

October 17, 2016

ARB Mobile Sources Staff and Board
1001 I Street, P.O. Box 2815
Sacramento CA 95812

RE: Comments on the proposed AQIP funding plan modifications

Dear Board Members and ARB Mobile Sources Team,

At XL Hybrids we are very appreciative of the efforts of the ARB team in developing the modified AQIP funding plan. We enthusiastically support the overall AQIP funding plan, and echo our comments provided for the initial June 2016 Board consideration of the funding plan.

XL Hybrids is currently the leading fleet electrification company in the U.S. with over 30 Million fleet customer miles per year driving our products across North America. Our core hybrid electric upfit product for Class 2 to 6 vehicles provides 20% fuel and proportional CO2 savings. This success is because of two important factors:

1. XL Hybrids does not significantly alter the major OEM vehicle and powertrain, and so major fleets can buy and service major OEM vehicles without any changes
2. XL Hybrids price point is under \$10,000 for a Class 2B hybrid electric full size van, and under \$20,000 for larger vehicles which has attractive payback for fleets that considerable lifetime vehicle mileage

At a high level while we recognize the need for pilot funding, we would like to see a larger share of funds applied towards commercialization projects rather than what can potentially be projects that do not lead to recurring lower cost commercialized products and financially sustainable innovative technology businesses. Please see our previous comments from June.

Sincerely,



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