

Power grid chief touts electric-car payback

September 25 2009, By Steve Gelsi

U.S. power grid chief Jon Wellinghoff is touting the long-term cost savings of electric cars, saying the vehicles could earn \$1,500 a year in paybacks for their owners when their batteries are connected to the power grid.

While [electric cars](#) planned for U.S. market in the next few years will likely carry heftier price tags than many gas-powered cars, Wellinghoff argued at an investor conference this week that owners of plug-in vehicles will benefit from much lower costs for filling up, cutting down the long term cost of operation.

On top of saving \$3 or \$4 a gallon on gasoline in future years, Wellinghoff, chairman of the Federal Energy Regulatory Commission, said grid operators and power companies could reimburse car owners for the battery storage offered by the roughly 22 hours a day that electric cars would be connected to the nation's power system.

"Plug-in hybrids could help stabilize the grid and make money for their owners," said Wellinghoff, who spoke at Knight Capital Group's "Electrifying Transportation" conference for institutional investors on Wednesday.

Wellinghoff, a lawyer who specializes in energy issues before becoming FERC chairman earlier this year, cited positive moves into green energy under President Barack Obama, who addressed climate change in a major U.N. speech this week. Obama elevated Wellinghoff to the FERC chairmanship.

The Obama administration awarded a \$529 million government loan to Fisker Automotive to build electric cars earlier this week. Tesla Automotive and others have also received hundreds of millions of dollars under government stimulus programs.

On the heels of other government subsidies, [lithium-ion battery](#) maker A123 Systems Inc. drew strong interest in its [initial public offering](#) Thursday.

While the electric car industry remains in its infancy, proponents of plug-in vehicles expect millions of models on the road in the next 10 years that could collectively add to the nation's power storage capabilities.

Sharing the main points of his chapter in the book "Plug-In Electric Vehicles," edited by David Sandalow, Wellinghoff said growth of solar and wind energy in the U.S. will create a greater need for storage capacity on the grid to smooth out surges in power.

Electric car batteries could help take up the storage slack, along with flywheel systems.

Wellinghoff was joined at the conference by Knight Capital CEO Tom Joyce, who said he drove an electric-powered Tesla before the meeting and it was "possibly the coolest car I've ever been in."

Other speakers included venture capitalists Chelsea Sexton of VantagePoint Venture Partners and Dhiraj Malkani of RockPort Capital.

Speakers at the conference were bullish on investments in the electric-car sector.

Sexton said electric cars are "cool, fast and fun" and that gasoline hybrid cars have managed to capture about 3 percent of the car market.

Malkani said most U.S. consumers adopted quickly to cell phones and GPS systems and that electric vehicles will offer the benefit of avoiding gas stations and fueling at home. "We all could be pleasantly surprised," Malkani said.

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