policies or procedures may deteriorate.

PART II.—OTHER INFORMATION

Item 1. —Legal Proceedings

From time to time, we may become involved in various legal proceedings that arise in the ordinary course of our business, including lawsuits, claims, audits, government enforcement actions and related matters. It is not possible to predict when or if these proceedings may arise, nor is it possible to predict the outcome of any proceedings that do arise, including, among other things, the amount or timing of any liabilities we may incur, and any such proceedings could have a material effect on us regardless of outcome. In the opinion of management, however, we are not a party, and our properties are not subject, to any pending legal proceedings that are material to us.

Item 1A.—Risk Factors

An investment in our Company involves a high degree of risk of loss. You should carefully consider the risk factors discussed below and all of the other information included in this report and our 2018 Form 10-K before you make any investment decision regarding our securities. We believe the risks and uncertainties described below are the most significant we face, but additional risks and uncertainties not known to us or that we currently deem immaterial could also be or become significant. The occurrence of any of these risks could harm our business, financial condition, results of operations, prospects and reputation and could cause the trading price of our common stock to decline.

Risks Related to Our Business

We have a history of losses and may incur additional losses in the future.

We incurred pre-tax losses in 2016, 2017, 2018 and the six months ended June 30, 2019. During 2016 and 2018 our losses were substantially decreased by $26.6 million and $26.7 million of AFTC revenue, respectively. We may continue to incur losses, the amount of our losses may increase, and we may never achieve or sustain profitability, any of which would adversely affect our business, prospects and financial condition and may cause the price of our common stock to fall. In addition, to try to achieve or sustain profitability, we may take actions that result in material costs or material asset or goodwill impairments. For instance, in the third and fourth quarters of 2017, we recorded significant charges in connection with our former natural gas fueling compressor manufacturing business (which we subsequently combined with another company's natural gas fueling compressor manufacturing business in the CEC Combination), our closure of certain fueling stations, our determination that certain assets were impaired as a result of the foregoing, and other actions. Any similar actions in the future could also have adverse consequences, including material negative effects on our financial condition, our results of operations and the trading price of our common stock.

Our success is dependent on the willingness of fleets and other consumers to adopt natural gas as a vehicle fuel, which may not occur in a timely manner, at expected levels or at all.

Our success is highly dependent on the adoption by fleets and other consumers of natural gas as a vehicle fuel. The market for natural gas as a vehicle fuel has experienced slow, volatile and unpredictable growth in many sectors. For example, adoption and deployment of natural gas vehicles, both in general and in certain of our key customer markets, including heavy-duty trucking, have been slower and more limited than we anticipated. Also, other important fleet markets, including airports, refuse and public transit, had slower volume and customer growth in 2018 that may continue. Moreover, adoption of and demand for the different types of natural gas vehicle fuel, including CNG, LNG and RNG (which can be delivered in the form of CNG or LNG), are subject to significant risks, including decreased LNG volumes in some markets in recent periods that may continue and may not be sufficiently offset by any increase in demand for RNG or CNG. If the market for natural gas as a vehicle fuel does not develop at improved rates or levels, or if a market develops but we are not able to capture a significant share of the market or the market subsequently declines, our business, prospects, financial condition and operating results would be harmed.

Factors that may influence the adoption of natural gas as a vehicle fuel, many of which are beyond our control, include, among others:

- Increases, decreases or volatility in the supply, demand, use and prices of crude oil, gasoline, diesel, natural gas and other vehicle fuels, such as electricity, hydrogen, renewable diesel, biodiesel and ethanol;
- Perceptions about the benefits of renewable and conventional natural gas relative to gasoline and diesel and other alternative vehicle fuels, including with respect to factors such as supply, cost savings, environmental benefits and safety;
- Natural gas vehicle cost, fuel usage, availability, quality, safety, convenience (to fuel and service), design, performance, residual value and operator perception with respect to these factors, generally and in our key customer markets and relative to comparable vehicles powered by other fuels;

- The development, production, cost, availability, performance, sales and marketing and reputation of natural gas engines that are well-suited for the vehicles used in our key customer markets, including heavy-duty trucks and other fleets;
- Inertia among fleets and fleet vehicle operators, who may be unable or unwilling to prioritize converting a vehicle fleet to natural gas over an operator's other general business concerns, particularly if the operator lacks demand for the conversion from its customers or drivers;
- Increasing competition in the market for vehicle fuels generally, and the nature and effect of competitive developments in this market, including improvements in or perceived advantages of non-natural gas vehicle fuels or engines powered by these fuels;
- The availability and effect of environmental, tax or other government regulations, programs or incentives that promote natural gas or other alternatives as a vehicle fuel, including certain programs under which we generate credits by selling conventional and renewable natural gas as a vehicle fuel, as well as the market prices for such credits;
- Adoption of government policies or programs or increased publicity or popular sentiment in favor of vehicles or vehicle fuels other than natural gas, including long-standing support for gasoline and diesel-powered vehicles and growing support for electric and hydrogen-powered vehicles;
- The effect of, or potential for changes to, emissions requirements applicable to vehicles powered by gasoline, diesel, natural gas or other vehicle fuels;
- Emissions and other environmental regulations and pressures on crude oil and natural gas fueling stations and drilling, production, importing and transportation methods for these fuels; and
- The other risks discussed in these risk factors.

Our Zero Now heavy-duty truck financing initiative subjects us to material risks, and if this program is not successful, our financial results and business could be materially adversely affected.

One of our key strategic objectives is to fuel more natural gas heavy-duty trucks. As part of our efforts to achieve this goal, we have launched the *Zero Now* truck financing program, which is intended to facilitate and increase the deployment of natural gas heavy-duty trucks in the United States and encourage these operators to fuel their trucks at our stations. The *Zero Now* program is unique and complex and subjects us to a variety of risks.

The *Zero Now* program may not be successful for a variety of reasons, including continued slow or limited adoption of natural gas trucks by fleet operators, as discussed in these risks factors above, or the occurrence of any of the other risks described in these risk factors. For example, some operators have communicated to us that their primary reluctance to convert to natural gas trucks stems from experience or reputation of unsatisfactory performance by the first generation models of heavy-duty truck engines, actual or perceived insufficiencies in the financial incentives to convert, lack of demand for the conversion from customers and drivers, concern regarding the residual value of heavy-duty trucks and prioritization of other competing business concerns. If a sufficient number of truck operators do not participate in the *Zero Now* program, then it will not achieve its intended benefits and we will have expended substantial resources on an initiative that does not produce results.

In addition, the structure and terms of the program subject us to certain additional risks. For example, the term credit agreement we have established to implement the program permits us to incur substantial additional debt, and the related credit support agreement obligates us to make regular payments in amounts that will vary depending on the outstanding principal under the term credit agreement. These commitments are subject to, and will amplify, the risks associated with our outstanding indebtedness. In addition, the amounts owed under the term credit agreement and the credit support agreement use LIBOR as a benchmark for establishing the rate at which interest accrues. LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments are uncertain, but could include an increase in the cost of this indebtedness. Further, the commodity swap arrangements we established with an affiliate of TOTAL and THUSA in connection with launching the program introduce additional risks related to volatility in crude oil prices. These arrangements are designed to protect us from fluctuations in the price of crude oil; however, we may be subject to payment obligations if truck operators participating in the program do not use all of the fuel volume covered by the arrangements unless the excess fuel volume is fully and timely sold to our other customers. Any obligation to make payments under our commodity swap arrangements would increase our operating expenses and decrease our available cash flow, and any efforts to sell additional gallons to our other customers to avoid such payment obligations could result in lower margins and revenues.

Moreover, even if the *Zero Now* program achieves its intended goal of facilitating growth in the U.S. heavy-duty truck market, such growth may not positively affect our results for a variety of reasons. For example, if trucks purchased or financed in the program do not meet the minimum fuel purchase obligations under their supply agreements with us for any reason, including an operator experiencing lower-than-anticipated fuel demand or failing to comply with its payment obligations under its supply agreement, then the program would not result in the intended growth in our fuel sales volume and consequent increase in our revenues. Although we have built ANGH, our nationwide network of natural gas truck-friendly fueling stations, some operators may choose to fuel their natural gas vehicles elsewhere due to lack of convenient access, fuel prices or other factors. In that event, we would remain obligated to make payments under the debt agreements we have established in connection with the *Zero Now* program, which are based on the cost of the trucks purchased or financed in the program and not the amount of fuel volume we actually sell. As a result, we could become subject to significant payments under these debt agreements without a corresponding increase in revenues, in which case our performance and liquidity would be materially adversely affected.

We must effectively manage these risks to obtain the anticipated benefits from our *Zero Now* truck financing program and achieve our objective of fueling additional natural gas heavy-duty trucks. If we are not successful in meeting these objectives, our business, financial condition and operating results would be materially and adversely affected.

Increases, decreases and general volatility in oil, gasoline, diesel and natural gas prices could adversely affect our business.

Gasoline and diesel are today's most prevalent vehicle fuels. Prices for crude oil, which is the commodity used to make gasoline and diesel, have been low in recent years, due in part to over-production and increased supply without a corresponding increase in demand. If the prices of crude oil, gasoline and diesel continue to be low or decline further, or if the price of natural gas increases without corresponding increases in the prices of crude oil, gasoline and diesel, then market adoption of natural gas as a vehicle fuel could be slowed or limited. Further, any of these circumstances could decrease the market's perception of a need for alternative vehicle fuels generally, which could cause the prospects for and success of our industry and our business to materially suffer. In addition, under these pricing conditions, we may not be able to offer our customers an attractive price advantage for CNG and LNG and maintain an acceptable margin on our sales. Any such failure could result in an inability to attract new customers or a loss of demand from existing customers, or could directly and negatively affect our results of operations if we are forced to reduce the prices at which we sell natural gas to try to avoid such an effect. Conversely, if prices of gasoline and diesel increase or the price of natural gas decreases, we may not be able to capture a material portion of any increase in the demand for natural gas vehicle fuel that could result from favorable pricing conditions, due to increased competition from new entrants in the natural gas vehicle fuels market, expanded programs by existing competitors, or other factors.

Pricing conditions may also exacerbate the cost differential between natural gas vehicles and gasoline or diesel-powered vehicles, which may lead operators to delay or refrain from purchasing or converting to natural gas vehicles. Generally, natural gas vehicles cost more initially than gasoline or diesel-powered vehicles, because the components needed for a vehicle to use natural gas add to the vehicle’s base cost. Operators then seek to recover the additional base cost over time, through the lower cost to fuel a natural gas vehicle. Operators may, however, perceive an inability to timely recover these additional initial costs if CNG and LNG fuel are not available at prices sufficiently lower than gasoline and diesel. Such an outcome could decrease our potential customer base and harm our business prospects.

Additionally, the prices of natural gas, crude oil, gasoline and diesel have been volatile in recent years, and this volatility may continue. Fluctuations in natural gas prices affect the cost to us of the natural gas commodity. High natural gas prices adversely affect our operating margins when we cannot pass the increased costs through to our customers. Conversely, lower natural gas prices reduce our revenue when the commodity cost is passed through to our customers. As a result, these fluctuations in natural gas prices can have a significant and adverse effect on our operating results.

Factors that may cause fluctuations in gasoline, diesel and natural gas prices include, among others, changes in supply and availability of crude oil and natural gas, government regulations, inventory levels, consumer demand, price and availability of alternatives, weather conditions, negative publicity about crude oil or natural gas drilling, production or importing techniques and methods, economic and political conditions, transportation costs and the price of foreign imports.

We are dependent on the production of natural gas vehicles and engines in our key customer and geographic markets by vehicle and engine manufacturers, over which we have no control.

Natural gas vehicle and engine manufacturers control the development, production, quality assurance, cost and sales and marketing of their products, which shapes the performance, availability and reputation of these products in the marketplace. Although we are dependent on these manufacturers to succeed in our target markets, we have no influence over their activities. For example, Cummins Westport is the only natural gas engine manufacturer for the heavy-duty truck market in the United States, and this and other original equipment manufacturers currently produce a relatively small number of natural gas engines and vehicles for the U.S. and Canadian markets. These manufacturers may not decide to expand or maintain, or may decide to discontinue or curtail, their natural gas engine or vehicle product lines. The limited production of natural gas engines and vehicles increases their cost and limits their availability, which restricts their large-scale adoption, and also reduces their resale value, which may contribute to operator reluctance to convert their vehicles to natural gas. In addition, some operators have communicated to us that the first generation models of the natural gas engines for heavy-duty trucks have a reputation for unsatisfactory performance, and that this reputation or their first-hand experiences of such performance may be a factor in operator decisions regarding whether or not to convert their fleets to natural gas. The success of our business strategies and initiatives depends on sufficient availability and adoption of high-performing natural gas vehicles, and any production failures by the third-party manufacturers of these vehicles or their engines could harm our results of operations, business and prospects.

If there are improvements in or perceived advantages of non-natural gas vehicle fuels or engines powered by these fuels, demand for natural gas vehicles may decline.

Use of electric heavy-duty trucks, buses and refuse trucks, which are key customer markets for our business, or the perception that electric vehicles providing satisfactory performance at an acceptable cost may soon be widely available for these or other applications, could reduce demand for natural gas vehicles generally and in these key markets. In addition, hydrogen, renewable diesel and other alternative fuels in development may prove to be, or may be perceived to be, cleaner, more cost-effective, more readily available or otherwise more beneficial alternatives to gasoline and diesel than conventional or renewable natural gas. Further, technological advances in the production, delivery and use of gasoline, diesel or other alternative vehicle fuels, or the failure of natural gas vehicle fuel technology to advance at an equal pace, could slow or limit adoption of natural gas vehicles. For example, advances in gasoline and diesel engine technology, including efficiency improvements and further development of hybrid engines, may offer a more cost-effective way for operators to use a cleaner vehicle fuel, which could reduce the likelihood that fleet customers convert their vehicles to natural gas.

Our business is influenced by environmental, tax and other government regulations, programs and incentives that promote natural gas or other alternatives as a vehicle fuel, and their adoption, modification or repeal could negatively affect our business.

Our business is influenced by federal, state and local tax credits, rebates, grants and other government programs and incentives that promote the use of RNG, CNG and LNG as a vehicle fuel. These include the AFTC tax credit under which we generated revenue for our natural gas vehicle fuel sales made through the end of 2017, but which is not available for vehicle fuel sales made after that date, and various government programs that make grant funds available for the purchase of natural gas vehicles and construction of natural gas fueling stations. Additionally, our business is influenced by laws, rules and regulations that require reductions in carbon emissions and/or the use of renewable fuels, such as the programs under which we generate RINs and LCFS Credits by selling RNG, CNG and LNG as a vehicle fuel.

