RALPH M. HALL, TEXAS
CHAIRMAN

EDDIE BERNICE JOHNSON, TEXAS
RANKING MEMBER

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

2321 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6301
(202) 225-6371
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May 18, 2012

Dr. Steven Chu
Secretary
Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Dear Secretary Chu:

On May 1, Dr. David Danielson, Assistant Secretary for Energy Efficiency and Renewable Energy, responded to my March 26 letter to you requesting information on the Department of Energy's (DOE) advanced vehicle initiatives (letters attached). While Dr. Danielson's letter included some helpful information, multiple responses were incomplete and several requests included in my original letter were outright ignored.

His apparent refusal to provide basic and straightforward information to Congress regarding billions of dollars in vehicle technology spending is disturbing, particularly in light of President Obama's oft-touted claim that his Administration is the "most open and transparent in history."

A report released last week by DOE's Office of Inspector General (DOE IG) further reinforces my concerns and highlights the need for greater Congressional oversight of, and transparency related to, the advanced vehicle initiatives and green energy spending in general, which has increased dramatically under the Obama Administration. The report, titled, "*The Department of Energy's Transportation Electrification Program,*"[1] notes DOE "has faced challenges with ensuring adequate oversight of the financial condition of grant recipients"[2] under DOE's Transportation Electrification Program, which funds vehicle charging stations and infrastructure through the advanced vehicle initiatives addressed in my March 26 letter. Specifically, the DOE IG determined that DOE did not "ensure recipients had completed independent audits as required by Federal regulations" or request or review "cost reports to determine the allowability of costs as required by Federal regulations."[3] Moreover, DOE officials "acknowledged they were unaware of whether recipients had received independent audits or submitted cost reports. Additionally, Department officials told [DOE IG] that they had not established a process to track, collect, review and follow-up on the receipt of required audits."[4]

In light of my previous concerns regarding DOE's management of its advanced vehicle initiatives, the IG's findings of additional deficiencies in DOE's stewardship of taxpayer dollars

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[1] Department of Energy Inspector General, *"The Department of Energy's Transportation Electrification Program, OAS-RA-12-11,"* May 10, 2012. Accessible at: http://energy.gov/ig/downloads/department-energys-transportation-electrification-program-oas-ra-12-11
[2] Ibid.
[3] Ibid.
[4] Ibid.

is disconcerting. Accordingly, and in order to fulfill the Subcommittee's responsibility to oversee DOE's research, development, demonstration, and commercial application of energy technologies, I am requesting a response to the following:

1. Provide DOE's response to and actions taken to address the aforementioned DOE IG findings.
2. What review procedures and processes are in place to ensure DOE funding recipients complete independent audits as required by Federal regulations (10 CFR 600.316)?[5]
3. What procedures and processes are in place to review cost reports submitted to DOE as required by Federal regulations (10 CFR 600.317)?[6]
4. Please provide to the Subcommittee the required financial and compliance audits and cost reports for the Program's six for-profit recipients, referenced in the DOE IG memorandum.

Additionally, please provide the following information requested in my original March 26 letter; but not included in the DOE response of May 1:

5. A detailed list of funding recipients and award amounts for all advanced technology vehicle manufacturing research, development, demonstration, deployment, and commercialization activities from FY09 through FY12 related to:
    a. Vehicle-related energy storage R&D;
    b. Battery manufacturing facilities;
    c. Electric vehicle infrastructure deployment;
    d. Private vehicle fleet upgrades, such as the Clean Cities and Clean Fleets programs, including DOE's cost-share; and
    e. Direct loans under the Advanced Technology Vehicle Manufacturing (ATVM) program.
6. A detailed timeline of the application and negotiation process for the original Ecotality grant and all records associated with Ecotality, as defined by the attachment, between March 19, 2009 and September 30, 2009.
7. Was DOE aware Ecotality received a subpoena from the Securities and Exchange Commission (SEC) in October 2010?
8. Why did DOE choose to award Ecotality an additional $26 million contract nearly a year after the SEC issued the company a subpoena in October 2010?
9. How many applications were submitted in response to DOE's Vehicle Technologies Program Broad Area Funding Opportunity Announcement (DE-FOA-0000239), Area of Interest 8: Advanced Vehicle Testing and Evaluation?
10. All records, as defined by the attachment, associated with Ecotality between December 16, 2010 and October 31, 2011.

