



**Office of the Mayor
City of Los Angeles**

ANTONIO R. VILLARAIGOSA

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MAYOR VILLARAIGOSA ANNOUNCES THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND QUALLION LCC TO COLLABORATE ON GRID ENERGY STORAGE SOLUTION

Agreement is part of Mayor Villaraigosa's plan to meet energy goals

LOS ANGELES – Mayor Villaraigosa today announced a collaborative partnership between the Department of Water and Power (LADWP) and Quallion LLC that will aim to increase energy reliability and continue to keep Los Angeles on the path to clean energy independence by developing a grid-scale battery project for renewable energy storage.

“This MOU is an important step forward in building technology that does not even exist yet that will revolutionize how utilities across the country store their renewable energy,” said Los Angeles Mayor Antonio Villaraigosa. “Quallion is a longtime corporate partner to our City and this is just one example of how Los Angeles is working innovatively with all sectors to address both the economic and environmental challenges we face as a City.”

This follows a signing this morning with BYD Co., in which both parties agreed to similar goals. Mayor Antonio Villaraigosa, LADWP General Manager Austin Beutner and Quallion President Paul Beach committed to create the scope, schedule, budget, milestones and deliverables for the utility's pioneering project.

LADWP and Quallion will develop the parameter and scope for a 5-10 megawatt power storage unit at Pine Tree Wind Farm, which is located at the utility's wind

power facility in the Tehachapi Mountains. The storage unit will improve LADWP's power reliability by ensuring there is a back-up supply of energy when the system needs it while available intermittent resources such as wind or solar are safely integrated to LADWP's electrical grid.

"The City of Los Angeles has been vocal about both our need to create jobs as well as protect the environment, and the signing of this MOU is a powerful example of the opportunities that we have to stimulate the local economy while still being environmental stewards," said Councilmember Alarcón. "I'm proud to have Quallion located in the Seventh Council District and I look forward to seeing the innovative energy storage solutions they find in partnership with DWP."

"The State of California, the San Fernando Valley in particular, is in need of leaders who can work together to create opportunities that will stimulate the economy and protect our environment." said State Senator Alex Padilla. "I commend Quallion for their innovative and forward thinking approach to helping formulate creative solutions. Their partnership with the LADWP is something all businesses can learn from."

To demonstrate the viability of large-scale energy storage options for electric utilities across the Country, LADWP and Quallion will work collaboratively to test and develop the technology. It will be DWP's final determination what project(s) and partner(s) will be awarded the contract(s) based on an evaluation of options and priorities.

"As the largest municipal water and power utility in the United States, LADWP recognizes its responsibility to be on the forefront of overcoming environmental challenges and ensuring our 4.1 million residents have a reliable energy source," said Austin Beutner LADWP General Manager. "This collaboration reinforces our unwavering commitment to increase reliable renewable power sources in Los Angeles and our overall goal of becoming the Nation's leader in energy efficiency."

"This partnership gives Quallion the opportunity to play an integral role in the development of dramatic energy-saving solutions that will place its hometown, the City of Los Angeles, at the forefront of green technology adoption," says Paul Beach, Quallion's President of Business Development. "Quallion's recent successes and rapid growth, have prepared us for the challenge of developing this advanced power solution for the city. We look forward to making L.A. one of America's most energy-wise cities."

This agreement is one approach the City is taking to meet Mayor Villaraigosa's energy efficiency goals. Other successes include the DWP's Solar Incentive Program. As of August 2010, approximately 2,400 LADWP commercial and residential customers have installed over 20 megawatts of solar photovoltaic capacity, representing approximately 20,000 kilowatts and \$100 million in incentive funding.

The California Legislature passed AB 2514 in August 2010, which was landmark legislation mandating the use of energy storage technologies by electric utilities. Publicly-owned utilities are required to comply by 2016. LADWP is on track to lead the Nation in Energy Storage as well. The Energy-Storage-Portfolio-Target for publicly-owned utilities will be set in 2013.

About Quallion LLC

Quallion LLC was founded in 1998 by biotechnology and aerospace entrepreneur Alfred E. Mann and lithium ion battery specialist Dr. Hishashi Tsukamoto. The company designs, fabricates and manufactures state-of-the-art lithium ion cells and battery packs, and develops new battery chemistries for the military, aerospace, medical and automotive industries. Building on its legacy leadership position in the medical device industry, the company has developed a range of novel enabling technologies that include the world's smallest implantable secondary battery and the proprietary Zero-Volt™ and SaFE-LYTE™ technologies. Leveraging its core engineering capabilities, Quallion has established itself as a leader in applications where advanced battery technology, safety, reliability and custom engineering are most valued. The company possesses more than 60 chemistry, cell and battery patents and has 90 pending patents. Company certifications include ISO 9001:2000, AS 9100B, and ISO 13485:2003 Visit www.quallion.com for more information.

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