

Thank You for Being a CalCars Supporter!

Your past help has helped make possible all we've accomplished. I'm also personally appreciative. The CalCars.org project has been the most exciting challenge of my life. I've been trying to make a difference in the world for over 40 years -- and this is the best work I've done.

I think this year we can get PHEVs on the road -- and demonstrate new ways to create change.

We can be very satisfied about at least three things. First, **victory is in sight!** Now we can consolidate and build on what we've done. Second, I often hear that our success gives others **a rare sense of hope and empowerment**. This is so valuable we search for solutions to global warming and as the geo-political, health and economic damages from petroleum dependency sometimes seem unstoppable. Third, our approach may offer **models for action** that can be extended beyond cars.

Toyota and GM have finally said they'll build PHEVs -- someday. Yet if we try to coast in, relaxing our efforts, years from now we might see only a few hundred PHEVs. Instead we can get car-makers to stop saying "not yet" and instead cooperate with those who so urgently want PHEVs, finding ways to remove the remaining obstacles to **demonstration fleets, then facilitating mass production**.

We're ready to set in motion our most ambitious and creative campaigns. We've identified key points of leverage. We now have access to the people and groups who together can influence organizational, governmental and corporate decisions.

We benefit from dozens of dedicated advisors, many active supporters and thousands of fans. But we remain frustrated. **Only Felix and Ron are full-time, mostly as volunteers, on a shoe-string budget. We need more people and resources to accomplish far more.** We're close to gaining support for some of our 2007 goals on page 2. We want to move forward on them all.

We can use your help. Are you in a position to make another tax-deductible contribution? **If you can spare an amount equal to what you've given in the past, you know we'll use it well!** It's easy with a credit card or a check at <http://www.calcars.org/sponsor.html> or with the enclosed form.

This envelope also includes a 2006 review, a flyer on PHEVs and a recent story in *US News & World Report*. Feel free to pass them on to other potential supporters. (You can print more handouts from the Downloads section of CalCars.org (a sub-page from the "About" link.) And apologies for this form letter -- we do the best we can with our limited time and resources.

Best wishes for a hopeful holiday season -- and thank you for all that you do!

Sincerely, Felix Kramer, Founder

UC Davis Prof. *Andy Frank* and former CIA Director *James Woolsey*, December 2006 in Santa Monica. Frank is the inventor of the modern PHEV. Woolsey first said, "For a plug-in hybrid, we need a bigger battery and, yes, there is an infrastructure investment: an extension cord. Each family would need an extension cord." On CalCars' home page, see the link to more inspiring **photos** and subscribe to our email **Newsletter** to get the latest info.





CALCARS GOALS FOR 2007

We're now at CalCars 3.0 Here's our "version history:"

1.0 was "What's a plug-in hybrid?" (2002-04)

2.0 was "How can I get one?" (2005-06)

3.0 is "Let's get PHEVs from car-makers!" (2007-??)

We've come an incredibly long way in 2006. Plug-in hybrids are now a solution endorsed by leaders in business, government at every level, environmentalists, citizens groups, policy analysts, academics -- and car-makers. Some days the news has been so amazing it seems unreal. Also see our year-end review of the highlights of 2006.

Meanwhile, we're advancing a range of projects to achieve **our paramount goal: getting car-makers to mass-produce plug-in hybrids**. We list the most ambitious items first:

- Emphasize PHEVs' value as "carbon killers" -- get emerging grass-roots/community/business coalitions to adopt them as a leading **climate crisis solution** we can begin to build with no new technology. Continue promoting PHEVs' **energy security and economic benefits**, reducing dependence on oil with no new infrastructure.
- Refine and implement our "**No-Worry**" plan to eliminate batteries as an impediment for car-makers, speeding creation of a demonstration fleet of thousands of "good-enough" PHEVs from carmakers and integrators -- and building a pathway to mass production.
- Find ways to accelerate the frustratingly slow pace of **conversion deliveries**; this may involve spinning off a **for-profit company**, while continuing CalCars.org -- it's taking a while to put the many pieces in place.
- Work to **enact the bi-partisan, bi-cameral Vehicle and Fuel Choices for American Security Act**; advance other steps to significantly expand **state and federal government programs** (including the "No Worry" plan) incentivizing and supporting PHEVs.
- Launch **targeted efforts specifically directed at individual automakers**, combining public advocacy campaigns and private cooperative business proposals.
- Pursue **technology projects** to demonstrate new batteries, enable do-it-yourself conversions and convert hybrids other than Prius.
- Working with Plug-In Partners, Plug In America and others, **evangelize for PHEVs**; bring our converted cars to events that engage, educate and activate new constituencies and support the growing number of distributed cars and advocates worldwide.
- Respond to **media**, now including books as well as print and broadcast stories.