[5] DOE Audits, 10 C.F.R. §600.316
[6] DOE Allowable Costs, 10 C.F.R. § 600.317

I request your response to these questions, including the requested records, by June 8, 2012. Should you have any further questions, please contact Andy Zach, Energy and Environment Professional Staff, at (202) 225-6371.

Sincerely,

Rep. Andy Harris
Chairman
Subcommittee on Energy and Environment
Committee on Science, Space, and Technology

Enclosures

Cc: Rep. Brad Miller
Ranking Member, Subcommittee on Energy and Environment.

ATTACHMENT

1. The term "records" is to be construed in the broadest sense and shall mean any written or graphic material, however produced or reproduced, of any kind or description, consisting of the original and any non-identical copy (whether different from the original because of notes made on or attached to such copy or otherwise) and drafts and both sides thereof, whether printed or recorded electronically or magnetically or stored in any type of data bank, including, but not limited to , the following: correspondence, memoranda, records, summaries of personal conversations or interviews, minutes or records of meetings or conferences, opinions or reports of consultants, projections, statistical statements, drafts, contracts, agreements, purchase orders, invoices, confirmations, telegraphs, telexes, agendas, books, notes, pamphlets, periodicals, reports, studies, evaluations, opinions, logs, diaries, desk calendars, appointment books, tape recordings, video recordings, e-mails, voice mails, computer tapes, or other computer stored matter, magnetic tapes, microfilm, microfiche, punch cards, all other records kept by electronic, photographic, or mechanical means, charts, photographs, notebooks, drawings, plans, inter-office communications, intra-office and intra-departmental communications, transcripts, checks and canceled checks, bank statements, ledgers, books, records or statements of accounts, and papers and things similar to any of the foregoing, however denominated.

2. The terms "relating," "relate," or "regarding" as to any given subject means anything that constitutes, contains, embodies, identifies, deals with, or is in any manner whatsoever pertinent to that subject, including but not limited to records concerning the preparation of other records.

RALPH M. HALL, TEXAS
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2321 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6301
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March 26, 2012

Dr. Steven Chu
Secretary
Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Dear Secretary Chu:

In a March 7 speech in North Carolina, President Obama announced several new energy initiatives aimed at supporting advanced technology vehicles. The centerpiece of the President's announcement was the creation of a new $1 billion "National Community Deployment Challenge" (NCDC) to "spur deployment of clean, advanced vehicles in communities around the country."[1]

Details of the President's initiative are severely lacking. The Subcommittee could not identify any description of the new program in the Department of Energy (DOE) budget request, and a White House fact sheet released with the speech included only a one paragraph overview of the proposed spending.

In order to make a fully informed decision on the President's proposal, it is imperative that Congress receive further details on this proposal and any associated alternative vehicle spending. This is particularly important in light of the nation's fiscal situation and the Administration's troubling record of waste and mismanagement of taxpayer funds in the area of green energy.

As you know, the President's announcement of this initiative comes on the heels of unprecedented prior and current spending by the Administration to develop, produce, and deploy alternative vehicles. This includes:

- Over $4.4 billion[2] in the Office of Energy Efficiency and Renewable Energy Vehicle Technologies Program on research, demonstration, and deployment activities, including $2 billion in funding provided by the American Recovery and Reinvestment Act (ARRA) to manufacture batteries for electric vehicles (EV) and $400 million for transportation electrification demonstration and deployment projects;[3]

[1] The White House, Office of the Press Secretary, "Fact Sheet: All-of-the-Above Approach to American Energy," March 7, 2012. Accessible at: http://www.whitehouse.gov/the-press-office/2012/03/07/fact-sheet-all-above-approach-american-energy

[2] Cumulative budget figures for the Department of Energy's Office of Energy Efficiency and Renewable Energy Vehicle Technologies Program FY09-FY12 and the FY13 request. Budget Justifications are accessible at: http://www.cfo.doe.gov/crorg/cf30.htm#Justifications.

