



July 24, 2013

To Whom It May Concern
California Air Resource Board
1001 I Street
Sacramento CA 95812

Dear Board Members,

As a manufacturer of clean electric vehicles, VIA Motors would like to add our comments and testimony in support of the continuation of HVIP incentives for light duty trucks & vans being deployed by the State's early adopting working fleets.

We see (8) eight salient facts that clearly point to the need to preserve, continue and even expand the HVIP incentives for the light duty work vehicles:

1. **Most Fuel Consumed.** Light Duty Trucks & Vans consume more fuel than ALL other classes of vehicles including cars and medium & heavy duty trucks according to the Department of Energy Report noted below (see chart 1) and therefore can deliver more emissions reduction through electrification.
2. **Highest Selling Vehicle.** Light Duty pick up trucks are the #1 selling vehicles in the nation for the past 20 years. Factoring both high fuel consumption, with high volume sales will delivery the highest total gallons of gas avoided through electrification and therefore highest reduction in emissions.
3. **Work Fleets Early Adaptors.** Due to the higher incremental cost of electric vehicles, sophisticated commercial fleet managers are more likely to evaluate the TOTAL COST OF OWNERSHIP economics offered by electric vehicles, which have a higher incremental cost, but much lower fuel costs (electricity) allowing greater savings over time. HVIP incentives provide large fleets with an economic validation opportunity that will likely catalyze much larger fleet purchasing once those "TOC" economics are demonstrate through the HVIP initial implementation.
4. **Bridge to Volume Pricing.** HVIP incentives provide similar price reductions anticipated from scale manufacturing, allowing large fleet managers to evaluate economics and place volume orders pursuant to initial evaluation, thereby providing an essential "bridge" to volume manufacturing.
5. **Production Availability.** Many Light Duty truck and van models are just beginning mass production in late 2013 and early 2014 and are now becoming eligible for utilization of the HVIP incentives such incentives have therefore been underutilized in the past, but promise to be well utilized beginning late 2013 and would benefit significantly from continued availability of HVIP
6. **Continued Reliance on Fossil Fuel.** Without the HVIP incentives that stimulate the adoption of cleaner electric transportation technologies, full



size work vehicles are likely to continue their reliance on fossil fuels with the only other practical alternative fuel available being natural gas, which when leaked into the atmosphere has a twenty times higher impact on climate change than CO₂, according to the EPA.

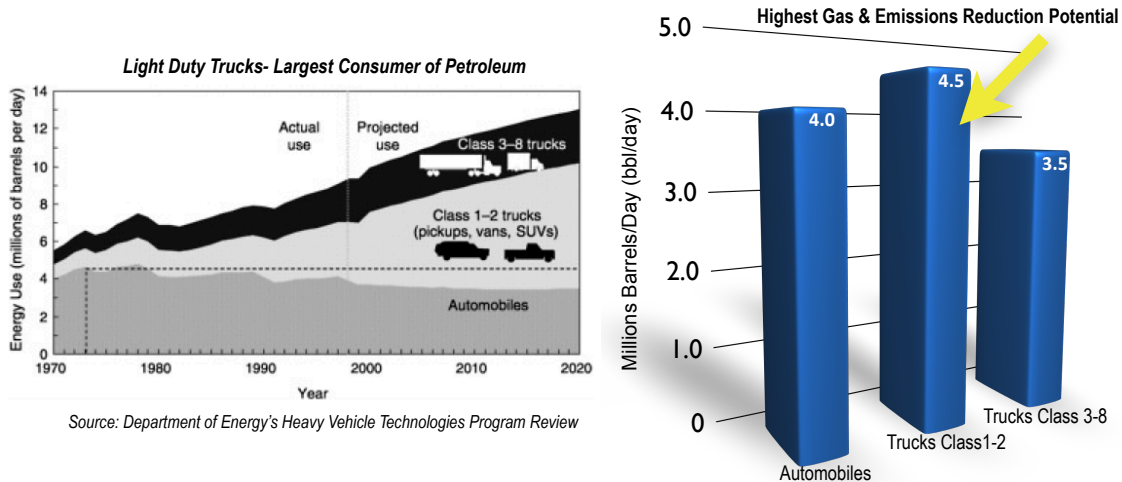
(<http://epa.gov/climatechange/ghgemissions/gases/ch4.html>)

7. **Downsizing & Payload.** Due to the large payload requirements of fleet trucks and vans, fuel efficiency improvements through “downsizing” are not practical, leaving electrification the most likely option for significant emissions reduction.
8. **Higher Economic Return.** Larger vehicles that displace more gasoline with lower cost electricity, offer more immediate economic return, allowing them to be purchased on their own economic merits.

(Chart 1)

Projected Fuel Consumption in 2020

Class 1-2 Light trucks Offer Highest Potential for Accumulated Petroleum Reduction



"Fuel use for all classes of trucks is increasing faster than for automobiles. If current trends persist, fuel consumption in 2020 will be approximately 4 million barrels (bbl)/day (oil equivalent) for automobiles, **4.5 million bbl/day for Class 1 and 2 trucks** (pickup trucks, vans, sport utility vehicles [SUVs]), and about 3 million bbl/day for Class 3 through 8 trucks. **By 2020, therefore, trucks will dominate on-highway fuel consumption, consuming about twice as much fuel as automobiles** in the United States."

--Department of Energy's Heavy Vehicle Technologies Program Review

As a former 35 year GM senior executive, I was instrumental in the establishment of the GM-Toyota NUMI plant in California several years ago, and served as President of the GM Korea, and I have lead the business group of the GM fuel cell development program. I have never seen a technology that is capable of greater, more immediate improvements in fuel economy and emissions reduction than extended range electric vehicle technology for light duty trucks & vans, and a technology more likely of mass adoption by fleets and consumers alike.



I believe that electrification of light duty trucks and vans through early adopting commercial and government fleets will lead the way to mass commercial adoption. The HVIP incentive is a crucial factor in this most valuable market introduction and MUST be allowed to continue or even expand to benefit of the citizens of the State of California and to help launch this important clean technology first in the nation's largest automobile market, California.

Please consider these (8) important factors in your hearings and consideration of continuing the HVIP program.

Alan Perriton
President, VIA Motors