National Sales for December 2016

According to HybridCars (Cobb, January 5, 2017) December was a good month for auto sales in general and alternative fuel sales in particular. Not only that, but 2016 turned out to be a pretty good year for electric cars and plug-in hybrids. Hybrid cars, still the biggest sector of the alternative fuel market by a long shot, had a good December, too, but the annual numbers for 2016 were lower than 2015.

Hybrids: Hybrids accounted for 2.05% of the new car market in December and 1.99% of the car market in 2016. The leader, as always, was the Toyota Prius Liftback with 22.56% of hybrid sales. The Toyota RAV4 took second place with 13.83%, the Ford Fusion was third with 10.37%, the Honda Accord Hybrid was fourth with 9.05% and the Toyota Camry rounded out the top five with 6.32%. Toyotas, took four of the next five slots, with only the Hyundai Sonata sneaking into the back half of the top 10. Overall, Toyota had 66.24% of hybrid sales (Cobb). While Toyota’s dominance in the hybrid market is firmly established, we will go out on a limb here and say the Prius is slipping in its dominance. Yes, the Prius is the perennial leader, however, it was once the case that Prius sales pretty much were hybrid sales. That’s no longer so. Toyota’s introduction of the RAV4 hybrid is changing the dynamic. It may be that the RAV4 is eating into Prius’s lead, or it could be that the RAV4 is attracting new buyers to the hybrid market. It is also clear that, while the market share is not growing, the number of hybrid cars on offer is growing.

Plug-in Hybrids: Plug-in hybrids took 0.51% or 0.61% of the new car market. The Chevrolet Volt dominated this sector with 36.15%, the Toyota Prius Prime took 16.07%, the Ford C-Max had 12.62%, Ford Fusion was at 10.76%, and Audi A3 rounded out the top five with 5.77%. General Motors led the sector with 36.18%, with the Cadillac ELR accounting for the additional 0.03%. Ford’s two plug-ins pushed that automaker into second with 23.39%, and Toyota took third with 16.07%, all from the Prius Prime, its only entry into the category (Cobb). While the Volt dominated the market, the news for this sector, like the hybrid sector, is all about second place. The Prius Prime hasn’t done much since its introduction until now, but its numbers were impressive in December and it may be ready to be a player.

Electric Cars: Electric cars took a whopping 0.78% of the new car market. Telsa’s Model S took the lead with 40.53% of the market, while the Tesla Model X came in second with 25.24%. Nissan Leaf was third with 14.52%, BMW’s i3 was fourth with 6.05%, and the Chevrolet Bolt finished fifth with 4.43%. Electric cars did well in December and finished 2016 higher than 2015 (Cobb). This sector is currently driven by the two Tesla models.
Overall, these vehicles accounted for 3.34 or 3.44%¹ of the new car market. While sales in the United States are OK, Toyota of Canada reported in a press release (Toyota Canada Inc., January 4, 2017) that their hybrids had the best year ever and sales were up 45.2% over last year. Toyota says they sold 19,787 hybrids in Canada in 2016, which, they say, was up 45.2% compared to last year. They also said that Toyota hybrid sales “more than doubled compared to 2015, with 17,812 vehicles sold.” We could not replicate their math.

HYBRIDS

The Kingdom of Jordan extended its incentive program to trade petroleum-only cars in on hybrids, Al Bawaba² (December 29, 2016) says. In 2016 4,850 Jordanians have taken advantage of the lower excise tax rate on hybrids and traded in a petroleum-fueled car for a hybrid. Jordanians now have until the end of 2017 to get the lower tax.

In Madrid, the capital of Spain, half of all cars were banned from the city streets for one day, The Guardian (Agence France-Presse, December 29, 2016) says. The City Council decided to go to an odd-even system where cars with odd numbered license plates were allowed in the city on odd numbered days and cars with even numbered license plates on even numbered days when pollution reached a certain level. The system went into effect on December 29, but by the end of the day, pollution levels decreased to the point that restrictions were lifted. Hybrid cars were exempt from the restrictions.

