

Summary:

For the June 4th issue of NAATBatt's Advanced Battery Weekly, we highlight the ongoing sector activities. On June 21st, we will be hosting a webinar on "*Community Energy Storage: Repurposing Retired Automotive Batteries*".

The NAATBatt, U.S. and Asia Battery Indices all declined modestly at less than 1%, respectively. The S&P 500 and Russell 2000 were also down modestly.

Key Highlights:

- **Ford Motor** and **Coulomb Technologies** will present approximately 5,000 in-home charging stations free of cost to some of the first electric vehicle (EV) owners in the United States. Nine markets were chosen to receive free charging stations. They are Detroit, Orlando, New York, Washington D.C., Austin, Redmond, Los Angeles, Sacramento and the San Jose/San Francisco Bay Area.
- **China** has begun paying subsidies of up to 60,000 yuan (\$8,784) a car to manufacturers of electric and hybrid vehicles on a trial basis in five cities according to the **Ministry of Finance**. The subsidies of 3,000 yuan (or \$440) per kilowatt hour (kWh) of battery power, or up to a maximum 50,000 yuan (or \$7,320) for plug-in hybrid vehicles (PHEVs) and up to 60,000 yuan for all-electric vehicles (EVs).
- **AeroVironment** will be installing up to 100 electric-car charging stations in South Carolina. The stations in seven cities will be funded largely by state grants. They are expected to be running by December in time for the rollout of the electric **Ford Focus**, the **Nissan Leaf** and the **Chevy Volt**.
- A survey of **BMW Mini Cooper** EV users highlighted that mileage driven before a charge was required was about 100 miles, or 161 kilometers, per charge—about a third fewer than BMW had expected. The company had leased about 300 electric Mini Cooper compacts to regular consumers in the New York metro area, New Jersey and Southern California.
- The proposed **Electric Vehicle Deployment Act of 2010** would provide incentives to consumers to purchase EVs. It would help establish a recharging infrastructure for the plug-in hybrid (PHEV) and all-electric vehicle (EV) and offer new tax credits for buyers of those EVs.
- **Lithium One** announced it has executed an Evaluation Option and Joint Venture (JV) Company Agreement establishing an earn-in joint venture with government-owned **Korea Resource Corporation (KORES)** to develop the Company's Sal de Vida Lithium Brine Project in Argentina. KORES' strategic vision is to become a global top 20 mining company by 2020 through overseas expansion.
- An **Australian** design team has proposed to supply New York City with 26,500 taxis over 10 years as part of an overhaul of the city's Yellow Cab service – starting in 2014. The futuristic **Unicab EV** (as shown in **Exhibit 1**) consists of boasts open space, low floors, a ramp for the disabled and seats up to seven passengers.

A Few More Details:

Ford Motor and Coulomb Technologies will present approximately 5,000 in-home charging stations free of cost to some of the first electric vehicle (EV) owners in the United States. Nine markets were chosen by Coulomb Technologies to receive free charging stations. They are Detroit, Orlando, New York, Washington D.C., Austin, Redmond, Los Angeles, Sacramento and the San Jose/San Francisco Bay Area. Customers in these 9 markets are able to receive a free charging station with the purchase of a Ford Transit Connect EV through the Ford Blue Oval Charge Point Program. In addition, Ford is planning to introduce 5 new EV's by 2012 in North America, including a Transit Connect Electric van due out the end of this year, a Ford Focus Electric passenger car to be released in 2011, a plug-in hybrid and two next-generation lithium-ion (li-ion) battery hybrid-electric vehicles which are set to debut in 2012.

Source: *Daily Tech*

China has begun paying subsidies of up to 60,000 yuan (\$8,784) a car to manufacturers of electric and hybrid vehicles on a trial basis in five cities according to the Ministry of Finance. The subsidies of 3,000 yuan (\$440) per kilowatt hour of battery power, or up to a maximum 50,000 yuan (\$7,320) for plug-in hybrid cars and up to 60,000 yuan for pure electric cars, will be paid in five cities: Shanghai, Changchun, Shenzhen, Hangzhou and Hefei. The cities are locations of headquarters for major automakers:

- Shanghai Automotive Industrial Corp. is a partner of General Motors Co. and Volkswagen AG.
- Changchun is the base for FAW Group, another big state-owned automaker.
- Shenzhen is home to BYD Auto, a leader in electric vehicle development
- Hangzhou is the base of Zhejiang Geely Holding Group, which recently purchased Sweden's Volvo Cars from Ford Motor Co.
- Hefei is the provincial capital of Anhui, where automaker Chery Automobile is based.

