



ED AQMD Project Proposal**LATE DISTRIBUTION**

1 message

DATE 5-21-12**Glenn Klupsak** <klupsak@sbcglobal.net>

Mon, May 21, 2012 at 3:20 PM

To: bosfour@edcgov.us

Cc: edc.cob@edcgov.us

Mr. Briggs,

Please see the attached letter regarding the project grant proposal by Clean Energy Technologies.

This letter will help the Board of Supervisors evaluate the proposal considering all metrics and the opportunity to pursue new technologies that provide real and long lasting emission reductions for the County.

Respectfully submitted on behalf of,

James E. Hayes
Board Director
Clean Energy Technologies

2 attachments

 **CET Ron Briggs Letter.docx**
18K

 **CET El Dorado County Royalty Terms 042712 rev.docx**
14K

May 21, 2012

Ron Briggs
Supervisor, District Four
El Dorado County
Placerville, CA

Dear Mr. Briggs

I am submitting this letter as a Placerville resident in your district and Board Director of Clean Energy Technologies (CET).

We recently submitted a project grant proposal to Dave Johnston of the El Dorado Air Quality District. I understand the proposals will be reviewed tomorrow at the Board of Supervisors meeting.

I respectfully request The Board consider our unique and new technology to significantly reduce emissions in the County by providing our device to be installed on older vehicles specified in our proposal that are currently either non-compliant or experiencing significant problems with the currently installed diesel particulate filters.

Due to the nature of our technology and the unique nature of our proposal, we could not prepare an accurate cost effectiveness calculation using the parameters specified in the RFP. These calculations will require additional efforts by CET and Air Quality District engineers.

I understand this is an important factor in the evaluation process however, I would like to ask The Board consider all aspects of our project proposal during the evaluation. Specifically, the offer by Clean Energy Technologies to pay future royalties to the County based on sales within the state of California. This royalty payment arrangement would repay double the amount of granted funds over a period of time after the product is approved for sales within the state (term sheet attached).

Additionally, CET demonstrated our product last year on a truck driven to the Capital building during a meeting with Senator Ted Gaines. The technology and concept was very well received by Senator Gaines and during subsequent Town Hall meetings last fall. It was during these meeting that city representatives expressed the dilemma they face with older vehicles, newly mandated state emission requirements, and lack of budgeted funds.

This is a great opportunity for the El Dorado AQMD to be the first District in the state to utilize this new and exciting technology and provide budget constrained city's with a low cost alternative to meet air quality requirements without expensive vehicle replacement or ineffective existing emission technologies.

May 21, 2012

Respectfully submitted,

James E Hayes
Board Director
Clean Energy Technologies
1646 State Highway 49
Placerville, CA 95667

CLEAN ENERGY TECHNOLOGIES, INC.
5236 Pacheco Blvd.
Martinez, CA 94553

ROYALTY TERMS

As a part of its grant proposal to the El Dorado County Air Quality Board ("EDC"), Clean Energy Technologies, Inc. ("CET") proposes a royalty payment to EDC on the following terms:

1. Royalty Amount: Ten percent (10%) of the sale price of CET products sold in California.
2. Commencement Date: Royalty payments shall begin to accrue on the date CET receives funding from EDC pursuant to the grant and upon actual sales in California.
3. Payment Terms: Payment shall be due within sixty (60) days of the date of the sale giving rise to the royalty.
4. Termination Date: Royalty payments shall cease and the royalty agreement terminate once CET has paid to EDC an amount equal to two times the amount of funds received by CET from EDC pursuant to the grant.
5. Definitive Royalty Agreement: Additional terms and details shall be included in a definitive royalty agreement mutually agreeable to EDC and CET.