



## General Motors embraces electrics as oil slips away

Posted by [Big Gav](#) on January 15, 2008 - 7:29am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Demand/Consumption](#)

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Both the SMH and The Age lead today's editions with a front page article quoting the head of General Motors saying that [peak oil has occurred](#) and the time to switch electric cars is upon us. I wonder if he has watched the movie "Who Killed The Electric Car ?" ?

THE world's biggest car maker, General Motors, believes the global oil supply has peaked and a switch to electric cars is inevitable.

In a stunning announcement at the opening of the Detroit Motor Show yesterday, GM's chairman and chief executive officer, Rick Wagoner, said ethanol was an important interim solution to the demand for oil, until battery technology gave electric cars the range of petrol-powered cars.

GM is working on an electric car, the Volt — due in showrooms in 2010 — but delays in battery technology have slowed its development.

Mr Wagoner cited US Department of Energy figures that showed the world was using about 1000 barrels of oil every second and demand was likely to increase by 70% in the next 20 years.

"There is no doubt demand for oil is outpacing supply at a rapid pace, and has been for some time now," Mr Wagoner said. "As a business necessity and an obligation to society we need to develop alternate sources of propulsion.

"So, are electrically driven vehicles the answer for the mid- and long-term? Yes, for sure. But we need something else to significantly reduce our reliance on petroleum in the interim."

GM has signed an agreement with a supplier who claims to have come up with a way of producing ethanol more cheaply and efficiently than refining oil. It has formed a partnership with a company that claims it can produce ethanol from materials such as agriculture and municipal waste, discarded plastics and old tyres.

The car industry has had a love-hate relationship with ethanol, which is most commonly derived from grain-based crops such as corn, wheat and sugar cane. At first, car makers criticised ethanol-blended fuel because most vehicles were not compatible with it. Then they embraced ethanol-blended fuel after retuning engines.

Most recently, ethanol has fallen out of favour with scientists and sustainability experts

who have found that processing grain-based ethanol is not much more energy-efficient than refining crude oil.

There is also a catch in GM's grand vision. Ethanol is about 30% less efficient than petrol (gasoline).

Last year, a Sydney test found a car on a mix of 85% ethanol and 15% unleaded petrol travelled half the distance that a car on regular unleaded would.

The head of GM powertrains, Tom Stephens, admitted that ethanol was less efficient than petrol.

But he said: "Hopefully, the price of ethanol-blended fuel would reflect that, and be cheaper than regular petrol."

Senior GM executive and engineer Denny Mooney (the former boss of Holden) said: "We need a range of alternatives and ethanol is a step that will get us to the electric car.

"Once we get to the electric car, we can then make truly big gains with the environment by improving how the electricity is generated," Mr Mooney, who returned to Detroit last year, said.



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