

# Electrics touted at Paris car show, but await their moment

September 29 2016, by David Mchugh And Angela Charlton

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Dieter Zetsche, CEO of the Daimler AG, stands next to the Mercedes EQ concept car at the Paris Auto Show in Paris, France, Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)

When will electric-powered cars become a practical choice for ordinary people? The question hangs in the air at the Paris auto show, where Volkswagen, Mercedes-Benz and General Motors are showing off

electric cars they hope are the on-ramp to a profitable future.

The raft of new vehicles lends buzz to electric cars. But earlier over-optimistic predictions have also bred skepticism.

Volkswagen compared its I.D. electric compact to its historic Beetle and mainstay Golf models and said it was the leading edge of 30 new electric models it plans to put out by 2025.

Daimler AG CEO Dieter Zetsche looked more Silicon Valley than Stuttgart, wearing faded jeans and sneakers to tout the Mercedes-Benz EQ, a battery-powered crossover SUV concept. The vehicle aims to illustrate the company's longer term strategy that connects electric cars with other new technology, such as autonomous driving and vehicle sharing.

Zetsche said the company aimed for 10 electric vehicles by 2025, making up 15-25 percent of global sales—a bold prediction he immediately tempered by saying that was based on "continued development of infrastructure and customer preferences."

He said "we need to prepare ourselves with all our resources for electric mobility as a mass phenomenon" yet remain flexible if demand is lower—or even higher—than predicted.



Volkswagen CEO Herbert Deiss introduces the new Volkswagen electric car during a press conference at the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)

General Motors Co.'s European division Opel is showing off the Ampera-e, a rebadged version of the Chevrolet Bolt. Opel says the Ampera-e will achieve a range of more than 500 kilometers (310 miles) under European standards, a significant leap. The Bolt goes on sale this year in the U.S., but it's hardly cheap at the manufacturer's suggested retail price of \$37,495 for a five-seat hatchback. That's not counting the tax break of up to \$7,500 the federal government offers to encourage the growth of zero-emissions vehicles.

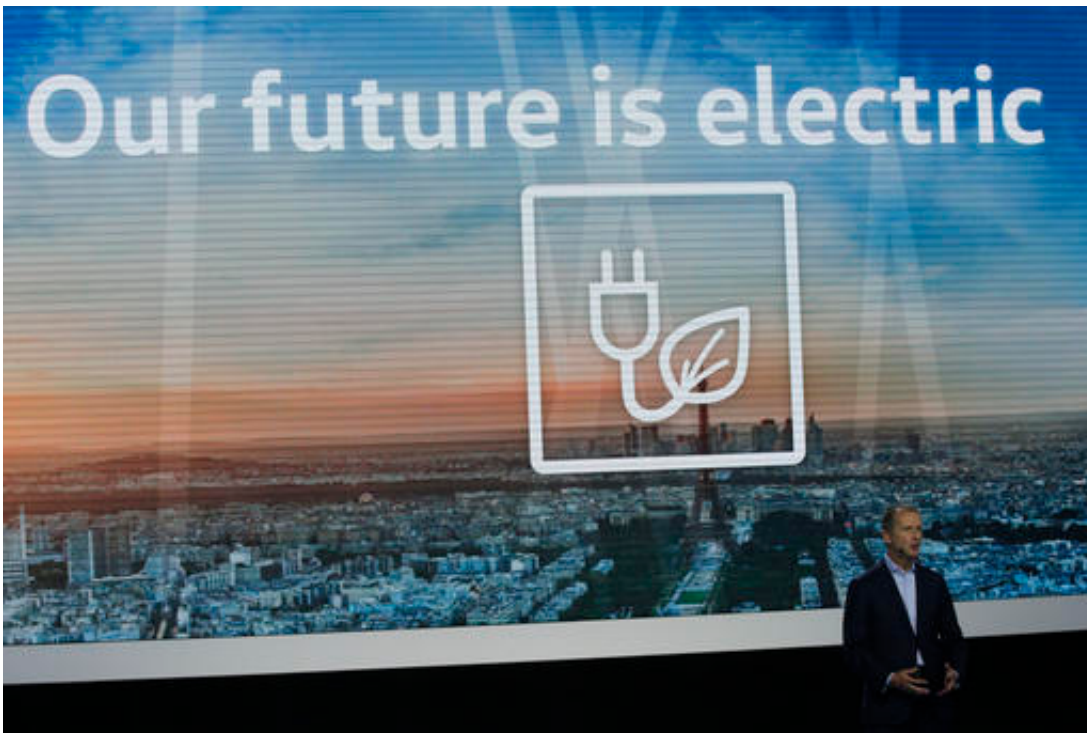
For now, the limited range and higher costs mean battery-powered vehicles have little attraction for regular folks trying to get the most for