Felix Kramer <fkramer@calcars.org>

December 17, 2006



CALCARS YEAR-END REVIEW: PLUG-IN HYBRIDS MADE THE BIG-TIME IN 2006

Just scan the postings at CalCars' News Archive to see the momentum that grew from so many directions. We start with **items that involve mainly CalCars**. Then we include **other developments**, organized roughly by significance. So many organizations and people are now working on PHEVs; in the events of 2006, we were centrally involved in some; in others we made introductions, started the ball rolling -- or simply welcomed efforts from partners. Thanks!

CALCARS-FOCUSED DEVELOPMENTS

Our **most-photographed car**, a conversion by EnergyCS, driven daily by Felix Kramer, conveyed PHEVs' reality internationally. It was involved in events with many federal officials, entrepreneurs, Bill Clinton, Al Gore, and many others -- see photos on website. In mixed-speed driving, that car routinely gets over **100MPG of gasoline plus about \$0.01/mile for electricity**. It now has over 12,000 miles and has averaged over 75 MPG (that low because of many long-distance non-electric trips).

In addition to Ron's and Felix's cars, we added three more to our **PRIUS+ fleet**: One converted with **Electro Energy** joined Felix's in a spectacular Capitol Hill blitz, coordinated by **Set America Free**, with dozens of Senators and Representatives in support of the **Vehicle and Fuel Choices for American Security Act**. Two converted as part of the **EAA-PHEV "Do It Yourself" project** went to drivers in Seattle and Palo Alto.

We engaged in six months of high level discussions with executives and engineers at **Ford Motors**, along with **Prof. Andy Frank** and Ford advisor/architect/designer **William McDonough**. While welcoming our Escape Hybrid proposals, ultimately the company was too preoccupied to respond -- but the opportunity remains!

We joined a delegation to Sacramento sponsored by **E2** with the **Greentech Innovation Network** (founded by venture capitol firm **Kleiner Perkins**) that **Governor Schwarzenegger** said helped convince him to support for the pioneering **Global Warming Solutions Act (AB32)**.

Founder **Felix Kramer** participated in dozens of high-level events, spoke at conferences, demonstrated his car, networked with public and private sector leaders, built support, strategized, fundraised, blogged and updated CalCars-News. Technology Lead **Ron Gremban** further developed our hardware and software, managed continuing conversion projects, evaluated new projects

and technologies, gave technical talks, and, with Prof. Andy Frank, developed our specific proposals to Ford. Communications Director **John Davi** re-vamped our website, helped develop our BETTAH animation and designed the highly effective 100+MPG signage for our cars, before he had to accept more secure employment. **Michael Bender** saved us by becoming responsible for updating the website. **Dave Bagshaw** recently signed on as a Senior Advisor, bringing his entrepreneurial and technical expertise. Advisors on batteries and a possible for-profit spinoff have also been effective. Dozens of volunteers made themselves available even at night and on weekends to help in many ways.

PHEVs got favorable in-depth media coverage from **Scientific American, The Economist, US News & World Report, Popular Science, Thomas Friedman's Discover TV** program, newspaper editorials, broadcast and online outlets. **Sherry Boschert's** book, "Plug-In Hybrids: The Cars That Will Re-Charge America," was published.

Our **website** pages tracking **car-makers statements**, our **photos** of high-profile people with PHEVs, downloadable **flyers, endorsement lists, explanations of conversions** and our email **Newsletter** (with 4,000 subscribers and significant secondary distribution) were widely praised.

MAJOR PHEV DEVELOPMENTS

General Motors announced it will build a production PHEV Saturn Vue, but with no timetable. (A second GM announcement is likely soon.) **Toyota** said it is "pursuing" PHEVs, but they aren't yet "viable." **Bill Ford** expressed "keen interest." **Nissan** committed to research.

Batteries, cited as the main obstacle by auto-makers unsure of lithium-ion battery life, emerged as a key to what happens next. Companies including **A123 Systems, AltairNano, ElectroVaya, Electro Energy, Firefly, Johnson Controls, Valence** and others reported rapid progress with much better batteries beginning to be tested and

evaluated. CalCars' **"No-Worry" fleet plan**, in intense development at year-end, was favorably received by battery makers, utilities and government agencies.

White House interest grew following the "addicted to oil" State of the Union address. The Advanced Energy Initiative website/brochure included a picture of our first conversion; **Pres. Bush** went on the road with speeches about PHEVs with 40-mile range that "you just plug in." **Assistant Energy Secretary Karsner** reports the President asking for updates on battery technology ever since.

The **US Department of Energy** held its first workshop on PHEVs; the FreedomCar program's focus on PHEVs expanded. The **National Research Laboratories** began evaluating converted vehicles. A Lab analysis that even if 84% of today's cars were PHEVs, we'd already have enough night-time electricity, woke many people up!

Endorsements from **Members of Congress** grew rapidly and we expect will have positive results in 2007.

Plug-In Partners launched in January and has over 8,000 "soft orders" for PHEVs, as well as endorsements from most of America's largest cities, hundreds of institutions and from **AutoNation**, the country's largest car dealer.