[3] Department of Energy, EERE News, "President Obama Announces $2.4 Billion for Electric Vehicles," March 19, 2009. Accessible at: http://apps1.eere.energy.gov/news/daily.cfm/hp_news_id=159

- $8.4 billion in direct loans to five automakers through the Advanced Technology Vehicles Manufacturing (ATVM) program to develop and produce electric vehicles, upgrade factories, and increase vehicle fuel efficiencies;[4]
- Advanced Research Projects Agency – Energy spending of over $36 million on electric vehicle batteries,[5] $44.5 million on biofuels,[6] and an additional requested $184 million in FY13 for alternative fuels, batteries, and systems for electric vehicles;[7] and
- Approximately $40 million per year in Office of Science funding to support 14 Energy Frontier Research Centers (EFRCs) researching electric energy storage,[8] $20 million for a new Batteries and Energy Storage Energy Innovation Hub, and a $24 million Energy Innovation Hub to develop new transportation fuels.[9]

While some advanced vehicle technologies may be worthy of targeted and limited governmental support, the Administration's record spending of over $13 billion to develop, produce, and deploy alternative vehicles generated great concern regarding the potential for waste, duplication, and cronyism and the potential result of "picking of winners and losers" among competing companies and technologies. In addition to this unprecedented spending, the Federal government now provides a tax credit of $7,500 to purchasers of electric cars. According to GM, purchasers of the $41,000 Chevy Volt have an average income of $170,000 per year.[10] Cars made by GM competitors Tesla and Fisker are even more expensive, with base prices starting at $55,000 and $102,000, respectively. Despite the fact that this subsidy overwhelmingly benefits the wealthiest Americans, President Obama is calling on Congress to increase it to $10,000 per vehicle.

In addition to the cost-prohibitive nature of these vehicles, weak demand and reliability problems have plagued their introduction. Following reports of battery fires and faltering sales, General Motors recently suspended production of the Chevy Volt after selling only 1,626 vehicles this year.[11] A battery manufacturer for EVs, A123 Systems, cut 35 percent of its workforce last year[12] after DOE provided $249 million in Stimulus funding.[13] And *Consumer Reports* purchased a Fisker Karma for testing that it deemed "undriveable" before the standard testing check-in

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[4] Department of Energy, Loan Programs Office, "Our Projects." Accessible at: https://lpo.energy.gov/?page_id=45
[5] Advances Research Projects Agency – Energy, "BEEST: Electric Vehicle Batteries," Updated February 16, 2012. Accessible at: http://arpa-e.energy.gov/LinkClick.aspx?fileticket=6aCiNDV8jwg%3d&tabid=175
[6] Advanced Research Projects Agency – Energy, "Electrofuels: Versatile Transportation Energy Solutions," Updated February 16, 2012. Accessible at: http://arpa-e.energy.gov/LinkClick.aspx?fileticket=yZ0rVV3Yz34%3d&tabid=180
[7] Department of Energy, Detailed Budget Request Volume 4, p. 417.
[8] Department of Energy, Office of Science, "Energy Frontier Research Centers: Basic Research Needs." Accessible at: http://science.energy.gov/bes/efrc/research/basic-research-needs/
[9] P.L. 112-74
[10] Durban, Dee-Ann and Tom Krisher, Associated Press, "In Person, GM CEO Akerson wants to speed up change." The Seattle Times, December 26, 2011. Accessible at: http://seattletimes.nwsource.com/text/2017090542.html
[11] Plautz, Jason, Energy and Environment, "GM to suspend production of Chevy Volt," E&E News PM, March 2, 2012. Accessible at: http://www.eenews.net/eenewspm/2012/03/02/1
[12] Cleveland Plain Dealer, "AA123 cuts jobs at battery plant touted by White House," November 29, 2911. Accessible at: http://www.cleveland.com/business/index.ssf/2011/11/a123_cuts_jobs_at_battery_plan.html
[13] A123 Systems, "A123 Systems Awarded $249M Grant from U.S. Department of Energy to Build Advanced Battery Production Facilities in the United States," August 5, 2009. Accessible at: http://ir.a123systems.com/releasedetail.cfm?ReleaseID=403090

process was finished,[14] after which reports allege the Karma was pushed to market prematurely in order to meet DOE's loan guarantee terms.[15]