Source: *Associated Press*

AeroVironment will be installing up to 100 electric-car charging stations in South Carolina. The stations in seven cities will be funded largely by state grants. They are expected to be running by December in time for the rollout of the electric Ford Focus, the Nissan Leaf and the Chevy Volt. The stations will be able to charge up to 4 EVs simultaneously. The project is being funded largely through two state grants from the South Carolina Energy Office worth \$480,000.

Source: *LA Times*

A survey of BMW Mini Cooper EV users highlighted that mileage driven before a charge was required was about 100 miles, or 161 kilometers, per charge—about a third fewer than BMW had expected. The company had leased about 300 electric Mini Cooper compacts to regular consumers in the New York metro area, New Jersey and Southern California. The range estimate was based on a driving test used by the U.S. Environmental Protection Agency for generating fuel-economy ratings. However, the EPA has not signed off on using the test for EVs and is working on a new methodology for them.

Source: *WSJ*

The proposed Electric Vehicle Deployment Act of 2010 would provide incentives to consumers to purchase EVs. It would help establish a recharging infrastructure for the plug-in hybrid (PHEV) and all-electric vehicle (EV) and offer new tax credits for buyers of those vehicles.

Additional highlights include:

- (1) The Secretary of Energy to competitively award \$800 million to 5 different deployment communities around the country, with the objective of deploying 700,000 EVs in those communities within 6 years;

- (2) At least \$2,000 in additional consumer incentives for the first 100,000 consumers purchasing EVs; and,
- (3) All Americans would continue to be eligible for the EV tax credit, which reduces the prices of an EV by up to \$7500.

Source: *Energy Boom*

Lithium One announced it has executed an Evaluation Option and Joint Venture (JV) Company Agreement establishing an earn-in joint venture with government-owned Korea Resource Corporation ("KORES") to develop the Company's Sal de Vida Lithium Brine Project in Argentina. KORES' strategic vision is to become a global top 20 mining company by 2020 through overseas expansion. The agreement provides for the parties entering into a marketing agreement pursuant to which KORES may market lithium products produced from the Project in China, Japan and Korea on behalf of the JV and Lithium One may market potash products produced from the Project worldwide.

Source: *Marketwire*

An Australian design team has proposed to supply New York City with 26,500 taxis over 10 years as part of an overhaul of the city's Yellow Cab service – starting in 2014. The futuristic Unicab EV (as shown in **Exhibit 1**) consists of boasts open space, low floors, a ramp for the disabled and seats up to seven passengers. There are 13,000 taxis presently in operation, but the chosen supplier will be asked to make twice that number.

