Mr. Peter Ward
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Program Manager
Alternative and Renewable Fuel & Vehicle Technology Program
Fuels & Transportation Division
California Energy Commission
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

January 23, 2009

RE: Docket Number 08-ALT-1, Advisory Committee Meeting
Comments on the Draft AB 118 Investment Plan

Dear Mr. Ward,

Better Place would like to take this opportunity to thank the California Energy Commission (CEC) staff tasked with AB118, for their hard work in completing the Draft AB 118 Investment Plan and to offer our comments on said document.

Specifically, Better Place requests that significant additional funding be provided to the "Super Ultra Low Emission" category and that this additional funding be allocated solely to battery electric vehicles (EVs), batteries, and infrastructure, and particularly those EVs powered by carbon-free and/or renewable power. We make this request given the fundamental change in the battery electric vehicle market place as indicated by government, the public and the automobile manufacturing companies themselves.

The Electric Vehicle Revolution

In the last eighteen months, the major automobile companies (OEMs) have all announced battery electric vehicle programs. As examples by country of origin:

- *France:* Renault is modifying a plant in Turkey to build hundreds of thousands of EVs;
- *Germany:* Daimler is launching EVs in Germany and Italy and have engaged Tesla to build batteries for Daimler EVs;
- *United States:* General Motors, Ford and Chrysler all have plug-in hybrid and EV programs;
- *China:* Both Chery and BYD are introducing plug-in hybrids and EVs;
- *Japan:* Nissan, Mitsubishi and Toyota have announced plug-in hybrid and EV programs.

These OEM programs are not one or two car media projects; the OEMs have stated they will be building EVs on the order of hundreds of thousands. Supporting documentation in the form of illustrative quotes is included in Appendix A.

In addition, governments (including those of France, Germany, the United States, China and Japan) have identified EVs as a strategic investment domain and are each investing hundreds of millions of dollars in programs to build and sell EVs. For example, the United States in 2008, passed a bill with up to a $7,500 tax credit for purchasing a plug-in car and recently passed bills giving battery manufacturers as much as $335 million to locate in Michigan. In France, the government has pledged to allocate $550 million over the next 4 years to finance battery and EV development.

Furthermore, in addition to national governments, states and local jurisdictions are aware of this shift and are actively encouraging and promoting EVs. On November 20, 2008, in California's San Francisco Bay Area, Mayors Ron Dellums, Gavin Newsom, and Chuck Reed along with representatives from California academia, NGOs, the venture capital world, and the complete endorsement from the Schwarzenegger administration, pledged to transform the Bay Area into the "Electric Vehicle (EV) Capital of the United States" and agreed to accelerate EV adoption by implementing various policies. Three examples include:

- Expediting the permitting for EV charging outlets and range extension facilities;
- Providing incentives for employers to install EV charging systems in employee parking lots;
- Linking EV programs to regional transit and air quality programs.

Showing her support for the Bay Area program, the Speaker of the House, Nancy Pelosi said: "In these times, it is critical that we identify solutions to address both our economic and environmental challenges. Promoting the use of electric vehicles will help forward our nation's goals to achieve energy independence, to protect the environment by reducing greenhouse gas emissions and to boost the economy by providing jobs in an emerging manufacturing sector."

This change in perception has occurred due to a number of reasons. In essence, governments, the public and OEMs have realized that the battery technology is both "good enough" and also cost effective. Further, the geopolitical and financial implications of our societal oil consumption have become too great to be ignored. And lastly, and potentially most importantly, as clearly stated in the United Kingdom's recent King Review of Low Carbon Cars, "fully electric, battery-powered vehicles, if using zero or low-carbon electricity, offer the most direct opportunity to de-carbonize road transport over the longer term." If we are to truly address our carbon footprint in the transportation sector, we must shift to electric vehicles powered by carbon free and or renewable energy.

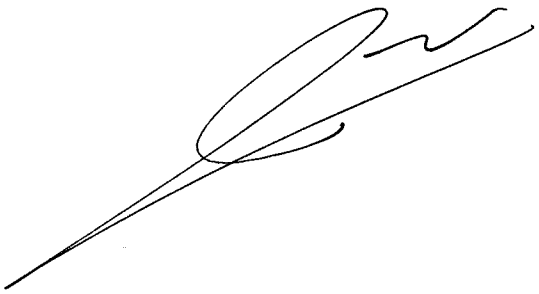
As final demonstration of the change in perception, the above points were reiterated in President Obama's January 20, 2009, inaugural speech "...each day brings further evidence that the ways we use energy strengthen our adversaries and threaten our planet." And "We will harness the sun and the winds and the soil to fuel our cars and run our factories."

For California to maintain and grow as a global leader in the use of technology to combat climate change, additional funding must be allocated to battery electric vehicles.

Should you have any questions, please do not hesitate to contact Sven Thesen at (415)-225-7645 or me.

Cordially,

Jason Wolf
Vice President Business Development, California



Better Place Background

Better Place is a mobility operator that aims to reduce oil dependence by delivering personal transportation as a sustainable service. Launched in 2007 with $200 million of venture funding, the company builds electric-vehicle networks powered by renewable energy to give consumers an affordable, sustainable alternative for personal mobility. Better Place is working with partners to build its first standards-based networks in Israel, Denmark, Australia, California and Hawaii. Better Place will activate networks on a country-by-country basis with initial deployments beginning in 2010.