In the wake of a cheating scandal, China is reducing subsidies for plug-in hybrids and electric vehicles, Reuters (December 30, 2016) reports. The Central Government subsidy for plug-in hybrid and electric buses was reduced from 600,000 yuan ($86,000) to 300,000 yuan ($43,000). Local governments may only subsidize vehicles at 50% of the central government rate, effective January 1, 2017. Last September, China’s Ministry of Finance discovered that at least 25 companies were cheating, claiming the subsidy when no vehicles were actually built. Fast charging vehicles will get higher subsidies.

Ford plans to introduce new hybrid and electric models over the next five years, the Detroit Free Press (Dolan, January 3, 2017) presses. Among the models are a hybrid F-150 pickup truck and a Mustang hybrid (we will wait while that sinks in). A Transit plug-in hybrid van is also in the works. Ford will also release a fully electric SUV with a 300 mile range and two hybrid police vehicles. In a related CNN (Valdes-Dapena, January 3, 2017) article Ford says that the Mustang will have the same power as a V8. Hybrid Report subscriber Doug McClanahan provided the CNN article.

For those people who are still concerned about the reliability of hybrids and the lifespan of hybrid batteries, CBS News (Edgerton, January 5, 2016) reports that of the cars that people keep for 10 years, the top two are hybrids: the Toyota Highlander Hybrid and the Toyota Prius. The Lexus RX hybrid is number nine on the list of the top ten cars owners keep for ten years. In the case of the Highlander and Prius, 32% of the owners keep those cars for 10 years. In comparison, the Honda Odyssey, number 10 on the list of cars owned for 10 years, is only kept by 24% of its owners.

¹ Our source for the sales numbers uses both percentages. They never responded to our request for clarification.
² Al Bawaba is Arabic and translates to “the gate” or “the portal.”
On our recent non-business related trip to Chicago, we chanced to ride in a hybrid taxi from the former Sears Tower to the Art Institute of Chicago. I asked the driver about his hybrid taxi. It was a Toyota Camry Hybrid and he told me that all taxis in Chicago are now hybrid. It certainly seemed so. After the driver touted the benefits, mostly the reimbursement for the car, of driving hybrid, I looked for hybrid tags on all the other taxis we passed, and they all seemed to be hybrid. Upon returning to our office suite high atop the DOT Headquarters building here in Olympia, I thought I’d look into Chicago’s program. It appears that back in 2008 the City of Chicago passed an ordinance to encourage taxi drivers to convert to hybrids (we reported on it). By 2015, according to Chicagoist (Paulson, August 19, 2015), 82% of the fleet was hybrid. In 2015 the city created Drive Clean Chicago which used a federal grant to get taxi drivers to adopt compressed natural gas or electric vehicles. Hybrid taxis no longer get a rebate.

Iranian hybrid car owners don’t have to get a permit to enter Tehran’s restrictive zones, but they still have to report the car and submit registration documents to drive in the most polluted parts of the city, Iran’s Financial Tribune (January 12, 2017) finds. Certain parts of the city are off limits to gas and diesel vehicles or the vehicles have to have permits to drive in them, however, by law, hybrids are exempt from the restrictions and permits. The permit costs $8 per day.

**ELECTRIC VEHICLES**

In a report to the State Legislature, the Vermont Agency of Transportation says the legislature should not impose extra fees on electric cars, WCAX (December 30, 2016) writes. The legislature asked the transportation agency to make suggestions to alleviate declining gas tax revenues. The agency responded that levying fees on electric cars would discourage, rather than encourage, electric car sales. The agency suggested waiting until more people were driving electric cars and look for other sources to make up for declining revenue.

There is now concern in the auto manufacturer world that there will be a shortage of electric car batteries as demand takes off, Automotive News Europe (Gibbs, January 2, 2017) reports. Just a year ago, Volkswagen had decided that batteries were over-supplied. Now, they are scrambling for batteries as they gear up to sell more electric cars. Those who follow the auto industry point out that a year ago, Volkswagen was building “clean” diesel cars instead of electric, but since the diesel emissions reporting scandal, Volkswagen is now depending on electric cars to fill its clean car requirements. But Volkswagen is not alone. Most European car makers are ramping up production of electric cars.