The management and effectiveness of previous EV deployment funding is also of concern. On March 22, CBS News reported the Securities and Exchange Commission (SEC) is investigating Electric Transportation Engineering Corporation, known as Ecotality, for insider trading.[16] Ecotality received $114.8 million from DOE to deploy EV charging stations. While the ramifications of insider trading are serious enough, the report also notes the company installed less than half of the EV chargers it was supposed to, an apparent major deficiency in Ecotality's execution of its DOE award. Further, Ecotality received at least $26 million from DOE long after SEC issued the company a subpoena October 2010.[17]

To provide Congress and the public a better understanding of DOE program management and execution associated with advanced vehicles, and in accordance with the Subcommittee's oversight responsibility of DOE programs involving research, development, demonstration, and commercial application of energy technologies, please answer the following questions:

1. How does DOE intend to pay for the requested $1 billion in new mandatory spending on the NCDC? Is the Administration proposing to institute a new tax to specifically fund this program? If the program is intended to be paid for out of general revenues, why is the Administration proposing the program be funded through mandatory spending instead of discretionary spending?

2. What objectives, milestones, and types of activities are expected to be supported by the NCDC, and what criteria will DOE use to select the communities to receive funding? Please provide all relevant descriptive documents associated with the proposal.

3. How will the proposed NCDC differ from prior DOE EV deployment spending, including the $400 million Transportation Electrification Initiative funded through ARRA?

4. Please detail all programs and activities within DOE that support advanced technology vehicle manufacturing research, development, demonstration, deployment, and commercialization activities, including total DOE funding (including funding recipients and award amounts) from FY09 through FY12 related to:

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[14] Mutchler, Tom, "Bad Karma: Our Fisker Karma plug-in hybrid breaks down," Consumer Reports, March 8, 2012. Accessible at: http://news.consumerreports.org/cars/2012/03/video-bad-karma-our-fisker-karma-plug-in-hybrid-breaks-down.html

[15] Fehrenbacher, Katie, "Fisker electric Karma was pushed to market before it was ready," GIGAOM, March 12, 2012. Accessible at: http://gigaom.com/cleantech/fisker-electric-karma-was-pushed-to-market-before-it-was-ready/

[16] Strickler, Laura, "Stimulus recipient under investigation for insider trading," CBS News, March 27, 2912. Accessible at: http://www.cbsnews.com/8301-31727_162-57402463-10391695/stimulus-recipient-under-investigation-for-insider-trading/

[17] Sailors, John, "Ecotality wins $26.4M DOE contract," San Francisco Business Times, October 6, 2011. Accessible at: http://www.bizjournals.com/sanfrancisco/news/2011/10/06/ecotality-wins-264m-doe-contract.html

a. Vehicle-related energy storage R&D;
b. Battery manufacturing facilities;
c. Electric vehicle infrastructure deployment;
d. Private vehicle fleet upgrades, such as the Clean Cities and Clean Fleets programs, including DOE's cost-share; and
e. Direct loans under the Advanced Technology Vehicle Manufacturing (ATVM) program (please include as part of this a summary of loan repayment status).

5. How many EVs have been sold to-date, and what is the status of and outlook for President's Obama's goal of putting one million EVs on the road by 2015?

6. How much has been provided under Section 30 of the Internal Revenue Code for electric vehicle tax credits?

7. How many EV charging stations have been purchased with DOE support?

8. Please provide DOE's current best projections regarding the future expected costs of base model electric vehicles, including how much the NCDC is expected to contribute to cost reductions and an estimate of if or when EVs will become cost-competitive with gasoline-powered vehicles without subsidy.

9. Please provide a detailed summary of the Ecotality project, including the original project plan and performance metrics, deployment milestones and an update on the status of the project with respect to those metrics and milestones. Also, provide a detailed timeline of the application and negotiation process for the original Ecotality grant and all records associated with Ecotality, as defined by the attachment, between June 1 and September 30, 2009.

10. Was DOE aware Ecotality received a subpoena from the SEC in October 2010? Why did DOE award Ecotality an additional $26 million contract nearly a year after SEC issued the company a subpoena in October 2010? Please provide a detailed summary of all additional grants to Ecotality, including original project plans and performance metrics and an update on the status of each project with respect to those metrics and milestones. Also, provide all records, as defined by the attachment, associated with Ecotality between July 1 and October 31, 2011.

Please provide answers to these questions by April 13, 2012. Should you have any further questions, please contact Andy Zach, Energy and Environment Professional Staff, at (202) 225-6371.

