

Low-Cost U.S. Manufacturing of Power Electronics for Electric Drive Vehicles

Thomas C. Goesch

Delphi Automotive Systems, LLC

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ARRAVT022

Project Overview

Timeline

- Start: January 2010
- Finish: December 2012
- Approx. 7% complete (through March 2010)

Barriers

- Limited supply of technical resources
 - Technical training and experience with highvoltage, high-current (power) electronics
- Market demand for EDVs sensitive to:
 - Unstable/unpredictable fuel prices
 - U.S. policy incentives for EDVs and U.S. sourcing

Budget

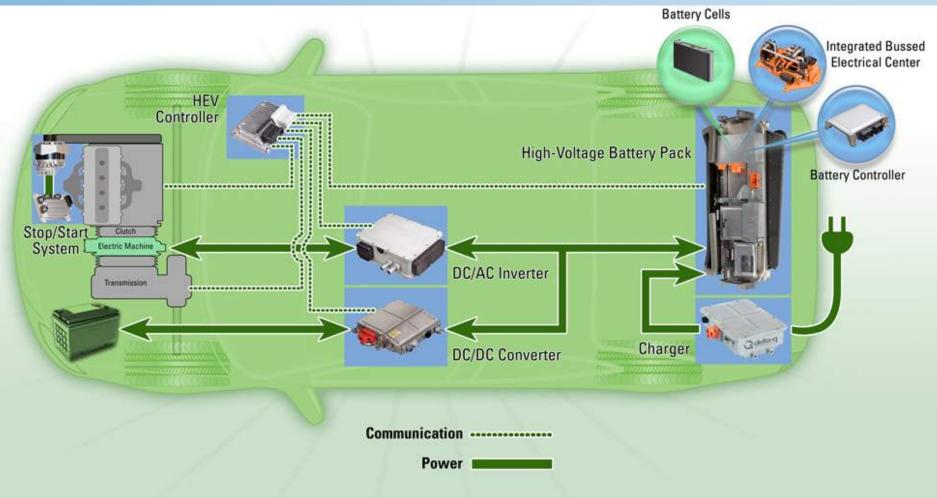
- Total project funding
 - DOE: \$89.3M
 - Contractor: \$89.3M
- DOE funding to date
 - FY2010: \$6.2M

(through March 2010)

Collaborators

- Project Lead: Delphi
- Vehicle OEMs: GM, Coda Automotive
- Powertrain OEM Customers: Allison
- Suppliers: Power Silicon, Capacitors, etc.
 - 145 qualified for power electronics (68 U.S.)

Relevance: Lower-cost Power Electronic Products to Enable Expansion of U.S. Demand for EDVs



Market Drivers: Performance - Emissions - Fuel Economy



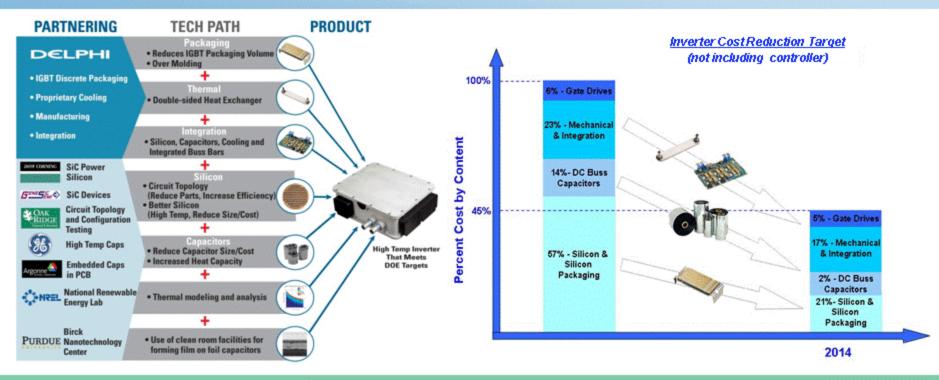
Relevance: Establishes U.S. Power Electronics Production Capacity

