

“How can you say you’re a supporter of electric cars when you predict only one percent market penetration by 2020?” This is the question Jeff Siegel addresses in his latest Modern Energy Report [\[link\]](#), arguing that EV market penetration thus far has actually been impressive and analogous to the hybrid market’s development. He notes the 228% increase in sales from 2011 to 2012 despite the weak economy, and anticipates that competitively priced EVs in the 200-500 mile range will be available within the next decade.

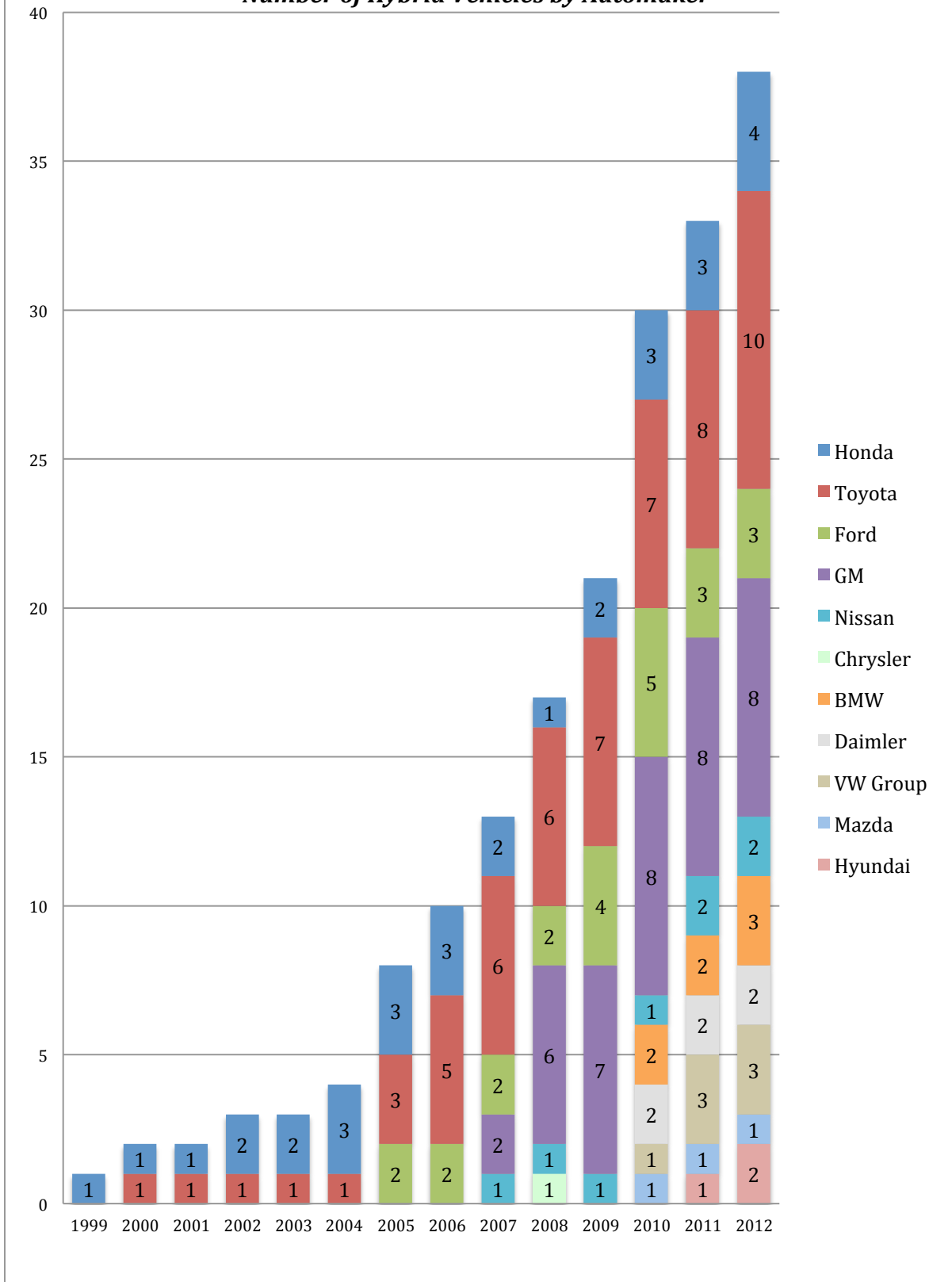
I agree that the EV market’s growth is indeed remarkable. I would even argue that it is off to a more impressive start than that of the hybrid market. Indeed, as I showed in the feature piece of the AFVInsider’s latest issue [\[link\]](#):

- The first hybrid introduced to the U.S. market was the Honda Insight, in 1999. Honda sold 17 units in the hybrid’s first month on the market, compared to 326 Volts and 19 Leafs. In its first full year on the market, Insight sales reached 3,788 units, versus 9,674 units for the Leaf and 7,641 units for the Volt in their first year.
- It took a dozen years for the hybrid market to grow to ten automakers. The EV market already includes ten automakers this year, four years after Tesla introduced the first EV to the U.S. market.
- In their fifth year on the market, hybrids were only available in three models from two automakers, while in the same time span the EV market grew to eleven models from ten automakers.