Sincerely,

Rep. Andy Harris
Chairman
Subcommittee on Energy and Environment
Committee on Science, Space, and Technology

Enclosure: "Records" Definition

Cc: Rep. Brad Miller
Ranking Member, Subcommittee on Energy and Environment.

Department of Energy
Washington, DC 20585

May 1, 2012

The Honorable Andy Harris
Chairman
Subcommittee on Energy and Environment
Committee on Science, Space, and Technology
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Harris:

Thank you for your March 26, 2012 letter to the U.S. Department of Energy (DOE) regarding the National Community Deployment Challenge and other advanced vehicle initiatives. The Department shares your dedication to clean and efficient transportation solutions. As part of the President's sustained, all-of-the-above approach to American energy, DOE is working to develop the technologies that can secure our energy future and provide consumers with choices to reduce costs and save energy.

Your letter listed several questions about these activities and we appreciate this opportunity to respond.

National Community Development Challenge

As part of the President's blueprint for a new era of American energy, President Obama announced his support for the National Community Deployment Challenge (NCDC)—designed to spur the deployment of clean, advanced vehicles in communities around the country. With $1 billion in investments, communities across the United States can support the infrastructure, create the incentives, and remove the regulatory barriers needed to reduce our reliance on foreign oil, save families and businesses money at the pump, and position the United States as the global leader in clean energy.

This proposal embraces a strategy similar to that outlined by Senators Merkley and Alexander in their Promoting Electric Vehicles Act legislation (S. 948, Sec. 106). The NCDC proposal, however, is largely "fuel neutral," allowing communities to determine if electric-drive, natural gas, or other alternative fuel vehicles and infrastructure would be the best fit for their local situation. Deployment Communities would leverage limited federal resources to develop different models to deploy advanced vehicles at scale and with an emphasis on achieving economic sustainability without further government funds. Funding for the NCDC is contingent upon Congressional authorizing legislation.

Objectives, Milestones and Selection Criteria

The NCDC would establish a highly-leveraged, cost-shared, open and competitive grant program with an emphasis on demonstrating local-market transformations to increase the use of alternative fuel and advanced transportation technologies at scale. Deployment Communities would be asked to meet competitive goals and serve as national leaders for the implementation of these technology deployment models. The establishment and maintenance of strong data collection efforts would be crucial to the effort—allowing communities to continue to replicate successes across the United States.

How NCDC Contrasts with Other Programs

Despite the widespread benefits of alternative fuel vehicles, the lack of infrastructure to support their use remains a major obstacle to broader deployment. As part of the American Reinvestment and Recovery Act of 2009 (ARRA), four DOE Transportation Electrification grants enabled test demonstrations of electric drive vehicles and charging infrastructure in several communities. These projects comprise the largest-ever demonstration of plug-in vehicles and charging infrastructure and are providing critical, publicly-available information on real-world operation. This initiative has collected over 25 million miles of operational data from approximately 5,000 plug-in vehicles and charge-event data from nearly 7,000 EV charging stations as of March 31, 2012. This data has not only helped inform research further improving this technology but has also helped communities, manufacturers and utilities plan future EV charging infrastructure. Specifically, data on charging behavior, local effects on the grid, and other lessons learned about time of use rates, for example, provide important information for similar rollouts in other cities as well as future infrastructure expansion.

With rising fuel prices, the number of parties interested in adopting alternative and advanced fuel technologies has grown substantially. Community leaders have voiced a strong desire to start planning for further widespread use of alternative fuels. The NCDC would build on efforts such as the Transportation Electrification initiative and provide support for communities that come forward with commitments to implement the local and regional planning, incentives, and other policies to support the widespread use of not only electric drive but also other alternative fuels. Through NCDC, communities would have the opportunity to scale deployment of these technologies—helping provide consumers and businesses with choices to reduce costs and save energy.

DOE Advanced Technology Vehicle Research, Development, Demonstration, Commercialization and Manufacturing Activities

DOE has an active portfolio of programs that support advanced technology vehicle research, development, demonstration, commercialization, and manufacturing. Enclosure 1 provides a

breakdown of the activities that DOE supports in the listed categories. Details on all Vehicle Technologies Program projects in these areas are publicly available through the Annual Merit Review, which provides detailed presentations about project activity, milestones, progress, and budgets.[1] The 2012 Merit Review, which is open to the public, will be held May 14 – 18, 2012 in the Washington, DC area. The Advanced Technology Vehicle Manufacturing loan program is not covered in this review. Enclosure 2 lists the status of the ATVM loans.