These programs and regulations, which have the effect of encouraging the use of RNG, CNG or LNG as a vehicle fuel, could expire or be repealed or amended for a variety of reasons. For example, parties with an interest in gasoline and diesel, electric or other alternative vehicles or vehicle fuels other than natural gas, including lawmakers, regulators, policymakers, environmental or advocacy organizations or other powerful groups, many of which have substantially greater resources and influence than we have, may invest significant time and money in efforts to delay, repeal or otherwise negatively influence regulations and programs that promote natural gas. Further, changes in federal, state or local political, social or economic conditions could result in the modification or repeal of these programs or regulations. Any failure to adopt, delay in implementing, expiration, repeal or modification of these programs and regulations, or the adoption of any programs and regulations that encourage the use of other alternative fuels or alternative vehicles over natural gas, would harm our operating results and financial condition. For instance, California lawmakers and regulators have implemented various measures designed to increase the use of electric, hydrogen and other zero-emission vehicles, including establishing firm goals for the number of these vehicles operating on state roads by specified dates and enacting various laws and other programs in support of these goals. Although the influence of these or similar measures on our business and natural gas vehicle adoption in general remains uncertain, the focus by these groups on zero-emission vehicles over vehicles operating on natural gas would adversely affect the market for natural gas vehicles and our business prospects.

We face increasing competition from a variety of businesses, many of which have far greater resources, experience, customer bases and brand awareness than we have, and we may not be able to compete effectively with these businesses.

The market for vehicle fuels is highly competitive. We believe the biggest competition for CNG and LNG use as a vehicle fuel is gasoline and diesel because the vast majority of vehicles in our key markets are powered by these fuels. We also compete with suppliers of other alternative vehicle fuels, including renewable diesel, biodiesel and ethanol, as well as producers and fuelers of alternative vehicles, including hybrid, electric and hydrogen-powered vehicles. Additionally, our stations compete directly with other natural gas fueling stations and indirectly with electric vehicle charging stations and fueling stations for other vehicle fuels. We also face high levels of competition with respect to our other business activities, including our procurement and sale of RNG and our transport and sale of CNG through the virtual natural gas pipelines and interconnects of our subsidiary, NG Advantage.

A number of businesses are in the market for natural gas and other alternatives for use as vehicle fuel, including alternative vehicle and alternative fuel companies, refuse collectors, industrial gas companies, truck stop and fuel station owners, fuel providers, utilities and their affiliates and other organizations. If the alternative vehicle fuel market grows, then the number and type of participants in this market and their level of capital and other commitments to alternative vehicle fuel programs could increase.

Some of our competitors have substantially greater financial, marketing and other resources than we have. As a result, these competitors may be able to respond more quickly to changes in customer preferences, legal requirements or other industry or regulatory trends; devote greater resources to the development, promotion and sale of their products; adopt more aggressive pricing policies; dedicate more effort to infrastructure and systems development in support of their business or product development activities; implement more robust or creative initiatives to advance consumer acceptance of their products; or exert more influence on the regulatory landscape that affects the vehicle fuels market.

We expect competition to increase in the vehicle fuels market generally. In addition, if the demand for natural gas vehicle fuel increases, then we expect competition in the market for natural gas vehicle fuel would also increase. Any such increased competition may reduce our customer base and revenue and may lead to increased pricing pressure, reduced operating margins and fewer expansion opportunities.

We may not generate sufficient cash flow from our business to pay our debt.

We have material indebtedness, and we are permitted to incur significant additional indebtedness under the agreements we established in connection with our *Zero Now* truck financing program.

Our payments of amounts owed under our various debt instruments and the CSA (as defined in Note 12 of this report) will reduce our cash resources available for other purposes, including pursuing strategic initiatives, transactions or other opportunities, satisfying our other commitments and generally supporting our operations. Moreover, our ability to make these payments depends on our future performance, which is subject to economic, financial, competitive and other factors, including those described in these risk factors, and many of which are beyond our control. Our business may not generate sufficient cash from operations to service our debt.

If we cannot meet our debt obligations from our operating cash flows, we may pursue one or more alternative measures. For instance, we are permitted to issue up to 14.0 million shares of our common stock to repay part of the outstanding principal amount of our outstanding convertible notes due June 2020. Any repayment of our debt with equity, however, would dilute the ownership interests of our existing stockholders. Additionally, because the agreements governing much of our existing indebtedness contain minimal restrictions on our ability to incur additional debt and do not require us to maintain financial ratios or specified levels of net worth or liquidity, we may seek capital from other sources to service our debt, such as selling assets, restructuring or refinancing our existing debt or obtaining additional equity or debt financing. Our ability to engage in any of these activities, if we decide to do so, would depend on the capital markets and the state of our industry, business and financial condition at the time, and could also subject us to significant risks, which are discussed in these risk factors. Moreover, we may not be able to obtain any additional capital we may pursue on desirable terms, at a desirable time or at all. Any failure to pay our debts when due could result in a default on our debt obligations. In addition, certain of our debt agreements contain restrictive covenants, and any failure by us to comply with these covenants could also cause us to be in default under these agreements.

In the event of any default on our debt obligations, the holders of the indebtedness could, among other things, declare all amounts owed immediately due and payable. Additionally, with respect to any amounts owed under our term credit agreement that are paid by THUSA pursuant to its guaranty rather than by us, THUSA would be permitted to take direct possession of funds paid by fleet operators under any fuel supply agreements we establish in connection with our Zero Now truck financing program. Any such declaration or possession of funds could deplete all or a large portion of our available cash flow, and thereby reduce the amount of cash available to pursue our business plans or force us into bankruptcy or liquidation.

Our outstanding and permitted indebtedness could make us more vulnerable to adverse changes in general U.S. and worldwide economic, regulatory and competitive conditions, limit our flexibility to plan for or react to changes in our business or industry, place us at a disadvantage compared to our competitors that have less debt or limit our ability to borrow or otherwise raise additional capital as needed.

We may need to raise additional capital to continue to fund our business or repay our debt, which could have negative effects and may not be available when needed, on acceptable terms or at all.

We require capital to make principal and interest payments on our indebtedness, and to pay for capital expenditures (including NG Advantage capital expenditures), our other operating expenses, and any mergers, acquisitions or strategic investments, transactions or relationships we may pursue. If we cannot fund any of these activities with capital on-hand or cash provided by our operations, we may seek to obtain additional capital from other sources, such as by selling assets or pursuing debt or equity financing.

Asset sales and equity or debt financing may not be available when needed, on terms favorable to us or at all. Any sale of our assets to generate cash proceeds may limit our operational capacity and could limit or eliminate any revenue streams or business plans that are dependent on the sold assets. Any issuances of our common stock or securities convertible into our common stock to raise capital would dilute the ownership interest of our existing stockholders. Any debt financing we may pursue could require us to make significant interest or other payments and to pledge some or all of our assets as security. In addition, higher levels of indebtedness could increase our risk of non-repayment, adversely affect our creditworthiness and amplify the other risks associated with our existing debt, which are discussed in these risk factors. Further, we may incur substantial costs in pursuing any capital-raising transactions, including investment banking, legal and accounting fees. On the other hand, if we are unable to obtain capital in amounts sufficient to fund our obligations, expenses and strategic initiatives, we could be forced to suspend, delay or curtail our business plans or operating activities or could default on our contractual commitments. Any such outcome could negatively affect our business, performance, liquidity and prospects.

Compliance with greenhouse gas emissions regulations that affect our operations may prove costly and negatively affect our performance and financial condition.

California has enacted laws and regulations that require specified greenhouse gas emissions reductions, and the federal government and several other state governments are considering similar measures. Enacted or proposed regulations could affect several areas of our operations, including our sales of conventional and renewable natural gas and the operation of our CNG and LNG fueling stations and our LNG production plants. For instance, since 2015 California's AB 32 law, which regulates greenhouse gas emissions from transportation fuels, including emissions associated with the CNG and LNG vehicle fuel we sell, imposes increased compliance costs on utilities, suppliers and/or users of CNG and LNG fuel. See the discussion under "Government Regulation and Environmental Matters - Sale of Natural Gas Vehicle Fuel, Operation of Fueling Stations and Production of LNG: Greenhouse Gas Emissions Regulation" in Item 1. Business of our 2018 Form 10-K for information about the implementation of AB 32.

The increased costs of CNG and LNG vehicle fuel as a result of AB 32 could diminish the attractiveness of these fuels for existing and prospective customers in California, which could reduce our customer base and fuel sales in one of our key geographic markets. Additionally, to the extent we are not able to pass these increased costs through to our customers, we could experience increased expenses and reduced margins. Any of these outcomes could cause our performance to suffer, impair our ability to fulfill customer contracts and reduce our cash available for other aspects of our business. Moreover, if similar laws or regulations are adopted and implemented by other states or by the federal government, or if existing laws are amended to make them more stringent, any compliance costs associated with the new or amended laws could amplify these effects. Further, any such new or more stringent laws or regulations could require us to undertake or incur significant additional capital expenditures or other costs to, among other things, buy emissions or other environmental credits or invest in costly new emissions prevention technologies. We cannot estimate the expenses we may incur to comply with potential new laws or changes to existing laws, or the other potential effects these laws may have on our business, and these unknown costs and effects are not contemplated by our existing customer agreements or our budgets and cost estimates.

In addition, any failure by us to comply with existing or any future emissions laws or regulations could result in monetary penalties or a variety of other administrative, civil and criminal enforcement measures, any of which could have a material adverse effect on our business, reputation, financial condition and results of operations.

Our RNG business may not be successful.

Our RNG business consists of purchasing RNG from third-party producers, including BP, and reselling this RNG through our natural gas fueling infrastructure as Redeem, our RNG vehicle fuel.

The success of our RNG business depends on our ability to secure, on acceptable terms, a sufficient supply of RNG from BP and other third parties; to sell this RNG in adequate volumes and at prices that are attractive to customers and produce acceptable margins for us; and to sell, at favorable prices, credits we may generate under applicable federal or state programs from our sale of RNG as a vehicle fuel, including RINs and LCFS Credits. If we are not successful at one or more of these activities, our RNG business could fail and our performance and financial condition could be materially harmed.

Our ability to maintain an adequate supply of RNG is subject to risks affecting RNG production. Projects that produce pipeline-quality RNG often experience unpredictable production levels or other difficulties due to a variety of factors, including, among others, problems with equipment, severe weather, construction delays, technological difficulties, high operating costs, limited availability or unfavorable composition of collected feedstock gas, and plant shutdowns caused by upgrades, expansion or required maintenance. In addition, increasing demand for RNG could also result in more robust competition for supplies of RNG, including from other vehicle fuel providers, gas utilities (which may have distinct advantages in accessing RNG supply, including potential use of ratepayer funds to fund RNG purchases if approved by a utility's regulatory commission) and other users and providers. If any of our RNG suppliers experience these or other difficulties in their RNG production processes, or if competition for RNG supply materially increases, then our supply of RNG and our ability to resell it as a vehicle fuel could be jeopardized.

Our ability to generate revenue from our sale of RNG or our generation and sale of RINs and LCFS Credits depends on a number of factors, including the markets for RNG as a vehicle fuel and for these credits. The market for RNG as a vehicle fuel is subject to the same fluctuations and unpredictability that affect the market for natural gas vehicle fuel generally, which is discussed in these risk factors. The markets for RINs and LCFS Credits have been volatile and unpredictable in recent periods, and the prices for these credits have been subject to significant fluctuations. Additionally, the value of RINs and LCFS Credits, and consequently the revenue levels we may receive from our sale of these credits, may be adversely affected by changes to the federal and state programs under which these credits are generated and sold or other market conditions. Further, our ability to generate revenue from sales of these credits depends on our strict compliance with these federal and state programs, which are complex and can involve a significant degree of judgment. If the agencies that administer and enforce these programs disagree with our judgments, otherwise determine we are not in compliance, conduct reviews of our activities or make changes to the programs, then our ability to generate or sell these credits could be temporarily restricted pending completion of reviews or as a penalty, permanently limited or lost entirely, and we could also be subject to fines or other sanctions. Any of these outcomes could force us to purchase credits in the open market to cover any credits we have contracted to sell, retire credits we may have generated but not yet sold, reduce or eliminate a significant revenue stream or incur substantial additional and unplanned expenses. Moreover, in the absence of federal and state programs that support the RNG vehicle fuel market, including allowing the generation and sale of RINs, LCFS Credits or other credits, or if our customers are not willing to pay a premium for RNG, we may be unable to operate our RNG business profitably or at all.

NG Advantage may not be successful.

NG Advantage's business consists of transporting and selling CNG for non-vehicle purposes via virtual natural gas pipelines and interconnects. It transports CNG to industrial and institutional energy users that do not have direct access to natural gas pipelines. NG Advantage also transports CNG between pipelines for customers that desire to take advantage of commodity price differences. NG Advantage faces unique risks, in addition to the other risks discussed in these risk factors:

- It has a history of net losses and has incurred substantial indebtedness;
- NG Advantage will need to raise additional capital, which may not be available, may only be available on onerous terms, or may have to be provided by Clean Energy. For example, in the six months ended June 30, 2019, we lent NG Advantage $8.6 million and in the year ended December 31, 2018, we purchased 1.0 million common units from NG Advantage for $5.0 million;
- It has considerable obligations under its arrangements with BP and other customers, and if NG Advantage fails to perform under such arrangements it would be subject to significant liquidated damages;
- The labor market for truck drivers in very competitive, which increases the difficulty of NG Advantage in meeting its delivery obligations;
- NG Advantage often transports CNG in trailers over long distances and the trailers may be involved in accidents; and
- NG Advantage has been targeted by environmental groups who seek to disrupt its activities.

If NG Advantage fails to manage these risks and the other risks described in these risk factors, our business, financial condition, results of operations, prospects and reputation may be harmed.

Our station construction activities subject us to a number of business and operational risks.

As part of our business activities, we design and construct natural gas fueling stations that we either own and operate ourselves or sell to our customers. These activities require a significant amount of judgment in determining where to build and open fueling stations, including predictions about fuel demand that may not be accurate for any of the locations we target. As a result, we have built stations that we may not open for fueling operations and we may open stations that fail to generate the volume or profitability levels we anticipate, either or both of which could occur due to a lack of sufficient customer demand at the station locations or for other reasons. For any stations that are completed but unopened, we would have substantial investments in assets that do not produce revenue, and for any stations that are open and underperforming, we may decide to close the stations. We determined to close a number of underperforming stations in the third and fourth quarters of 2017, and any further station closures could result in substantial additional costs and non-cash asset impairments or other charges, and could also harm our reputation and reduce our potential customer base.