their money. They remain largely a niche market, often for people enthusiastic about new technology or the environment, and with the extra disposable income to act on that.

The Palo Alto, California-based Tesla has won attention with rising sales of electrics to well-heeled customers—but loses money.

Subsidies and incentives have been key in government efforts to help electric vehicles get a foothold. That has been the case in urban areas like Norway's greater Oslo area, around San Jose, California, and in Shanghai, China.

In the short run, at least, they help burnish companies' image as technologically advanced and environmentally friendly. Volkswagen is struggling to recover from a scandal over diesel cars rigged to cheat on emissions tests.



Volkswagen board member Herbert Deiss speaks as he introduces the new Volkswagen electric car during a press conference at the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)

But companies are also laying the groundwork for the day when the cost of electric falls to, or below, that of internal combustion. It's a day that some analysts think is only a few years off. When that happens, sales could hit a tipping point—a moment carmakers want to be ready for.

The arrival of such an "E-Day" could be accelerated by increasing government regulation mandating lower average emissions and higher mileage. Electrics in the product lineup would help carmakers meet new, lower European Union limits on greenhouse gas emissions blamed by scientists for global warming that go into effect in 2021. In the U.S., nine states have followed California in adopting a requirement that 15 percent of new vehicles sales be zero-emission vehicles by 2025.

Electrics have good acceleration, and fewer moving parts to wear out. And imagine: never stopping for gas, ever again.

But there are a host of other factors to consider: the price of gas; the price of electricity; charging times; battery costs; the ease with which you can find places to charge up.

Accordingly, predictions for the future of electric vehicles are uncertain. In 2008, presidential candidate Barack Obama called for a million electric vehicles on the road in the U.S. by 2015, and repeated the call in 2011. At year end, there were 506,000 plug-in electrics—either battery

only or plug-in hybrids—on the road, out of 114 million total. Plug-in hybrids start on battery power, then use a small internal combustion engine to generate electricity and extend the vehicle's range.



The Toyota Mirai, an hydrogen fuel cell vehicle, is displayed at the Paris Auto Show in Paris, France, Thursday, Sept. 29, 2016. The Paris Auto Show will open its gates to the public from Oct. 1st to 16th. (AP Photo/Christophe Ena)

Pure hybrids like Toyota's Prius can't be plugged in and rely on the engine alone to charge the battery.

Bloomberg New Energy Finance issued a report in August that predicted electrics would match internal combustion vehicles in ownership costs in 2022, assuming oil prices of \$50-\$70 per barrel and battery prices of \$125 per kilowatt hour. That key cost has fallen from \$1,000 per

kilowatt hour in 2010 to around \$350 per kilowatt hour today—faster than many expected.

Thomas Turrentine, director of the Plug-In Hybrid and Electric Vehicle Research Center at the Institute of Transportation Studies at the University of California, Davis, says electrics will reach price parity "after 2020" but still might need some incentives to win over consumers.

He said the key will be the usual motive: "Once there's profit, you will see the car companies rush in and make more investments" in production.

Brett Smith, an expert on alternative power trains at the Center for Automotive Research in Ann Arbor, Michigan, cautions that automakers will still face a lot of consumer hurdles to overcome.



Dieter Zetsche, CEO of the Daimler AG speaks during a media conference at

the Paris Auto Show in Paris, France, Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)

Those include battery durability, places to charge up, charging times, and reluctance to commit hard-earned cash to unfamiliar technology.

"In the midterm, it offers uncertainty. Most buyers are going to trust what they know, and most buyers don't know electrics," he said.

Renault-Nissan CEO Carlos Ghosn says consumer choices can change, if the technology does. The company makes the Leaf battery-only electric.