Electric Vehicle Market Growth

The President set an ambitious goal to put the United States on a path toward reducing our dependence on oil—calling for putting one million electric vehicles on the road by 2015. While this goal is an important milestone for electric vehicle (EV) market development, this growth alone is not enough. Significant additional market penetration is required to realize the technology's full potential and to address oil consumption and greenhouse gas reduction across the nation's vehicle fleet. Automakers do not report sales figures to the Department. However, media reports indicate over 21,000 plug-in electric vehicles have been sold through February of 2012, with most of these transactions occurring during the last year.[2]

In February 2011, DOE released a status report on the President's goal—noting that the President has proposed steps to accelerate America's leadership in electric vehicle deployment, including improvements to existing consumer tax credits, programs to help cities prepare for growing demand for electric vehicles and strong support for research and development.[3] Since the report's release, a number of automakers have announced their intention to bring to market new electric drive vehicles.[4] Meeting the 2015 goal does not seem to be constrained by vehicle availability—it will largely be determined by how fast consumer demand grows. Ultimately, as more electric drive vehicles enter the market and sales volume grows, the United States can dramatically reduce our dependence on foreign oil and ensure that we lead the growing advance vehicle manufacturing industry.

Electric Vehicles and Charging Stations

As of March 23, 2012, over 9,000 Electric Vehicle Supply Equipment (EVSE, more commonly referred to as EV charging stations) have been purchased and deployed with DOE financial support. The majority of these charging stations were the result of cost-shared funding under the

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[1] The presentations from the 2011 Merit Review and the VTP multiyear program plan is available are available at http://www1.eere.energy.gov/vehiclesandfuels; Budget requests and appropriations from FY2009 through the FY2013 budget request are available at http://www.mbe.doe.gov/crorg/cf30.htm#Justifications.

[2] See http://www.greencarreports.com/news/1073563_february-plug-in-car-sales-rise-leaf-drops-volt-soars.

[3] See http://www1.eere.energy.gov/vehiclesandfuels/pdfs/1_million_electric_vehicles_rpt.pdf.

[4] Vehicles include the Ford C-Max Plug-In; Ford Fusion Plug-In; Chevrolet Spark EV; Toyota Prius Plug-In; Volvo C30 EV; and the Toyota RAV4 EV.

Transportation Electrification initiative. In addition, a smaller number of charging stations have been deployed as part of programs undertaken by the Energy Efficiency and Conservation Block Grants and public-private partnerships such as locally-based Clean Cities coalitions.

DOE has demonstrated a 35 percent cost reduction in the price of electric vehicle energy storage—the dominant electric vehicle cost driver—since 2008 and intends to demonstrate an additional 50 percent cost reduction by the end of 2014, based on high-volume manufacturing cost projections using a peer reviewed cost model. This reduction would bring the cost of electric vehicle energy storage to $300/kW-hr. Longer-term goals for vehicle batteries include an overall cost reduction of over 85 percent by 2020 relative to 2008 levels.

After these battery cost reductions, estimates of the purchase and ownership costs of the electric vehicles suggest the price of electric vehicles will fall commensurately. In 2015, with expected progress, DOE intends to demonstrate the technology for a 100-mile range electric vehicle with an incremental cost low enough to pay for itself in fuel savings over several years without subsidy. By 2020, a 100-mile range electric vehicle is targeted to cost roughly the same as a vehicle driven by an internal combustion engine without subsidy. These cost projections assume production of electric vehicles at scale, and the NCDC would help achieve high-volume production.

Ecotality and The EV Project

Ecotality received funding through the Transportation Electrification initiative—an effort to establish demonstration and evaluation projects that would accelerate the market introduction and penetration of advanced electric-drive vehicles. As part of this effort, DOE administered an open, transparent competitive solicitation process and awarded funding for Ecotality's EV Project to develop and deploy a network of charging stations in residential, commercial, and public locations in 18 cities nationwide. Partnering with DOE's Oak Ridge and Idaho National Laboratories, the EV Project also created a prototype solar-powered recharging system and robust data collection effort. Additional information is available in Enclosure 3.

