



ELECTRIC VEHICLES INTERNATIONAL
VEHICLES | CONVERSIONS | POWER TRAINS

February 24, 2010

James D. Boyd
Vice Chair and Presiding Member
Transportation Committee

Anthony Eggert
Commissioner and Associate Member
Transportation Committee

DOCKET 09-ALT-1

DATE	<u>FEB 24 2010</u>
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RECD.	<u>FEB 24 2010</u>
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Re: Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program
2010-2011 – Docket 09-ALT-1

Electric Vehicles International (EVI) is a 20-year pioneer in alternative fuel technologies and leading manufacturer of electric vehicles. We would like to recognize all of the hard work of the Energy Commission staff to develop the 2010-2011 Investment Plan. EVI appreciates the Energy Commission staff for continuing to work with us and other stakeholders to help optimize the Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program.

EVI shares the climate change goals of AB 32 and offers scalable electric vehicle powertrains that can be integrated into most medium and heavy-duty vehicles. Our electric vehicle powertrains emit zero mobile source emissions and reduce GHG emissions by about 75%.

In 2009, EVI moved from Mexico to Stockton, California to be part of the largest, most important market for advanced transportation technologies. These clean technologies are being driven by aggressive policies like AB 32 and fueled by important resources such as the AB 118 funds. EVI is located in the heart of California to accelerate the design, development, deployment and market transformation of EV and range-extended electric vehicles. Our advanced technologies offer the potential to truly transform the market to modernize the state's large dirty diesel medium- and heavy-duty fleet into a clean, cost-effective model of sustainability, powered by state-of-the-art electric, very low carbon technology.

Electric Vehicles International supports the Energy Commission staffs' recommendation to invest in advanced on-road and off-road medium- and heavy-duty technologies,



electric drive infrastructure, and electric drive manufacturing equipment and facilities. We strongly support the recent amendment to allocate an additional \$4 million for advanced medium-and heavy-duty on-road demonstration vehicles in the AB 118 Investment Plan for 2010-2011.

EVI would like the California Energy Commission to consider the following five recommendations:

1. EVI recommends that the Energy Commission provide funding for an electric vehicle battery buyback program. Bringing down the cost of batteries is one of the fastest ways to accelerate the widespread commercialization of zero emission electric vehicles and reduce environmental impacts. We advise that the program have \$2-4 million in funding for five years and be structured by partnering with battery companies and end-use partners to back up cell phone towers and provide backup power for utilities. EVI has much valuable experience in this area and we would be glad to discuss the specifics suggestions of how to optimize the program to reduce costs of very low GHG EVs and to help achieve sustainability goals.
2. EVI would like the Energy Commission to consider increasing funding to develop and demonstrate advanced non-road medium and heavy duty technology because the currently proposed \$2 million is not sufficient to help adequately accelerate clean, very low carbon, advanced technologies in the important non-road section, which contributes a substantial amount of dirty diesel emissions.
3. EVI urges the Energy Commission to consider the near and midterm market viability of a technology and its allocation of funds. In order for California to reduce its GHG emissions to 1990 levels by 2020, the best investments are in technologies that are developed, proven, and commercially available and ready for deployment. The electric-drive market is well on its way to reaching commercial levels and has outpaced other very low carbon technologies; therefore, the total GHG emission savings will be realized much sooner with less funds being spent on risky R&D and more funds for deployment of electric vehicle technologies.
4. In general, we would like the Commission to consider refining the 2010-2011 Investment Plan to allow more competition among advanced technologies and fuels, which would allow the potential for increased investment in projects with the greatest potential to help attain the state's climate change policies. This could be achieved by allowing greater funding based on performance, GHG emission reduction benefits, ROI, market viability and potential market transformation.



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5. Electric Vehicles International is currently pursuing certification with the Air Resources Board to retrofit HEVs to PHEVs. We would like to work with CEC staff and the PHEV Research Center to open up existing funds for PHEV retrofits.

EVI is very supportive of the AB 118 investments in medium and heavy-duty on-road and off-road electric technologies and look forward to working with Energy Commission staff as we move forward on the implementation of the AB 118 Investment Plan for 2010-2011.

Sincerely,

Ricky Hanna
CEO & President
Electric Vehicles International