

Madame Chair (Nancy Skinner) and other committee members, I'm Ricky Hanna, president and CEO of Electric Vehicles International. Thank you for the opportunity to testify today about how California's climate-change policy affected our decision to invest in California.

First, let me provide some background on Electric Vehicles International. There are a handful of Electric Vehicle manufacturers out there, and California needs every zero emission vehicle that we can *all* deliver; but at EVI we differentiate ourselves by providing:

- 20 years of experience and over \$25M invested in to R&D
- An innovate, flexible, and modular Electric Drive Train approach
- An "All American Solution" which is creating green jobs here in California and stimulating the U.S. economy, with almost every component produced in the U.S.
- The battery and electric motors are customized and scaled to fit needs and costs. EVI offers vehicles tailored to meet specific requirements with travel range up to 115 miles per charge and speeds of more than 60 miles per hour.
- Our supply agreement with Valence Technology offers the best, most reliable battery technology out there, at the lowest price available.
- Fuel cost savings, maintenance cost savings, and California's air quality incentives will allow large-scale deployment throughout California and beyond.

Each new zero emission vehicle deployed by EVI removes 100% of the mobile-source particulate pollution. And each fully electric vehicle we deploy reduces greenhouse gas emissions by about 75% per mile, compared to the average dirty diesel truck.

EVI's modular, scalable approach allows EVI to accelerate deployment of zero emission vehicles to help achieve California's aggressive emission reduction policies.

California's environmental policies, especially the landmark greenhouse gas reduction law, AB 32, played a key role in our decision to relocate our headquarters and main assembly facility from Mexico to California. AB 32 and other emission reduction incentive programs were core drivers, particularly the CEC's AB 118 grant program, the ARB's Zero Emission Rebate Project, as well as clean air programs at the ports and Air Districts.

Ultimately, we relocated to California this year because it was a sound business decision. There are benefits from being located within one of the largest, most important markets for zero emission vehicles. And we were attracted to the state's reputation as a world leader in green technologies. But AB 32, AB 118, CARB's Zero Emission Rebate Project, the Low Carbon Fuel Standard, and potential incentives from the Air Districts and Ports (as well as the San Joaquin

Enterprise Zone incentives), tipped the scales in our decision to make the move to Stockton California.

In addition to attracting green investment and green jobs, these incentive programs are crucial to prime the pump to accelerate deployment of zero emission vehicles.

Without California's emission reduction incentive programs, it would currently take about seven years for California customers of fully electric EVI vehicles to realize the individual return on investment. Without California's zero emission deployment programs, the ongoing fuel savings and average annual maintenance cost savings from EVI's electric vehicles would take too long for many potential customers to invest in the additional upfront costs compared to a conventional dirty diesel vehicle.

However, California's Zero Emission Rebate Project, coupled with Air District zero emission incentives, for example, can accelerate the return on investment—down to about three years—which creates an attractive market for fleet operators throughout California.

Additionally, research and development and commercialization funding from AB 118 and other programs can accelerate the application of our modular Electric Drive Train to offer zero emission solutions to port equipment, semi trucks, school buses, and many other dirty diesel engines.

With continued research, innovation, and greater economy of scale, and continued policies that internalize the true costs of GHG and other emissions, the electric vehicle market can be thriving and self sufficient in California by 2015.

Continued state support for zero emission vehicle incentive programs, including rapid deployment of AB 118 funds, will help California realize the environmental and health benefits now.

We are excited to help grow California's economy and to offer zero emission vehicles that eliminate mobile diesel particular pollution and substantially reduce greenhouse gas emissions.

We are a proud example of California's environmental legislation creating green jobs and cleaner communities for California, and we look forward to working together to help California continue to be a world leader in green technologies that can help solve the climate crises.

Thank you.