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Plug in for America

California should encourage electric cars

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Leaders of Detroit's Big Three -- Ford, GM and Chrysler -- came to Washington last week to discuss the dire situation of their industry with congressional leaders. While Japanese automakers Toyota and Honda are reporting record sales, U.S. automakers' sales are declining, due to a drop in demand for SUVs and diminishing market share. The industry is closing 26 plants and slashing nearly 60,000 jobs.

The beleaguered automakers complained about rising oil prices, prohibitive health care and pension costs and the lack of availability of alternative fuels. While Congress has its hands full addressing each of those problems, the key to Detroit's future lies in its own hands.

Working under the assumption that oil prices would stay low, the industry has focused in recent years on SUV sales and failed to develop fuel-efficient vehicles. While Toyota and Honda invested in hybrids and European automakers put their faith in clean diesel engines, Detroit -- rather like the state of California -- bet the farm on the hydrogen economy which, for now, seems to be but pie in the sky.

It's clear that oil prices are not going down any time soon, yet Detroit's basket of products is ill-suited to meet the new reality. While the CEOs met with the leadership of both political parties, senators, representatives and other notables were driving around the Capitol in what could be Detroit's salvation: a more than 100-mile-per-gallon plug-in hybrid electric vehicle.

The car, owned by a San Francisco nonprofit, the California Cars Initiative (Calcars), is powered by a combination of electricity and liquid fuel. Unlike standard hybrids, plug-ins draw charge not only from captured braking energy but also directly from the electrical grid: They plug into standard electric outlets.

Because such cars also have liquid-fuel tanks, they do not face the range limitation posed by electric-only cars. Remember, 50 percent of cars on the road are driven 20 miles or less a day. A plug-in with a 20-mile range battery would make a trip to the gas station a rarity. Unlike the hydrogen vision, ballyhooed by Sacramento, which presents massive chicken-and-egg infrastructure hurdles, the infrastructure investment required by a plug-in hybrid is merely an extension cord.

Less than 2 percent of electricity used in the United States is generated from oil, so using electricity as a transportation fuel would greatly reduce dependence on imported petroleum, thus contributing to our national security. Further, if a plug-in hybrid is also equipped with a flexible-fuel engine that can burn any mixture of alcohol (methanol or ethanol) and gasoline, fuel economy could reach 500 miles per gallon of gasoline. A blueprint for energy security produced by Set America Free, a coalition of think tanks, holds that if by 2025, all cars on the road are hybrids and half are plug-in hybrid vehicles, U.S. oil imports would drop by 12 million barrels per day, which is what we import today.

Plug-ins can help address California's electricity predicament. Because most people would recharge their cars at night when electric utilities have significant excess capacity, utilities would be able to generate extra revenues by selling electricity as a transportation fuel. This would allow them to invest in upgrading the power grid.

Plug-ins are clearly the near-term solution that best fits the American way of life. Yet, automakers are still dodging it while continuing to stick to a business strategy that will only worsen their situation. Next month, the CEOs will return to Washington, this time for a meeting with President Bush. The president should impress upon them that a federal bailout, similar to the 1979 move by Congress to save Chrysler, is not an option. But should they decide to manufacture vehicles that enable fuel choice, electrify transportation and embrace plug-ins, Congress and the Bush administration would provide the necessary help.

The Fuel Choices for American Security Act, bipartisan legislation which would provide the autos with incentives to retool production lines to produce hybrids, plug-ins and flex-fuel cars and consumers with tax incentives to purchase these cars, is already before Congress, co-sponsored by 25 senators (surprisingly, neither of California's senators is a co-sponsor) and 76 representatives. In order to jump-start an initial market, the president should prod Congress to move this bill forward, and also commit to substantial incorporation of such technologies into federal, state and municipal fleets. But all this requires the industry to decide to help itself and focus on developing a technological edge over its competitors while giving American motorists new products that redefine their expectations.

The president's and Congress' message to Detroit should be: Plug in for America and America will keep plugging for you.

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