"It's like with a smartphone, in the beginning you had eight hours charging for 30 minutes of discussion," Ghosn told The Associated Press. "Today it is the reverse."

"You need time for technology to do its job."



A worker adjusts the sheet around a car at the Porsche stand during the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. (AP Photo/Michel Euler)



A lighted billboard reads 'Think New' at the introduction of the new Volkswagen electric car during a press conference at the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)



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A Toyota FGV Plus concept car on display at the Paris Motor Show in Paris, France, Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)



Rear view of the newly unveiled Ferrari Aperta on display during the first press day at the Paris Auto Show in Paris, France, Thursday, Sept. 29, 2016. The Paris Auto Show will open its gates to the public from Oct. 1st to 16th. (AP Photo/Christophe Ena)



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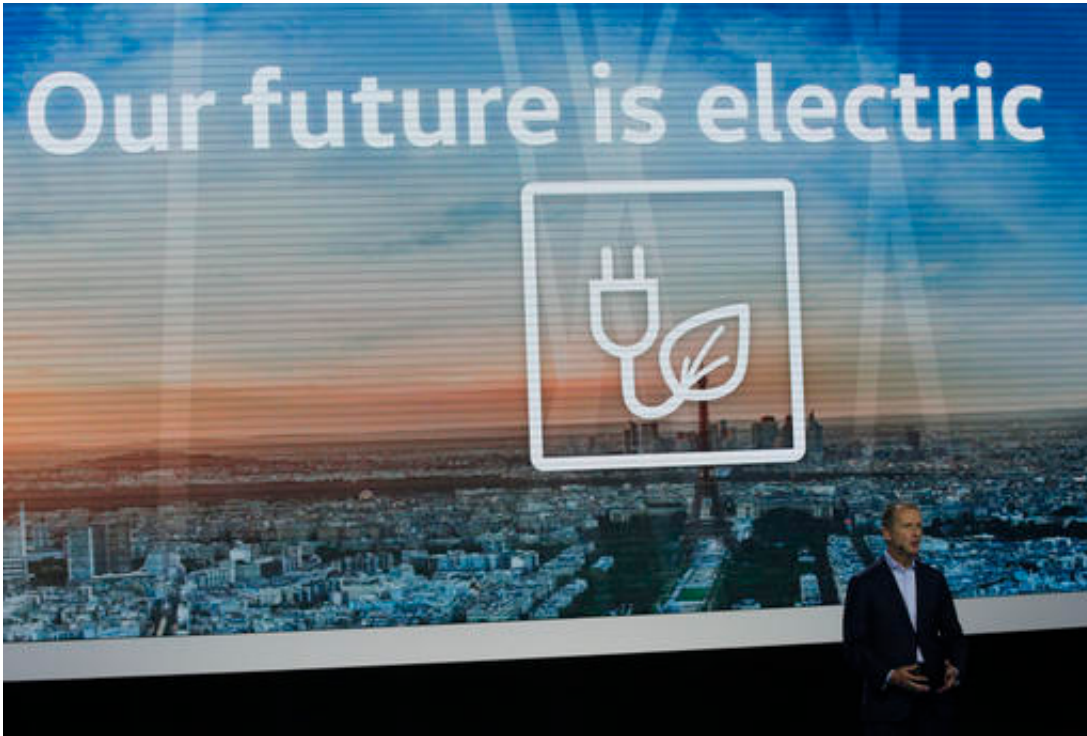
A worker shines the grill of a new Volkswagen electric car during a press conference at the Paris Motor Show in Paris, France, Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)



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Volkswagen board member Herbert Deis, left, and Matthias Mueller, CEO of German car maker Volkswagen AG, introduce the new Volkswagen electric car during a press conference at the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)



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Models pose next to the Skoda Kodiak 4 X 4 at the Paris Motor Show in Paris, France, Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)



A worker polishes a car at the Volkswagen stand during the Paris Motor Show in Paris, France on Thursday, Sept. 29, 2016. Many major automakers are finding the Paris auto show, held in a city whose mayor wants to ban diesels to reduce pollution, as a fine place to show off new zero-emission electric cars. (AP Photo/Michel Euler)

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