

We would like to support public demand urging that Volkswagen Settlement funds be invested in all-electric zero-emission trucks and buses. This settlement has provided your state with a unique opportunity to improve air quality and the environment, while propelling advanced technology deployment in the transportation industry. As a US based small business and manufacturer, Motiv Power Systems knows first-hand how effective energy policy can promote sustainable solutions and clean transportation.

Motiv has developed all-electric vehicle technology, available for a wide range of medium-duty body applications including: walk-in vans, box trucks, school buses, shuttle buses, work trucks, and specialty vehicles. Our technology is approved by Ford and we have partnered with several industry leading organizations to deploy these vehicles in California and New York so far. Heavy-duty commercial vehicles consume considerably more fuel than light duty passenger vehicles, so the environmental benefits of replacing conventionally fueled commercial vehicles with electric vehicles include substantially reduced emissions and improved air quality. Heavy-duty freight trucks disproportionately contribute to pollution and represent less than one-tenth of all vehicles, yet account for roughly 40% of carbon emissions, and this figure continues to grow. Current cutting-edge diesel technologies offer only a 40% reduction in carbon emissions at best, whereas Motiv Power Systems' fleet of electric vehicles can achieve over double that reduction (over an 80% decrease in fuel life-cycle emissions).

In developing a plan to administer your Volkswagen Settlement funds, Motiv urges your state agency to consider California's successful market-based program for commercial vehicles: The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). The HVIP program takes a first-come, first-served approach by encouraging fleets to apply to receive funding for cleaner vehicle technologies. HVIP focuses on medium to heavy duty vehicles. Eligible vehicles include shuttle buses, school buses, work trucks, delivery trucks, and more. This accessible program is easier to administer, customer friendly, and significantly reduces emission pollutants. The HVIP program could be used as a model to administer your state agencies Volkswagen settlement funds as it has been proven to lessen the administrative red tape of lengthy grant processes and ease fleet operator's transition to electric vehicles in turn enabling a simpler, faster solution to poor air quality.

To show how a voucher program can help fleets go electric, we have included a sample total cost of ownership (TCO) model with and without a voucher.