Investment firm **Alliance Bernstein** released a study predicting rapid penetration of hybrids followed by PHEVs, calling them "game-changing technology."

Conversion company **Energy CS** delivered a dozen Priuses, then was joined by **Hymotion**, **Hybrids Plus** and **Manzanita Micro**. They and others responded to an RFP to convert up to 600 **New York State** fleet hybrids for \$10 million. The **PHEV Development Consortium** assembled component makers in a trade association.

Plug In America accelerated its advocacy for PHEVs and electric vehicles (EVs), helped by the wide attention given to **Chris Paine's** documentary, "**Who Killed the Electric Car?**" and the launch of the **Tesla Roadster** -- the car that proved electric does not mean "compromise" for car performance. The national **Electric Auto Association** (EAA) gave CalCars and EnergyCS an award.

Environmental groups that had been unsure of the benefits of EVs began to see them as a big future win, especially for global warming. **Environmental Entrepreneurs (E2)** and the **Natural Resources Defense**

Council (NRDC) now have PHEVs on their agendas, as do some **Sierra Club** chapters

Electric utilities bolstered their support. Associations of public and investor-owned utilities endorsed Plug-In Partners, and **Pacific Gas & Electric** included a pitch in monthly bills to five million customers. **Southern California Edison** led testing of the **DaimlerChrysler/EPRI Sprinter**, advanced batteries and converted Prius PHEVs. **Sacramento Municipal Utility District** sponsored a study showing that using PHEVs as storage in "Vehicle to Grid" (V2G) could allow SMUD to increase its wind capacity.

California government agencies focused their attention on PHEVs. The **Air Resources Board** and the **Energy Commission** began to allocate resources to PHEV programs, with more coming in 2007. ARB's Technology Symposium highlighted PHEVs. The **South Coast Air Quality Management District** sponsored a PHEV conference and funded conversions, and the **Bay Area AQMD** helped launch Plug-In Bay Area.

UC Davis Prof. **Andy Frank** began to gain well-deserved recognition for having developed PHEVs for 30 years. He continued working on his ChallengeX conversion of a Chevy Equinox into the **world's first flex-fuel PHEV**.

Silicon Valley companies supported PHEVs with an **SVOilFree** conference, we held events at **Google**, **Palm**, **IDEO** and others. Newly-formed **Google.org** confirmed reports it will soon become involved with PHEVs.

WHAT DIDN'T HAPPEN

We didn't get an automaker to begin producing even single **prototypes of passenger PHEVs**. Aftermarket conversion companies fell short of meeting **strong demand** for vehicles from utilities, governments and early adopters. **We reached many of our other 2006 goals** -- except for some involving CalCars.

Building CalCars financially and institutionally remains a challenge. Because we didn't raise enough money, Ron, Felix and John were paid for only a few months. We kept going barely -- but missed out on opportunities because we were stretched too thin or lacked funds for travel, conferences and handouts. We deferred ready-to-launch projects to 2007. With lots of help, we did our best!

(apologies for any omissions) December 17, 2006

Help CalCars Get BETTAH!

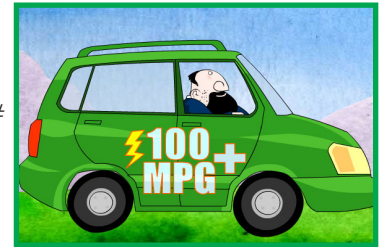
Support Plug-In Hybrid Advocacy and Development



CalCars has received modest support from two foundations, the Electric Auto Association, several California utilities and individuals. These funds have primarily supported our expenses for the PRIUS+ project. Until we are able to gain far more support, we remain essentially a volunteer organization, with a meager budget that means we often pass up opportunities like conferences.

That's where you come in. A few years ago, several hundred thousand Americans signed Clean Car pledges (about 25% came from California). Now, at this critical time, you get the chance to do more than express a general intention. Your actions will jump-start a historic change. Your contribution of any amount will give CalCars the means to build the Initiative to get car makers to build PHEVs.

Your **tax-deductible donation** will go to the CalCars Account at the International Humanities Center (IHC), a nonprofit public charity established in 1998 to act as a legal "fiscal sponsor" for small groups like CalCars. Donations to IHC are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. IHC's Tax ID# is 33-0767921.



You can mail checks, payable to IHC/CalCars, to International Humanities Center, PO Box 923, Malibu, CA 90265. (Please include both your mailing and email addresses.)



Donations of \$25 or more will get you this snazzy bumper sticker!

Thanks for supporting CalCars!

We will not disclose or share any information you provide.

I want to support 100+ MPG plug-in hybrids!

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BILL MY CREDIT CARD

VISA

MASTERCARD

DISCOVER

AMERICAN EXPRESS

CARD NUMBER _____

EXPIRES _____ / _____

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ADDRESS _____

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