

### Volume 335 May 7, 2013

Fears that China will overtake the U.S. in the race to put electric vehicles on the road have fizzled. Despite choking pollution in big Chinese cities, consumers here see EVs as too expensive or too difficult to recharge.

China has offered tax incentives on electric vehicles, total sales of hybrid and electric vehicles last year were 12,791, according to the Chinese Association of Automobile Manufacturers.

In the U.S. in 2012, automakers sold 53,172 plug-in electric vehicles and 434,498 hybrids, representing a total market share of 3.4%, according to HybridCars.com. "I think everyone would say it hasn't really taken root yet," GM China President Bob Socia said last month near the Shanghai auto show. "Objectives are worthy, but progress is slow."

Experts once believed that Chinese consumers would embrace electric vehicles because four out of five car buyers are purchasing a vehicle for the first time. They've never had an experience with internal combustion engine cars, so they won't know what they're missing, the thinking goes. That thinking was wrong. Similarly, progress is slow in the U.S. The federal government offers tax credits of up to \$7,500 for the purchase of an electric vehicle or semi-electric car, such as the Nissan Leaf or Chevrolet Volt. But most people are still choosing internal combustion engines.

That means the door is still open for leaders to emerge in the electric vehicle space, as researchers pursue next-generation technologies amid a growing consensus that the current technology of lithium-ion batteries won't get much better or cheaper. But the real number of electric vehicles sold in China last year was actually about 3,000, when factoring out hybrids and vehicles that aren't roadworthy, such as golf carts, said Namrita Chow, a Shanghai-based analyst for IHS Automotive. President Barack Obama's administration has rescinded its previous target of putting 1 million electric vehicles on the road by 2015.

In both countries, electric vehicles are more expensive vehicles. For example, the Volt, the most popular plug-in electric vehicle in the U.S. last year, costs \$32,500 after the federal tax credit. One could buy a well-equipped Chevy Malibu with a mild-hybrid engine for less than that. "It's exactly the same here," Chow said of China. "Even with the subsidies, the cost of EVs is way higher than a traditional gasoline-powered engine vehicle." Still, many automakers are hoping for breakthroughs from their Chinese operations. Technology developed in China can be applied to electric vehicles throughout the world.

### Electricity Pricing – May 7, 2013

Com Ed	On-Peak	Off-Peak
2013	\$.04373	\$.02750
2014	\$.04221	\$.02792
2015	\$.04336	\$.02840

PECO	On-Peak	Off-Peak
2013	\$.05285	\$.03434
2014	\$.05126	\$.03465
2015	\$.05235	\$.03505

### LMP Electric Price

Time Period	Average per Kwh
April, 2012	\$.02659
May, 2012	\$.02816
June, 2012	\$.03089
July, 2012	\$.04303
Aug, 2012	\$.03112
Sep, 2012	\$.03034
Oct, 2012	\$.02829
Nov, 2012	\$.03327
Dec, 2012	\$.03081
Jan, 2013	\$.03111
Feb, 2013	\$.03219
Mar, 2013	\$.03665
Apr 1-Apr 30, 2013	\$.03821

### Extended Temperature Forecast:

#### Chicago Area

	Tue	Wed	Thu	Fri	Sat
High	74	75	70	60	62
Low	51	56	51	48	43