The EV Project began on October 1, 2009, and is expected to continue into 2013. Installations have been extended past the original expected end date of September 2011 to match the vehicle sales and availability.

Strict monitoring and control mechanisms are in place so that Ecotality North America and its project partners are reimbursed only as progress is made and project milestones are met. As of March 31, 2012, Ecotality had completed 44 percent of the planned EVSE installations and 57 percent of the planned vehicles, and it had been reimbursed $42 million, or 42 percent of the total award amount.

In your letter, you also mention a Securities and Exchange Commission (SEC) investigation of Ecotality for insider trading. As a publicly-traded company, Ecotality disclosed this information through its public filings.

We thank you for your continued interest in this program and for your interest in the successful deployment of advanced vehicle technologies. If you need additional information, please contact me or Mr. Christopher Davis, Deputy Assistant Secretary for House Affairs, Office of Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

Dr. David T. Danielson
Assistant Secretary
Energy Efficiency and Renewable Energy

Enclosures

cc: The Honorable Brad Miller
Ranking Member
Energy and Environment Subcommittee
Committee on Science, Space and Technology
U.S. House of Representatives
Washington, DC 20515

Enclosure 1: Funding for Activities Related to Question 4

Area	FY 2009	FY 2009 ARRA	FY 2010	FY 2011	FY 2012
4a.Vehicle-related energy storage R&D	$69,425,000	$0	$76,271,000	$81,549,000	$89,934,000
4b.Battery manufacturing facilities	$0	$1,990,000,000	$0	$0	$0
4c.Electric vehicle infrastructure deployment	$0	$135,088,605	$0	$0	$0
4d.Private vehicle fleet upgrades, such as the Clean Cities and Clean Fleets programs	$1,000,000	$76,078,907	$1,000,000	$0	$0
4e.Direct loans under the ATVM program	$5,907,000,000	$0	$2,442,000,000	$50,000,000	TBD

Enclosure 2: ATVM Loan Recipient Status

ATVM Loan Recipient	Loan Closing Date	Loan Amount	Start of Principal Repayment Date
Fisker Automotive	April 22, 2010	$528,660,000	April 2013
Tesla Motors	January 20, 2010	$465,047,000	December 2012
Vehicle Production Group, LLC	March 10, 2011	$49,962,446	March 2013
Nissan North America, Inc.	January 28, 2010	$1,447,500,000	September 2012
Ford Motor Company	September 16, 2009	$5,937,000,000[1]	September 2012

[1] This loan amount was the amount at financial close. After financial close, the loan amount was reduced by roughly $30 million.

Enclosure 3: Additional Information on the Ecotality's EV Project

DOE selected Ecotality's EV Project for award through an open, transparent, and competitive solicitation process under the ARRA-funded Transportation Electrification initiative (Funding Opportunity Number DE-FOA-000028). The objectives were to establish demonstration and evaluation projects, with corresponding data collection and analysis activities, to better understand the operational and infrastructure requirements of plug-in vehicles and provide a comprehensive and objective data set to the public and R&D community. DOE issued the public funding opportunity announcement on March 19, 2009. Applications were due May 13, 2009, and following a rigorous merit review process involving independent technical experts, DOE announced selections for award on August 5, 2009.

Ecotality was selected for an original award to deploy nearly 5,000 vehicles and 10,000 EVSEs by September 30, 2011. However, on June 15, 2010, the project scope was expanded to increase the number of cities, which resulted in an increase of 3,600 vehicles and 2,780 EVSEs. Federal funds are matched by recipient cost-share.

Ecotality partnered with Oak Ridge National Laboratory and Idaho National Laboratory to implement the EV Project. Of the total $114.8 million award, $100.2 million was obligated to Ecotality, and the remainder was split between Oak Ridge National Laboratory ($6.8 million) and Idaho National Laboratory ($7.8 million). Oak Ridge National Laboratory is demonstrating a prototype solar-powered recharging system and Idaho National Laboratory is performing data collection, evaluation, and dissemination of the data collected from the vehicles and EVSEs.

