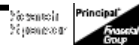


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JUNE 23, 2009, 1:18 PM ET

## Going Electric: Nissan, Exxon, the Feds and Tesla Enjoy a Big Day for Electric Cars

Article

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By Ángel González

In the full-throttled U.S. push for fuel efficiency, electric cars aren't an after-thought. They've been given a seat at the grown-up table.

On Tuesday, the federal government announced \$1.6 billion in loans to Nissan Motor and another \$465 million for Tesla Motors. The companies will use the money to retool factories in Tennessee and California, respectively. Nissan says it plans to produce more than 100,000 electric cars annually by 2012.



Fast cars, no gas. Associated Press

If the spectacle of Nissan, Japan's third-largest automaker by volume, teaming up with Uncle Sam to mass produce electric cars isn't enough to make your head spin, there was more going on.

Exxon Mobil, the world's largest publicly traded oil company, said Tuesday it was teaming up Ontario-based battery-maker Electrovaya to sponsor a fleet of small cars called Maya-300s that are propelled by a lithium ion battery that uses technology developed by Exxon's chemical unit. (Nissan also plans to use lithium-ion batteries, much like the ones in your laptop computer.) The idea is for tourists to Baltimore's harbor to be able to take an electric car out for a spin.

Exxon Mobil is a big believer in the no-nonsense power of fossil energy, but the Texas oil giant also wants to make sure that if you ever go electric, there will be a Tiger in your tank (or in the battery that powers your power train.)

The pint-sized Maya-300 is still quite pricey. For a car with a 120-mile range, the cost is \$35,000, but it plugs into a standard 110-volt socket and "the energy used to fully recharge the battery costs less than a cup of coffee." No word on the cost of the Nissans. CEO Carlos Ghosn said there would be a consumer appetite for zero-emission cars that would help them roll off dealer lots.

One of electric cars' biggest challenges – profitability – could be on the verge of being overcome, according to Tesla's chief executive Elon Musk, who told customers that the company would turn profitable by mid-year. It was profitability with an asterisk and some liberal accounting standards. He also recently said \$10 gas made sense to him.

So, will the world look back on June 23rd 2009 as a turning point for electric cars? A joyride for tourists visiting the National Aquarium and eating mussels at Bertha's doesn't make a revolution,



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Environmental Capital provides daily news and analysis of the shifting energy and environmental landscape. The Wall Street Journal's Keith Johnson is the lead writer. Environmental Capital is led by Journal energy reporter Russell Gold, and includes contributions from other writers at the Journal, WSJ.com, and Dow Jones Newswires. Write us at environmentalcapital@wsj.com.

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"I'm guessing that there are other things hidden in these rules that will make it easy for automakers to meet the new mileage requirements, without having to actually meet the new mileage requirements, like credits for making vehicles capable of running on E85 or fully/partially electric. For example, assuming the Volt actually sees the light of day, is its official gas mileage still 300 mpg, or whatever it was that they claimed?"

– from David On Fuel Rules: Team Obama Details New Mileage Standards

"Good to hear. "Renewables" need to grow in efficiency and then they will be a 'real' alternative for energy..." On More Bang, Less Buck: 1366 Technologies and the Cost of Solar Power

"If a 10 ton tree falls in a forest (and rots unseen) what was the cost to society? If Yellowstone Park..." On Waxman-Markey: Benefits Far Outweigh Costs, New Study Finds

neither does "profitability" for a company making 20 to 30 units a week.

But the Nissan announcement bears watching. Mr. Ghosn has set himself a lofty goal: create a mass-market electric car that is affordable. But will customers line up to buy them? That's the rub with the U.S. government acquiring majority stakes in General Motors – [they want the carmaker to build cars people want to buy, but that are also fuel efficient](#). These goals haven't meshed in the past. Will they mesh in the future?

*"I have a great idea: on the day the EPA starts regulating GHGs, shut off power to every one of..."*  
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11:31 pm August 5, 2009

**Viagra** wrote:

credit you for your dope and it helped me in preparing my college assignment.

10:59 am July 12, 2009

**herb** wrote:

The whisper could have an 800 mile range with the combination of Battery and Microturbine range extender, and a 10 gallon fuel tank.

This is Truly an Amazing vehicle, perhaps too good to bring to market because of entrenched power in high places.

8:11 pm June 24, 2009

**Hydra** wrote:

"What about folks who drive 50 miles each eay to work?"

They are actually a small minority of drivers, the average commute is only about 24 minutes.

A major inefficiency of internal combustion engines is that they have to run at varying RPM. The microturbine OR IC engine will be more efficient if optimized to run at a constant RPM to charge batteries.

The trade off is weight of the batteries and full size electric motor, which is why Prius and other hybrids use a normal variable RPM engine with smaller electric motor and batteries primarily for extra boost.

5:16 pm June 24, 2009

**Susan** wrote:

To all those who think government subsidies don't jumpstart new industries: How

subsidies started the Toyota Prius

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<http://gas2.org/2009/06/23/govt-picks-a-winner-tesla-gets-465-million/>

quoting that:

The Japanese government had no such qualms when they saw a winner in the developing Prius, back in the 90's.

They boldly subsidized Toyota's first Prius by paying for a sizable portion of the early models.

So if you drive a hybrid, you have the Japanese government's willingness to pick a winner early on to thank for the extra pennies in your pocket, even if your hybrid is not a Prius.

Because the followers certainly would not have followed without that first government money enabling hybrid development

link to Japanese subsidies:

<http://www.evaap.org/japan.html>

3:52 pm June 24, 2009

**Rich** wrote:

According to the article, the money will be used in the US in retooling factories in Tenn and Calif: "\$1.6 billion in loans to Nissan Motor and another \$465 million for Tesla Motors. The companies will use the money to retool factories in Tennessee and California, respectively." Didn't GM already gotten twenty billion or was it forty billion, lost count, just a few months ago? Chrysler is going to be owned by Fiat, a foreign company. Ford turned down the bailout, and isn't it going to get some of the electric car development money? The outrage is that GM management and engineers could not get its electric car out of the lab, and at a decent price point after years of working at it. When GM dumped Perot, its fate was sealed. However much we may dislike the Japanese for what they did in WWII, Japan needs to import all of its oil. It has a real incentive to make cars that use little to no oil. Plus, it does not have any big powerful oil companies to put up barriers of entry for alternative fueled cars. Since we can't depend on the car salesmen in GM's executive suite to develop anything new, we need people that we may not like to get the job done.

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