Global Business Opportunity Converting Large Combustion Vehicles

Right Time for Companies to Enter Conversion Market
• Large percent of 900+ million combustion vehicles can be converted
• Existing fleets will continue to purchase traditional ICE vehicles for several decades
• Conversion costs lower than purchasing new vehicle; immediate reduction in operating costs
• Forward-thinking customers anticipating higher fuel prices and GHG compliance requirements
• Any major oil price spikes or intermittent shortages will drive demand for conversions
• Only conversions can be ramped up quickly enough to take advantage of battery supply coming in 2-3 years
• Consumer/fleet interest and awareness are growing

Benefits of Entering Conversion Market
• Open market, no entrenched leaders, growing number of specialized suppliers
• Profitable from today to beyond the widespread adoption of PHEV and BEV
• National and local tax incentives increase profitability
• Creates new, local jobs for skilled and unskilled labor

Battery Economics
• Battery financing could create a secondary market, increasing jobs
• Battery costs figured as pre-payment against future fuel savings
• Battery ROI in 5 years or less, also improved by increasing fuel economy in hybrid mode beyond EV range

2010 Volume Conversion Cost Estimates
• Add PHEV components to existing drivetrain: ~$5K USD + batteries
• Replace drivetrain with PHEV components: ~$10K USD + batteries
• Replace drivetrain with BEV/EREV components: ~$5K USD + batteries

For further information on conversions visit www.calcars.org/ice-conversions.html

The California Cars Initiative
PO Box 61045 • Palo Alto, CA 94306
www.calcars.org • info@calcars.org