

**DOCKETED**

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## **Fuel Cell Electric Truck Costs, Demand and Volume Projections**

Nikola has over 14,000 FCETs on our pre-order books at this point. Customers include Anheuser Busch In-Bev and other large credit worthy dedicated fleets. Demand is strong and fleet managers are working hard to find zero emission solutions that will enable them to move at least 40,000 pounds of payload for at least 600 miles which BETs cannot achieve. Nikola has already built 2 alpha FCETs for the North American market. We will have 25 test FCETs on the road in 2021 and 100 FCETs on the road in 2022. We will start large scale production of FCETs in 2023 with our assembly plant in Coolidge Arizona. We will start with 2,200 FCETs in 2023 and ramp up to our full capacity of 36,000 FCETs by 2027. To support this volume of FCETs, our business plan and our financial models call for us to build one 8 ton per day hydrogen production refueling station to support 200 FCETs. We plan to build one 2 ton station in Phoenix by 2021, one 8 ton station in California by 2021 and at least 9 more 8 ton stations in California by 2023. We plan to build 170 more stations around the country by 2027. With new solar power generation coming from our business partners and our ability to buy interruptible power by storing excess hydrogen to satisfy our customer's fueling demand, we are planning to purchase power for less than 4 cents per kWh on average. California power costs might be a bit higher than the average but we will be able to supply hydrogen fuel and a FCET and truck maintenance for 95 cents per mile for a 700,000 mile 7 year lease. This cost structure is on par with diesel fuel for fleets and enables fleets to avoid the operational risk and capital cost associated with buying a FCET. BETs cannot compete with this due to the weight of the batteries which impacts the payload capacity and/or the range. One of the biggest challenges Nikola faces at this point is being able to purchase renewable power in California at affordable rates. We urge you to consider providing financial incentives and other types of support for installing solar generation, clean hydrogen production, storage and fueling infrastructure to facilitate the quick adoption of FCETs in California. Thanks for your consideration. Dale Prows, Head of Hydrogen Supply Chain for Nikola Motor Company 901-378-0142