- Build upon Delphi's core capabilities
 - Rapid, concurrent product/process design optimization for production
 - Testing for validation
 - Power electronics product line
 - » Inverters, converters, chargers, and controllers
- Establish a globally competitive, U.S.-based production source for power electronics
 - Automobiles
 - Commercial Vehicles
 - Off-Road / Industrial Equipment



Delphi Power Electronics Manufacturing Site Kokomo, Indiana

Relevance: Provides a Commercial Path for Future Power Electronics Technology



- October 2007 -

Delphi Awarded \$8.2M DOE program for Development, Test and Demonstration of a Cost-Effective, Compact, Light-Weight, and Scalable High Temperature Propulsion Inverter

- November 2009 -

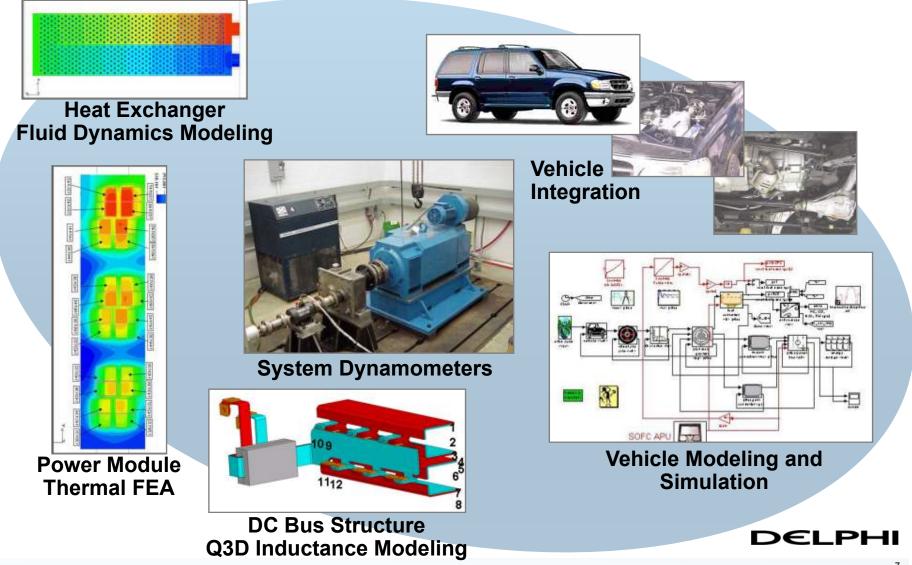
Delphi Awarded \$8.4M DOE program to develop GaN devices for HEV/PHEV/EV/FCV

Approach: Apply more than 20 Years of Delphi Experience with EV and HEV Technology

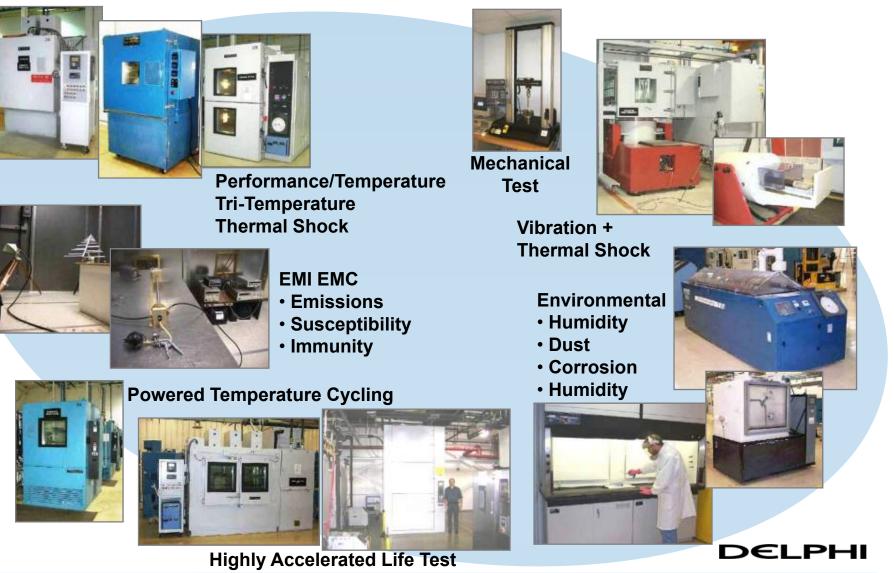
- Largest North American supplier for HEV power electronics components and energy management systems
- HEV propulsion architects for multiple vehicles
- More than 100 relevant patents issued since 2000
- Focusing on aggressively lowering the cost of powertrain electrification
 - System design and architecture
 - Component design and development
 - Controls and algorithm development
 - Design for manufacturability

