



## News Release

**FOR IMMEDIATE RELEASE**

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## **Ford Motor Company and Southern California Edison Join Forces to Advance a New Transportation and Energy Vision**

ROSEMEAD, Calif., July 9, 2007 – The automaker that introduced the world’s first hybrid sport-utility vehicle and the electric utility with the nation’s largest and most advanced electric vehicle (EV) fleet are combining resources to explore ways to make plug-in hybrid (PHEV) vehicles more accessible to consumers, reduce petroleum-related emissions and improve the cost-effectiveness of the nation’s electricity grid.

Describing teamwork between their industries as essential to making progress on energy security and climate change, the heads of the Ford Motor Company and Edison International, the parent company of Southern California Edison (SCE), today announced the nation’s first collaboration to examine the future of PHEVs as part of a complete vehicle, home and grid energy system.

“The Ford Motor Company team is firmly focused on delivering products people really want. This unique partnership with Southern California Edison will allow us to explore new solutions for our customers’ growing need for energy conservation,” said Alan Mulally, president and chief executive officer of Ford. “By combining strengths, ours in hybrid technology, theirs in energy management, we can consider transportation as part of the broader energy system and work to unleash the potential of plug-in technology for consumers.”

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"The challenges of reducing greenhouse gas emissions and increasing our nation's energy security reach across industry boundaries and unite us in a common cause," said John E. Bryson, chairman and chief executive officer of Edison International. "Partnerships between automakers such as Ford and electric utilities such as Edison demonstrate the innovative leadership position that both companies hold in seeking and finding solutions to global and consumer problems."

Ford and Edison intend to explore many of the potential benefits of widespread PHEV use, which include enhanced energy security, reduced greenhouse gas emissions, lower fuel costs and more cost-effective use of the nation's electricity grid.

Plug-in hybrid electric vehicle technologies are not yet competitive due primarily to the high cost of advanced batteries. Ford and SCE will explore whether these batteries have other uses that could reduce their cost to consumers. For example, a popular vision of plug-in hybrid automotive technology is the potential for owners to charge their vehicles in the evening when the cost to produce electricity is low, and then store and use that energy during peak hours of the day, when electricity costs are high. Advanced batteries also could store energy from rooftop solar panels more efficiently. The two companies will evaluate and model the potential economic value of such innovative uses.

Also, batteries currently have no residual value priced into the purchase cost. Ford and SCE believe it might be possible to develop a market for the untapped value present in used plug-in hybrid electric vehicle batteries at the end of their vehicle life.

And, Edison's nationally recognized Electric Vehicle Technical Center in Pomona, Calif., is testing advanced battery technologies that could further enhance the emergence of future energy storage applications in the utility industry.

**Ford-Edison Project to Evaluate Potential Values of PHEVs**

**- Fueling at the plug instead of the pump would be cheaper for consumers.**

As a transportation fuel, electricity is 50 percent to 75 percent less expensive than the equivalent cost of a gallon of gasoline. The diverse mix of energy sources used to generate the nation's electricity supply is priced lower and is more stable than the cost of petroleum.

**- The use of plug-in hybrid vehicles holds the promise of reduced greenhouse gases and enhanced energy security.**

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Plug-in hybrid technology offers the opportunity to use as transportation fuel the nation's growing renewable generation portfolio as well as surplus off-peak power.

Plug-in hybrids produce less carbon dioxide and pollutants than gasoline hybrids. Such environmental and financial benefits will increase as a larger percentage of the nation's transportation needs is fueled from the power grid.

**- Using off-peak electricity to fuel transportation could increase grid productivity and help bring down the price of electricity for utility customers.**

Each night, a large percentage of America's power generation infrastructure sits idle. A recent study by the U.S. Department of Energy<sup>1</sup> estimated that if every light duty car and truck in America today used plug-in hybrid technology, 73 percent of them could be plugged in and fueled by excess capacity in the electricity grid without constructing a single new power plant.

**- Smart plug-in vehicles could become part of an integrated smart home and grid energy system of the future.**

Untapped consumer benefits could be obtained by adding to the traditional utility system the energy storage and retrieval capacity of a large number of advanced batteries in plug-in hybrid vehicles. For the first time, excess power generated by home-based units such as rooftop solar generation could be stored and used when needed by the property owner.

### **Ford-Edison Project Components**

- Ford and Edison intend to undertake a multi-million dollar, multi-year PHEV evaluation and demonstration program.

- Ford will provide SCE with a demonstration fleet of 2008 Ford Escape Hybrid SUVs that will be benchmarked for performance characteristics. The Escape hybrid platform will then be engineered by the Ford product development team, with a battery company partner yet to be named, to be fully PHEV capable.

- Some of the vehicles will be evaluated in typical customer settings in order to model overall home and grid values this technology could tap.

- Additional project funding may be sought from participants such as the Electric Power Research Institute, the U.S. Department of Energy, the California Energy Commission and the South Coast Air Quality Management District.

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- Ford will initially work exclusively with SCE to develop the testing procedures and define its initial demonstration fleet. As Ford's plug-in hybrid program grows, the automaker will look for broader participation as it develops a business model not just for Southern California, but potentially nationwide. SCE has worked for more than 20 years with all major automakers and will continue seeking alliances between the two industries that advance plug-in hybrid technology.

### Related Facts

- Ford was the first American auto manufacturer to develop and produce a hybrid SUV, the Ford Escape Hybrid. This full hybrid is now in its fourth year of production.
- Ford is pursuing a portfolio of advanced technology solutions to address energy security and climate change concerns, including refinements in gasoline fueled engines and advanced transmissions, clean diesel, biofuels and flexible fuel vehicles, hybrids and hydrogen fuel cells.
- The electric grid is the only alternative fuel infrastructure accessible to every U.S. home.
- SCE's EV fleet has traveled more than 14 million miles since the mid-1990s. Since the inception of SCE's EV program, company vehicles have avoided the consumption of more than 700,000 gallons of gasoline and avoided 7,500 tons of global warming carbon dioxide emissions and more than 1,700 tons of air pollutants.
- SCE's Electric Vehicle Technical Center, founded in 1993, conducts extensive plug-in electric vehicle battery testing with major battery manufacturers and the DOE to evaluate system reliability in both mobile and stationary applications.

<sup>1</sup>DOE study on plug-in hybrids, released December 2006:  
[www.pnl.gov/energy/eed/etd/pdfs/phev\\_feasibility\\_analysis\\_combined.pdf](http://www.pnl.gov/energy/eed/etd/pdfs/phev_feasibility_analysis_combined.pdf)

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*Ford Motor Company, a global automotive industry leader based in Dearborn, Mich., manufactures or distributes automobiles in 200 markets across six continents. With about 260,000 employees and about 100 plants worldwide, the company's core and affiliated automotive brands include Ford, Jaguar, Land Rover, Lincoln, Mercury, Volvo and Mazda. The company provides financial services through Ford Motor Credit Company. For more information regarding Ford's products, please visit [www.fordvehicles.com](http://www.fordvehicles.com)*

*An Edison International (NYSE:EIX) company, Southern California Edison is one of the nation's largest electric utilities, serving a population of more than 13 million via 4.8 million customer accounts in a 50,000-square-mile service area within central, coastal and Southern California.*