

GRANTS/CONTINGENT AWARD REQUEST



To: Grants and Loans Office

Date: 11 / 1 / 2012

Project Manager: Andre Freeman Phone Number: (916) 654-4162 ext.
Office: Emerging Fuels & Technologies Division: Fuels & Transportation MS- 27
Project Title: Manufacturing of Wrightspeed Digital Drivesystem Retrofit Kit

Type of Request: (check one)

New Agreement: (include items A-F from below) Agreement Number: ARV-13-001
Program: Alternative and Renewable Fuel & Vehicle Technology Program
Solicitation Name and/or Number: PON-11-604
Legal Name of Recipient: Wrightspeed, Inc.
Recipient's Full Mailing Address: 2540 Junction Ave.
San Jose, CA 95134
Recipient's Project Officer: Thomas Colby Phone Number: (650) 207-7577 ext.
Agreement Start Date: 12 / 20 / 2012 Agreement End Date: 3 / 31 / 2016

Amendment: (Check all that apply) Agreement Number: _____
 Term Extension – New End Date: _____ / _____ / _____
 Work Statement Revision (include Item A from below)
 Budget Revision (include Item B from below)
 Change of Scope (include Items A – F as applicable from below)
 Other: (Specify) _____

ITEMS TO ATTACH WITH REQUEST:

- A. Work Statement
- B. Budget
- C. Recipient Resolution, if applicable. (Resolution may be requested in Special Conditions if not currently available.)
- D. Special Conditions, if applicable.
- E. CEQA Compliance Form
- F. Other Documents as applicable
 - Copy of Score Sheets
 - Copy of Pre-Award Correspondence
 - Copy of All Other Relevant Documents

California Environmental Quality Act (CEQA)

CEC finds, based on recipient's documentation in compliance with CEQA:
 Project exempt: _____ NOE filed: _____ / _____ / _____
 Environmental Document prepared: Type _____ NOD filed: _____ / _____ / _____
 Other: Explain _____
 CEC has made CEQA finding described in CEC-280, attached

Funding Information:

*Source #1: ARFVTP Amount: \$ 5,789,452.00 Statute: _____ FY: 12-13 Budget List #: _____
*Source #2: _____ Amount: \$ _____ Statute: _____ FY: _____ Budget List #: _____
*Source #3: _____ Amount: \$ _____ Statute: _____ FY: _____ Budget List #: _____

If federally funded, specify federal agreement number: _____
* Source Examples include ERPA, PIER-E, PIER-NG, FED, GRDA, ARFVT, OTHER.

Business Meeting Approval: (refer to Business Meeting Schedule)

Proposed Business Meeting Date: 08 / 27 / 2013 Consent Discussion
Business Meeting Participant: Andre Freeman Time Needed: (5 minutes)

Agenda Notice Statement: (state purpose in layperson terms)

Possible approval of a Grant / Contingent Award to...
Wrightspeed, Inc. for \$5,789,452 to expand and improve its' existing manufacturing facility including partial conversion of current space to accommodate the company's manufacturing line requirements. The manufacturing facility produces range-extended electric drive retrofit kits. The kits will be used to convert the powertrains of medium-duty trucks for significantly increased fuel efficiency.

EXHIBIT A STATEMENT OF WORK

TECHNICAL TASK LIST

Task #	Task Name
1	Administration
2	Manufacturing Facilities Expansion & Improvement
3	Develop and Implement Manufacturing Process
4	Validate Manufacturing Process
5	Data Collection and Analysis

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Ian Wright	N/A	N/A
2	Cynthia Schmidt	TBD	N/A
3	David Pearson	N/A	N/A
4	Subhajit Bagchi	N/A	N/A

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
CPR	Critical Project Review
FTD	Fuels and Transportation Division
PTP	Production Test Process
DDS	Digital Drive System
ORT	Ongoing Reliability Test

PON-Program Opportunity Notice

CEC-California Energy Commission

Background:

Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology (ARFVT) Program. The statute, subsequently amended by AB 109 (Núñez, Chapter 313, Statutes of 2008), authorizes the Energy Commission to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. The Energy Commission has an annual program budget of approximately \$100 million and

provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies
- Produce sustainable alternative and renewable low-carbon fuels in California
- Expand alternative fueling infrastructure and fueling stations
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technology or fuel use
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies

The statute requires the Energy Commission to adopt and update annually an investment plan to determine funding priorities and opportunities and describe how program funding will be used to complement other public and private investments. The Energy Commission adopted its most recent investment plan on May 9, 2012. A link to the *2012-2013 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program* (CEC-600-2012-001-CMF) can be found at <http://www.energy.ca.gov/2012publications/CEC-600-2012-001/CEC-600-2012-001-CMF.pdf>.

On February 6, 2012, the California Energy Commission issued solicitation PON-11-604 entitled "Advanced Vehicle Technology Manufacturing" under the ARFVT Program. This competitive grant solicitation was an offer to cost-share the development of manufacturing and/or assembly facilities in California that produce alternative fuel vehicles, advanced technology vehicles, and/or eligible vehicle components. To be eligible for funding, under PON-11-604, the projects must also be consistent with the Energy Commission's AB 118 Investment Plan updated annually. In response to PON-11-604, the Recipient submitted application #9 which was proposed for funding in the Energy Commission's Notice of Proposed Awards on June 20, 2012. The solicitation PON-11-604 and the Recipient's application are both incorporated by reference to this Agreement in their entirety.

Problem Statement:

The problems addressed are high fuel consumption in truck fleets, high maintenance costs, and expensive emission systems for diesel piston engines. Trucks are heavy vehicles, needing high-power diesel piston engines for adequate performance. In the drive cycles of most medium-duty trucks, most of the fuel is used to accelerate the trucks, which is then wasted in braking for frequent stops.

Electric drive technology is known to be efficient, clean, and low-maintenance; but very expensive to manufacture. This activity and funding will set up a production line in California to manufacture range-extended electric drive powertrains for medium-duty trucks, at a lower cost point per gallon of fuel saved than any existing products. We have proven that the technology works.

Goals of the Agreement:

- Expand and improve existing manufacturing facility including partial conversion of current office space to accommodate the company's manufacturing line requirements.
- Design, develop, install, and configure manufacturing lines, tooling, processes, and test procedures to build, assemble, and integrate the DDS Retrofit Kit components and sub-assemblies, and set up handling procedures to ship the final product to customers.
- Test and validate the manufacturing line and test setup processes and specifications.

Objectives of the Agreement:

- Design and implement facilities modifications and infrastructure improvements of the Manufacturing space so that it is configured to handle the full cycle of manufacturing, assembly, integration, and test of DDS Retrofit Kits.
- Relocate and expand Parts stockroom to accommodate volume purchasing requirements for components and sub-assemblies.
- Develop manufacturing plan including floor plan layout and equipment requirements.
- Purchase and install manufacturing equipment.
- Design "in-line" manufacturing test processes to be applied to subassemblies and complete system.
- Purchase and install manufacturing test equipment.
- Develop and implement specialized software and tooling required for manufacturing and manufacturing test.
- Design, purchase, and validate product-specific tooling and fixtures to enable low-cost volume manufacture of components and subassemblies.
- Determine shipping and handling methods and acquire necessary equipment.

- Design and implement “off-line” test infrastructure for detailed validation of the quality and performance of product samples.
- Use the off-line test infrastructure to complete validation test of a number of sample DDS Retrofit Kits to ensure the quality of the manufacturing and manufacturing test processes.
- Design and implement Ongoing Reliability Testing (ORT) infrastructure and processes to ensure continued product quality.

TASK 1 ADMINISTRATION

Task 1.1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement.

The Recipient shall:

- Attend a “Kick-Off” meeting with the Commission Project Manager, the Grants Officer, and a representative of the Accounting Office. The Recipient shall bring its Project Manager, Agreement Administrator, Accounting Officer, and others designated by the Commission Project Manager to this meeting. The administrative and technical aspects of this Agreement will be discussed at the meeting. Prior to the kick-off meeting, the Commission Project Manager will provide an agenda to all potential meeting participants.

