

## **Electric vehicle firm gains traction**

**SoCal-based Phoenix is expected to sell fleets of battery-powered trucks to PG&E and others.**

- Posted online at:  
<http://www.latimes.com/business/la-fi-ev26feb26,1,948395.story?ctrack=1&cset=true>
- Posted February 26<sup>th</sup>, 2007
- By John O'Dell, Times Staff Writer

A Southern California company that showed off a prototype of its battery-powered pickup truck to President Bush at the White House last week aims to be a big player in the clean-car movement far from Pennsylvania Avenue.

Although still in start-up mode, Phoenix Motorcars Inc. has received letters of intent from utility companies and other corporate and government fleet operators to buy almost 650 of the company's electric trucks, Chief Executive Daniel J. Elliott said.

Phoenix, which imports its vehicles from South Korea and adds the batteries and electric drive systems at its assembly plant in Ontario, intends to begin selling retail versions of the four-door pickup and a new five-passenger sport utility vehicle by the end of next year.

But it will take commercial fleet sales to get Phoenix started, and the company is expected to announce a deal with San Francisco-based Pacific Gas & Electric Co. as early as today.

The utility, a unit of PG&E Corp., is expected to buy the first four trucks that Phoenix builds after it obtains full U.S. safety certification and plans to acquire as many as 200 in stages during the year.

Elliott said that safety testing was underway and that he expected to obtain federal approval by mid-April.

In addition, Elliott said, Phoenix was "deep into talks" to supply the Port of Los Angeles with electric trucks to replace some of the 4,000 gasoline-powered compact pickups used by the port and its various tenants. "This could be a huge market for us," he said.

A spokeswoman for the port, which with neighboring Port of Long Beach is under intense pressure to reduce smog-causing emissions produced by its operations, said Friday that Phoenix was being considered as a truck supplier but no deal had been signed.

Elliott said privately owned Phoenix was founded five years ago by Ojai-based investors Daniel Riegert and Dana Muscato but was only now beginning to market a vehicle because "it has taken this long to find a battery we're confident about."

The batteries are of a new type from Altair Nanotechnologies Inc. that employs a proprietary lithium-titanate substance the Reno-based company developed to store energy. The NanoSafe brand batteries provide more power but slightly shorter range than conventional lithium-ion batteries of the same size, Chief Executive Alan Gotcher said.

The batteries are able to operate at extremes of heat and cold without the heat-buildup problems that have made it difficult to adapt lithium-ion batteries, widely used in computers and cell phones, for automotive use.

Gotcher said Altair was developing a second-generation lithium-titanate material that would store more energy to provide longer range in electric vehicles without increasing battery size.

Batteries using the advanced material, Elliott said, are expected to be ready for Phoenix's 2008 introduction of a mid-size electric SUV that could travel 250 miles between charges at speeds up to 95 mph.

The initial truck, a four-door, five-passenger pickup with a short, 4 1/2 -foot bed, will be capable of topping 90 mph and will have 130 miles of range. The battery pack can be recharged in less than 10 minutes with a special rapid charging system, Elliott said, or in about five hours using regular 240-volt household current — the kind required for electric ovens and clothes dryers.

Elliott would not identify the automaker that supplies Phoenix's vehicles but acknowledged that they were almost identical to trucks made by SUV specialist SsangYong Motor Co., one of South Korea's smaller car builders. SsangYong is controlled by China's Shanghai Automotive Industry Corp., which holds a 51% stake.

The SUV and a more luxurious version of the pickup, with leather upholstery, high-end stereo systems and other creature comforts, will be sold to retail customers, probably through a dealership network, Elliott said. They are expected to be priced under \$50,000.

The commercial, or fleet, version of the truck is priced at \$45,000.

Elliott said Phoenix intended to use the zero-emission vehicle credits it would receive from the California Air Resources Board to push it into profitability after selling only 500 of the commercial vehicles.

The state permits the credits to be bought and sold, he noted, and most major automakers will need to begin buying credits next year to avoid paying penalties to the state.

California's oft-revised zero-emission vehicle mandate requires automakers that don't meet an annually escalating production requirement to pay a fine of \$5,000 for each required vehicle they don't produce. All are meeting their annual quotas now with experimental fuel-cell vehicles, but most are expected to fall behind by 2009.

Phoenix will receive 40 credits for each electric vehicle it sells and expects to be able to market those credits to other automakers.

The company has set a goal of selling 7,000 electric vehicles next year and 20,000 — half to fleets and half to retail customers — in 2009.

Elliott, one of six advocates of alternative energy who were invited to the White House on Friday, noted that Bush opened the meeting by reiterating that he was "very concerned" about U.S. dependence on imported oil.

"He asked a lot of questions about the various technologies we represented," Elliott said, "and he asked how the federal government could help develop them. He didn't make any promises, though."