

Tesla, Toyota to make electric RAV4 for U.S.

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Toyota Motor Corp. and electric vehicle upstart Tesla Motors Inc. will work together to develop an electric version of Toyota's RAV4 small crossover vehicle, with plans to begin selling it in the U.S. in 2012, the companies announced Friday.

Tesla already is working on the electric power system for the RAV4, which looks like a small sport utility vehicle but is based on a car frame. The electric car maker has built one prototype for testing and plans to deliver a fleet of them for Toyota to evaluate sometime this year.

The companies announced a partnership in May to develop and build electric cars at a recently closed auto factory in the [San Francisco](#) Bay area.

Tesla, which in June began selling shares to the public, says it hopes to drive down the cost of electric vehicles so they become within reach of mainstream buyers. Toyota has said it is investing \$50-million in Tesla, with the electric car company buying the New United Motor Manufacturing Inc. factory, known as Nummi, in Fremont, California, where the Tesla Model S electric sedan will be built.

Tesla now sells only one vehicle, a two-seater electric sports car costing \$109,000. It plans to sell the Model S in 2012 for \$49,900, including federal tax credits. It's designed to travel up to 300 miles on a three- to five-hour charge.

The Nummi plant, established in 1984 as a joint venture between [General Motors](#) Co. and Toyota, employed 4,700 workers. GM made the Pontiac Vibe there but withdrew from the alliance last year after filing for bankruptcy protection. Toyota made the Corolla sedan and Tacoma pickup at the plant but said that without GM, it could not sustain the factory.