Sincerely,

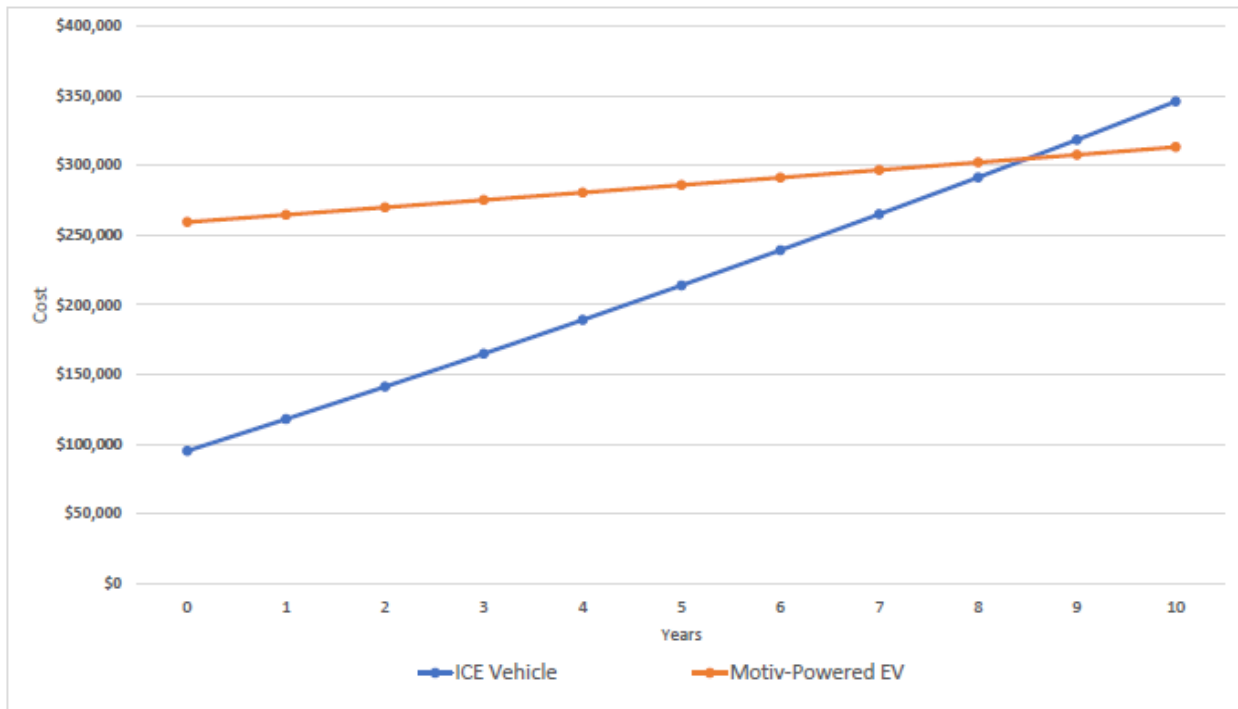
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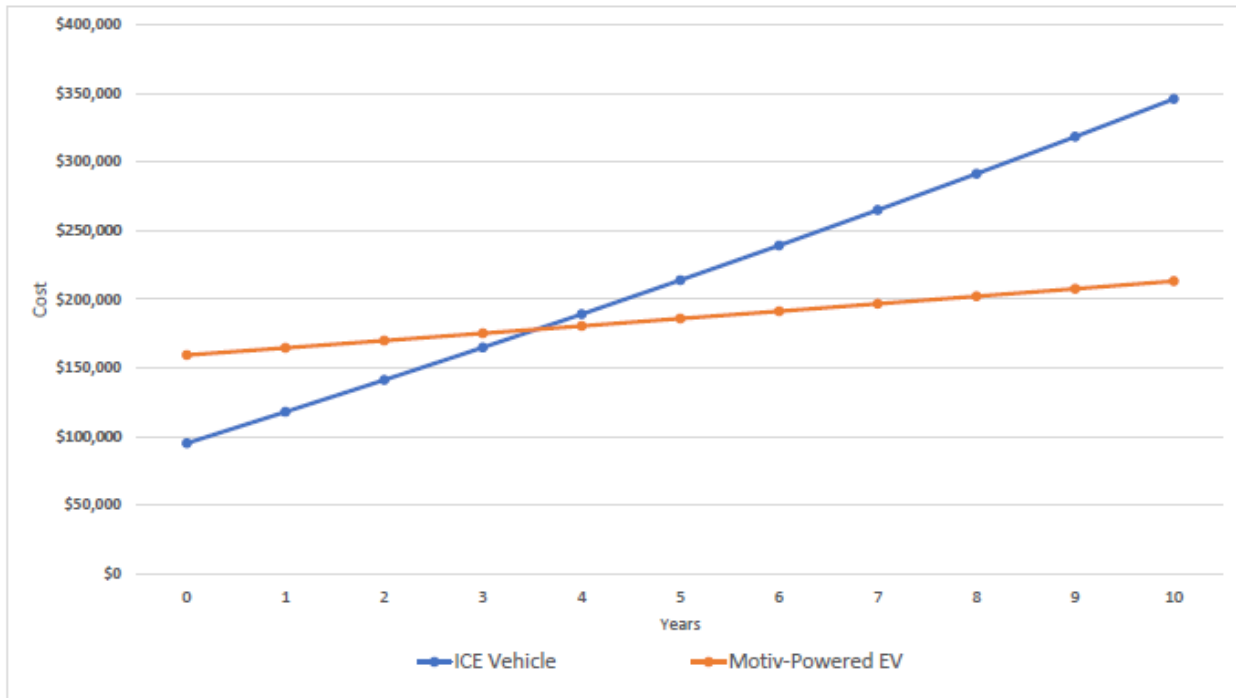
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	ICE VEHICLE	MOTIV-POWERED EV	SAVINGS
Average Annual Fuel Costs	\$17,884	\$2,938	\$14,946
Annual Maintenance Costs	\$7,200	\$2,448	\$4,752
Annual Carbon Emissions (tons)	42.90	0	42.9
Annual PM10 Emissions (lbs)	11.45	0	11.5
Annual NOx Emissions (lbs)	351.31	0	351.3
Total Cost of Ownership	\$345,837	\$313,108	\$32,729
Payback Period	8.33 years		



ASSUMPTIONS			
Comparable ICE Vehicle Price	\$95,000	EV Purchase Price - Before Incentives	\$259,250
ICE Efficiency (mpg)	5	EV Incentives	\$0
ICE Fuel Price (\$/gal)	\$4.00	EV Price - After Incentives	\$259,250
Electricity Price (\$/kWh)	\$0.12	Miles per Day	75
Lifetime (years)	10	In-Use Days per Year	260

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Payback Period	3.26 years		



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Comparable ICE Vehicle Price	\$95,000	EV Purchase Price - Before Incentives	\$259,250
ICE Efficiency (mpg)	5	EV Incentives	\$100,000
ICE Fuel Price (\$/gal)	\$4.00	EV Price - After Incentives	\$159,250
Electricity Price (\$/kWh)	\$0.12	Miles per Day	75
Lifetime (years)	10	In-Use Days per Year	260

The first table and graph illustrates the approximate time a medium-duty Motiv EV will breakeven without a state-provided voucher incentive compared to a conventional, medium-duty diesel vehicle. The second table and graph uses the same comparison, but accounts for a state-provided voucher incentive of \$100,000. This amount is comparable to what California's HVIP offers fleets today. As you can see, with a \$100,000 voucher, the payback period and total cost of ownership becomes significantly more attractive. This will help fleets take the plunge and clean up air in your state!

We hope you will consider our recommendations. We are available to provide more information as needed.