

Interview: Electric car boss sees global change

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In this Monday, April 26, 2010 file photo, California-based electric-vehicle services provider Better Place Chief Executive Shai Agassi gets off an electric vehicle taxi during the opening ceremony of a battery switch station in Tokyo, Japan. (AP Photo/Shizuo Kambayashi, File)

(AP) -- Electric car pioneer Shai Agassi is a man with a startling prediction: Before 2020, he says, more people everywhere will be buying electric cars than those powered by gasoline.

"It doesn't mean that oil is not necessary, but we're starting the way out," said Agassi, a former top executive for information giant [SAP AG](#) who

launched his Better Place venture several years ago.

Existing electric cars have a limited range, after which owners have to stop and wait for hours while their car's battery recharges. Owners of Agassi's cars would be able to remove the used battery and replace it with a fully charged one, allowing them to get back on the road almost immediately.

The first country slated to go live with a network of "battery-switching" stations run by Better Place is his native Israel, where he plans a launch - with 56 stations and an expected 5,000 cars - before the end of 2011. In 2012, Denmark and Australia are expected to join, along with trials in Hawaii and in the San Francisco Bay area.

Brimming with infectious optimism, Agassi has been a regular at the World Economic Forum, where he was interviewed by The Associated Press.

Agassi said he has raised about \$700 billion and spent about a third of it, mostly on setting up the stations. That leaves enough cash to absorb losses while he builds up to break-even, which Agassi asserts will not take long.

"In Israel, in 2016, plus or minus a year, more electric cars will be sold than gasoline cars. When that happens in Country One, within two years you will see it in every country," he said.

That claim may seem preposterous for the car-crazy United States - but not for Israel. The country's electric company also expects electric cars to achieve a significant [market share](#) in the near future and is preparing its grid to meet the demand, according to the Haaretz newspaper.

Former U.S. President Bill Clinton has emerged a believer as well.

"Israel will become the first country in the world to put 100,000 all-electric cars on the road," he said Thursday. "Not the US. Not China. Not countries much bigger - Israel!"

Agassi has found a niche created by a widespread sense that the world is not doing half enough to deal with the eventual end of oil - a prospect hastened by the explosive recent growth in the developing world.

"From 2000 to 2010, China added 120 million cars on the road (and next year, 25 to 30 million," Agassi said. "It's no longer the U.S. that sets the price (of oil). Now it's a question of how many cars were added in China, how many were added in Brazil, how many were added in India."

He admits that the market for gas is somewhat inelastic, meaning that despite rising costs at the pump, people grumble and drive on. But they save elsewhere, he says, harming the economy in cascading ways.

Agassi plans to sell cars being developed by Renault SA and equipped with removable batteries - which are currently quite heavy and have a range of 100 miles (160 kilometers). Drivers would be promised four battery swapping stations along any route the length of the range.

Although prices have not yet been set, Agassi said the idea would be that the consumer would not pay more to drive a given distance than its current cost using oil.

Like any venture that could threaten a mammoth industry, Better Place has generated its share of critics.

Some charge the company is trying to establish a new type of monopoly, while environmental groups objected to the laying of new power cables. It is also not clear that Israel's electricity grid can sustain the heightened demand posed by the [electric cars](#).

Some say battery-swapping is impractical and customers will prefer a fixed-battery car. In Davos, Nissan Motor Co. was demonstrating its new Leaf, a fixed-battery electric car that you can charge at home.

Agassi is not worried. He says over time, batteries will grow smaller and their ranges will grow longer, making the swap less odious.

He is most animated as he refutes criticism that the electricity needed to charge the battery has its own carbon footprint and the net result might be worse for the environment than the internal combustion engine.

The electricity could come from coal but also from natural gas or wind or other sources, he said, adding that the Israeli government has approved a 600-megawatt solar project in the country's southern desert that can power a half-million cars a year.

Is the main thing idealism or profit? Agassi's message combines the two.

"The end of the oil era will not come because we ran out of oil - it will come because we don't want to use oil any more to drive," he said. "I can guarantee you that we will finish the need for oil as an energy source for cars before we run out of oil in the ground."

More information: <http://www.betterplace.com>

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