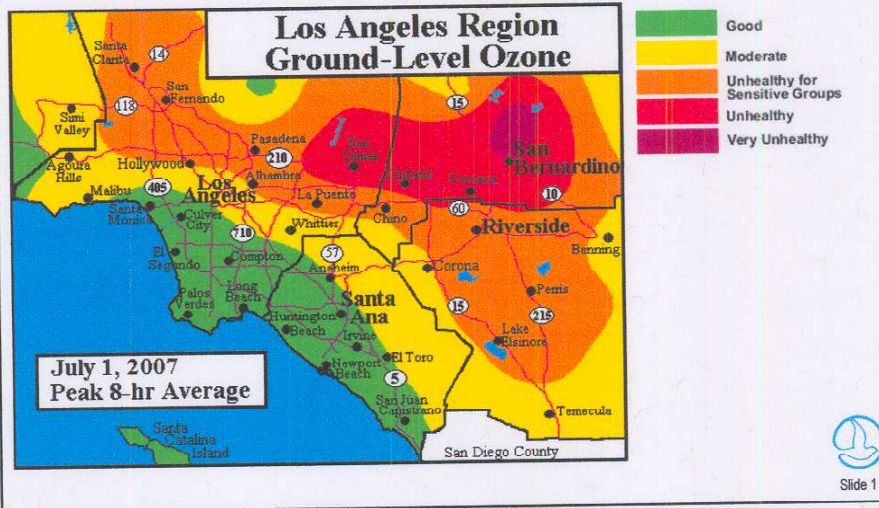


Worst Air Quality in the U.S.



ZEV Volumes

Phase	I	II	III	IV
Years	2005-2008	2009-2011	2012-2014	2015-2017
Existing	250	2,500	25,000	50,000
ISOR	250	2,500	2,500 + EATPZEV	25,000 + EATPZEV

*Backfill with
Enhanced ATPZEVs*



Equivalency Based on Credits

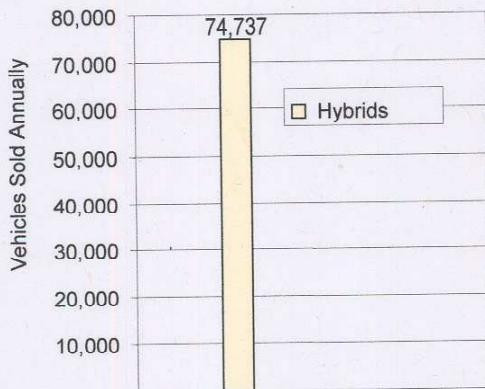
	ZEVs	EATPZEVs
Credits *	5	1.5
2012-2014 Baseline	2,500	
Vehicle Shortfall	22,500	
<i>Credit Shortfall</i>	112,500	
Gap by EATPZEVs		75,000

* Assuming Type IV ZEV and 1.5 EATPZEV



Slide 3

Technology Forcing: Too Low

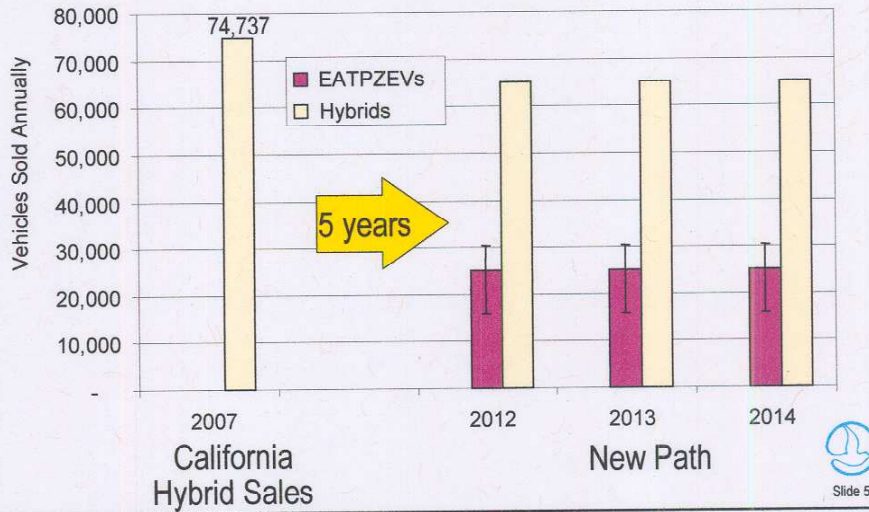


2007
California
Hybrid Sales

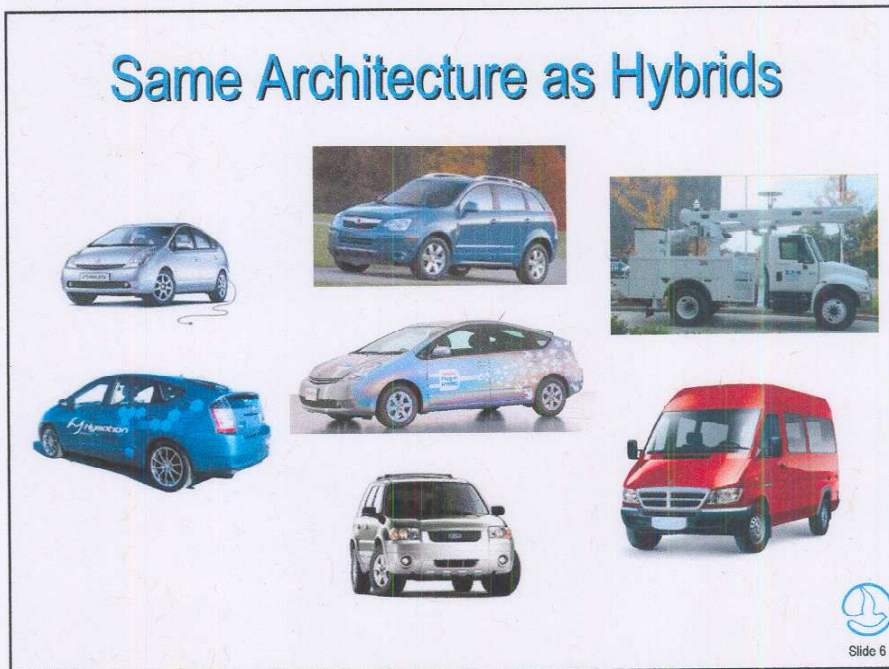


Slide 4

Technology Forcing: *Too Low*



Same Architecture as Hybrids



Recommendations

Increase number of Enhanced ATPZEVs by 50% to

- Reflect demand for and evolution of existing architecture,
- Accelerate fleet turnover, and
- Improve air quality



Slide 7