

May 18, 2011

California Energy Commission
1516 9th Street
Sacramento, California 95814

California Energy Commission,

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RECD. May 19 2011

ALTe Powertrain Technologies is requesting funding of \$1 million from the CEC to support a prototype project that would involve the retrofit of six light truck vehicles in Southern California with plug in series hybrid eclectic (PHEV) powertrains.

ALTe is a company that believes that PHEV powertrains are the transitional technology that will bridge the gap between traditional internal combustion engines and the full electrification of the automotive industry. The company has a very unique business model in that it will: 1) retrofit existing vehicles, 2) focus on the light truck segment (vehicles up to 26,000 GVW), 3) market primarily to commercial and government fleets, and 4) operate on a mass production basis which will result in a significant impact regarding the reduction of petroleum consumption and the generation of greenhouse gases. The company is projected to launch its mass production in June of 2012. The ALTe PHEV powertrain system will provide an initial 30 miles on an all electric basis and then another 275 miles powered by a four cylinder genset. Overall fuel economy is projected to increase by up to 200%.

ALTe is in the midst of completing its engineering and development phase including working with CARB towards full certification. Until the company can realize the benefit of volume based production pricing from its suppliers, individual prototype vehicles are very expensive. ALTe is proposing to partner with at least two California fleets to retrofit 6 of their light truck vehicles (either Ford F150 pickup trucks or Ford E350 Vans). The total cost of the project is projected at \$1.8 million – in addition to \$1 million from the CEC, ALTe would contribute \$500,000 and the two fleets will contribute \$300,000. The fleets would evaluate the performance of the prototype vehicles and provide feedback to ALTe to assist in improving the overall design of the powertrain.

This project will support the goals of CEC and SCAQMD by reducing greenhouse gas emissions in the light truck market. In addition, at least 20 jobs are expected to be created in California after the company is fully launched through ALTe's installation partner Manheim Auctions (who has seven locations located throughout California).

Sincerely,

Dennis

Dennis Baranik

Vice President, Marketing & Sales

ALTe Powertrain Technologies