Furthermore, in each of the past three years at least half of the EV models offered in the market have come from established automakers, indicating a level of commitment to the further development of the technology and the availability of resources to do it.

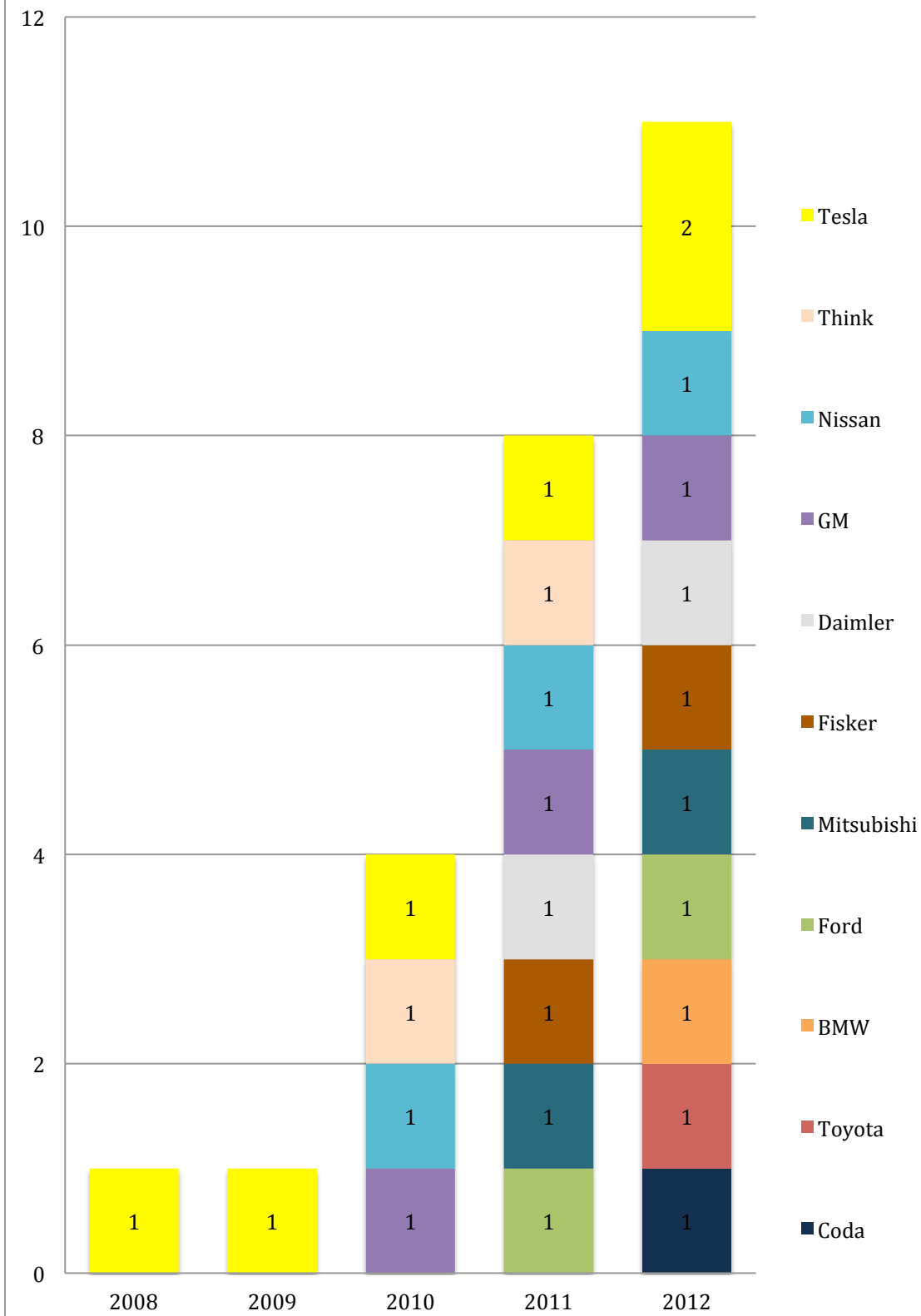
I also agree with the trend Siegel identifies of decreasing prices and increasing ranges for EVs. The ten-year timeline is a cautious estimate that could be shortened by game changers such as a breakthrough in battery technology, higher gasoline prices, or a carbon tax. Next year offers the best opportunity yet for implementing the latter. It would be good tax policy and an EV market catalyst.

Number of Hybrid Vehicles by Automaker



Source: AFDC

Chart 3: Number of EV Models by Automaker



Source: AFDC