Tesla does not plan to worry about battery shortages. It has flipped the switch on its battery plant in Nevada, Reuters (Ajmera & Subba, January 4, 2017) reports. The first batteries produced at the plant are going into Tesla’s Powerwall 2 and Powerpack 2 products. These are energy storage systems designed for home and industrial electrical needs. Tesla will start making batteries for the Model 3 car later this year.

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3 If you must know, at my daughter’s insistence, we went to Chicago to see Hamilton at the Private Bank Theatre. If you get a chance to see it don’t throw away your shot. Not that we are indorsing it.
Proterra, a company that manufactures electric buses has raised $140 million dollars that it plans to use to expand manufacturing operations, Green Car Congress (January 3, 2017) says. Proterra will ramp up production in its Greenville, South Carolina, plant by 300%. The company will also use the new funds to start building buses in Southern California. Proterra says its sales doubled in 2016 over 2015.

King County Metro in Washington State has been testing Proterra buses for a while. The buses worked so well, King County is ordering 20 all electric buses to be in service by 2018 and 100 by 2020, the Seattle Times (Linblom, January 9, 2017) tells. The Proterra buses can charge in 10 minutes to get 23 miles. The county will pay $30 million for buses and charging stations. The order will also include buses that take hours to charge and have longer ranges.

The Massachusetts legislature passed and the Governor is expected to sign a bill that is supposed to promote the uptake of electric vehicles, RTO Insider (Opalka, January 10, 2017) insists. Among its provisions is a prohibition on subscription fees for membership in charging networks. The law also allows municipalities to designate parking spaces for electric cars. Utilities are allowed to recover costs for EV infrastructure. A section of the law that required amendment to building codes to require charging station wiring in new construction did not make the final cut.

Seattle is one of four cities that is asking carmakers to make more electric cars, Business Green (Holder, January 12, 2017) greets. San Francisco, Los Angeles, and Portland have joined with Seattle to issue a single request for information to ask manufacturers how they could fill what would be the largest ever order of electric vehicles. The mayors of the four cities are all members of the 51 city Mayors National Climate Action Agenda. They asked other member mayors to join their request. Warning: you may have to open a temporary account to access the article on the interwebs.

ALTERNATIVE FUELS

“A mighty wind is blowing.”4 All trains run by the Netherlands state railroad, NS, are running on wind-generated electricity, The Guardian (Agence France-Presse, January 10, 2017) grants. NS and the Dutch electric company Eneco began a project to provide wind-generated power two years ago. The conversion was supposed to happen in 2018, but came on line a year early. In just an hour, one wind mill can generate enough power to send a train 120 miles. NS has 5,500 train trips each day carrying 600,000 passengers.

LanzaTech received a $4 million grant from the U. S. Department of Energy to build a factory that will convert industrial waste gas into low carbon jet and diesel fuel, Biomass Magazine (LanzaTech, January 3, 2017) says. LanzaTech has developed a process to convert the waste gasses from steel production into ethanol and then to jet fuel. LanzaTEch is building

facilities in China and Belgium to convert gas. There is no word where the U. S. conversion facility will be.

COMING TO A LOCATION NEAR YOU: The latest news on new charging stations which may or may not be somewhere close to you.

United States: Greensboro, North Carolina, is getting a $450,000 grant from Duke Energy to install a fast charging station for all-electric buses, Work Truck (December 30, 2016) writes. The charger will support Greensboro’s transition from diesel to an all-electric bus fleet over the next 10 years.

Also in the Tarheel State, Wake Tech Community College near Raleigh is installing two new charging stations in parking lot A on the main campus, the school (January 5, 2016) reported. The stations funded by Duke Energy will bring the total number of chargers on campus to six.

In the City of Long Beach, California, 270 residential chargers are coming, the Long Beach Post (Morris, January 6, 2017) posted. Long Beach will give away 270 chargers to the first people who apply, but the homeowners have to pay for installation, permits, and inspections.

Around the World: No news from the rest of the world.

OTHER TECHNOLOGY

Nothing to see here, so move along.


That’ll do.