The administrative portion of the meeting shall include, but not be limited to, the following:

- Discussion of the terms and conditions of the Agreement
- Discussion of Critical Project Review (Task 1.2)
- Match fund documentation (Task 1.6) No work may be done until this documentation is in place.
- Permit documentation (Task 1.7)
- Discussion of subcontracts needed to carry out project (Task 1.8)

The technical portion of the meeting shall include, but not be limited to, the following:

- The Commission Project Manager’s expectations for accomplishing tasks described in the Scope of Work
- An updated Schedule of Products
- Discussion of Progress Reports (Task 1.4)
- Discussion of Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
- Discussion of the Final Report (Task 1.5)

The Commission Project Manager shall designate the date and location of this meeting.

Recipient Products:

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits

Commission Project Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

CPRs provide the opportunity for frank discussions between the Energy Commission and the Recipient. The Commission Project Manager may schedule CPRs as necessary, and CPR costs will be borne by the Recipient.

Participants include the Commission Project Manager and the Recipient and may include the Commission Grants Officer, the Fuels and Transportation Division (FTD) team lead, other Energy Commission staff and Management as well as other individuals selected by the Commission Project Manager to provide support to the Energy Commission.

The Commission Project Manager shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. One of the outcomes of this meeting will be a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the Commission Project Manager concludes that satisfactory progress is not being made, this conclusion will be referred to the Transportation Committee for its concurrence.

- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the Commission Project Manager and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

Commission Project Manager Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

Task 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with Energy Commission staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient, the Commission Grants Office Officer, and the Commission Project Manager. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the Commission Project Manager.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The Commission Project Manager will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the Commission Project Manager and the Grants Officer about the following Agreement closeout items:

- What to do with any equipment purchased with Energy Commission funds (Options)
- Energy Commission's request for specific "generated" data (not already provided in Agreement products)
- Need to document Recipient's disclosure of "subject inventions" developed under the Agreement
- "Surviving" Agreement provisions
- Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Monthly Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the research objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

Prepare a Monthly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Project Manager within 10 days of the end of the reporting period. The recommended specifications for each progress report are contained in Section 6 of the Terms and Conditions of this Agreement.

In the first Monthly Progress Report and first invoice, document and verify match expenditures and provide a synopsis of project progress, if match funds have been expended or if work funded with match share has occurred after the notice of proposed award but before execution of the grant agreement. If no match funds have been expended or if no work funded with match share has occurred before execution, then state this in

the report. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.

Product:

- Monthly Progress Reports

Task 1.5 Final Report

The goal of the Final Report is to assess the project's success in achieving its goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

The Recipient shall:

- Prepare an Outline of the Final Report.
- Prepare a Final Report following the approved outline and the latest version of the Final Report guidelines which will be provided by the Commission Project Manager. The Commission Project Manager shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

Products:

- Draft Outline of the Final Report
- Final Outline of the Final Report
- Draft Final Report
- Final Report

Task 1.6 Identify and Obtain Matching Funds

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds shall be spent concurrently or in advance of Energy Commission funds for each task during the term of this Agreement. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient

The Recipient shall:

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the Commission Project Manager at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter a list of the match funds that identifies the:
 - Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
 - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the Commission Project Manager if during the course of the Agreement additional match funds are received.
- Notify the Commission Project Manager within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR.

Products:

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

Task 1.7 Identify and Obtain Required Permits

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient shall budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

The Recipient shall:

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the Commission Project Manager at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
 - A list of the permits that identifies the:
 - Type of permit
 - Name, address and telephone number of the permitting jurisdictions or lead agencies
 - The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the Commission Project Manager.
- As permits are obtained, send a copy of each approved permit to the Commission Project Manager.

- If during the course of the Agreement permits are not obtained on time or are denied, notify the Commission Project Manager within 5 working days. Either of these events may trigger an additional CPR.

Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)
- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)

Task 1.8 Obtain and Execute Subcontracts

The goal of this task is for Recipients to identify any subcontracts required to carry out the tasks under this Agreement and to procure them consistent with the terms and conditions of this Agreement and the Recipient’s own procurement policies and procedures. It will also provide the Energy Commission an opportunity to review the subcontracts to ensure that the tasks are consistent with this Agreement, that the budgeted expenditures are reasonable and consistent with applicable cost principles.

The Recipient shall:

- Prepare a letter documenting the subcontracts required to conduct this Agreement, and submit it to the Commission Project Manager at least 2 working days prior to the kick-off meeting. If there are no subcontracts required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that subcontracts will be required during the course of the Agreement, provide in the letter:
 - A list of the subcontracts that describes the anticipated maximum budget and general scope of work for each,
 - A description of the procurement process to be used, and
 - The schedule the Recipient will follow in applying for and obtaining these subcontracts
- Submit a draft of the subcontract that will include a budget with the information required in the budget details to the Commission Project Manager for review and approval, and incorporate any changes recommended by the Commission Project Manager.
- Submit a final copy of the executed subcontract.

Products:

- Letter describing the subcontracts needed, or stating that no subcontracts are required
- Draft subcontracts
- Final subcontracts

TECHNICAL TASKS

TASK 2 - MANUFACTURING FACILITIES EXPANSION & IMPROVEMENT

The goal of this task is to expand and improve the company's manufacturing space at its current location to prepare the building for tooling, assembly, and test of components and to produce and test complete DDS Retrofit Kits.

The Recipient shall:

- Solicit and compare final bids from three subcontractors to construct manufacturing space, determine which subcontractor provides Wrightspeed the most effective building options, and sign a contract.
- Work with subcontractor and Key Personnel to produce working drawings and structural calculations to submit to the City of San Jose for construction permits.
- Submit working plans to Menlo Equities Management to revise lease to include manufacturing changes to be made to their property at 2540 Junction Avenue, San Jose.
- Engage with the City of San Jose Development Services Center to confirm and apply for those permits and fees that are required.
- Upon receipt of permits and lease approvals, make necessary building facility modifications to support the implementation of the manufacturing line.
- Complete Fire Architectural Review, Hazardous Materials Review, and final inspections.
- Prepare Facility Expansion & Improvement Report to include final floor plan and copies of reviews.

Products:

- Copy of lease revision.
- Facility Expansion & Improvement Report.

TASK 3 - DEVELOP AND IMPLEMENT MANUFACTURING PROCESS

The goal of this task is to position and equip Recipient to build, or have built, the various subassemblies of the DDS Retrofit Kit, and to test, integrate, package, and ship the completed kits to end customers.

The Recipient shall:

- Develop manufacturing plan including supply chain map.
- Purchase and install manufacturing equipment in Recipient's factory.

- Design and purchase product-specific tooling.
- Install tooling at Recipient's factory and California-located suppliers.
- Install tooling at suppliers located outside of California. Expenses associated with this effort are not eligible for reimbursement and must be covered by match share expenditures.
- Design "in line" Production Test Process (PTP).
- Purchase and install production test equipment in Recipient's factory
- Develop and implement specialized manufacturing and manufacturing test software.
- Develop packaging and shipping process and install packaging equipment.
- Manufacture three samples (one each of Pre-Pilot, Pilot, and Production First Article) of a DDS Retrofit Kit on the manufacturing line. Each sample will be subjected to the PTP, and to extensive Validation test (see Task 4). Test results from each sample will be analyzed and necessary corrective actions and improvements will be taken before the manufacture of the next sample is started.
- Prepare and submit a Manufacturing Process Report, including manufacturing plan summary, facility layout plan, supply chain map, descriptions of equipment installations, descriptions and geographic locations of product-specific tooling, PTP results, corrective actions and improvements summary, and the ability of the assembly line to produce DDS Retrofit Kits in compliance with the manufacturing plan.

Product: Manufacturing Process Report

TASK 4 VALIDATE MANUFACTURING PROCESS

The goal of this task is to test and validate the manufacturing line and test setup processes, and specifications.