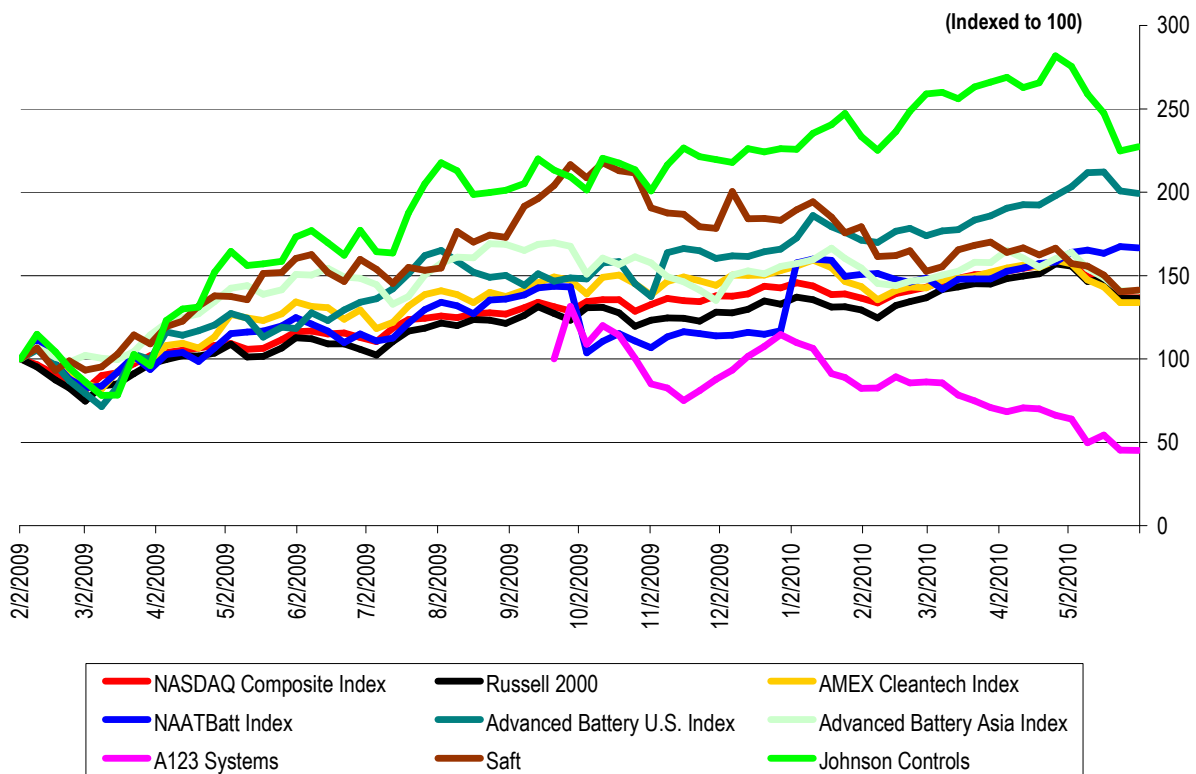
Source: *The Advertiser*

Exhibit 1: The Unicab of The Future



Source: AdelaideNow

**Exhibit 2: Indices Performance
(From February 2, 2009)**

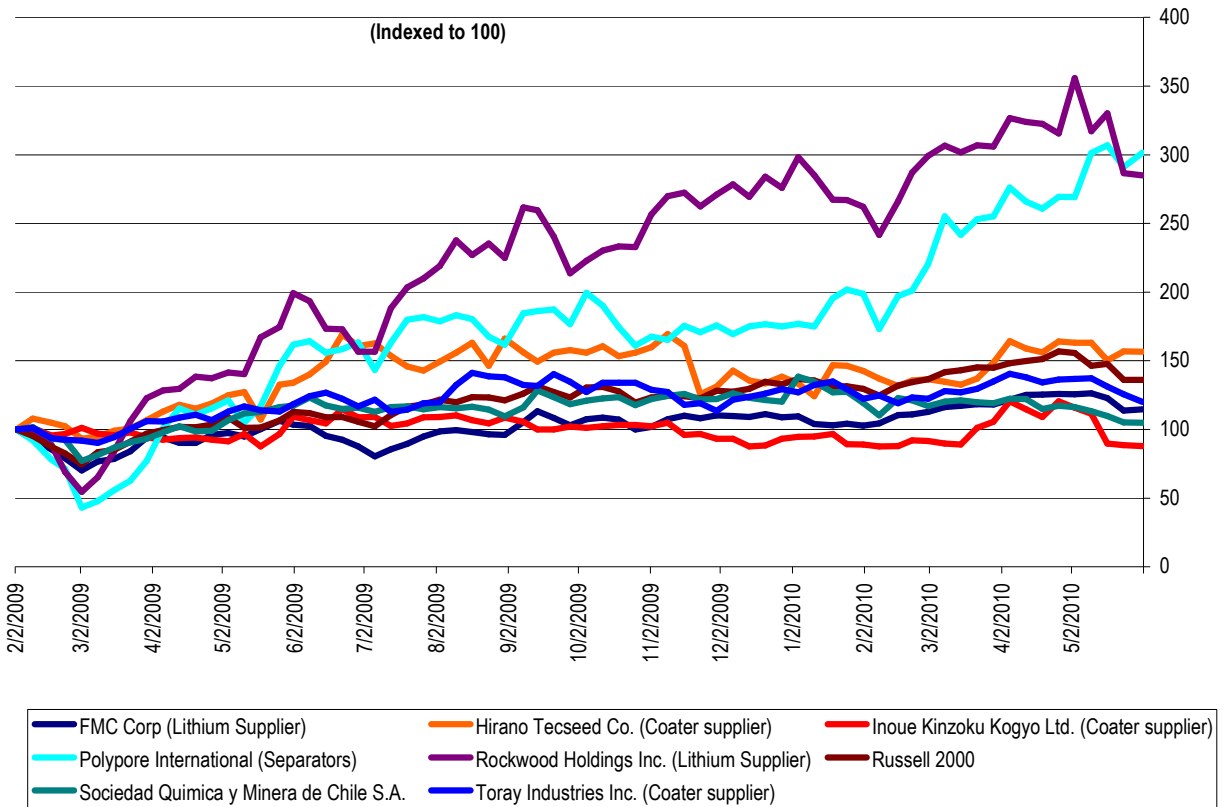


Index	Close on 6/1/2010	52-Wk High	% of 52-Wk High	Performance		
				LTM	YTD	Week
Dow	10,024.0	11,309.0	88.6%	14.9%	(3.9%)	(0.4%)
S&P 500	1,070.7	1,219.8	87.8%	13.6%	(4.1%)	(0.3%)
NASDAQ	2,222.3	2,535.3	87.7%	21.5%	(3.1%)	0.4%
Russell 2000	641.0	746.0	85.9%	22.9%	2.0%	(0.0%)
AMEX Cleantech Index	924.6	1,112.5	83.1%	(0.8%)	(13.3%)	(0.5%)

Source: Bloomberg and ThomsonOne

Note: The select NAATBatt Index is a market-value-weighted average and includes ALTI, BASF, COP, ENS and XIDE. The Advanced Battery U.S. Index is a market-value-weighted average and includes HEV, MGA, MXWL, UQM and VLNC. The Advanced Battery China Index is a market-value-weighted average and includes BYD, CBAK, GS Yuasa, LG Chem and Panasonic.

Exhibit 3: Supplier Performance
(From February 2, 2009)



