



Fuel Choices Initiative

Strategic Plan

The world has a dependency problem; a dependence on oil. It stems mostly from oil's massive and growing use in transportation and its monopoly as an energy source for transportation (about 96%). This dependency has negative geopolitical, economic, and environmental impacts (oil in transportation is estimated to be the source of about 25% of greenhouse gases). If the world fails to reduce its dependence on oil in transportation, it will soon be facing a grave social, financial, and environmental crisis.

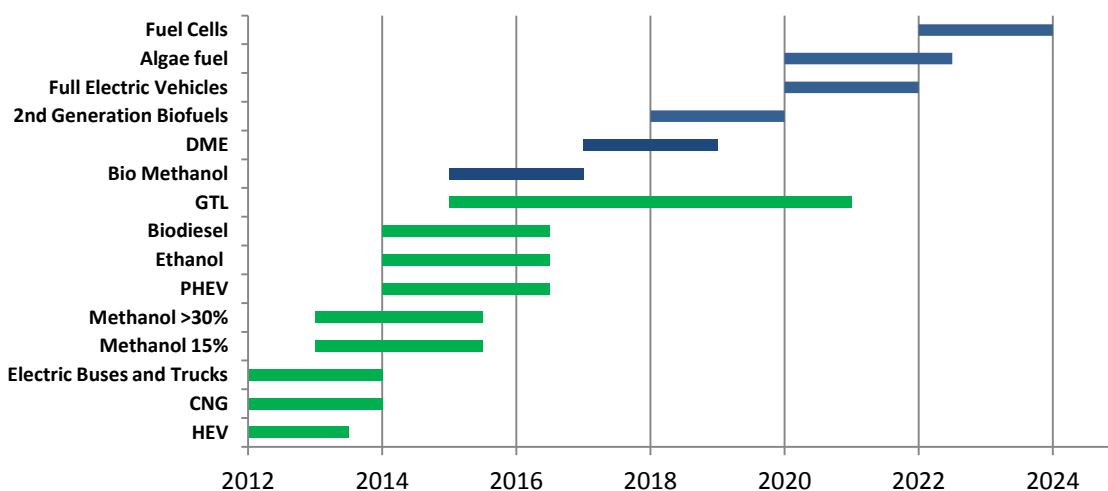
Vision: We aspire to live in a world free of dependence on crude oil, and with an availability of a wide variety of clean and accessible means of transportation

Israel's main effort in addressing this global challenge is the national program for alternative fuels in transportation (**The Fuel Choices Initiative**). The Initiative has been budgeted for ten years in order to create regulatory stability and an investment horizon for market stakeholders, and includes tools to strengthen scientific and applied research in the field, simplify bureaucracy, and strengthen entrepreneurship and industry. The Initiative is managed by a designated administration in the Prime Minister's Office.

Mission: To serve as a catalyst for the reduction of global dependence on crude oil by establishing Israel as a center of knowledge and industry in the field of fuel alternatives

Together with nine partner government ministries, we aim to create a business-supportive environment for the market through simplification of bureaucratic processes and an ability to respond quickly to market changes and needs. Our plan is to make use of Israel's strengths, including its interdisciplinary nature and Israeli entrepreneurs' operational agility, as well as the research power and the exceptional cooperation between academic research bodies and industry.

Forecast of economic viability of Technologies

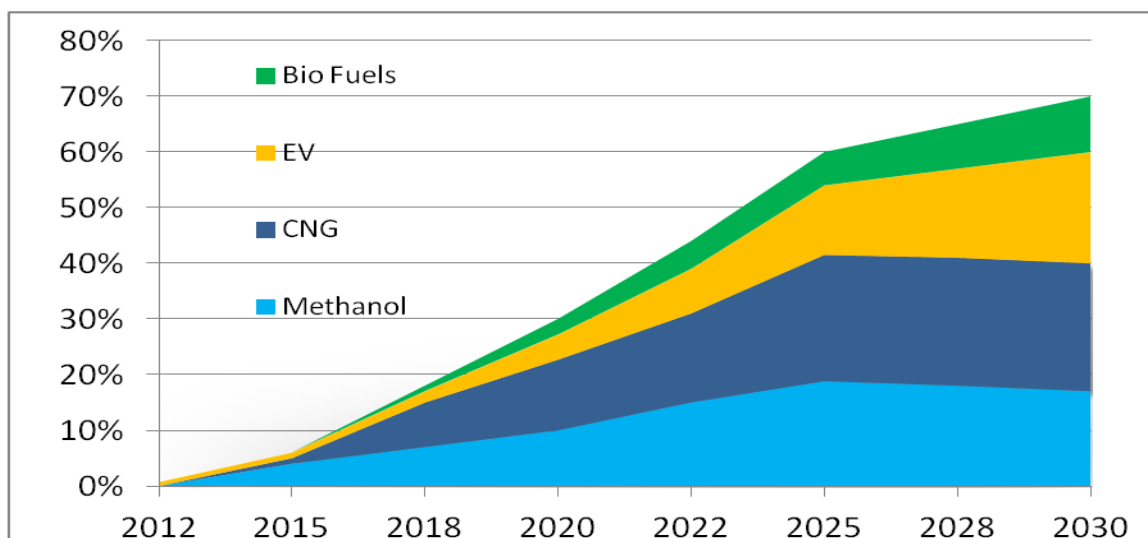


Our basic assumption is that oil for transportation can be replaced by variety of solutions, and thus, the Initiative is ready to support any and all of them. However, the solutions need to be economical: subsidies for a particular technology are only an option for initial market penetration.

In order to jumpstart the development of solutions and to catalyze a global move toward alternative fuels, we are turning Israel into a test bed, which, together with the technological activity in the country, will attract partners from throughout the world. International cooperation is an important component of our activities. A global scale problem requires global scale collaboration to be overcome.

In the process of building our strategy we have analyzed the status of current and future technologies and their expected economic viability (see graph above). The results and the basic assumption led us to the following objectives:

- 1) Reduce the share of crude oil in Israel's transportation sector by 30% by 2020 and by 60% by 2025 while supporting green growth.** The process will build industry knowhow, position Israel as a center for industry and knowledge in the field, and serve as an example and catalyst for other countries. In addition, cheaper prices, lower carbon emission, and the developing industry in the field will support green growth. To accelerate the process, the Israeli government supports several pilots and demonstration of various technologies (CNG, Methanol, electric buses) and an innovative Personal Rapid Transportation (PRT) system.



- 2) Turn Israel into a center of knowledge and industry of fuel alternative technologies** by building infrastructure for development and implementation of the next generation of fuel alternative technologies. This goal is being achieved through investment in research infrastructure, including the establishment of multidisciplinary R&D and implementation centers, investments in start-ups and industry, and a “one-stop shop” for stakeholders in the field. The program emphasizes field experiments and demonstrations of significant scope that will reduce the technology's time-to-market. To complement these tools, we support innovation events and conferences, including a fuel alternatives summit meeting in which the Prime Minister's Prize for Innovation in Fuel Alternatives will be presented.
- 3) Raise the world's awareness of alternative fuels choices and of Israeli activity in the field and build a global partnership network from around the world** in order to accelerate the process of finding solutions. The network will establish working contacts with various governments, research centers, NGOs, and business partners, with the assumption that in order to find substitutes for fuel, the world must join forces.