The Result – Higher Market Use of Energy-reducing EV and HEV Technology in Transportation

Approach: Use Wide Array of Delphi EV/HEV Component and System Development Tools



Approach: Build Upon Delphi's Extensive Validation Test Capability



Approach: Employ Delphi's Value-Add

Cost Efficiency

- Delphi understands automotive cost challenges and price competition
- Delphi leverages a large supplier base and technology building blocks to create affordable products, through economies of scale from volume production

Innovation

- Invention applied to high-volume production
- Proprietary IGBT technology
- Solving the problems of thermal management and packaging for transportation

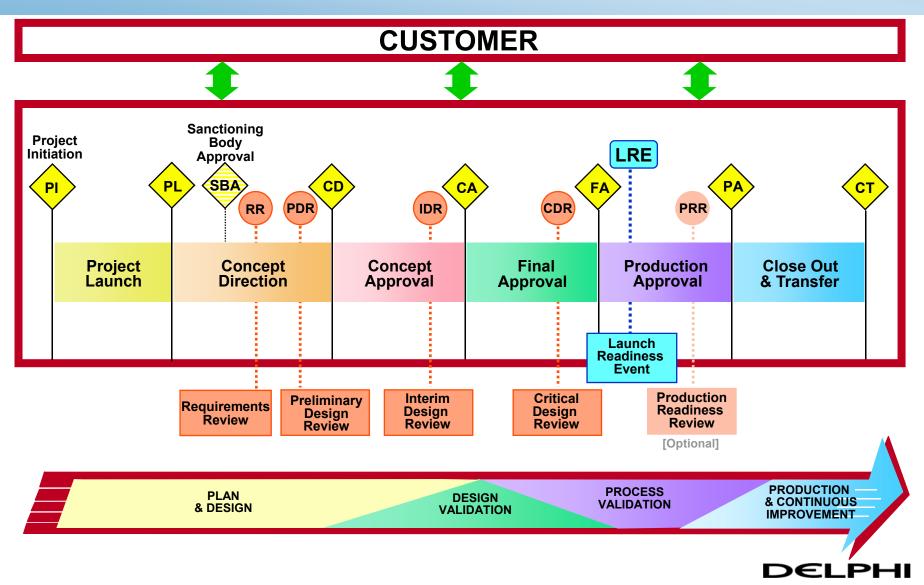
Proven Reliability

 Delphi track record of single-digit PPM production of automotive power electronics and energy storage systems

Approach: Target Work in Three Major Areas

- Optimize Delphi's power electronics component and system designs for volume production
 - Automotive
 - Commercial vehicle
 - Off-road/industrial OEM customers
- Retrofit existing and install required new equipment and tools
- Validate the readiness of Delphi's component and system designs for production

Approach: Use Delphi's Product Development Process



Accomplishments: New Power Electronics Production Facility

Progress to date (January-March 2010)

- Received full environmental (NEPA) clearance
- First surface mount test boards completed (Feb. 17, 2010)
- First pre-design, two-sided surface mount boards for inverter phase board completed (March 9 and April 19, 2010)

Achievements expected through end of FY2010

For Automotive Power Electronics:

- First production intent practice build May 2010
- First product validation build May 2010
- Production start September 2010

Accomplishments: Chargers 100/220 AC to DC

Progress to date (January-March 2010)

- Customer development activity continues in North America, Europe and Asia (focus on PHEV chargers)
- Achievements expected through end of FY2010
 - Anticipate initial customer commitment Q2 2010
 - First low-volume samples produced in controlled process environment – July 2010





