

Press Release:  
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*New Report Shows*  
**How to Put 1 Million Electric Cars on the Road:  
Invest in the Grid, *Not* the Battery**

New York, NY: In his State of the Union address, President Obama set a target of putting one million electric vehicles on the road by 2015. While policymakers are putting the focus on the vehicle—and promoting research on car batteries that will provide for greater range—a new Manhattan Institute paper makes clear that there’s a more practical and effective alternative: the use of an expanded electric grid that would provide for widespread, easily-accessible sites at which vehicles can link to inexpensive power, on demand.

“*Broadband Electricity and the Free-Market Path to Electric Cars*” by Peter Huber, senior fellow at the Manhattan Institute’s Center for Energy Policy and the Environment, was released on Monday, March 7, 2011. Huber argues for shifting the focus from cars to producing “broadband electricity”—a new approach to regulating utilities that will allow the emergence of a separate, less regulated market for transportation electricity, distinct from the regulation of residential power. Allowing utilities to invest in new power sources dedicated to electric vehicles will enable them to set a price that competes with petroleum.

Huber’s analysis shows **that today’s technological and economic concerns strongly favor more grid-side investment and less in the car itself**. Considering a car is driven for only a few hours a day, every extra dollar invested in developing a more efficient battery goes unutilized. Instead, investing in the grid would create widely deployed, fast charging stations that can be used by many cars and by still more when it recharges them faster. This shifts the economics of “electric miles” away from batteries and towards infrastructure intended to serve electric cars.

**Reasons Why Investing in the Grid Will Make Electric Cars a Reality:**

- Economic Potential – allowing private capital to be the driving force in the electric grid’s development will see electric cars as the utility companies’ most profitable customers.
- Capital Cost – investing less in the car and more in the last mile of the grid leads to schemes that embed more of the capital cost in pay-by-the-mile charges, which many car buyers will prefer over paying thousands of dollars more up front.
- Job Creation – investing grid-side would be a long-term boon for states still reeling from the fiscal crisis, **create jobs, transform infrastructure, and unlock trillions of idle investment dollars**.

“Building out an infrastructure that can pump cheap electricity quickly into batteries dispersed across cities and along highways nationwide will certainly require substantial new investment. But the sums involved are, nevertheless, very modest compared with the potential profits to be captured by turning to productive use the vast amounts of the often-idle capital already invested in electric power plants and the grid.” – Peter Huber

**The report is available at [http://www.manhattan-institute.org/html/eper\\_07.htm](http://www.manhattan-institute.org/html/eper_07.htm). If you would like to schedule an interview with Huber, please contact Matthew J. Olsen at 646-839-3352 or by email at [molsen@manhattan-institute.org](mailto:molsen@manhattan-institute.org).**

**Peter Huber** is a senior fellow at the Manhattan Institute and the author of numerous books and articles on energy, the environment, science and technology, legal policy, scientific evidence, and telecommunications. He has a Ph.D. from MIT and a J.D. from Harvard Law School. His most recent book, co-authored with Mark P. Mills, is *The Bottomless Well* (Basic Books, 2005).

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