

Valley dealers see spark for electric cars

By Tim Sheehan, staff writer

The Fresno Bee, Tuesday, April 5, 2011

There are only a handful of plug-in electric cars on the roads in Fresno and Clovis -- but as gasoline prices tickle \$4 a gallon, local dealerships say the vehicles are gaining attention from would-be buyers.

Several small companies have been producing all-electric cars in the U.S., but in such meager numbers that they haven't made much of a dent in the market. That started to change in December when two major nameplates -- Nissan and Chevrolet -- introduced their plug-in battery-powered entries into the U.S. market.

So far, the production and the availability of both the Nissan Leaf and Chevrolet Volt are quite limited.

Fewer than 2,200 have been sold between the two models since they were launched a few months ago.

But advocates for energy efficiency and clean air describe the very existence of the cars -- and consumers' growing interest and acceptance -- as a victory.

"Clearly, the first-buyer market is made up of early adopters who are interested in the technology, the greenness of the cars and the coolness of the cars," said Felix Kramer, founder of the Palo Alto-based California Cars Initiative, a nonprofit group that advocates for the development of all-electric and hybrid vehicles.

Nissan announced Friday that it sold 298 Leafs to U.S. buyers in March -- nearly double what it had sold in the previous three months since the all-electric car was launched. And General Motors' Chevrolet dealers sold 608 Chevy Volts last month in the U.S., bringing the total sold since December to 1,536.

Those figures are tiny compared to the two companies' combined U.S. sales of more than 258,000 in March.

But given that neither car was even on the market a few months ago, the growth is encouraging, said Kramer, a Redwood City resident whose family owns both a Nissan Leaf and a Chevy Volt.

"My sense is, for both of these cars, the companies will be able to sell as many as they can produce for months and years," he said.

Both the Leaf and Volt rely entirely on electricity to power their drive trains. Each is charged by plugging a cord from a charger into receptacles on the vehicle. While the Leaf only has its batteries, the Volt has batteries and a gas motor that generates electricity to power the electric motor for longer trips.

Chevrolet and Nissan dealers in the Fresno and Clovis markets say more customers are asking about their plug-in offerings as fuel prices have climbed over the last couple of months.

At Fresno's Michael Chevrolet, general sales manager Bruce Kane said he has only one Chevy Volt for sale on the lot, in addition to a test-drive model that the store cannot sell for at least six months. Not every Chevy dealer in the Valley, he added, has been able to get any Volts to sell.

"We've delivered three or four of them," Kane said Friday.

"The ones we're getting, we're selling."

At both Lithia Nissan in Fresno and Nissan of Clovis, managers say they have orders pending for the Leaf from buyers who have plunked down deposits and are waiting between two and four months for delivery.

"We've seen a noticeable increase in interest because of the gas prices," said Mark Schultz, the general manager at Nissan of Clovis. "We've got eight orders pending, and demand is certainly higher than the supply."

Jeff Bergman, manager of Lithia Nissan, said his store has five orders on hand and several more orders waiting to be accepted by Nissan. Bergman said his store's first Leaf should arrive for one of his customers this month.

"I think it's just like any other car that's new to the market," Bergman said. "There are a few people who have heard about it, they want it and they like it. ... And once more people start seeing them on the street, I think we'll see much more interest in the vehicle."

Randy Lee of Fresno didn't have to see one on the street to know that he wanted a plug-in vehicle.

On the first day that Nissan began accepting online reservations for its Leaf a year ago, Lee made a reservation. When the company started taking formal orders and deposits in August, Lee was online to put his name in.

He took delivery of his Leaf from the Clovis store in January.

Lee said he and his wife, Jan, were motivated by a combination of factors: fuel prices, air quality and energy independence.

"We looked at whether the cost made sense, does it do good for the environment, and then there's the whole blood-for-oil thing," he said. "I served in the Navy, and I just don't like the idea of our kids going out into the world and fighting ... if there's any possibility that it's just for oil."

Lee said, but is also very much in character for him and his family.

Their home has solar panels on the roof and synthetic grass on the front lawn. Their other car is a Honda Insight hybrid, and before they bought the Leaf, they had a tiny two-seat Smart convertible.

"This is something else I can do," Lee said. "But the bottom line is, I'm a cheapskate."

With the solar panels on the roof of the house, Lee can keep his car charged with minimal impact on his PG&E bill.

"And I know gas prices are just going to keep going up," he added. "Gas prices would have to go down below \$1 a gallon for this not to make sense for us."

That's not only because he's saving money on gas. Lee said his Leaf's \$38,000 sticker price was also eased by a pair of clean-air rebates -- a \$5,000 check from the California Air Resources Board's Clean Vehicle Program and a \$3,000 rebate from the San Joaquin Valley Air Pollution Control District -- and a \$7,500 tax credit that the Lees can take off their federal income tax return next year.

The Volt, which carries a sticker price starting at about \$40,000, also qualifies for the federal tax credit.

But incentives aren't the only reason more people are looking at such vehicles, said Chad Schwitters, vice president of Plug In America, a national organization based in San Francisco to promote electric vehicles.

The Leaf, the Volt and other plug-in-to-charge cars represent the latest entries among electric cars. Electric vehicles have come and gone over the last couple of decades, but never really caught on before.

What's different now?

"I think the 9/11 attacks awakened America to the need for energy security, and we've seen our gas prices go up a lot in the last 10 years," Schwitters said. "There's greater awareness of carbon emissions, battery technology has advanced, the visibility of electric cars has taken off and there are new

American companies in the business now."

The emergence of companies like Tesla and other electric-car makers, Schwitters added, "has made the major automakers wake up and realize that [plug-in battery vehicles] can be a viable alternative" to traditional gas-powered cars.