We also face a number of operational challenges in connection with our station design and construction activities. For example, we may not be able to identify suitable locations for the stations we or our customers seek to build. Additionally, even if preferred sites can be located, we may encounter land use or zoning difficulties, challenges obtaining and retaining required permits and approvals or local resistance, any of which could prevent us or our customers from building new stations on these sites or limit or restrict the use of new or existing stations that are built on these sites. Any such difficulties, resistance or limitations or any failure to comply with local permit, land use or zoning requirements could restrict our activities or expose us to fines, reputational damage or other liabilities, which would harm our business and results of operations. In addition, we act as the general contractor and construction manager for new station construction and facility modification projects, and we typically rely on licensed subcontractors to perform the construction work. We may be liable for any damage we or our subcontractors cause or for injuries suffered by our employees or our subcontractors' employees during the course of work on our projects. Additionally, shortages of skilled subcontractor labor could significantly delay a project or otherwise increase our costs. Further, our expected profit from a project is based in part on assumptions about the cost of the project, and cost overruns, delays or other execution issues may, in the case of projects we complete and sell to customers, result in our failure to achieve our expected margins or cover our costs, and in the case of projects we build and own, result in our failure to achieve an acceptable rate of return. If any of these events were to occur, our business, operating results and liquidity could be negatively affected.

We have significant contracts with government entities, which are subject to unique risks.

We have, and expect to continue to seek, long-term RNG, CNG and LNG station construction, maintenance and fuel sale contracts with various government bodies, which accounted for material portions of our revenue in 2016, 2017, 2018, and the six months ended June 30, 2019. In addition to normal business risks, including the other risks discussed in these risk factors, our contracts with government entities are often subject to unique risks, some of which are beyond our control. For example, long-term government contracts and related orders are subject to cancellation if adequate appropriations for subsequent performance periods are not made. Further, the termination of funding for a government program supporting any of our government contracts could result in the loss of anticipated future revenue attributable to the contract. Moreover, government entities with which we contract are often able to modify, curtail or terminate contracts with us at their convenience and without prior notice, and would only be required to pay for work completed and commitments made at or prior to the time of termination. The occurrence of any of these events would have a material adverse effect on our results of operations and financial condition.

In addition, government contracts are frequently awarded only after competitive bidding processes, which are often protracted. In many cases, unsuccessful bidders for government contracts are provided the opportunity to formally protest the contract awards through various agencies or other administrative and judicial channels. The protest process may substantially delay a successful bidder's contract performance, result in cancellation of the contract award entirely and distract management. As a result, we may not be awarded contracts for which we bid, and substantial delays or cancellation of contracts may follow any successful bids as a result of any protests by other bidders.

Our operations entail inherent safety and environmental risks, which may result in substantial liability to us.

Our operations entail inherent safety risks, including risks associated with equipment defects, malfunctions, failures and misuses. For example, operation of LNG pumps requires special training because of the extremely low temperatures of LNG. Also, LNG tanker trailers and CNG fuel tanks and trailers could rupture if involved in accidents or improper maintenance or installation. Further, improper refueling of natural gas vehicles or operation of natural gas vehicle fueling stations could result in sudden releases of pressure which could cause explosions or other damage, or the venting of methane. These safety and environmental risks could result in uncontrollable flows of natural gas, fires, explosions, death or serious injury, any of which may expose us to liability for personal injury, wrongful death, property damage, pollution and other environmental damage. We may incur substantial liability and costs if any such damages are not covered by insurance or are in excess of policy limits, or if environmental damage causes us to violate applicable greenhouse gas emissions or other environmental laws. Additionally, the occurrence of any of these events with respect to our fueling stations or our other operations could materially harm our business and reputation. Moreover, the occurrence of any of these events to any other organization in the natural gas vehicle fuel business could harm our industry generally by negatively affecting perceptions about, and adoption levels of, natural gas as a vehicle fuel.

Our business is subject to a variety of government regulations, which may restrict our operations and result in costs and penalties.

We are subject to a variety of federal, state and local laws and regulations relating to the environment, health and safety, labor and employment, building codes and construction, zoning and land use, the government procurement process, any political activities or lobbying in which we may engage, public reporting and taxation, among others. It is difficult and costly to manage the requirements of every authority having jurisdiction over our various activities and to comply with their varying standards. Many of these laws and regulations are complex, change frequently and have become more stringent over time. Any changes to existing regulations or adoption of new regulations may result in significant additional expense to us or our customers. Further, from time to time, as part of the regular evaluation of our operations, including newly acquired or developing operations, we may be subject to compliance audits by regulatory authorities, which may distract management from our revenue-generating activities and involve significant costs and use of other resources. Also, we often need to obtain facility permits or licenses to address, among other things, storm water or wastewater discharges, waste handling and air emissions in connection with our operations, which may subject us to onerous or costly permitting conditions or delays if permits cannot be timely obtained.

Our failure to comply with any applicable laws and regulations could result in a variety of administrative, civil and criminal enforcement measures, including, among others, assessment of monetary penalties, imposition of corrective requirements or prohibition from providing services to government entities. If any of these enforcement measures were imposed on us, our business, financial condition and performance could be negatively affected.

We may from time to time pursue acquisitions, divestitures, investments or other strategic relationships or transactions, which could fail to meet expectations or otherwise harm our business.

We may acquire or invest in other companies or businesses or pursue other strategic transactions or relationships, such as joint ventures, collaborations, divestitures or other similar arrangements. For example, in March 2017 we completed the BP Transaction, in December 2017 we completed the CEC Combination, and in October 2018 and January 2019 we established arrangements with THUSA and others to launch the *Zero Now* truck financing program.

These strategic transactions and relationships and any others we may pursue in the future involve numerous risks, any of which could harm our business, performance and liquidity, including, among others:

- Difficulties integrating the operations, personnel, contracts, service providers and technologies of an acquired company or partner;
- Diversion of financial and management resources from existing operations or alternative acquisition, investment, strategic or other opportunities;
- Failure to realize the anticipated synergies or other benefits of a transaction or relationship;
- Failure to identify all of the operating problems, liabilities, shortcomings or other challenges associated with a company or asset we may partner with, invest in or acquire, including issues related to regulatory compliance practices, revenue recognition or other accounting practices, intellectual property rights, employee, customer or vendor relationships, or differing business strategies, approaches, cultures or goals;
- Risks of entering new customer or geographic markets in which we may have limited or no experience, including, among others, challenges satisfying differing customer demands and preferences and complying with differing laws and regulations, as well as risks related to political and economic instability in some regions, trade restrictions or barriers and currency exchange or repatriation uncertainties;
- Potential loss of an acquired company's or partner's key employees, customers or vendors in the event of an acquisition or investment, or potential loss of our assets (and their associated revenue streams), employees or customers in the event of a divestiture or other strategic transaction;
- Risks associated with any joint venture or other collaboration relationship we may pursue, including as a result of our relinquishing of some degree of control over the assets, technologies or businesses that are the subject of the joint venture or collaboration, or as a result of our partners having business goals and interests that are not aligned with ours or being unable or unwilling to fulfill their obligations in the relationship;
- Incurrence of substantial costs or debt or equity dilution to fund an acquisition, investment or other transaction or relationship, and any inability to generate sufficient revenue from the transaction or relationship to offset such costs;
- Possible write-offs or impairment charges relating to any businesses we partner with, invest in or acquire; and
- The occurrence of many of the risks described above if we fail to accurately predict trends in our key markets, which could lead us to neglect opportunities that ultimately capitalize on these trends or, conversely, pursue transactions that do not best serve our markets or customers over the long term.

Our results of operations fluctuate significantly and are difficult to predict.

Our results of operations have historically experienced, and may continue to experience, significant fluctuations as a result of a variety of factors, including, among others, the amount and timing of our natural gas vehicle fuel sales, station construction sales, volumes and sales of, and prices for, RINs and LCFS Credits, and recognition of government credits, grants and incentives, such as AFTC (for example, we received no AFTC revenue in 2017, but we received all of the AFTC revenue associated with our vehicle fuel sales made in 2017 during the first quarter of 2018); fluctuations in commodity, station construction and labor costs and natural gas prices; variations in the fair value of certain of our derivative instruments that are recorded in revenue; the amount and timing of our billing, collections and liability payments; and the other factors described in these risk factors.

Our performance in certain periods has also been affected by transactions or events that have resulted in significant cash or non-cash gains or losses. For example, our results for 2017 were positively affected by gains related to repurchases or retirements of our outstanding convertible debt at a discount and by a gain related to the BP Transaction, but were also negatively affected by significant charges in connection with our closure of certain fueling stations, the decreased operating performance of our former natural gas fueling compressor manufacturing business, our determination of an impairment of assets as a result of the foregoing, and certain other actions. These or other similar gains or losses may not recur regularly, in the same amounts or at all in future periods.

These significant fluctuations in our operating results may render period-to-period comparisons less meaningful, and investors in our securities should not rely on the results of any one period as an indicator of performance in any other period. Additionally, these fluctuations in our operating results could cause our performance in any period to fall below the financial guidance we have provided to the public or the estimates and projections of the investment community, which could negatively affect the price of our common stock.

We depend on key people to generate and oversee our strategies and operate our business, and our business could be harmed if we are unable to retain these key people.

We believe our future success is dependent on the contributions of certain key people, including our executive officers and directors. In many cases, we believe these individuals' knowledge of our business and experience in our industry would be difficult to replace. As a result, and due to the high levels of competition for talent in our industry, we may incur significant costs to try to retain these key people. All of our U.S. employees, however, including our management team, are permitted to terminate their employment relationships with us at any time, and any of our directors could resign at any time or fail to be re-elected by our stockholders on an annual basis. If we are unable to retain our key people, or if these individuals leave our Company and we are unable to attract and successfully integrate quality replacements in a timely manner and on reasonable terms, our business, operating results and financial condition could be harmed.

Natural gas purchase and sale commitments may exceed demand or supply, as applicable, which could cause our costs relative to our revenue to increase.

We are a party to two long-term natural gas purchase agreements with a take-or-pay commitment, and we may enter into additional similar contracts in the future. These take-or-pay commitments require us to pay for the natural gas we have agreed to purchase, irrespective of whether we sell the gas. If the market for natural gas as a vehicle fuel declines or fails to develop as we anticipate, if we lose natural gas vehicle fueling customers, or if demand under any existing or future sales contract diminishes, these take-or-pay commitments may exceed our natural gas demand. In addition, we are involved in various firm commitment natural gas supply arrangements, and we may establish additional similar arrangements in the future. These arrangements require us to supply certain volumes of natural gas over specified periods of time, and subject us to deficiency payments or other penalties if we are unable to deliver the committed volumes as and when required. If we fail to generate sufficient demand for our take-or-pay purchase commitments or satisfy our firm supply commitments, our supply costs or operating expenses could increase without a corresponding increase in revenue, which could negatively affect our margins, performance and liquidity.

We provide financing to fleet customers for natural gas vehicles, which exposes our business to credit risks.

We directly lend to certain qualifying customers a portion, and occasionally all, of the purchase price of natural gas vehicles they agree to buy. This direct financing is in addition to our funding of the incremental cost of natural gas heavy-duty trucks purchased or leased in our *Zero Now* truck financing program. These financing activities involve a number of risks, including general credit risks associated with equipment finance relationships. For example, financed equipment often consists mostly of vehicles, which are mobile and easily damaged, lost or stolen. In addition, the borrower may default on payments, enter bankruptcy proceedings or liquidate. The materialization of any of these risks could harm our vehicle finance business and our operations and liquidity.

Our warranty reserves may not adequately cover our warranty obligations, which could result in unexpected costs.

We provide product warranties with varying terms and durations for the stations we build and sell, and we establish reserves for the estimated liability associated with these warranties. Our warranty reserves are based on historical trends and any specifically identified warranty issues known to us, and the amounts estimated for these reserves could differ materially from the warranty costs we may actually incur. We would be adversely affected by an increase in the rate or volume of warranty claims or the amounts involved in warranty claims, any of which could increase our costs beyond our established reserves and cause our cash position and financial condition to suffer.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to our systems, networks, products, and services.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. There have been several recent, highly publicized cases in which organizations of various types and sizes have reported the unauthorized disclosure of customer or other confidential information, as well as cyberattacks involving the dissemination, theft and destruction of corporate information, intellectual property, cash or other valuable assets. There have also been several highly publicized cases in which hackers have requested "ransom" payments in exchange for not disclosing customer or other confidential information or for not disabling the target company's computer or other systems. Implementing security measures designed to prevent, detect, mitigate or correct these or other IT security threats involves significant costs, and any such measures we have implemented or may implement in the future could be inadequate or could fail, especially because cyberattack techniques are increasingly sophisticated, change frequently and are often not recognized until launched. Any IT security threats that are successful against our security measures could, depending on their nature and scope, lead to the compromise of confidential information, improper use of our systems and networks, manipulation and destruction of data, operational disruptions and substantial financial outlays. Further, a cyberattack could occur and persist for an extended period of time without detection, and an investigation of any successful cyberattack would likely require significant time, costs and other resources to complete. The occurrence of any of these risks could materially harm our business, reputation and performance.

Global climate change may in the future increase the frequency and severity of weather events and the losses resulting therefrom, which could have a material adverse effect on our business and the markets in which we operate.

Over the past several years, changing weather patterns and climatic conditions have added to the unpredictability and frequency of natural disasters in certain parts of the world and have created additional uncertainty as to future trends. We cannot predict whether or to what extent natural disasters may occur or increase, nor can we predict the effect such events will have on our operations or the geographic markets in which we operate; however, any increased frequency or severity of these events could increase their overall negative effect on economic conditions in these regions and could also affect our operations if our fueling stations, our LNG plants or our customers' operations are damaged or otherwise subject to limited operations as a result of such an event. The occurrence of any of these risks could negatively affect our business, performance and liquidity, and could also cause the price of our common stock to decline.

Risks Related to Our Common Stock

A significant portion of our common stock is beneficially owned by a single stockholder that may have interests that differ from yours and that is able to exert significant influence over our corporate decisions, including a change of control.

Following our issuance and sale of our common stock to Total in June 2018, Total holds approximately 25% of our outstanding shares of common stock and the largest ownership position of our Company. In addition, TOTAL was granted certain special rights that our other stockholders do not have in connection with its acquisition of this ownership position, including the right to designate two individuals to serve as directors of our Company and a third individual to serve as an observer on certain of our board committees. TOTAL or other large stockholders may be able to influence or control matters requiring approval by our stockholders, including the election of directors and mergers, acquisitions or other extraordinary transactions. TOTAL, however, may have interests that differ from yours and may vote or otherwise act in ways with which you disagree or that may be adverse to your interests. A concentration of stock ownership may also have the effect of delaying, preventing or deterring a change of control of our Company, which could deprive our stockholders of an opportunity to receive a premium for their shares of our common stock as part of a sale of our Company and could affect the market price of our common stock. Conversely, such a concentration of stock ownership may facilitate a change of control under terms you and other stockholders may not find favorable or at a time when you and other stockholders may prefer not to sell.

Sales of our common stock, or the perception that such sales may occur, could cause the market price of our stock to drop significantly, regardless of the state of our business.