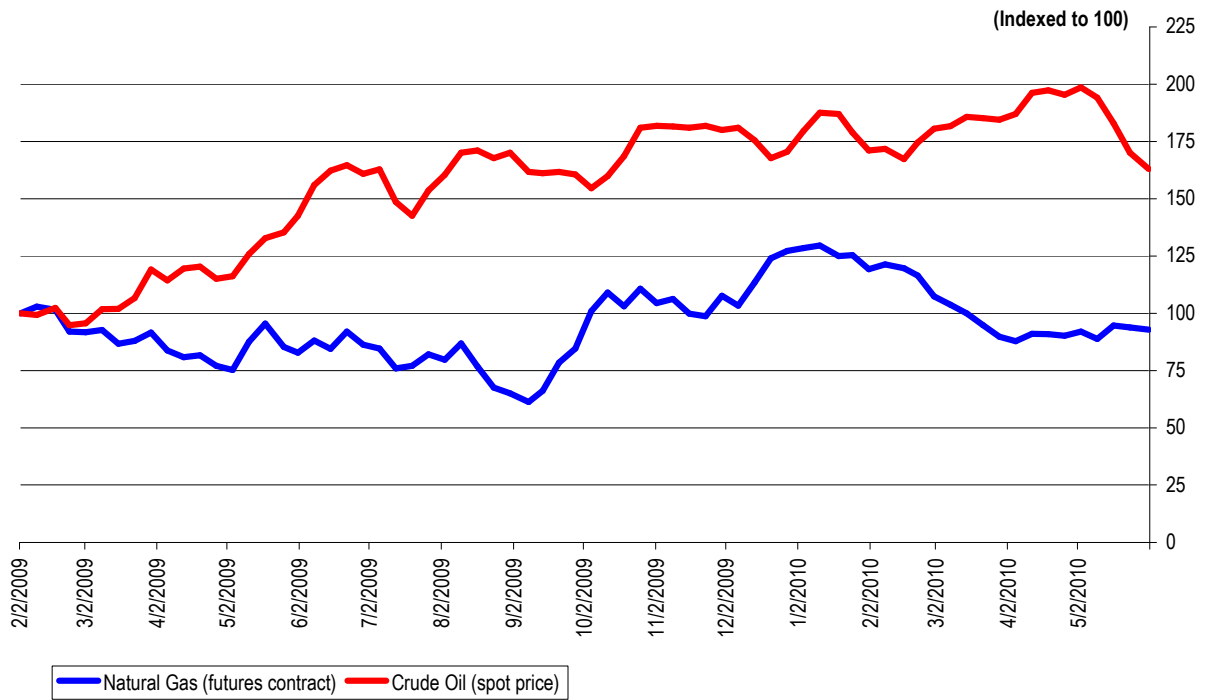
Source: Bloomberg

Exhibit 4: Commodity Prices

Commodity	Price on 6/1/2010	Price on 5/24/2010	Price on 5/1/2010	1 Week Change	1 Month Change
LME Nickel (Cash, \$ per tonne)	20,500	21,590	25,635	(5.0%)	(20.0%)
LME Lead (cash, \$ per tonne)	1,750	1,777	2,129	(1.5%)	(17.8%)

Source: LME

Exhibit 5: Natural Gas and Crude Oil
 (From February 2, 2009)



Source: EIA

Executive Director's Notes



BUILDING A COALITION WILL BE CRITICAL TO PROMOTING GRID-LEVEL STORAGE INITIATIVES

As NAATBatt prepares to launch a government relations initiative in support of federal programs that will create a market for grid-level energy storage products in the United States, it is necessary to make a realistic assessment of how such an initiative is likely to play out in the highly competitive, politicized world of Washington, D.C. Although the benefit of energy storage to the grid is beyond dispute, the success of a government relations initiative to support that technology will turn as much on the industry's ability to garner political clout as on technical merit.

Unfortunately, as meritorious as grid-level storage technology may be, the advanced battery industry is largely made up of early stage companies (or early stage divisions of larger companies) whose punching weight in Washington is small. Even including all the various technologies that are used in grid-level storage applications, there may be more people employed driving taxicabs in Washington, D.C. than in the advanced battery industry as it exists today.

Accordingly, the need to find and keep allies in the fight for grid-level storage is paramount. Three possible allies stand out. The first are materials and machinery suppliers to the advanced battery industry. Advanced batteries represent a high growth market for such companies, many of which are large and powerful. We need to make clear to our suppliers just how important grid-level storage is to the growth and eventual success of the advanced battery market.

The second potential ally is the automobile industry. Although not directly involved in grid-level storage, if grid-level storage can provide an aftermarket for retired automotive batteries, as many suggest it can, it may help reduce the cost of electrified vehicles to consumers and increase automobile sales. If we can make that case to the automobile companies, we are likely to have their full attention.

Finally, our most important potential ally is the utility industry. Unfortunately, the utility industry today is not enamored with grid-level storage. Despite the theoretical merits of storage, no one has made a good business case for utilities to invest in storage technology under the current regulatory system. Moreover, in the past many well intended initiatives to support storage and other forms of renewable energy technology have been at times almost antagonistic to utilities, seeking to impose mandates rather than find ways for those technologies to contribute positively to the utilities' bottom lines.

As we set out on the NAATBatt grid-level storage initiative, we need to find new and creative ways to pull and keep together our potentially powerful coalition of suppliers, automotive OEM's and utilities. We



need to identify initiatives that will provide a win-win solution for each member of the coalition. For grid level storage to provide the opportunity that the advanced battery industry so desperately needs, it must be profitable for our utility and automotive partners as well. Our challenge is to design an initiative that will see that occur.

A handwritten signature in black ink, which appears to read "James J. Greenberger". The signature is fluid and cursive, written in a professional style.

James J. Greenberger
Executive Director

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