

April 25, 2012

California Energy Commission
1516 9th Street
Sacramento, California 95814

Docket No. 11-ALT-1

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California Energy Commission,

ALTe Powertrain Technologies (ALTe) is requesting a slight modification to the program requirements regarding the CEC's 2012-13 Medium and Heavy Duty Demo funding proposal (presently targeted at \$4 million). ALTe is very interested in submitting a request for funding that would involve the retrofit of several medium duty truck vehicles in Southern California with ALTe's plug in series electric hybrid (PHEV) powertrains. However, the current requirement that OEM be partners in the application does not fit our business model.

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 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 April of 2013. The ALTe PHEV powertrain system will provide an initial 25-30 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 several of their medium duty trucks (likely Ford E350 based vehicles). This project will support the goals of CEC and SCAQMD by reducing greenhouse gas emissions in the medium duty truck market.

Our specific request is that any CEC program guidelines do NOT include involvement of an automotive OEM as an official project partner. ALTe's business model is such that we do not require direct involvement of an OEM – all of our engineers have ex-

tensive automotive engineering backgrounds and we are agnostic as to the specific brand of components with which we will incorporate into our powertrain system. While Ford (4 cylinder engine), Remy (electric motors), and A123 (lithium ion batteries) are some of our more significant component suppliers, they are not official “partners” of ALTe nor are they required for us to execute the CEC project.

ALTe is excited about the potential to participate in the CEC’s 2012-13 demo programs and would be happy to discuss this matter further if requested.

Sincerely,

Dennis

Dennis Baranik
Vice President, Marketing & Sales
ALTe Powertrain Technologies