All outstanding shares of our common stock are eligible for sale in the public market, subject in certain cases to the requirements of Rule 144 under the Securities Act. Also, shares of our common stock that may be issued upon the exercise, vesting or conversion of our outstanding stock options, restricted stock units and convertible notes may be eligible for sale in the public market, to the extent permitted by Rule 144 and the provisions of the applicable stock option, restricted stock unit and convertible note agreements or if such shares have been registered under the Securities Act. If these shares are sold, or if it is perceived that they may be sold, in the public market, the trading price of our common stock could decline.

The price of our common stock may continue to fluctuate significantly, and you could lose all or part of your investment.

The market price of our common stock has experienced, and may continue to experience, significant volatility. Factors that may cause volatility in the price of our common stock, many of which are beyond our control, include, among others:

- The factors that may influence the adoption of natural gas as a vehicle fuel, as discussed in these risk factors;
- Our ability to implement our business plans and initiatives and their anticipated, perceived or actual level of success;
- Failure to meet or exceed the financial guidance we have provided to the public or the estimates and projections of the investment community;

- The success of our *Zero Now* truck financing program;
- The market's perception of the success and importance of any of our acquisitions, divestitures, investments or other strategic relationships or transactions;
- Volumes and sales of, and prices for, RINs and LCFS Credits;
- Changes in political, regulatory, economic and market conditions;
- Changes to our management, including officer or director departures, replacements or other changes;
- Our issuance of additional shares of our common stock (or securities convertible into or exchangeable for our common stock);
- A change in the trading volume of our common stock; and
- The other risks described in these risk factors.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies, but which have affected the market prices of these companies' securities. These market fluctuations may also materially and adversely affect the market price of our common stock.

Volatility or declines in the market price of our common stock could have other negative consequences, including, among others, potential impairments to our assets or goodwill or a reduced ability to use our common stock for capital-raising, acquisitions or other purposes. The occurrence of any of these risks could materially and adversely affect our financial condition, results of operations and liquidity and could cause further declines in the market price of our common stock.

Item 2.—Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3.—Defaults upon Senior Securities

None.

Item 4.—Mine Safety Disclosures

None.

Item 5.—Other Information

None.

Item 6.—Exhibits

The information required by this Item 6 is set forth on the Exhibit Index that immediately precedes the signature page to this report and is incorporated herein by reference.

EXHIBIT INDEX

Exhibit Number	Description
31.1*	Certification of Andrew J. Littlefair, President and Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Robert M. Vreeland, Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by Andrew J. Littlefair, President and Chief Executive Officer, and Robert M. Vreeland, Chief Financial Officer.
10.133*	Form of Note Purchase Agreement, Convertible Promissory Note and Warrant to Purchase Common Units, dated June 28, 2019, between NG Advantage, LLC and Clean Energy
101*	The following materials from the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of December 31, 2018 and June 30, 2019; (ii) Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2018 and 2019; (iii) Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2018 and 2019; (iv) Condensed Consolidated Statements of Cash Flows for the Three and Six Months Ended June 30, 2018 and 2019; and (v) Notes to Condensed Consolidated Financial Statements.

* Filed herewith.
** Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		CLEAN ENERGY FUELS CORP.
Date: August 8, 2019	By:	/s/ ROBERT M. VREELAND
		Robert M. Vreeland
		Chief Financial Officer
		(Principal financial officer and duly authorized to sign on behalf of the registrant)

NG ADVANTAGE LLC
NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this "***Agreement***") is dated as of June 28, 2019, by and between NG Advantage LLC, a Delaware limited liability company (the "***Company***"), and Clean Energy Finance, LLC, a California limited liability company ("***Clean Energy***"). The Company and Clean Energy hereby agree as follows:

SECTION 1
AUTHORIZATION, SALE AND ISSUANCE

1.1 Authorization, Sale and Issuance of Note.

The Company shall, prior to the Closing (as defined below), authorize the sale and issuance of (a) a convertible promissory note in the form attached hereto as Schedule A in the principal amount of up to $15,187,946.77 (the "***Note***"), (b) the Company's Common Units (as defined in the Operating Agreement (as defined below)) into which the Note may be converted in accordance with the terms thereof (such Common Units, the "***Units***"), (c) the warrants in the form attached hereto as Schedule B to be issued in accordance with the Note (the "***Warrants***"), and (d) the Units issuable upon exercise of the Warrants (the Units, the Warrants and the Note are collectively referred to as the "***Securities***"). Subject to the terms and conditions of this Agreement, Clean Energy agrees to purchase the Note and the Warrants in accordance with the terms of this Agreement and the Note, and the Company agrees to sell and issue the Note and the Warrants to Clean Energy at the Closing. Capitalized but otherwise undefined terms used herein shall have the meanings provided therefor in the Note.

SECTION 2
CLOSING AND DELIVERY

2.1 Closings.

The purchase, sale and issuance of the Note to Clean Energy (the "***Closing***") shall take place on the date hereof at the offices of Clean Energy, located at 4675 MacArthur Court, Suite 800, Newport Beach, California 92660.

2.2 Issuance and Delivery.

At the Closing, the Company shall issue and deliver the Note to Clean Energy and shall update the Company's unit ledger and all other applicable books and records to reflect such issuance. At the Closing, the Company shall issue and sell to Clean Energy the Warrant to purchase up to the number of Common Units as set forth therein.

SECTION 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Clean Energy, as of the date hereof and as of the Closing (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), as follows:

3.1 Organization, Good Standing and Qualification.

The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all requisite limited liability company power and authority, and holds all governmental licenses, to own and operate its properties and assets, to carry on its business as presently conducted and as proposed to be conducted, to execute and deliver this Agreement, to issue and sell the Securities and to perform its obligations pursuant to this Agreement and the Amended and Restated Limited Liability Company Operating Agreement of the Company dated July 14, 2017, as subsequently amended on February 28, 2018, October 1, 2018, February 15, 2019 and on or about the date hereof (such amendment dated on or about the date hereof, the "***Operating Agreement Amendment***," and such agreement, as so amended to date, the "***Operating Agreement***"). The Company is presently qualified to do business as a foreign limited liability company in each jurisdiction where the failure to be so qualified could reasonably be expected to have, individually or in the aggregate, a material adverse effect on (a) the Company's condition, assets, properties, operating results, business or prospects, financially or otherwise, as now conducted and as proposed to be conducted, or (b) the prospect of repayment of any portion of the Obligations (a "***Material Adverse Effect***").

3.2 Issuance.

The Units, when issued and delivered and paid for in compliance with the provisions of this Agreement and the Note, will be validly issued, fully paid and nonassessable. The Securities will be free of any liens or encumbrances, other than any liens or encumbrances created by Clean Energy; provided, however, that the Securities are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein, in the Operating Agreement and in the Amended and Restated Right of First Offer and Co-Sale Agreement, dated as of October 14, 2014, among the Company, Clean Energy and the additional individuals and entities listed on Exhibit A and Exhibit B thereto (the "***Right of First Offer and Co-Sale Agreement***"). Except as set forth in the Operating Agreement or the Right of First Offer and Co-Sale Agreement, the Securities are not subject to any preemptive rights or rights of first offer.

3.3 Authorization.

All limited liability company action on the part of the Company and its managers, officers and members necessary for the authorization, execution, delivery and performance of this Agreement by the Company, the authorization, sale, issuance and delivery of the Securities, and the performance of all of the Company's obligations under this Agreement, has been taken or will be taken prior to the Closing. This Agreement, when executed and delivered by the Company, shall constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and (b) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies and by general principles of equity.

3.4 Governmental Consents.

No consent, approval, order or authorization of or registration, qualification, designation, declaration or filing with any court, governmental authority or third party on the part of the Company is required in connection with the valid execution and delivery of this Agreement by the Company, the offer, sale or issuance of the Securities, or the performance by the Company of its obligations under this Agreement, except (a) the filing of such notices as may be required under the Securities Act and (b) such filings as may be required under applicable state securities laws, each of which will be timely filed within the applicable periods therefor.

3.5 Offering.

Subject to the accuracy of Clean Energy's representations and warranties in SECTION 4, the offer, sale and issuance of the Securities in conformity with the terms of this Agreement constitute transactions exempt from the registration requirements of the Securities Act and will not result in a violation of the qualification or registration requirements of applicable state securities laws, and neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemption.

3.6 Compliance.

The Company is not in violation of its Certificate of Formation as in effect on the date hereof or any term of the Operating Agreement, or, in any material respect, of any term or provision of any mortgage, indebtedness, indenture, contract, agreement, instrument, judgment, order or decree to which it is party or by which it is bound. To the best of the Company's knowledge, the Company is not in violation of any federal, state or local statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof applicable to the Company, the conduct of its business or its properties. The execution and delivery of this Agreement by the Company, the performance by the Company of its obligations pursuant to, and consummation of the transactions contemplated by, this Agreement, and the sale and issuance of the Securities, will not (a) result in any violation of, or conflict with, or constitute, with or without the passage of time and giving of notice, a default under, or constitute an event that could entitle any counterparty or other third party to exercise any additional rights under or result in the acceleration of the maturity of any material indebtedness of the Company or the performance of any obligation of the Company under, the Company's Certificate of Formation or its Operating Agreement or any such mortgage, indebtedness, indenture, contract, agreement, instrument, judgment order or decree, (b) result in the violation of, or conflict with, any federal or state statute, rule or regulation applicable to the Company or its properties, (c) constitute an event that results in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company, or (d) constitute an event that results in the suspension, revocation, impairment, forfeiture or nonrenewal of any material franchise, permit, license, authorization or approval applicable to the Company, its business or operations or any of its assets or properties.

3.7 Financial Information; Projections; Material Liabilities.

The Company's financial statements which have been delivered to Clean Energy fairly and accurately reflect the Company's financial condition in accordance with GAAP as of the latest date of such financial statements. All financial projections and forecasts delivered to Clean Energy represent the Company's best estimates and assumptions as to future performance, which the Company believes to be fair and reasonable as of the time made in the light of current and reasonably foreseeable business conditions. As of the date of this Agreement, the Company does not have any material liabilities, fixed or contingent, that are not reflected in the financial statements referred to above as have been delivered to Clean Energy on or prior to the date hereof, in the notes thereto or otherwise disclosed in writing to Clean Energy on or prior to the date hereof, other than liabilities arising in the ordinary course of business since the date of such financial statements. There has not been any material deterioration in the consolidated financial condition of the Company since the date of the most recent financial statements submitted to Clean Energy.

3.8 Licenses and Intellectual Property Rights.

The Company possesses all licenses, patents, trademarks, trade names, service marks, copyrights, and other intellectual property rights, free from burdensome restrictions necessary to enable it to conduct its business.

3.9 Tax Matters.

The Company has filed all federal and other material tax returns and reports required to be filed, has made timely remittance of all material amounts as required by any governmental agency or authority and has paid all federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being or will be contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. The Company has not received any notice of any proposed tax assessment that would, if made, have a Material Adverse Effect.

3.10 Insurance.

All policies of insurance in effect of any kind or nature owned by or issued to the Company, including policies of life, fire, theft, product liability, public liability, property damage, other casualty, employee fidelity, workers' compensation, property and liability insurance, (a) are, together with all policies of employee health and welfare and title insurance, if any, in full force and effect, (b) comply in all respects with the applicable requirements set forth herein and (c) are of a nature and provide such coverage, including through self-insurance, retentions and deductibles, as is customarily carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company operates.

3.11 No Joint Ventures, Partnerships or Subsidiaries.

As of the date hereof, (i) the Company is not engaged in any joint venture or partnership with any other Person, and (ii) the Company has no Subsidiaries.

3.12 No Material Adverse Effect.

On and as of the date hereof and the date of the Closing, no event has occurred or condition exists with respect to the Company or any other Person that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

3.13 No "Bad Actor" Disqualification Events.

The Company has exercised reasonable care, in accordance with the rules and guidance of the Securities and Exchange Commission ("***SEC***") to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii) under the Securities Act ("***Disqualification Events***"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "***Covered Persons***" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering of the Securities, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Securities; and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Securities (a "***Solicitor***"), any general partner or managing member of any Solicitor, and any director, executive officer or other officer participating in the offering of any Solicitor or general partner or managing member of any such Solicitor.

3.14 Litigation.

Except as disclosed in writing to Clean Energy prior to the date of this Agreement, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Company, threatened in writing by or against the Company involving more than One Hundred Thousand Dollars ($100,000.00).

3.15 Solvency.

The fair salable value of the Company's assets (including goodwill minus disposition costs) exceeds the fair value of the Company's liabilities; the Company is not left with unreasonably small capital after the transactions in this Agreement; and the Company is able to pay its debts (including trade debts) as they mature.

3.16 Legal Compliance.

The Company has complied in all material respects with all applicable laws, rules and regulations.

3.17 Disclosure.

The Company has fully provided Clean Energy with all the information necessary for Clean Energy to decide whether to purchase the Securities. Neither this Agreement, nor any other statements or certificates made or delivered in connection herewith, contains any untrue statement of a material fact or, to the best of the Company's knowledge, omits to state a material fact necessary to make the statements herein or therein not misleading, in light of the circumstances in which they were made. With respect to any projections of the Company's future operations provided by the Company to Clean Energy, the Company represents that such projections were prepared in good faith and that the Company believes there is a reasonable basis for such projections.

SECTION 4
REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Clean Energy hereby represents and warrants to the Company, as of the date hereof and as of the Closing (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), as follows:

4.1 No Registration.

Clean Energy understands that the offer and sale of the Securities have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Clean Energy's representations as expressed herein or otherwise made pursuant hereto.

4.2 Investment Intent.

Clean Energy is acquiring the Units for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof, and Clean Energy has no present intention of selling, granting any participation in, or otherwise distributing the same. Clean Energy further represents that it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third person or entity with respect to any of the Securities.

4.3 Investment Experience.

Clean Energy has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company and acknowledges that it can protect its own interests. Clean Energy has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Company.

4.4 Speculative Nature of Investment.

Clean Energy understands and acknowledges that the Company has a limited financial and operating history and that an investment in the Company is highly speculative and involves substantial risks. Clean Energy can bear the economic risk of its investment and is able, without impairing its financial condition, to hold the Securities for an indefinite period of time and to suffer a complete loss of its investment hereunder.

4.5 Residency.

Clean Energy's principal place of business is in the State of California.

4.6 Rule 144.

Clean Energy acknowledges that the Securities must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. Clean Energy is aware of the provisions of Rule 144 promulgated under the Securities Act which permit resale of securities purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of securities being sold during any three-month period not exceeding specified limitations; the sale being effected through a "brokers' transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form 144 notice, if applicable. Clean Energy understands that the current public information about the Company referred to above is not now available, and the Company has no present plans to make such information available. Clean Energy acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time Clean Energy wishes to sell the Securities, and that, in such event, Clean Energy may be precluded from selling such securities under Rule 144, even if the other applicable requirements of Rule 144 have been satisfied. Clean Energy acknowledges that, in the event the applicable requirements of Rule 144 are not met, registration under the Securities Act or an exemption from registration will be required for any disposition of the Securities. Clean Energy understands that, although Rule 144 is not exclusive, the SEC has expressed its opinion that persons proposing to sell restricted securities received in a private offering other than in a registered offering or pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales and that such persons and the brokers who participate in the transactions do so at their own risk.

