

Daniel Witt  
13-7-5



**Comments for California Air Resources Board Public Meeting  
Agenda Item # 13-7-5**

Members of the Board:

My name is Daniel Witt and I am the Legislative and Policy Associate for Tesla Motors.

Tesla Motors is a California based auto manufacturer that employs more than 4,000 individuals in the State. Our current production includes the Tesla Model S, winner of Motor Trend's 2013 Car of the Year, which is built entirely at the formerly shuttered NUMMI plant in Fremont, CA. We also produce EV powertrains and battery systems in partnership with other larger OEMs including Daimler and Toyota.

I'm here today to extend Tesla Motors' strong support for the staff recommendations for the Air Quality Improvement Program(AQIP) funding plan for the 2013-2014 Fiscal Year. The Clean Vehicle Rebate Project is – without a doubt – one of CARB's most successful programs and provides direct assistance to consumers. Continuing to fund the program at its current levels will enable both consumers and manufacturers the stability to continue adopting these vehicles in larger numbers in the coming year.

As you are aware, Tesla began production and deliveries of the Model S Sedan in June of 2012. However, deliveries began in earnest beginning in Q4 of 2012 and continued into 2013. In fact, the Tesla Model S was the best-selling EV or PHEV on the market in Q1 of 2013 – and outsold the gas powered equivalents by all major manufacturers including Audi, Lexus, BMW and Mercedes. To put this in perspective: the current fleet of CA Model S' mitigates 1.5 Million kg of CO2 emissions.

It is believed that the large number of Model S' sold in the first half of 2013 caused a strain on the available CVRP funds. However, according to California Center for Sustainable Energy, only 55% of Model S owners through Q1 requested the rebate. We believe the rebate, in its current amount, remains very impactful to a large segment of our buyers. However, it is clear that while we outsold all the other BEVs in this period – our impact on rebate funds is more in line with the other vehicles that qualify for the rebate.

We believe this gets to a root issue of one of the complexities facing this program. If Tesla isn't the reason for the dearth of funds – what is? Quite simply – we believe it can be attributed to a greater amount of qualified models coming to market in the last year. We can all agree this is a good thing – while still recognizing the need to continue these incentives. Tesla understands the challenging nature of this request, given that current funding levels are unlikely to carry the program through the full fiscal year. However, we submit that we are willing to work with the Board, CARB staff, the coalition, the legislature and the Governor to develop both a short term funding solution and long term set of goals to see that this successful program continues to thrive in the coming years.

Thank you very much for your time and attention, we urge you to approve the funding plan for the AQIP program for the 2013-2014 fiscal year.

Daniel Witt  
Legislative and Policy Associate  
Tesla Motors, Inc.