Accomplishments: Passenger Car Inverters

Progress to date (January-March 2010)

- First design confirmation units built
- Inverter successfully rotated dynamometer motor
- Customer engineering inverters delivered

Achievements expected through end of FY2010

- First reliability evaluation complete May 2010
- Next design turn build complete September 2010

Accomplishments: Commercial Vehicle Systems

- Progress to date (January-March 2010)
 - Populated inverter circuit boards at new manufacturing site
 - Populated battery controller boards in engineering build facility
- Achievements expected through end of FY2010
 - First inverter will have driven a motor May 2010
 - First complete customer system delivered June 2010
 - First reliability evaluation completed August 2010

Accomplishments: Passenger Car DC-DC Converters

- Progress to date (January-March 2010)
 - Project approved in January by Delphi for funding, initiating PDP process
 - Manufacturing capital and tooling orders placed
- Achievements expected through end of FY2010
 - First process confirmation build May 2010
 - Validation build May 2010
 - First production shipment August 2010
 - » First shipments to China



Accomplishments: Estimated Number of Jobs Created / Retained

Project has resulted in 196 jobs being created or retained during the first quarter of 2010

U.S. Jobs Created or Retained	DOE's 50% Cost-Share	Delphi's 50% Cost- Share	Total
Delphi Direct FTEs (ARRA Reported FTEs)	21.8	21.8	43.6
<u>Delphi Indirect/Support FTEs</u>	<u>10.0</u>	<u>10.0</u>	<u>20.1</u>
Subtotal Delphi	31.8	31.8	63.7
Est. Suppliers' FTEs (1.036 x Delphi) *	33.0	33.0	65.9
<u>Est. Indiana Community FTEs (1.049 x Delphi) *</u>	<u>33.4</u>	<u>33.4</u>	<u>66.8</u>
Est. Total Jobs Created / Retained	98.2	98.2	196.4

* Multipliers based on State of Indiana Study: "What Indiana Makes, Makes Indiana: Analysis of the Indiana Manufacturing Sector," by Thomas P. Miller & Associates for the Central Indiana Corporate Partnership, January 17, 2005.

Collaborators

Vehicle OEM Customers

- E.g. GM, Coda Automotive

Powertrain OEM Customers

- E.g. Allison Transmission
- Suppliers
 - Silicon, Capacitors, Circuit Boards, Castings, Magnetics, etc.
 - 2012 total qualified suppliers to Delphi Corporation
 - 145 in use for Power Electronics (68 U.S. based)

State of Indiana – incentives offered

- EDGE Tax Credit over ten-year period
- Skills Enhancement Fund support over two-year period
- City of Kokomo, Indiana incentives offered
 - Personal Property Tax Abatement five years on manufacturing equipment and special tooling – approved by City Council on 26Apr2010
 - Revolving Loan Fund
 - Workforce Development Support

Future Work

- Establish rapid product / process design optimization capability for volume production with validation test capacity to meet OEM specifications
- Implement scalable, lean and cost-effective manufacturing processes that can be rapidly expanded to meet increases in demand
- Create a fully ISO/TS16949 quality certified production facility
- Create a world-class skilled workforce at both Delphi and our suppliers to meet the needs of the emerging U.S. and global demand for power electronics components for EDVs (e.g. working with Purdue University)
- Establish a test and remanufacturing operation for power electronics components associated with EDVs
 - Provide necessary infrastructure to reduce warranty and lifecycle ownership costs (including repair) for end consumers, as well as minimizing waste to landfills via recycle/reuse
- Establish U.S. production capacity for power electronics components that will support at least 200,000 EDVs by end of 2012

Summary

- Delphi is the largest North American supplier of power electronics components for EDVs
- Delphi is committed to the future of power electronics and the energy reduction benefits of EDVs
- Project will help ensure that vehicle OEMs and power system integrators have a globally competitive U.S. source for power electronics



Kokomo, Indiana Power Electronics Manufacturing Site

 Delphi has in place the customer base, strategic partnerships and supplier foundation necessary to achieve the goals of this project