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Plug-in hybrid electric vehicles can help slash foreign oil imports, battery expert says

Firefly Energy panelist tells attendees at Durbin s energy independence summit that auto makers must bridge a 15-year gap before hydrogen power arrives

PEORIA, Illinois — Jan. 11, 2006 -- Partial relief from soaring gasoline prices and America s growing dependence on oil imports can be as close as your garage wall electrical outlet, according to one speaker at last week s Energy Independence 2020 Summit held in Chicago.

The summit, hosted by U.S. Sen. Dick Durbin (D-IL) at the Chicago Center for Green Technology, featured a variety of Illinois-based energy experts. Offering strategies and technologies to help the U.S. achieve energy independence by 2020, presenters told of new ways to cleanly and safely tap Illinois vast coal reserves, expand geothermal and wind power in the state and consider use of a new type of low-cost battery to power plug-in hybrid electric vehicles.

Some energy efficiency enthusiasts contend plug-in hybrid vehicles can help auto makers and motorists span a gap of 15 years, to 2021, when a consumer market for hydrogen fuel cell-powered vehicles is expected to finally be gaining a foothold.

According to speaker Mil Ovan, senior vice president and a co-founder of Peoria s Firefly Energy (www.fireflyenergy.com), the overnight plug-in variety of hybrid electric vehicle is well suited for applications of soon-to-be marketed composite material batteries. The company, spun off from Caterpillar in 2003, has developed a next generation battery using lightweight graphite to replace most of the heavy lead plates contained in traditional batteries.

Sen. Durbin, who owns a hybrid electric vehicle, opened the summit by saying I believe these (hybrid) vehicles are the future. It s exciting that new technologies developed here in Illinois could play a role in helping America achieve energy independence. Durbin added he toured Firefly Energy s Peoria battery technology development facility last year.

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Ovan says Firefly Energy s battery will be more energy efficient, lighter in weight and less likely to corrode than today s lead acid batteries, which aren t suitable for electric and hybrid vehicles, and will be less expensive than either the nickel metal hydride batteries currently used in hybrid electric vehicles or lithium batteries contemplated for future use in hybrid electric vehicles.

There could be strong pent-up demand for these plug-in vehicles, given current and projected high gas pump prices, Ovan said. These vehicles could be powered by an inexpensive battery pack which can be recharged at night, in the garage, during off-peak electric consumption hours and for the equivalent of about 50 cents per gallon.

Contending that the U.S. must electrify its transportation vehicles, Ovan told the summit:

- The U.S. uses about 20 million barrels of oil a day and over half of this oil is imported.

- Transportation accounts for 67% of U.S. oil consumption.

- Though hybrid electric vehicles are gaining in popularity, the gains they produce in actual fuel efficiency are modest because it is a gasoline engine which still provides most vehicle propulsion

- Hydrogen fuel cell-powered vehicles are still 15 to 20 years in the future, due to the lack of widespread hydrogen refueling stations throughout the U.S. and the high cost of distribution, conversion and propulsion.

Like hybrid electric vehicles, a plug-in hybrid has the ability to run on either battery power or an internal combustion engine. Plug-in hybrids have a larger battery than the batteries of conventional hybrid electric vehicles but can be recharged simply by plugging the unit into an appropriate outlet.

The vehicles have an operating range of 20 to 60 miles before needing to be recharged. Once the battery is depleted, the gasoline engine would then take over. Research from the Electric Power Research Institute shows that on average, half of all U.S. consumer vehicles are driven 22 miles or less daily.

Ovan concluded by saying more widespread adoption of plug-in hybrid vehicles wouldn t necessitate changes to our existing gas station infrastructure, can offer home-based battery recharging at a low cost, can better utilize the nation s low-load nighttime electrical grid and deliver a pure zero-emission capability.

Video clips of Sen. Durbin s Energy Independence 2020 Summit are available for viewing at Firefly Energy s Web site at (www.fireflyenergy.com).

About Firefly Energy

Firefly Energy is a Peoria, Illinois-based company which has developed a next generation lead acid battery technology that has the opportunity to address major portions of the $30 billion worldwide battery marketplace. Firefly s graphite foam-based battery technology can deliver a unique combination of high performance, extremely low weight, low cost and, all in a battery which utilizes the best aspects of lead acid chemistry while overcoming the corrosive drawbacks of this same chemistry. This product technology delivers to battery markets a performance associated with advanced battery chemistries (Nickel Metal Hydride & Lithium), but for one-fifth the cost, and can be both manufactured as well as recycled within the existing lead acid battery industry s vast infrastructure. The Company was formed after its technology, technical founder, and initial seed funds were spun out of Caterpillar, Inc. a Fortune 90 company, in May 2003, and is headed by co-founders Edward Williams (CEO), Mil Ovan (Senior VP), and Kurtis Kelley (Chief Scientist). Investors include Caterpillar (NYSE: CAT), BAE Systems (www.baesystems.com) (London Stock Exchange over the counter symbol: BAESY), Chicago-area Venture Capital firm KB Partners (www.kbpartners.com), the State of Illinois Illinois Finance Authority, and Electrolux (www.electrolux.com) (SSE: ELUX-B).

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