CC:
James Boyd, Vice Chair; Presiding Member, Transportation Committee, CEC
Karen Douglas, Commissioner; Associate Member, CEC
California Energy Commission; Dockets Office, MS-4; Re: Docket No. 08-ALT-1; 1516 Ninth Street
Sacramento, CA 95814-5512

Appendix A
Recent OEM Comments on EVs

Ford:
“It’s the right time to take this step, but it would be presumptive to try and predict what the market is ultimately going to look like,” said Ford’s chief of global product development Derrick Kuzak. (Jan 11 ’09)

“It’s clear that society is headed down this road . . . Ford is heading in the direction America and our customers want us to go, which is a green, high-tech and global future. I think that is where society would like to see the entire industry go, and Ford is going to lead that charge . . . We don't know what the volumes are going to be, we have no idea what the demand is going to be, but [the electrification program] is a road that makes a lot of sense," said Ford Motor Company Executive Chairman Bill Ford (Jan 11 ’09)

General Motors:

"We're obviously going to keep a lot of focus on the Volt because we are convinced that the electrification of the automobile is going to happen. The Volt will take center stage,” said General Motors spokesman Dee Allen. (Dec 27 ’08)

"We believe [our lithium-ion battery plant] will become a competitive advantage for GM and will be critical to GM's success," General Motors chairman and chief executive G. Richard Wagoner Jr. (Jan 12 ’09)

Mitsubishi:
"Please erase your image of electric cars being like golf carts," said Mitsubishi Motors Corp. spokesman Kai Inada. (Jan 5 ’09)

“We have been involved with Electric Vehicles since the 1960’s. In the 70’s we made a total of 150 Electric vehicles for Electric Power companies- using Lead-Acid batteries. We continued our development of Lead-Acid powered EV’s through the 80’s, but in the early 90’s decided to switch to Lithium-ion.” Corporate General Manager for the iMiEV electric car program Tohru Hashimoto (Jun 16 ’08)

Toyota:
“This is a pure electric vehicle. It's a concept we are bringing to the show basically to confirm our interest in electric vehicles,” said Toyota spokeswoman Jana Hartline (Dec 24 ’08)

"The FT-EV concept shares its platform with the revolutionary-new iQ urban commuter vehicle. Already a huge hit in Japan, the iQ is lightweight and seats four passengers in comfort and security, while delivering exceptional mileage, sporty performance, unique refinements and a fun, youthful image.

Toyota’s FT-EV concept imagines an urban dweller, driving up to 50 miles between home, work and other forms of public transportation, such as high-speed rail. Although, for now, the FT-EV remains a pure concept, it represents a natural pairing of product strategies.

Last summer's $4-a-gallon gasoline was no anomaly. It was a brief glimpse of our future. We must address the inevitability of peak oil by developing vehicles powered by alternatives to liquid-oil fuel,” said Vice President of Toyota Motor Sales USA Irv Miller. (Jan 10 ’09)

Renault-Nissan:
"Together, we are creating conditions that will encourage consumers to consider an electric vehicle as an attractive choice that is also good for the environment," said Carlos Ghosn, CEO of both Nissan and Renault (Nov 21 ’08)

Mercedes:
“Everybody knows gas prices will never go back and that we are running out of oil . . . Technology that was not economical 10 years ago — the calculations are completely different today . . . The battery is the key. Lithium-ion technology offers a lot of advantages and we will be the first carmaker on sale with one. We have 25 patents on it . . . Zero emissions does not mean zero performance at all," said R&D boss Dr. Thomas Weber of Mercedes Benz. (Jun 16 ’08)

"The flexible BlueZERO concept allows electro-mobility for every requirement and highlights the fact that Mercedes-Benz is the world's only car manufacturer to already have in place all the key technologies for electric cars offering full everyday practicality,” said Dr Dieter Zetsche, Chairman of the Board of Management of Daimler AG and Head of Mercedes Benz. (Dec 15 ’08)

BMW:
"Think of [the Mini-E] almost as an adoption process," said Mini's chief for North America Jim McDowell. (Jan 5 ’09)

Chrysler:
“ENVI’s basic goal is to make electric drive a viable business for Chrysler,” said the President of Chrysler’s ENVI electric vehicle group Lou Rhodes. (Jan 15 ’08)

"It's efficient. It's fun. It's clean. As people stare at the price of gas and wonder what's going to happen next, it takes that out of the equation," said Doug Quigley, head of engineering for Chrysler's ENVI electric vehicle group. (Jan 11 ’09)

"We have a social responsibility to our consumers to deliver environmentally friendly, fuel efficient, advanced electric vehicles, and our intention is to meet that responsibility quickly and more broadly than any other automobile manufacturer. The introduction of the Chrysler, Jeep and Dodge electric vehicles provides a glimpse of the very near future, and demonstrates that we are serious and well along in the development of bringing electric vehicles to market," said Chairman and CEO of Chrysler LLC Bob Nardelli. (Nov 18 ’08)

“The 200c EV is the inspired and soulful look at what a Chrysler sedan should be,” said James Press, a company vice chairman. (Jan 11 ’09)