4.7 No Public Market.

Clean Energy understands and acknowledges that no public market now exists for the Securities or any other securities issued by the Company, and that the Company has made no assurances that a public market will ever exist for such securities.

4.8 Authorization.

(a) Clean Energy has all requisite power and authority to execute and deliver this Agreement and to perform its obligations pursuant to this Agreement. All limited liability company or other applicable action on the part of Clean Energy necessary for the authorization, execution, delivery and performance of this Agreement by Clean Energy, and the performance of all of Clean Energy's obligations under this Agreement, has been taken or will be taken prior to the Closing.

(b) This Agreement, when executed and delivered by Clean Energy, will constitute the valid and legally binding obligation of such Investor, enforceable in accordance with its terms, except: (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and
(ii) as limited by rules of law governing specific performance, injunctive relief or other equitable remedies or by general principles of equity.

4.9 Legends.

Clean Energy understands and agrees that the certificates evidencing the Securities, or any other securities issued in respect of the Securities upon any unit split, unit dividend, recapitalization, merger, consolidation or similar event, shall bear the following legend (in addition to any legend required by this Agreement, the Right of First Offer and Co-Sale Agreement or under applicable state securities laws):

> "THE OFFER AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND ANY SECURITIES INTO WHICH THEY MAY BE CONVERTIBLE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED, OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT."

SECTION 5
CONDITIONS TO CLEAN ENERGY'S OBLIGATIONS TO CLOSE

Clean Energy's obligation to consummate the transactions contemplated by this Agreement is subject to the fulfillment on or before the Closing of each of the following conditions, in each case unless waived by Clean Energy:

5.1 Delivery of Note Documents.

Clean Energy shall have received, in form and substance satisfactory to Clean Energy, such documents, and completion of such other matters, as Clean Energy may reasonably deem necessary or appropriate, including, without limitation:

(a) originals of this Agreement, the Note, and the Warrant, each duly executed by the Company;

(b) a good standing certificate of the Company certified by the Secretary of State (or equivalent agency) of the Company's jurisdiction of organization or formation, as of a date no earlier than thirty (30) days prior to the date of this Agreement; and

(c) a copy certified by an officer of the Company attaching resolutions approving the transactions contemplated by this Agreement, each in form and substance satisfactory to Clean Energy, certifying that such resolutions (i) were duly and validly adopted by the Company's governing body at a duly held meeting of such body (or pursuant to a unanimous written consent or other authorized limited liability company action), and (ii) are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked.

5.2 Representations and Warranties.

The representations and warranties made by the Company in SECTION 3 shall be true and correct as of the date of the Closing with the same force and effect as though such representations and warranties had been made as of such date.

5.3 Covenants.

The Company shall have performed or complied with all covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Company on or prior to the Closing.

5.4 State Securities Laws.

The Company shall have obtained all permits and qualifications required by state securities laws, or have the availability of exemptions therefrom, for the offer and sale of the Securities.

5.5 Operating Agreement Amendment.

The Operating Agreement Amendment shall have been duly authorized, executed and delivered by the members holding sufficient membership units to make such amendment effective, and the Operating Agreement (as so amended) shall be in full force and effect.

5.6 Permits, Qualifications and Consents.

All permits, authorizations, approvals or consents of, or filings with or notices to, any federal, state or local governmental authority or regulatory body of the United States or any other third party that are required in connection with the lawful issuance and sale of the Securities pursuant to this Agreement shall be duly obtained or made and shall be effective as of the Closing, except solely for those which are to be obtained or made after the Closing, all of which shall be obtained or made by the Company by the applicable deadlines therefor.

5.7 Proceedings and Documents.

All limited liability company and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be satisfactory in form and substance to Clean Energy and its counsel, and Clean Energy or its counsel shall have received all such counterpart original and certified or other copies of such other documents as any of them may request.

5.8 Waiver of Rights.

At or prior to the Closing, the Company, its managers and all then-current members of the Company shall have taken all action to fully waive any rights of first offer, preemptive rights or any other rights in connection with the sale and issuance of the Securities hereunder.

SECTION 6
CONDITIONS TO COMPANY'S OBLIGATION TO CLOSE

The Company's obligation to sell and issue the Securities at the Closing is subject to the fulfillment on or before the Closing of the following conditions, unless waived by the Company:

6.1 Representations and Warranties.

The representations and warranties made by Clean Energy in SECTION 4 shall be true and correct when made and shall be true and correct as of the date of the Closing with the same force and effect as though such representations and warranties had been made as of such date.

6.2 Covenants.

Clean Energy shall have performed or complied with all covenants, agreements and conditions contained in this Agreement to be performed or complied with by it on or prior to the date of the Closing.

SECTION 7
MISCELLANEOUS

7.1 Amendment.

Except as expressly provided herein, neither this Agreement nor any term hereof may be amended or waived other than by a written instrument signed by the Company and Clean Energy. Any such amendment or waiver effected in accordance with this Section 7.1 shall be binding upon each holder of any securities purchased under this Agreement at the time outstanding (including securities into which such securities have been converted or exchanged or for which such securities have been exercised) and each future holder of all such securities.

7.2 Notices.

All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Clean Energy, to the attention of the SVP Corp Trans & Chief Legal Officer of Clean Energy at 4675 MacArthur Court, Suite 800, Newport Beach, California 92660, or at nate.jensen@cleanenergyfuels.com (email address); and

(b) if to the Company, to the attention of the Chief Executive Officer of the Company at 480 Hercules Drive, Colchester, Vermont 05446, or at rbiasetti@ngadvantage.com (email address).

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

7.3 Governing Law.

This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

7.4 Expenses.

The Company shall pay all fees, expenses and costs incurred by the Company and Clean Energy (including the fees and expenses of counsel to Clean Energy) in connection with the transactions contemplated by this Agreement, including without limitation the preparation, amendment, negotiation, administration, defense and/or enforcement of this Agreement, the Notes, the Warrants or any other documents executed in connection therewith.

7.5 Survival; Indemnification.

(a) The representations, warranties, covenants and agreements made in this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be effected by any investigation made by or on behalf of any party hereto.

(b) The Company shall indemnify and hold harmless Clean Energy and each of its directors, officers, employees, stockholders, affiliates, agents and representatives from and against and in respect of any and all actions, causes of action, suits, proceedings, claims, appeals, demands, assessments, judgment, losses, damages, liabilities, interest, fines, penalties, costs and expenses (including, without limitation, attorneys' fees and disbursements incurred in connection therewith and in seeking indemnification therefor, and any amounts or expenses required to be paid or incurred in connection therewith), resulting from, arising out of, or imposed upon or incurred by any person to be indemnified hereunder in connection with the transactions contemplated by this Agreement, including without limitation by reason of any breach of any representation, warranty, covenant or agreement of the Company made in this Agreement or any certificate or other instrument delivered by or on behalf of the Company pursuant hereto or in connection with the transactions contemplated hereby or thereby.

7.6 Successors and Assigns.

This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by the Company without the prior written consent of Clean Energy. Any attempt by any party without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors, assigns, heirs, executors and administrators any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

7.7 Entire Agreement.

This Agreement, including the exhibits attached hereto and the other documents referred to herein, constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

7.8 No Waiver.

Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

7.9 Remedies.

In addition to being entitled to exercise all rights provided herein or granted by applicable law, each party hereto acknowledges and agrees that monetary damages may not adequately compensate an injured party for the breach of this Agreement by any other party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each party waives any claim or defense that there is an adequate remedy at law for any such breach or threatened breach hereunder. All remedies, either under this Agreement or by applicable law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative and a party's exercise of any such remedy will not constitute a waiver of such party's right to assert any other legal remedy available to it.

7.10 Severability.

If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the greatest extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

7.11 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

7.12 Telecopy Execution and Delivery.

A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto and delivered by such party by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto shall execute and deliver an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

7.13 Jurisdiction; Venue.

Each of the parties hereto hereby submits and consents irrevocably to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for the interpretation and enforcement of the provisions of this Agreement. Each of the parties hereto also agrees that the jurisdiction over the person of such parties and the subject matter of such dispute shall be effected by the mailing of process or other papers in connection with any such action in the manner provided for in Section 7.2 or in such other manner as may be lawful, and that service in such manner shall constitute valid and sufficient service of process.

7.14 Titles and Subtitles.

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

7.15 Further Assurances.

Each party hereto shall execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be reasonably necessary to more fully effectuate this Agreement.

7.16 Jury Trial.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS AGREEMENT.

[*Signature Pages Follow*]

The parties are signing this Note Purchase Agreement as of the date first written above.

NG ADVANTAGE LLC
a Delaware limited liability company

By/s/ Tom Evslin
Name: Tom Evslin
Title: Chairman

The parties are signing this Note Purchase Agreement as of the date first written above.

CLEAN ENERGY FINANCE, LLC,
a California limited liability company

By/s/ J. Nathan Jensen

Name: J. Nathan Jensen
Title: SVP & CLO

SCHEDULE A

FORM OF NOTE

[*Attached*]

THE OFFER AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND ANY SECURITIES INTO WHICH THEY MAY BE CONVERTIBLE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED, OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

NG ADVANTAGE LLC
CONVERTIBLE PROMISSORY NOTE

Up to $15,187,946.77 Original Issuance Date: June 28, 2019

FOR VALUE RECEIVED, NG Advantage LLC, a Delaware limited liability company (the "***Company***"), promises to pay to Clean Energy Finance, LLC, a California limited liability company ("***Clean Energy***," and Clean Energy or such other Person as is the registered holder of this Note, the "***Holder***"), or its registered assigns, the principal sum of up to Fifteen Million One Hundred Eighty Seven Thousand Nine Hundred Forty Six Dollars and seventy seven cents ($15,187,946.77) (such amount, the "***Maximum Principal Amount***"), or such lesser amount as shall equal the outstanding principal amount hereunder, together with interest on the unpaid principal balance accrued from the date on which a Delayed Draw Loan (as defined below) is first made by the Holder pursuant to this Convertible Promissory Note (this "***Note***"), at a rate equal to 12.0% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days; provided however than upon an Event of Default such interest rate shall retroactively increase to 15% per annum. All amounts owed under this Note shall be unsecured indebtedness of the Company.

This Note is issued pursuant to the terms of that certain Note Purchase Agreement dated as of June 28, 2019 (the "***Agreement***"), by and between the Company and Clean Energy.

The following sets forth the rights of the Holder and the conditions to which this Note is subject, and to which the Holder, by the acceptance of this Note, and the Company agree:

1. Delayed Draw Loans; Draw Down Requests. On the terms and subject to the conditions of this Note, the Holder agrees to make loans to the Company hereunder (each, a "***Delayed Draw Loan***") in an principal aggregate amount not to exceed the Maximum Principal Amount. The Company may, from time to time and at its election, request from the Holder one or more Delayed Draw Loans hereunder by executing and delivering a request letter in substantially the form attached hereto as Exhibit A (each, a "***Draw Down Request***"); *provided* that (a) the sum of all Draw Down Requests may not exceed $10,000,000.00; (b) the Company may not make Draw Down Requests in excess of $5,000,000.00 prior to July 1, 2019; (c) the amount of the initial Draw Down Request will be deemed increased by the outstanding principal amount and accrued interest outstanding, together with any other outstanding amounts payable in connection therewith, with respect to the promissory note dated February 15, 2019 issued by the Company in favor of Clean Energy and the promissory note dated May 17, 2019 issued by the Company in favor of Clean Energy, such amounts shall be deemed Delayed Draw Loans, and both such notes shall be cancelled; (d) the Company shall not deliver any Draw Down Request if an Event of Default has occurred and is continuing hereunder, (e) from July 1, 2019, the Company may make additional draw down requests of up to $5,000,000.00, provided that the Company has entered new contracts with Kenan Advantage Group, International Paper and Con Ed that are in form and substance satisfactory to Clean Energy; and (e) the Company shall not deliver any Draw Down Request after August 31, 2019. No later than ten (10) days following the Holder's receipt of a Draw Down Request executed and delivered in accordance with the terms and conditions of this Note, and provided that no Event of Default has occurred and is continuing, the Holder shall deliver to the Company as a Delayed Draw Loan the amount set forth in the Draw Down Request by wire transfer to the account of the Company as set forth in the Draw Down Request. Upon the Company's receipt of the proceeds from each Delayed Draw Loan, the amount of such proceeds shall automatically be added to the outstanding principal amount hereunder. Notwithstanding anything to the contrary in this Note, the aggregate principal amount of all Delayed Draw Loans requested pursuant to all Delayed Draw Requests shall not at any time exceed the Maximum Principal Amount.

2. Maturity Date. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the earlier of (a) December 31, 2019 (the "***Maturity Date***"), or (b) when, upon the occurrence and during the continuance of an Event of Default, such amounts are declared due and payable by the Holder or made automatically due and payable, in each case, in accordance with the terms hereof.

3. Payments.

(a) ***Interest.*** All accrued and unpaid interest hereunder shall be payable on the Maturity Date.

(b) ***Prepayment*****.** Prior to the Maturity Date the Company may prepay all of the principal, accrued interest, and other amounts due under the Note (in full but not in part) for 125% of such amount. Any such amounts that are prepaid may not be reborrowed from Clean Energy. The Company may, at its election and at any time, prepay, in whole or in part, accrued and unpaid interest hereunder.

(c) ***Mandatory Prepayment.*** In the event of a Change of Control or following the occurrence of an event described in Section 2(b) hereof, the outstanding principal amount of this Note, plus all accrued and unpaid interest shall be due and payable immediately prior to the closing of such Change of Control or immediately following such other event. In addition, in the event of a Change of Control, the Company shall pay Clean Energy an amount equal to 25% of the outstanding principal amount of this Note, plus all accrued and unpaid interest immediately prior to the closing of such Change of Control.

4. Conversion.

(a) ***Voluntary Conversion upon Maturity Date.*** The Holder may, on the Maturity Date, convert, in whole or in part, the outstanding principal amount of this Note and the accrued and unpaid interest under this Note into fully paid and nonassessable Common Units at a price per unit equal to the then-applicable Conversion Price.

(b) ***Voluntary Conversion upon Equity Offering.*** The Holder may, upon the closing of an Equity Offering (as defined in the Engagement Letter dated May 1, 2019 between the Company and Raymond James & Associates, Inc.) convert, in whole or in part, the outstanding principal amount of this Note and the accrued and unpaid interest under this Note into fully paid and nonassessable securities issued by the Company in the Equity Offering at a price per unit equal 75% of the per security price in such Equity Offering.

