

Panel Discussion
Retrofit Market Potential; Challenges & Opportunities

Moderator: Alex Lawson - Alex Lawson Associates Inc

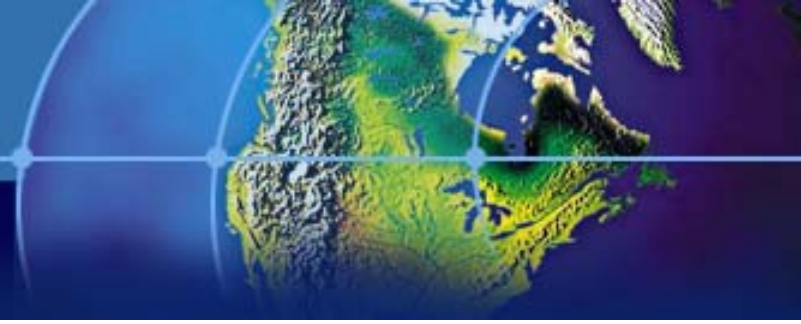
Panelists:

Roger Galloway – BAF Technologies

Tim Standke – IMPCO Technologies

Richard Turner – Baytech Corporation

Wes Biggers – FuelTek Conversion Corporation



SETTING THE STAGE

- **Demand for wider variety of Light Duty NGVs.**
- **Aftermarket converters (SVMs) have difficulty responding, to quickly introduce more makes and models due to technical/regulatory/financial barriers, and lack of OEM support.**
- **There appears to be a disconnect between creating demand in the consumer market, and the ability of SVMs to respond.**
- **Also, there is a concern that a backlash to the lack of certified conversions is creating a burgeoning market for non-certified NGV conversion systems.**
- **How do we build a more robust NGV conversion market.**

Current Product Offerings

Light/Medium Duty NGVs up to 10,000 lbs



Baytech Corporation (SVM)

- 25 models; bi-fuel/ded.; EPA/CARB; MY06,07,09; about 6 engine families; GM 6L
- GM vans and pickups; 1500. 2500, 3500; GM cutaway G3500

IMPCO Technologies (SVM)

- 12 models; bi-fuel; EPA; MY 07.08; about 2 engine families; GM 6L
- GM vans and pickups; 1500. 2500, 3500

BAF Technologies (SVM)

- 9 models; dedicated; EPA/CARB; MY 07,08,09; 5 engine families; Ford 4.6,5.4,6.8L
- Ford Crown Vic; Expedition; F150/250/350 pick-up; E350 van; E450 cutaway

Fuel Tek Corp. (SVM)

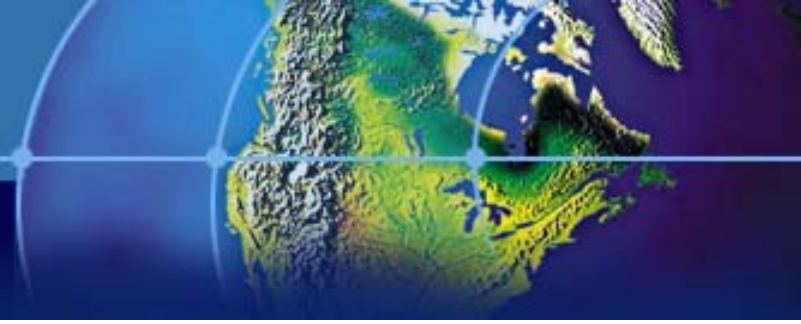
- 3 models; bi-fuel, EPA, MY 08; Ford F250/350 pick-up and cab/chassis

American Honda Motor Co. (OEM)

- 1 model; dedicated; EPA/CARB; Civic GX

DISCUSSION OUTLINE

- 1. Business models.**
- 2. Certification issues.**
- 3. Need for and role of QVM/OEM partnerships.**
- 4. How do we monitor and police installation of illegal systems.**



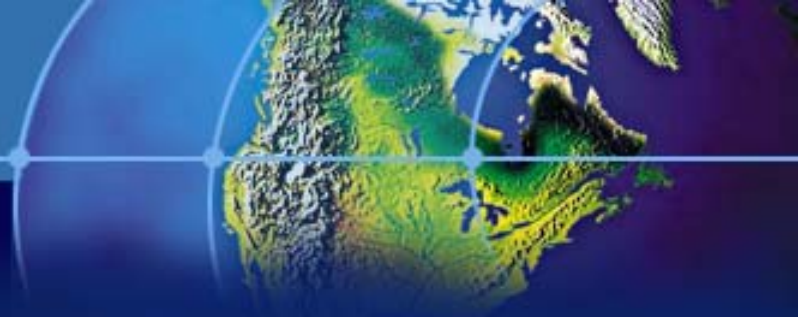
BUSINESS MODELS

- **What market do/should aftermarket SVMs serve.**
- **Are we really prepared for the consumer market and how should we handle the interest generated by ad campaigns, high gasoline prices, and internet searches.**
- **To what supply level/time frame could you ramp up, to serve increased volume in both consumer and fleet markets – say 6K to 10K per annum.**
- **Are our current supply chains ready to handle increased orders – manufacturing; increased network of installers.**
- **What are the barriers to ramping up; what do you need to happen.**



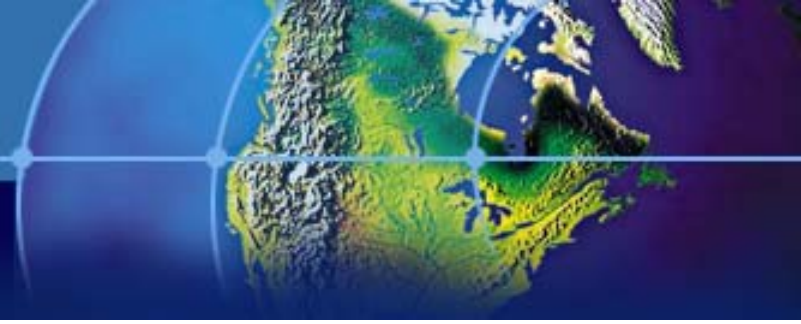
CERTIFICATION ISSUES

- **What can the industry do to lessen the technical/financial burdens of EPA/CARB certification while maintaining emissions benefits.**
- **If OBD II requirements were significantly reduced what would that do to your supply/cost reduction potential.**
- **There is evidence that the gasoline OBD II calibration is adequate for use on NGVs, if the NGV cert. level is the same as gasoline. Assuming that this could minimize OBD II cert. costs, could the trade off in reduced subsidy vs. lower vehicle costs increase market volumes – i.e. fuel driven vs. emissions driven market.**



QVM/OEM PARTNERSHIPS

- **What is your view on the role of the OEM/Quality Vehicle Modifier partnerships. Are QVM programs a better fit with the consumer market, with the aftermarket supplying to the fleet market.**
- **Would your company be interested/capable of becoming a Quality Vehicle Modifier in partnership with an OEM.**



Quality System Retrofitter Network

- **Public interest in installing NGV kits is exceeding the number of cert. systems available, and the availability of installers (QSRs) to carry out the conversion.**
- **This leads to an increase in unqualified/illegal systems having little regard to safety codes/standards or emissions.**
- **What mechanisms can we create – education, regulatory, or other market safeguards – to stop illegal conversions, and avoid potential disaster in the form of accidents, bad press, etc.**