The Recipient shall:

- Investigate and develop requirements: This sub-task consists of the following activities:
 - Develop software, electrical, and mechanical requirements for manufacturing process validation infrastructure.
 - Develop requirements for Ongoing Reliability Test (ORT) and from there derive the requirements of ORT infrastructure.
 - Determine Test Bed Architecture.
 - Determine Test Software to be procured.
 - Determine Test Hardware to be procured.
- Develop Test Systems: This sub-task consists of the following activities:
 - Procure Test Software.
 - Procure Test Hardware.

- Procure Sensors and Actuators to connect to Test System.
- Procure Environment Chamber.
- Develop Test Scripts and perform unit testing.
- Integrate & Execute Validation : This sub-task consists of the following activities:
 - Integrate the hardware, software, scripts, and other parts.
 - Validate and calibrate setup by running test runs.
 - Execute Validation Program: This sub-task consists of the following activities:
 - Validate Pre-Pilot sample.
 - Validate Pilot sample.
 - Validate First Article sample.
 - Perform Quarterly ORT sample validation.
- Prepare and submit a Process Validation Report : The report will include but not be limited to the following:
 - Test System Diagram and architecture.
 - Test Cases.
 - Pre-pilot, Pilot, and First Article manufacturing validation test results.
 - Quarterly ORT test results for first 2 years of production.

Product: Process Validation Report

TASK 5 Data Collection and Analysis

The goal of this task is to collect operational data from the project, to analyze that data for economic and environmental impacts, and to include the data and analysis in the Final Report.

The Recipient shall:

- Collect at least 6 months of production, usage, and operations data from the project including, but not limited to:
 - Number of units that facility can be produced per month.
 - Specific jobs and economic development resulting from this project

- Identify any current and planned use of renewable energy at the facility.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide a quantified estimate of the project's CI values for life-cycle greenhouse gas emissions.
- Compare any project performance and expectations provided in the proposal to Energy Commission with actual project performance and accomplishments.

Provide additional information that may be requested by the Energy Commission during the term of this Agreement, as is reasonably available.

Product:

- Data collection information and analysis will be included in the Final Report by 3/15/2016. Move date to scheduled product and due date.



Award Number: ARV-13-001

Date: 11 / 1 / 2012

Note: The Energy Commission Project Managers Manual includes detailed instructions on how to complete this section, with examples of grants that are “Projects” and are not “Projects”. When the Project Manager is completing this section, if questions arise as to the appropriate answers to the questions below, please consult with the Energy Commission attorney assigned to review grants or loans for your division.

1. Is grant/loan considered a “Project” under CEQA? Yes (skip to question #2) No (continue with question #1)

Please complete the following: [Public Resources Code (PRC) 21065 and 14 California Code of Regulations (CCR) 15378]:

Explain why the grant/loan is **not** considered a “Project”? The grant/loan will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because grant/loan involves:

2. If grant/loan is considered a “Project” under CEQA: (choose either **IS** or **IS NOT**)

Grant/loan **IS** exempt:

Statutory Exemption: (List PRC and/or CCR section numbers) _____

Categorical Exemption: (List CCR section number) "Existing Facility" Section 15301

Common Sense Exemption. (14 CCR 15061(b)(3))

Explain reason why the grant/loan is exempt under the above section:

The project will fund the manufacturing of the Recipient's Didital DriveSystem Retrofit Kit (a range-extended electric vehicle drivesystem) for Class 3 - Class 6 trucks. The project will utilize an existing facility within an Industrial Park Zoning District. The project will involve expansion of the facilities current activities, to allow for additional production. The modifications to the facility will be negligible and will not expand the current footprint. The project will require ministerial building permits to make minor interior and exterior modifications. Therefore, the project will not have a significant impact on the environment.

Please attach draft Notice of Exemption (NOE). Consult with the Energy Commission attorney assigned to your division for instructions on how to complete the NOE.

Grant/loan **IS NOT** exempt. The Project Manager needs to consult with the Energy Commission attorney assigned to your division and the Siting Office regarding a possible initial study.