

Region well positioned to reap rewards when electric automobiles take off

By LOU HIRSH

The Press-Enterprise

Looking like a futuristic space pod with wing-like doors, the plug-in electric 2e gives off zero emissions and an equal amount of noise, as it zips through the streets near the Aptera Motors headquarters in Vista, about 25 miles south of Temecula.

Technically classified by the government as a motorcycle because of its three wheels, the vehicle nonetheless delivers a ride similar to a compact car, while burning none of the gas.

"The way it's designed, you feel like you're in a four-wheel vehicle, not three," says the driver, Aptera co-founder and Chief Technology Officer Steve Fambro.

He adds the two-seat, all-electric vehicle, which goes from zero to 60 mph in under 10 seconds and gets the equivalent of 200 miles per gallon for a standard driving cycle, has been constantly tweaked over the past three years.

It's a process that will continue right up to its expected October debut, when the 2e goes into mass production and delivery.

To be priced between \$25,000 and \$45,000, the 2e is among a first wave of California-made vehicles expected not only to help wean the nation from foreign oil, but also create green jobs and boost the economy of places including the Inland region.



Ed Crisostomo / The Press-Enterprise

Aptera's president and CEO Paul Wilbur, right, and Chief Technology Officer and co-founder Steve Fambro say the Aptera 2e will go into mass production later this year. The electric car goes from zero to 60 mph in under 10 seconds and gets the equivalent of 200 miles per gallon

The region has companies such as Phoenix Motorcars in Ontario, which next year plans to start selling a four-passenger electric sport utility truck and a four-passenger sport utility vehicle, both priced around \$50,000.

Also with electric and hybrid cars coming on the market -- high-end sports cars so far, with family-oriented vehicles on the way -- are Tesla Motors of San Carlos, and Irvine-based Fisker Automotive.

Both have already assembled global dealer networks.

Detroit is also expected to join the electric hybrid parade, starting next year when the Chevrolet Volt goes on sale.

Much of the recent electric-vehicle activity is being fueled by federal moves to stimulate the economy.

Last month President Barack Obama announced a \$2.4 billion program offering grants to manufacturers of plug-in electric hybrids and advanced batteries.

That initiative also includes a tax credit of up to \$7,500 for consumers who buy plug-in vehicles.

The overall national program is geared to encouraging the production and sale of vehicles that get up to 100 miles per gallon, and achieve a driving range of at least 40 miles without recharging -- the average U.S. round-trip work commute.

Even if most of the cars of the future aren't built in the Inland area, experts say the region will still benefit economically from what is happening in nearby counties and throughout California.



The Apera 2e is technically classified as a motorcycle because it has three wheels but the company says it drives like a regular car.

"You definitely could see supplier companies dealing with us in the Inland Empire and all around the country eventually," said Apera President and CEO Paul W. Wilbur, who previously worked as a manufacturing engineer with Ford and Chrysler.

Apera estimates that it will create around 1,500 jobs and more than 10,000 vehicles in the next five years.

The company has already received \$500 deposits from 4,000 Californians who want to be among the first 2e owners, and sales to the rest of the country are expected to begin by late 2010.

Jack Kyser, chief economist for the Los Angeles County Economic Development Corp., said a number of factors make Southern California, including the Inland area, poised to benefit from the nationwide push toward green-technology vehicles.

There are well-documented traffic congestion and pollution issues, and Californians have historically been receptive to alternative fuel concepts.

Proximity to the Los Angeles and Long Beach ports, in addition to relatively low-cost land and other infrastructure, make the Inland region well positioned to support the alternative-vehicle industry through supply, warehousing and other logistical areas.

"You could be seeing these companies set up a very wide network of suppliers," Kyser said.

Demand to Grow

Deniene Husted, spokeswoman for the Corona-based Green Valley Initiative, said companies such as Toyota and Porsche have already converted Inland support

facilities to solar and other clean power, and Porsche has a hybrid vehicle in development.

The Green Valley Initiative is a consortium of more than 500 business and community leaders focused on boosting the Inland economy and creating jobs by attracting clean-technology industries.

Husted said established automakers, as well as the electric-focused upstarts, will eventually need Inland resources to provide supplies and parts, and also places to warehouse, sell, repair and service new-technology vehicles.

Demand for those vehicles is expected to soar over the next six years. Massachusetts-based WinterGreen Research projects the number of U.S. electric vehicle sales will climb from 685 units in 2008 to more than 10 million by 2015. Global sales will hit 32.7 million units by 2015, fueled by increased technology development in countries such as India and China.

"The technology has become widely accepted, and it's working," said WinterGreen President Susan Eustis, who has testified before Congress on alternative-power vehicles.

Economist Kyser said the electric car industry still has challenges to surmount, including establishing financially viable dealership arrangements and helping consumers deal with repairing and replacing batteries. Alternative-power vehicles tend to see their popularity ebb when gas prices are low, but those prices are likely to rise in the long run as the economy recovers, he said.

Challenges remain

"The important thing is going to be those first users," said Jesse Toprak, executive director of industry analysis for automotive research firm Edmunds in Santa Monica. "If the opinion is positive, it's going to influence those people who were waiting for the early adopters to try it out first."

Toprak said the vehicles won't fully take off until their makers can price them consistently in the \$20,000 to \$25,000 range. To boost their popularity beyond major population centers, they will need to seat at least four or five passengers, he said.

Aptera's leaders say customers will be attracted by the convenience of charging their vehicles overnight in a standard wall outlet, and not having to buy gas during the work week. They see the two-seat 2e as primarily a commuter vehicle for consumers in places like the Inland region, many of whom drive to neighboring counties for their jobs.

"We're not trying to take away anybody's fun," said Fambro. "This can be your go-to-work car during the week, and you could still have your sports car or your SUV that you use on the weekend."

Reach Lou Hirsh at 951-368-9559 or lhirsh@PE.com