(c) ***Reserved.***

(d) ***Adjustments.*** The Conversion Price and/or the number of Common Units into which this Note may be converted shall be subject to adjustment from time to time as set forth in this Section 4(c). Upon the occurrence of each such adjustment, the Company shall, at the request of the Holder, promptly compute such adjustment, in good faith, in accordance with the terms of this Note and prepare a certificate setting forth such adjustment, including a statement of the adjusted Conversion Price and adjusted number of Common Units, describing the transactions giving rise to such adjustment and showing in reasonable detail the facts upon which such adjustment is based.

(i) Subdivisions; Combinations. If the Company at any time while this Note is outstanding subdivides (by any unit split, unit distribution, recapitalization or otherwise) its outstanding Common Units into a greater number of units, the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of Common Units obtainable upon conversion of this Note shall be proportionately increased. If the Company at any time combines (by reverse unit split or otherwise) its outstanding Common Units into a smaller number of units, the Conversion Price in effect immediately prior to such combination shall be proportionately increased and the number of Common Units obtainable upon conversion of this Note shall be proportionately decreased.

(ii) Distributions. During such time as this Note is outstanding, if the Company shall, at any time after the Original Issuance Date, declare or make any distribution of its assets (or rights to acquire its assets) to holders of its Common Units, by way of return of capital or otherwise (including any distribution of cash, units, stock or other securities, property or options by way of a spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, but excluding any Tax Distribution (as defined in the Operating Agreement)) (a "***Distribution***"), then, in each such case, upon the conversion of this Note, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Units acquirable upon full conversion of the outstanding principal amount of this Note (without regard to any limitations on exercise hereof) immediately before the date of such Distribution.

(iii) Reclassification. If any reclassification of the equity of the Company shall be effected at any time while this Note is outstanding in such a way that holders of Common

Units shall be entitled to receive units, stock, securities or other assets or property, then, as a condition of such reclassification, lawful and adequate provisions shall be made so that the Holder hereof shall thereafter have the right to receive upon a conversion of this Note (in lieu of the Common Units immediately theretofore receivable upon the conversion of this Note) such units, stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of then outstanding Common Units equal to the number of Common Units immediately theretofore receivable upon conversion of this Note. In any such reclassification, appropriate provision shall be made with respect to the rights and interests of the Holder of this Note so that the provisions hereof (including, without limitation, provisions for adjustments of the Conversion Price and of the number of Common Units receivable upon conversion of this Note) shall thereafter be applicable, as nearly as possible, in relation to any units, stock, securities or other assets or property thereafter deliverable upon the conversion hereof.

(e) ***Conversion Procedures.***

(i) Mechanics. If this Note is to be converted, the Holder shall deliver a written conversion notice to the Company, which shall notify the Company of its election to convert pursuant to Section 4(a) or Section 4(b) and specify the principal amount of the Note and accrued and unpaid interest under the Note to be converted. Any such conversion shall be effective as of the close of business on the date on which such written conversion notice is delivered to the Company in accordance with the terms of this Note, and as soon as practicable thereafter, the Company shall (A) update its unit ledger and all other applicable books and records to reflect the issuance to the Holder of the number of Common Units issuable upon such conversion and (B) deliver to the Holder a check payable to the Holder for any cash amounts owed as described in Section 4(d)(ii). If any such conversion is for all outstanding amounts owed under this Note, then, concurrently with or as soon as practicable after delivery of such a written conversion notice, the Holder shall deliver to the Company the original of this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed) for cancellation.

(ii) No Fractional Common Units. No fractional Common Units shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional Common Units to the Holder upon a conversion of this Note, the Company shall pay to the Holder an amount equal to the product obtained by multiplying the applicable Conversion Price by the fraction of a Common Unit not so issued.

(iii) Effect of Conversion. At such time as the conversion of all or any portion of this Note has been effected as set forth in Section 4(d)(i), the rights of the Holder under this Note, to the extent of the conversion, shall cease, and the Holder shall thereafter be deemed to have become the holder of record of the Common Units issuable upon such conversion (whether or not this Note has been delivered to the Company for cancellation in the event such conversion is for all outstanding amounts owed under this Note). Upon conversion of this Note in full and the payment of any cash amounts owed pursuant to Section 4(d)(ii), the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation as set forth in Section 4(d)(i).

(iv) Compliance with Laws and Regulations. The Company shall take all such actions as may be necessary to ensure that all Common Units issued upon conversion of all or any portion of this Note may be so issued without violation of any applicable law or governmental regulation or any requirement of any domestic securities exchange upon which such Common Units may be then listed (except for official notice of issuance which shall be immediately delivered by the Company upon such issuance).

(f) ***Notices.*** In the event of:

(i) Any distribution to any holders of any class of securities of the Company (other than a Tax Distribution, as defined in the Operating Agreement) or any grant to any such holders of a right to subscribe for, purchase or otherwise acquire any units or any other securities or property, or to receive any other right;

(ii) Any capital reorganization of the Company, any reclassification or recapitalization of the equity of the Company or any transfer of all or substantially all of the assets of the Company to any other Person or any consolidation or merger involving the Company;

(iii) Any voluntary or involuntary dissolution, liquidation or winding-up of the Company;

(iv) Any material amendments of or other material changes to the Operating Agreement, together with any copies reflecting such amendments or changes with respect thereto;

(v) The commencement of any litigation or governmental proceedings pending or threatened (in writing) against the Company which could reasonably be expected have a Material Adverse Effect (as defined in the Agreement); or

(vi) The Company becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default,

the Company shall, at least ten (10) days prior to the earliest date specified herein (or, if such event is outside the reasonable control of the Company, within three (3) business days), deliver notice to the Holder a notice specifying, as applicable, (A) the date on which the distribution or right is to be made and the amount and character of such distribution or right; (B) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding-up is expected to become effective and the date for determining the Company's members entitled to vote thereon; or (C) notice of such other occurrence, which such notice shall include a reasonably detailed description of the applicable event.

5. Use of Proceeds and Warrant Issuance(s).

(a) ***Use of Proceeds.*** The Delayed Draw Loan(s) will be used by the Company exclusively for current working capital purposes, including funding capital expenditures. None of the proceeds will be used to repay accrued liabilities in respect of existing indebtedness unless approved by Clean Energy (except for scheduled payments in the ordinary course of business).

(b) ***Warrants.*** Upon the funding of each Delayed Draw Loan, the Company shall issue to Clean Energy a warrant in the form attached hereto as Exhibit B to purchase a number of fully paid and nonassessable Common Units, at a price per unit equal to the lesser of $10.00 or 90% of the price for securities issued in an Equity Offering, equal to 10% of the amount of the applicable Delayed Draw Loan, allowing for cashless exercise or net exercise with a term of 10 years from the date of issuance.

6. Affirmative Covenants. So long as any of the Obligations shall remain unpaid, the Company agrees that:

(a) ***Monthly Financial Statements***. Within thirty (30) days after the end of each month, the Company shall deliver to Clean Energy company-prepared monthly financial statements prepared in accordance with generally accepted accounting principles in form and substance reasonably satisfactory to Clean Energy.

(b) ***Quarterly Financial Statements.*** Within thirty (30) days after the end of fiscal quarter, the Company shall deliver to Clean Energy company-prepared consolidated quarterly financial statements prepared under generally accepted accounting principles in form and substance reasonably satisfactory to Clean Energy.

(c) ***Annual Financial Statements***. The Company shall deliver to Clean Energy as soon as available, but no later than forty five (45) days after the last day of the Company's fiscal year, audited consolidated financial statements prepared under generally accepted accounting principles, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Clean Energy (it being agreed that any "Big Four" accounting firm is acceptable to Clean Energy).

(d) ***Annual Projections***. Within the earlier of (i) thirty (30) days after the last day of the Company's fiscal year, and (ii) approval of the Company's governing body, and promptly after any updates thereto, the Company shall deliver to Clean Energy annual financial projections for the following fiscal year approved by the Company's governing body and commensurate in form and substance with those provided to the Company's investors, together with any related business forecasts used in the preparation of such annual financial plans and projections.

(e) ***Preservation of Existence, Etc.*** The Company will maintain and preserve its legal existence, its rights to transact business and all other rights, franchises and privileges necessary or desirable in the normal course of its business and operations and the ownership of its properties.

(f) ***Payment of Taxes, Etc.*** The Company will pay and discharge (i) all taxes, fees, assessments and governmental charges or levies imposed upon it or upon its properties or assets prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or other encumbrance upon any properties or assets of the Company, except to the extent such taxes, fees, assessments or governmental charges or levies, or such claims, are being contested in good faith by appropriate proceedings and are adequately reserved against in accordance with generally accounting principles; (ii) all lawful claims which, if unpaid, would by law become a lien or other encumbrance upon its property; and (iii) all indebtedness, as and when due and payable.

(g) ***Maintenance of Insurance.*** The Company will carry and maintain in full force and effect, at its own expense and with financially sound and reputable insurance companies (not affiliates of the Company), insurance in such amounts, with such deductibles and covering such risks as is customarily carried by companies engaged in the same or similar businesses and owning similar properties in the localities where the Company operates.

(h) ***Keeping of Records and Books of Account.*** The Company will keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles, reflecting all financial transactions of the Company.

(i) ***Inspection Rights.*** The Company will at any reasonable time and from time to time (i) permit Clean Energy or any of its agents or representatives to visit and inspect any of the properties of the Company and to examine the records and books of account of the Company, and to discuss the business affairs, finances and accounts of the Company with any of the officers, employees or accountants of the Company, and (ii) permit Clean Energy or any of its agents or representatives to conduct periodic audits of the Collateral at such frequencies as Clean Energy shall deem appropriate.

(j) ***Compliance with Laws, Etc.*** The Company will comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any governmental agency or authority, and the terms of any indenture, contract or other instrument to which it may be a party or under which it or its properties may be bound.

(k) ***Maintenance of Properties, Etc.*** The Company will maintain and preserve all of its properties necessary or useful in the proper conduct of its business in good working order and condition in accordance with the general practice of other persons or entities of similar character and size, ordinary wear and tear excepted.

(l) ***Licenses.*** The Company will obtain and maintain all licenses, authorizations, consents, filings, exemptions, registrations and other governmental approvals of any governmental agency or authority necessary in connection with the execution, delivery and performance of this Note, the Agreement and the other documents executed in connection therewith, the consummation of the transactions therein contemplated or the operation and conduct of its business and ownership of its properties.

(m) ***Use of Proceeds.*** No part of such proceeds will be used for “purchasing” or “carrying” any “margin stock”, or for any purpose which violates, or which would be inconsistent with, the provisions of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

(n) ***Further Assurances and Additional Acts.*** The Company will execute, acknowledge, deliver, file, notarize and register at its own expense all such further agreements, instruments, certificates, documents and assurances and perform such acts as Clean Energy shall deem necessary or appropriate to effectuate the purposes of this Note, the Agreement and the other documents executed in connection therewith and promptly provide Clean Energy with evidence of the foregoing satisfactory in form and substance to Clean Energy.

7. Negative Covenants. So long as any of the Obligations shall remain unpaid, the Company agrees that:

(a) ***Indebtedness.*** The Company will not create, incur, assume or otherwise become liable for or suffer to exist any indebtedness for borrowed money, other than:
(i) indebtedness of the Company to Clean Energy hereunder; (ii) indebtedness of the Company existing on the date of this Agreement and disclosed to Clean Energy or extensions, renewals and refinancings of such indebtedness, provided that the principal amount of such indebtedness being extended, renewed or refinanced does not increase and the terms thereof are not modified to impose more burdensome terms upon the Company; (iii) accounts payable to trade creditors for goods and services and current operating liabilities (not the result of the borrowing of money) incurred in the ordinary course of the Company's business in accordance with customary terms and paid within the specified time, unless contested in good faith by appropriate proceedings and reserved for in accordance with generally accepted accounting principles; (iv) indebtedness consisting of guarantees resulting from endorsement of negotiable instruments for collection by the Company in the ordinary course of business; (v) interest rate swaps, currency swaps and similar financial products entered into or obtained in the ordinary course of business; (vi) unsecured indebtedness of the Company in an aggregate principal amount not to exceed $100,000 at any time outstanding;
(vii) capital leases or other indebtedness in an aggregate amount not to exceed $100,000 at any time outstanding incurred solely to acquire equipment, computers, software or implement tenant improvements which is secured solely by the property so acquired; and (viii) indebtedness approved by Clean Energy.

(b) ***Liens; Negative Pledges***. (i) The Company will not create, incur, assume or suffer to exist any lien or other encumbrance upon or with respect to any of its properties, revenues or assets, whether now owned or hereafter acquired, other than Permitted Liens. (ii) The Company will not enter into any agreement (other than under equipment lease financing facilities permitted hereunder with respect to the equipment financed thereby) prohibiting the creation or assumption of any lien or other encumbrance upon any of its properties, revenues or assets, whether now owned or hereafter acquired. As used herein, "***Permitted Lien***" means: (A) liens in favor of Clean Energy; (B) the existing liens or other encumbrances disclosed in writing to Clean Energy prior to the date of this Agreement or incurred in connection with the extension, renewal or refinancing of the indebtedness secured by such existing liens or other encumbrances, provided that any extension, renewal or replacement lien or encumbrance shall be limited to the property encumbered by the existing lien or other encumbrance and the principal amount of the Indebtedness being extended, renewed or refinanced does not increase; (C) liens or other encumbrances for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings and which are adequately reserved for in accordance with generally accepted accounting principles, provided no notice of tax lien has been filed of record; (D) liens or other encumbrances of materialmen, mechanics, warehousemen, carriers or employees or other similar liens or other encumbrances provided for by mandatory provisions of law and securing obligations either not delinquent or being contested in good faith by appropriate

proceedings and which do not in the aggregate materially impair the use or value of the property or risk the loss or forfeiture thereof; (E) liens or other encumbrances consisting of deposits or pledges to secure the performance of bids, trade contracts, leases, public or statutory obligations, or other obligations of a like nature incurred in the ordinary course of business (other than for indebtedness); (F) liens or other encumbrances (1) upon or in any equipment, computers or software acquired or held by the Company or tenant improvements implemented by the Company to secure the purchase price of such equipment, computers or software or indebtedness incurred solely for the purpose of financing the acquisition of such equipment, computers or software or the implementation of such tenant improvements, or
(2) existing on such equipment, computers or software at the time of its acquisition, provided that the lien or other encumbrance is confined solely to the property so acquired and improvements thereon, or the proceeds of such equipment, computers, software or tenant improvements;
(G) restrictions and other minor encumbrances on real property which do not in the aggregate materially impair the use or value of such property or risk the loss or forfeiture thereof; and (H) liens relating to indebtedness approved by Clean Energy.