The objective of Ecotality's EV Project is to develop and deploy a network of charging stations in residential, commercial, and public locations nationwide. In coordination with sales of the Nissan LEAF battery-electric vehicle and Chevrolet Volt extended-range electric vehicle, the EV Project is installing EVSEs in 18 cities around the country to establish EV ecosystems with adequate charging infrastructure. Purchasers of the Nissan LEAF and Chevy Volt in participating project cities are invited to join the EV Project and receive a free residential Ecotality ("Blink" branded) EVSE, with free installation up to a specified limit. Site hosts for public EVSEs also receive a commercial "Blink" EVSE at no cost, as well as a credit toward a portion of the installation costs. Additionally, Blink DC Fast Chargers are being deployed along transportation corridors connecting project cities, allowing for longer distance EV travel. In return, participants agree to data collection using their EVSE.

The EV Project's comprehensive data collection from all EVSEs and vehicles is

enabling analysis to better understand how consumers use their electric-drive vehicles and charging infrastructure, any associated impacts to the electric grid, and how consumers respond to price signals or change behavior over time. This data is essential to informing both the R&D community about real-world operation and further research needs, as well as others in industry and local governments that are planning future vehicle and infrastructure rollouts.

As of March 23, 2012, Ecotality had deployed 4,456 residential EVSEs, 1,381 commercial EVSEs, and 16 DC Fast Chargers. In addition, 4,756 consumers have chosen to enroll their vehicles in the program and participate in data collection. Ecotality North America anticipates deploying 8,000 residential EVSEs, 5,000 commercial EVSEs, and 200 DC Fast Chargers upon project completion.[2]

The timeline for EVSE installation has been extended into 2013, past the original expected end date of September 2011, to match the sales and vehicle availability of the LEAF and Volt. As of March 29, 2012, total payments to the EV Project were $46.8 million, or 42 percent of the total award amount. At this time, 44 percent of the planned EVSEs and 57 percent of the planned vehicles had been deployed. Of the $46.8 million total reimbursement, Ecotality received $42.3 million, Oak Ridge National Laboratory received $2.8 million, and Idaho National Laboratory received $1.6 million. Strict monitoring and control mechanisms are in place so that Ecotality and its project partners are reimbursed only as they make progress and project milestones.

In addition to the EV Project awarded under the Recovery Act-funded Transportation Electrification initiative, DOE selected Ecotality North America for another competitively-awarded project under the FY2011 Vehicle Technologies Program Broad Area Funding Opportunity Announcement (DE-FOA-0000239), Area of Interest 8: Advanced Vehicle Testing and Evaluation (AVTE). DOE issued this public funding opportunity on December 16, 2010. Responses were accepted until February 28, 2011, and following a rigorous merit review process involving independent technical experts, DOE made selections for award on July 20, 2011. Ecotality was awarded a $26 million cooperative agreement, with Federal funds matched by a 50% recipient cost-share.

The AVTE project will conduct laboratory and field evaluations of advanced technology vehicles and associated infrastructure, as well as develop appropriate test procedures necessary to accomplish these performance evaluations. The duration of the AVTE project is expected to be 5 years. Since the cooperative

[2] Project cities include Phoenix, AZ; Tucson, AZ; San Diego, CA; San Francisco, CA; Los Angeles, CA; Eugene, OR; Salem, OR; Portland, OR; Corvallis, OR; Seattle, WA; Nashville, TN; Knoxville, TN; Chattanooga, TN; Memphis, TN; Washington, DC; Dallas, TX; Fort Worth, TX; and Houston, TX.

agreement is funded as DOE requests services and the contractor renders them, there is a high likelihood that the final total expenditure will be less than the cooperative agreement ceiling. As of March 31, 2012, no testing had been initiated and no funds had been invoiced on this cooperative agreement.

The AVTE project is part of DOE's ongoing Advanced Vehicle Testing Activity, which provides data for technology modeling, research, and development programs by benchmarking and validating performance and efficiency characteristics of light-, medium-, and heavy-duty vehicles that feature advanced technologies. The AVTE cooperative agreement follows a previous award to Ecotality (then known as Clarity Group) in October 2005, to perform similar testing activities. Like the others, this award was made through an open and transparent competitive solicitation process.[3]

[3] Awarded through DOE Funding Opportunity Announcement DE-PS26-05NT42296.