State of California
AIR RESOURCES BOARD

EXECUTIVE ORDER D-647-1

Relating to Exemptions under
Section 27156 of the Vehicle Code

A123Systems, Inc.
L5 Battery Range Extender Modules
Off-Vehicle Charge Capable Conversion System

Pursuant to the authority vested in the Air Resources Board by Section 27156 of the Vehicle Code; and

Pursuant to the authority vested in the undersigned by Sections 39515 and 39516 of the Health and Safety Code and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: That installation of the L5 Battery Range Extender Modules (BREM) off-vehicle charge capable (OVCC) conversion system, manufactured by A123Systems, Inc. of 10 Avenue E, Hopkinton, Massachusetts 01748, has been found not to reduce the effectiveness of the applicable vehicle pollution control system, and therefore, the L5 BREM OVCC conversion system is exempt from the prohibitions in Section 27156 of the Vehicle Code for installation on 2004 through 2009 model-year Toyota Motor Corporation 1.5 liter Prius hybrid-electric vehicles.

This exemption is based on evaluation of the L5 BREM OVCC conversion system under the "Procedures for Exemption of Add-On and Modified Parts" (Procedures), last amended June 1, 1990. Exemption of the L5 BREM OVCC conversion system under these Procedures is limited to sales of five hundred (500) L5 BREM OVCC conversion systems.

The L5 BREM OVCC conversion system includes a lithium ion add-on battery pack, a current sensor, battery temperature sensors, and a controller.

This Executive Order is based on emission testing A123Systems, Inc. conducted with the L5 BREM OVCC conversion system. The Air Resources Board reserves the right to conduct additional emission tests in the future. If such test results demonstrate that the L5 BREM OVCC conversion system adversely affects emissions, this Executive Order shall be effectively rescinded as of the date the test results are validated. Further, if such test results or other evidence provides the Air Resources Board with reasons to suspect that the L5 BREM OVCC conversion system will affect the durability of the emission control system, A123Systems, Inc. shall be required to submit durability data to show that the durability of the vehicle emission control system is not, in fact, affected and/or that the add-on or modified parts demonstrate adequate durability.

This Executive Order is valid provided that installation instructions for the L5 BREM OVCC conversion system do not recommend tuning the vehicles to specifications different from those of the vehicle manufacturer.

Changes made to the design or operating conditions of the L5 BREM OVCC conversion system, as exempt by the Air Resources Board, which adversely affect the performance of the vehicle's emission control system, shall invalidate this Executive Order.

Marketing of the L5 BREM OVCC conversion system using identification other than that shown in this Executive Order or for an application other than that listed in this Executive Order shall be prohibited unless prior approval is obtained from the Air Resources Board.

Exemption of the L5 BREM OVCC conversion system shall not be construed as exemption to sell, offer for sale, or advertise any component of the system as an individual device.

This Executive Order shall not apply to any L5 BREM OVCC conversion system advertised, offered for sale, sold with, or installed on a motor vehicle prior to or concurrent with transfer to an ultimate purchaser.

This Executive Order does not constitute any opinion as to the effect the use of the L5 BREM OVCC conversion system may have on any warranty either expressed or implied by the vehicle manufacturer.

No claim of any kind, such as "Approved by the Air Resources Board," may be made with respect to the action taken herein in any advertising or other oral or written communication.

In addition to the foregoing, the Air Resources Board reserves the right in the future to review this Executive Order and the exemption provided herein to assure that the exempted add-on or modified part continues to meet the standards and procedures of California Code of Regulations, Title 13, Section 2222, et seq.

THIS EXECUTIVE ORDER DOES NOT CONSTITUTE A CERTIFICATION, ACCREDITATION, APPROVAL, OR ANY OTHER TYPE OF ENDORSEMENT BY THE AIR RESOURCES BOARD OF ANY CLAIMS OF THE APPLICANT CONCERNING ANTI-POLLUTION BENEFITS OR ANY ALLEGED BENEFITS OF A123SYSTEMS, INC.'S L5 BATTERY RANGE EXTENDER MODULES OFF-VEHICLE CHARGE CAPABLE CONVERSION SYSTEM.

Violation of any of the above conditions shall be grounds for revocation of this Executive Order. The Executive Order may be revoked only after a ten-day written notice of intention to revoke the Executive Order, in which period the holder of the Executive Order may request in writing a hearing to contest the proposed revocation. If a hearing is requested, it shall be held within ten days of receipt of the request, and the Executive Order may not be revoked until a determination is made after the hearing that grounds for revocation exist.

This Executive Order hereby supersedes Executive Order D-647 dated September 18, 2008.

Executed at El Monte, California, this 8 day of December 2008.

Annette Hebert, Chief
Mobile Source Operations Division