(c) ***Change in Nature of Business***. The Company will not engage in any material line of business substantially different from those lines of business carried on by it at the date hereof.

(d) ***Restrictions on Fundamental Changes.*** The Company will not merge with or consolidate into, or acquire all or substantially all of the assets of, any person or entity, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets.

(e) ***Sales of Assets***. The Company will not sell, lease, transfer, or otherwise dispose of, or part with control of (whether in one transaction or a series of transactions) any assets (including any shares of stock in any subsidiary or other entity), except: (i) sales or other dispositions of inventory, and the license, sublicense and grant of distribution and similar rights, in the ordinary course of business; (ii) sales or other dispositions of assets in the ordinary course of business which have become worn out or obsolete or which are promptly being replaced;
(iii) sales or other dispositions of assets by any of its wholly owned subsidiaries to another of its wholly owned subsidiaries or to the Company; and (ivv) other sales or other dispositions of assets outside the ordinary course of business which do not constitute any substantial part of the Company's assets.

(f) ***Distributions***. The Company will not declare or pay any dividends in respect of the Company's capital stock, or purchase, redeem, retire or otherwise acquire for value any of its capital stock now or hereafter outstanding, return any capital to its shareholders as such, or make any distribution of assets to its shareholders as such, except that the Company may:
(A) declare and deliver dividends and distributions payable only in common stock of the Company; and (B) purchase, redeem, retire, or otherwise acquire shares of its capital stock with the proceeds received from a substantially concurrent issue of new shares of its capital stock.

(g) ***Loans and Investments***. The Company will not purchase or otherwise acquire the capital stock or other equity interests, assets (constituting a business unit), obligations or other securities of or any interest in any person or entity, or otherwise extend any credit to, guarantee the obligations of or make any additional investments in any person or entity, other than in connection with extensions of credit in the nature of accounts receivable or notes receivable arising from the sales of goods or services in the ordinary course of business.

8. Events of Default. The occurrence of any of the following shall constitute an "***Event of Default***" under this Note:

(a) ***Failure to Pay***. The Company shall fail to pay (i) any principal payment on the due date therefor in accordance with the terms of this Note or (ii) any interest payment or other payment required under the terms of this Note on the due date therefor and such payment shall not have been made within five (5) days after the due date therefor;

(b) ***Breaches of Covenants.*** The Company shall fail to observe or perform any covenant, obligation, condition or agreement contained in this Note (other than those specified in Section 7(a)) or in the Agreement and such failure shall continue for ten (10) days after the due date therefor;

(c) ***Representations and Warranties.*** Any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of the Company to the Holder in this Note, the Agreement or in connection therewith shall be false, incorrect, incomplete or misleading in any material respect when made or furnished;

(d) ***Breaches of Other Agreements.*** Any breach or default by the Company shall exist under any agreement of the Company with any third party or parties that (i) evidences any Senior Indebtedness or involves obligations (contingent or otherwise) of, or payments to, the Company in excess of $100,000, or (ii) could reasonably be expected to result in a Material Adverse Effect;

(e) ***Material Adverse Effect.*** A Material Adverse Effect (as defined in the Agreement) shall have occurred;

(f) ***Insolvency***. (i) The fair salable value of the Company's assets (including goodwill minus disposition costs) fails to exceed the fair value of the Company's liabilities;
(ii) the Company is has unreasonably small capital after the transactions in this Agreement; or
(iii) the Company is unable to pay its debts (including trade debts) as they mature.

(g) ***Voluntary Bankruptcy or Insolvency Proceedings.*** The Company shall
(i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property or assets, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its or any of its creditors, (iv) be dissolved or liquidated, (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property or assets by any official in an involuntary case or other proceeding commenced against it, or (vi) take any action for the purpose of effecting any of the foregoing;

(h) ***Involuntary Bankruptcy or Insolvency Proceedings.*** Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company, or of all or a substantial part of its property or assets, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or any of its subsidiaries, if any, or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered on such proceeding shall not be dismissed or discharged within sixty (60) days after commencement;

(i) ***Judgments***. A final judgment or order for the payment of money in excess of $100,000 (exclusive of amounts covered by insurance) shall be rendered against the Company by any court or other governmental authority and the same shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed, or any judgment, writ, assessment, warrant of attachment, or execution or similar process shall be issued or levied against a substantial part of the property of the Company or any of its subsidiaries, if any and such judgment, writ, or similar process shall not be released, stayed, vacated or otherwise dismissed within thirty (30) days after issue or levy; or

(j) ***Conduct of Business.*** The Company is enjoined, restrained or prevented by court order from conducting any material part of the Company's business, which is not terminated within ten (10) days of its occurrence.

9. Upon an Event of Default.

(a) ***Company's Notice Obligations.*** Upon the occurrence of any Event of Default, the Company shall, as soon as possible and in any event within three (3) days after the occurrence thereof, provide to the Holder written notice of each event which either (a) is an Event of Default, or (b) with the giving of notice or lapse of time or both would be an Event of Default, in each case setting forth the details of such event and the action the Company proposed to take with respect thereto.

(b) ***Rights of the Holder.*** Upon the occurrence of any Event of Default other than an Event of Default set forth in Sections (8)(g) or 8(h), and at any time thereafter during the continuation of such Event of Default, the Holder may, by written notice to the Company, declare all outstanding Obligations of the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence of any Event of Default set forth in Sections 8(g) and 8(h), immediately and without notice, all outstanding Obligations of the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence and during the continuation of any Event of Default, the Holder may exercise any other right power or remedy granted to it by this Note or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

10. Definitions. As used in this Note, the following capitalized terms have the meanings given to them below:

(a) "***Change of Control***" shall mean (i) any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes

the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Board of Managers or an equivalent body, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity, or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

(b) "***Common Units***" shall mean the Company's Common Units or any class or type of security into which the Company's Common Units may be converted or for which the Company's Common Units may be exchanged in connection with any recapitalization, conversion to the corporate form, or any other similar transaction.

(c) "***Conversion Price***" shall mean $2.50 per Common Unit, as adjusted as set forth in Section 4(c).

(d) "***Initial Public Offering***" shall mean the closing of the Company's first public offering of any of the Company's securities pursuant to a registration statement filed and declared effective under the Securities Act.

(e) "***Obligations***" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to the Holder of every kind and description, now existing or hereafter arising under or pursuant to the terms of this Note, including, without limitation, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq., as amended from time to time) (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

(f) "***Operating Agreement***" shall mean Company's Amended and Restated Limited Liability Company Operating Agreement dated July 14, 2017, as subsequently amended on February 28, 2018, October 1, 2018 and on or about the date hereof and as amended from time to time after the date hereof.

(g) "***Person***" shall mean and include an individual, partnership, corporation (including a business trust), joint stock company, limited liability company, unincorporated association, joint venture or other entity or a governmental authority.

(h) "***Securities Act***" shall mean the Securities Act of 1933, as amended.

11. Miscellaneous.

(a) ***Successors and Assigns; Transfers*.**

(i) Subject to the restrictions on transfer described in this Section 11(a), the rights and obligations of the Company and the Holder shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(ii) The Holder shall be entitled to transfer, assign or otherwise dispose of this Note and the securities into which this Note may be converted at any time and from time to time; *provided* that the Holder shall give prior written notice to the Company of any such transfer, assignment or other disposition. Each Note so transferred and each certificate representing other securities so transferred shall bear a legend in substantially the form set forth on the first page of this Note as to the applicable restrictions on transferability to ensure compliance with the Securities Act, unless in the opinion of counsel for the Company such legend is not required to ensure compliance with the Securities Act. Subject to the foregoing, transfers, assignments or other dispositions of this Note shall be registered upon registration books maintained for such purpose by or on behalf of the Company. Prior to presentation of this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed) for registration of transfer, the Company shall treat the registered holder hereof as the owner and holder of this Note for the purpose of receiving all payments of principal and interest hereunder and for all other purposes whatsoever, whether or not this Note shall be overdue.

(iii) Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of the Holder.

(b) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:
(i) if to the Holder, to the attention of the SVP Corp Trans & CLO of Clean Energy at 4675 MacArthur Court, Suite 800, Newport Beach, California 92660, or at nate.jensen@cleanenergyfuels.com (email address), or at such other address as such Holder shall have furnished the Company in writing in accordance with this Section 11(b); and (ii) if to the Company, to the attention of the Chief Executive Officer of the Company at 480 Hercules Drive, Colchester, Vermont 05446, or at rbiasetti@ngadvantage.com (email address), or at such other address as the Company shall have furnished the Holder in writing in accordance with this Section 11(b). Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (A) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (B) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (C) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

(c) ***Amendment.*** Except as expressly provided herein, neither this Note nor any term hereof may be amended or waived other than by a written instrument signed by the Company and the Holder. Any such amendment or waiver effected in accordance with this Section 11(c) shall be binding upon each Holder of this Note or any securities issuable upon conversion hereof, including any future holder of such securities.

(d) ***Severability.*** If any provision of this Note becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Note, and such court will replace such illegal, void or unenforceable provision of this Note with a valid and enforceable provision that will achieve, to the greatest extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Note shall be enforceable in accordance with its terms.

(e) ***Payment.*** Unless converted into Common Units pursuant to the terms hereof, all payments hereunder shall be made in immediately available lawful tender of the United States.

(f) ***Usury.*** In the event any interest is paid on this Note which is deemed to be in excess of the then legal maximum rate, the portion of the interest payment representing such excess shall be deemed a payment of principal and applied against the principal of this Note.

(g) ***Company Waivers.*** The Company hereby waives notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor and all other notices or demands relative to this instrument.

(h) ***No Waiver by the Holder.*** Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to the Holder upon the occurrence of any Event of Default shall impair any such right, power or remedy of the Holder, nor shall it be construed to be a waiver of any such Event of Default, or an acquiescence therein, or of or in any similar Event of Default thereafter occurring, nor shall any waiver of any single Event of Default be deemed a waiver of any other Event of Default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of the Holder of any Event of Default that may occur under this Note, or any waiver on the part of the Holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

(i) ***Governing Law.*** This Note shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

(j) ***Waiver of Jury Trial.*** **EACH OF THE COMPANY AND, BY ITS ACCEPTANCE OF THIS NOTE, THE HOLDER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS NOTE.**

(*Signature Page Follows*)

The Company has caused this Convertible Promissory Note to be issued as of the date first written above.

NG ADVANTAGE LLC
a Delaware limited liability company

By: /s/ Rico Biasetti
Name: Rico Biasetti
Title: CEO

[*Signature Page to Convertible Promissory Note*]

EXHIBIT A

Draw Down Request

Clean Energy Finance LLC
4675 MacArthur Court, Suite 800
Newport Beach, California 92660
Attn: Sr. Vice President, Corporate Transactions, and Chief Legal Officer

[•], 2019

Re: Draw Down Request

Dear Mr. Jensen,

Pursuant and subject to the terms of that certain Convertible Promissory Note ("***Note***") issued to Clean Energy (the "***Holder***") by NG Advantage LLC (the "***Company***") on the Original Issuance Date of February ___, 2019, the Company hereby delivers this Draw Down Request for a Delayed Draw Loan in an amount equal to [•] Dollars ($[•]). The Company's wire instructions for payment of such Delayed Draw Loan are set forth below. Capitalized but otherwise undefined terms used herein shall have the meanings provided therefor in the Note.

The Company represents and warrants to the Holder that (i) no Event of Default has occurred and is continuing as of the date hereof, (ii) after giving effect to this Draw Down Request and the Draw Down Loan requested herein, the Company shall not have exceeded the Maximum Principal Amount, and (iii) of the Company's representations and warranties in the Agreement are true, correct and complete in all material respects up to and including the date hereof, but those representations and warranties expressly referring to another date shall be true, correct and complete in all material respects as of that date.

NG ADVANTAGE LLC

Name: ______________________________

Title: ______________________________

Company Wire Instructions:

____

____

____

EXHIBIT B

Form of Warrant

[*Attached*]

SCHEDULE B

FORM OF WARRANT

[*Attached*]

THE OFFER AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND ANY SECURITIES INTO WHICH THEY MAY BE EXERCISABLE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND SUCH SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACT AND/OR APPLICABLE STATE SECURITIES LAWS, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED, OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.

NG ADVANTAGE LLC WARRANT TO PURCHASE COMMON UNITS

Original Issuance Date: June 28, 2019

This Warrant to Purchase Common Units (this "***Warrant***") certifies that Clean Energy, a California corporation ("***Clean Energy***," and Clean Energy or such other Person as is the registered holder of this Warrant, the "***Holder***"), or its registered assigns, for value received, is entitled to purchase, at the Unit Purchase Price (as defined below), from NG Advantage LLC, a Delaware limited liability company (the "***Company***"), up to the number of fully paid and nonassessable Common Units as set forth below:

Maximum number of Common Units issuable upon exercise of this Warrant = (principal amount of the Note then being issued by the Company to Holder x .10) / the Exercise Price

For purposes of this Warrant, "***Common Units***" shall mean the Company's Common Units or any class or type of security into which the Company's Common Units may be converted or for which the Company's Common Units may be exchanged in connection with any recapitalization, conversion to the corporate form, or any other similar transaction, and "***Warrant Units***" shall mean the Common Units purchasable hereunder.

The following sets forth the rights of the Holder and the conditions to which this Warrant is subject, and to which the Holder, by the acceptance of this Warrant, and the Company agree:

1. Exercise Period; Unit Purchase Price. This Warrant shall be exercisable, at the option of the Holder, at any time and from time to time and for all or any part of the Warrant Units (but not for a fraction of a unit) which may be purchased hereunder, from and after the Original Issuance Date, as defined below (such date, the "***Initial Exercise Date***") up to and including 5:00 p.m. (Pacific Time) on the ten (10)-year anniversary of the Original Issuance Date, as defined below (the "***Expiration Date***"), upon (a) surrender to the Company at its principal office (or at such other location as the Company may advise the Holder in writing) of this Warrant properly endorsed (or a notice to the effect that the original Warrant has been lost, stolen or destroyed), (b) delivery to the Company of the Form of Subscription attached hereto duly completed and executed, and (c) payment to the Company pursuant to Section 3 of the aggregate Unit Purchase Price for the number of Warrant Units for which this Warrant is being exercised, determined in accordance with the provisions hereof. For purposes of this Warrant, "***Unit Purchase Price***" shall mean the lesser of $10.00 or 90% of the per Unit Purchase Price in the Equity Offering (as defined in the Engagement Letter dated May 1, 2019 between the Company and Raymond James & Associates, Inc.). The Unit Purchase Price and the number of Warrant Units purchasable hereunder are subject to adjustment as provided in Section 5 of this Warrant.

2. Exercise Mechanics. No fractional units shall be issued upon the exercise of this Warrant, and the Company shall in lieu thereof make payment to the Holder of cash, by wire transfer of immediately available lawful tender of the United States, in the amount of such fraction multiplied by the fair market value (as defined below) of one Warrant Unit on the date of exercise. Any Warrant Units purchased upon the exercise of this Warrant shall be and are deemed to be issued to the Holder as the record owner of such units as of the close of business on the date on which the exercise conditions set forth in Section 1(a), (b) and (c) have been satisfied. After any rights represented by this Warrant have been so exercised, the Company shall promptly (a) deliver to the Holder, at the Company's expense, certificates for the Warrant Units so purchased (if such units are then certificated), together with any other securities or property to which the Holder hereof is entitled upon such exercise, and (b) reflect such issuance in its books and records. Each certificate so delivered shall be in such denominations of the Warrant Units as may be requested by the Holder and shall be registered in the name of such Holder. In the event of a purchase of less than all the Warrant Units, the Company shall promptly execute and deliver to the Holder an Acknowledgement in the form attached hereto indicating the number of Warrant Units which remain subject to this Warrant, if any. Notwithstanding anything to the contrary contained herein, unless the Holder otherwise notifies the Company, this Warrant shall be deemed to be automatically exercised using the Net Issuance method of payment pursuant to Section 3 immediately prior to the time on the Expiration Date at which this Warrant ceases to be exercisable.

3. Payment for Units. The aggregate Unit Purchase Price for Warrant Units being purchased hereunder may be paid either (a) in cash by wire transfer of immediately available lawful tender of the United States, (b) if the fair market value of one Warrant Unit on the date of exercise is greater than the then applicable Unit Purchase Price, by surrender of a number of Warrant Units which have a fair market value equal to the aggregate purchase price of the Warrant Units being purchased ("***Net Issuance***") as determined herein, or (c) any combination of the foregoing. If the Holder elects the Net Issuance method of payment, the Company shall issue to the Holder upon exercise a number of Warrant Units determined in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

where: X = the number of Warrant Units to be issued to the Holder;

Y = the number of Warrant Units with respect to which the Holder is exercising its purchase rights under this Warrant;

A = the fair market value of one Warrant Unit on the date of exercise; and

B = the Unit Purchase Price.

For purposes of this Warrant, the "***fair market value***" of one Warrant Unit shall mean

(i) if the date of exercise of this Warrant is after the commencement of trading of the Common Units on a securities exchange or over-the-counter quotation system but prior to the closing of the initial public offering of the Common Units pursuant to a registration statement filed and declared effective under the Securities Act (as defined below) (the "***IPO***"), the price per Common Unit to the public set forth on the final prospectus relating to the IPO, multiplied by the number of Common Units into which each Warrant Unit is then convertible, (ii) if the Common Units are then traded on a securities exchange, the average of the closing prices of such Common Units on such exchange over the thirty (30) calendar day period (or portion thereof) ending three (3) days prior to the date of exercise of this Warrant, multiplied by the number of Common Units into which each Warrant Unit is then convertible, (iii) if the Common Units are then regularly traded on an over-the-counter quotation system, the average of the closing sale prices or secondarily the closing bid prices of such Common Units over the thirty (30) calendar day period (or portion thereof) ending three (3) days prior to the date of exercise of this Warrant, multiplied by the number of Common Units into which each Warrant Unit is then convertible, or (iv) if there is no active public market for the Common Units, the fair market value of one Warrant Unit as determined in good faith by the Board of Managers or equivalent body of the Company (which determination shall include the approval of at least two (2) of the CLNE Managers (as defined in the Company's Limited Liability Company Agreement)).

4. Units to be Fully Paid; Reservation of Units. All Common Units which may be issued upon the exercise of the rights represented by this Warrant shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any member or other equity holder of the Company and free of all taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company shall at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the rights represented by this Warrant, a sufficient number of authorized but unissued Common Units, or other securities and property, when and as required to provide for the exercise of the rights represented by this Warrant.

5. Adjustments. The Unit Purchase Price and the number of Warrant Units purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events as set forth in this Section 5. Upon each adjustment of the Unit Purchase Price as set forth in this Warrant, the Holder of this Warrant shall thereafter be entitled to purchase, at the Unit Purchase Price resulting from such adjustment, the number of Common Units obtained by multiplying the Unit Purchase Price in effect immediately prior to such adjustment by the number of Common Units purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Unit Purchase Price immediately after such adjustment.

(a) ***Adjustment to Reference Securities.*** If the Reference Securities are Convertible Securities, and if the price per Common Unit at which such Reference Securities may be exercised, converted or exchanged is adjusted from time to time after the date of issuance of the Reference Securities pursuant to the terms of the Reference Securities, then the Unit Purchase Price shall be equivalently adjusted; *provided* that the Unit Purchase Price shall not be reduced pursuant to this Section 5(a) to an amount that lower than the Unit Purchase Price on the date on which this Warrant is first issued, as set forth above (the "***Original Issuance Date***").

(b) ***Subdivisions; Combinations.*** If the Company at any time while this Warrant is outstanding subdivides (by any unit split, unit distribution, recapitalization or otherwise) its outstanding Common Units into a greater number of units, the Unit Purchase Price in effect immediately prior to such subdivision shall be proportionately reduced. If the Company at any time combines (by reverse unit split or otherwise) its outstanding Common Units into a smaller number of units, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

(c) ***Distributions.*** If the Company at any time while this Warrant is outstanding declares or makes any distribution of its assets (or rights to acquire its assets) to holders of its Common Units, by way of return of capital or otherwise (including any distribution of cash, units, stock or other securities, property or options by way of a spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction, but excluding any Tax Distribution (as defined in the Operating Agreement)) (a "***Distribution***"), then, in each such case, upon the exercise of this Warrant, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Units acquirable upon full exercise of this Warrant (without regard to any limitations on exercise hereof) immediately before the date of such Distribution.

(d) ***Reclassification.*** If any reclassification of the equity of the Company shall be effected at any time while this Warrant is outstanding in such a way that holders of Common Units shall be entitled to receive units, stock, securities or other assets or property, then, as a condition of such reclassification, lawful and adequate provisions shall be made so that the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Warrant Units immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby) such units, stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of then outstanding Common Units equal to the number of Common Units immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby. In any such reclassification, appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant so that the provisions hereof (including, without limitation, provisions for adjustments of the Unit Purchase Price and of the number of Warrant Units purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, as nearly as possible, in relation to any units, stock, securities or other assets or property thereafter deliverable upon the exercise hereof.

(e) ***Acquisition.*** In the event of any reorganization, consolidation or merger of the Company, transfer of all or substantially all of the assets of the Company or any sale of more than a majority of the then outstanding securities of the Company other than a mere reincorporation transaction (an "***Acquisition***"), then, as a condition of such Acquisition, lawful and adequate provisions shall be made so that the Holder hereof shall thereafter have the right to purchase and receive (in lieu of the Warrant Units immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby), at the same aggregate exercise price, such units, stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding Common Units equal to the number of Common Units immediately theretofore purchasable and receivable upon the exercise of the rights represented hereby. In the event of any Acquisition, appropriate provision shall be made with respect to the rights and interests of the Holder of this Warrant so that the provisions hereof (including, without limitation, provisions for adjustments of the Unit Purchase Price and of the number of Warrant Units purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, as nearly as may be, in relation to any units, stock, securities or other assets or property thereafter deliverable upon the exercise hereof.

6. Notices.

(a) ***Adjustments.*** Upon any adjustment of the Unit Purchase Price or any increase or decrease in the number of Warrant Units purchasable upon the exercise of this Warrant, the Company shall promptly give written notice thereof to the registered Holder of this Warrant. The notice shall be signed by an officer of the Company and shall state the Unit Purchase Price resulting from such adjustment and the increase or decrease, if any, to the number of Warrant Units purchasable at such price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(b) ***Other Notices.*** In the event of:

(i) Any distribution to any holders of any class of securities of the Company (other than a Tax Distribution, as defined in the Operating Agreement) or any grant to any such holders of a right to subscribe for, purchase or otherwise acquire any units or any other securities or property, or to receive any other right;

(ii) Any capital reorganization of the Company, any reclassification or recapitalization of the equity of the Company or any transfer of all or substantially all of the assets of the Company to any other Person or any consolidation or merger involving the Company;

(iii) Any voluntary or involuntary dissolution, liquidation or winding- up of the Company; or

(iv) An IPO,

the Company shall, at least ten (10) days prior to the earliest date specified herein, mail to the Holder a notice specifying (A) the date on which the distribution or right is to be made and the amount and character of such distribution or right; and (B) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding-up is expected to become effective and the date for determining the Company's members entitled to vote thereon.

7. No Voting or Distribution Rights. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof the right to vote or to consent or to receive notice as a member of the Company or any other matters or any rights whatsoever as a member of the Company. No distributions shall be payable or accrued in respect of this Warrant or the interest represented hereby or the Warrant Units purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised.

8. Investment Representations. By accepting this Warrant from the Company, the Holder represents and warrants to the Company that it (a) is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "***Securities Act***"), (b) is acquiring this Warrant with the present intention of holding this Warrant for purposes of investment and not with a view to the public resale or distribution within the meaning of the Securities Act, and (c) understands that this Warrant and the securities issuable upon exercise hereof have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein.

9. **Miscellaneous.**

(a) Successors and Assigns; Transfers.

(i) Subject to the restrictions on transfer described in this Section 9(a), the rights and obligations of the Company and the Holder shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

(ii) The Holder shall be entitled to transfer, assign or otherwise dispose of this Warrant and the securities into which this Warrant may be exercised at any time and from time to time; *provided* that the Holder shall give prior written notice to the Company of any such transfer, assignment or other disposition. Each Warrant so transferred and each certificate representing other securities so transferred shall bear a legend in substantially the form set forth on the first page of this Warrant as to the applicable restrictions on transferability to ensure compliance with the Securities Act, unless in the opinion of counsel for the Company such legend is not required to ensure compliance with the Securities Act. Subject to the foregoing, transfers, assignments or other dispositions of this Warrant shall be registered upon registration books maintained for such purpose by or on behalf of the Company. Prior to presentation of this Warrant (or a notice to the effect that the original Warrant has been lost, stolen or destroyed) for registration of transfer, the Company shall treat the registered holder hereof as the owner and holder of this Warrant and all rights represented hereby.

(iii) Neither this Warrant nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of the Holder.

(b) ***Notices.*** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by electronic mail or otherwise delivered by hand, messenger or courier service addressed:
(i) if to the Holder, to the attention of the SVP Corp Trans & CLO of Clean Energy at 4675 MacArthur Court, Suite 800, Newport Beach, California 92660, or at nate.jensen@cleanenergyfuels.com (email address), or at such other address as such Holder shall have furnished the Company in writing in accordance with this Section 9(b); and (ii) if to the Company, to the attention of the Chief Executive Officer of the Company at 480 Hercules Drive, Colchester, Vermont 05446, or at rbiasetti@ngadvantage.com (email address), or at such other address as the Company shall have furnished the Holder in writing in accordance with this Section 9(b). Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (A) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (B) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (C) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

(c) ***Amendment.*** Except as expressly provided herein, neither this Warrant nor any term hereof may be amended or waived other than by a written instrument signed by the Company and the Holder. Any such amendment or waiver effected in accordance with this Section

9(c) shall be binding upon each Holder of this Warrant or any securities issuable upon conversion hereof, including any future holder of such securities.

(d) ***Severability.*** If any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Warrant, and such court will replace such illegal, void or unenforceable provision of this Warrant with a valid and enforceable provision that will achieve, to the greatest extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Warrant shall be enforceable in accordance with its terms.

(e) ***Governing Law.*** This Warrant shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

(f) ***Waiver of Jury Trial.*** **EACH OF THE COMPANY AND, BY ITS ACCEPTANCE OF THIS WARRANT, THE HOLDER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO THIS WARRANT.**

(*Signature Page Follows*)

The Company has caused this Warrant to Purchase Common Units to be issued as of the date first above written.

NG ADVANTAGE LLC
a Delaware limited liability company

By: /s/ Rico Biasetti
Name: Rico Biasetti
Title: CEO

[*Signature Page to Warrant*]

FORM OF SUBSCRIPTION

(To be completed, signed and delivered upon exercise of Warrant)

To: NG Advantage LLC
Attn: Chief Executive Officer 480 Hercules Drive
Colchester, Vermont 05446 rbiasetti@ngadvantage.com

The undersigned, the holder of a right to purchase Common Units of NG Advantage LLC, a Delaware limited liability company (the "***Company***"), pursuant to that certain Warrant to Purchase Common Units with an Original Issuance Date of [•], 20[•] (the "***Warrant***"), hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder,___(____) Common Units of the Company and herewith makes payment of ___Dollars ($_______________) therefor by the following method:

(Check one of the following):

__ (check if applicable) The undersigned hereby elects to make payment of __ Dollars ($___) in cash.

__ (check if applicable) The undersigned hereby elects to make payment for the aggregate price of this exercise using the Net Issuance method pursuant to Section 3 of the Warrant.

In order to induce the issuance of the securities being acquired hereby, the undersigned makes to the Company, as of the date hereof, the representations and warranties set forth in Section 8 of the Warrant.

DATED: **[NAME OF HOLDER]**

By: ________________________________

Name: ________________________________

Its: ________________________________

ACKNOWLEDGMENT

(To be completed, signed and delivered upon partial exercise of Warrant) To: [Name of Holder]

The undersigned hereby acknowledges that as of the date hereof, __ (___) Common Units remain subject to the right of purchase in favor of [name of Holder] pursuant to that certain Warrant to Purchase Common Units with an Original Issuance Date of [•], 20[•].

DATED: **NG ADVANTAGE LLC**

____

By: ______________________

Name: ______________________

Title: ______________________

Exhibit 31.1

Certifications

I, Andrew J. Littlefair, certify that:

1. I have reviewed this Form 10-Q of Clean Energy Fuels Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2019

/s/ ANDREW J. LITTLEFAIR

Andrew J. Littlefair,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certifications

I, Robert M. Vreeland, certify that:

1. I have reviewed this Form 10-Q of Clean Energy Fuels Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2019

/s/ ROBERT M. VREELAND

Robert M. Vreeland,
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION REQUIRED BY
SECTION 1350 OF TITLE 18 OF THE UNITED STATES CODE

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned hereby certifies in his capacity as the specified officer of Clean Energy Fuels Corp. (the "Company") that, to the best of his knowledge, the quarterly report of the Company on Form 10-Q for the fiscal quarter ended June 30, 2019 fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the financial statements included in such report.

Dated: August 8, 2019

/s/ ANDREW J. LITTLEFAIR

Name:	Andrew J. Littlefair
Title:	*President and Chief Executive Officer* *(Principal Executive Officer)*

Dated: August 8, 2019

/s/ ROBERT M. VREELAND

Name:	Robert M. Vreeland
Title:	*Chief Financial Officer* *(Principal Financial Officer)*

This certification accompanies this quarterly report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.