



NEWS RELEASE

HART Energy Publishing LP, 1616 S. Voss, Suite 1000, Houston, Texas 77057 USA • (1) 713.993.9320 • Fax (1) 713.840.8585

Press Contact: Florence Kosmala
Marketing Director
Hart Energy Consulting
(1) 713.260.6423
fkosmala@hartenergy.com

Electrification of Transportation to have impact on liquid fuel demand

HOUSTON, TEXAS (June 10, 2010) – The U.S. is entering a decade of transition where personal mobility will be powered increasingly by vehicles utilizing batteries. According to a Hart Energy Consulting report, this is a game-changing technology that promises to lower greenhouse gas (GHG) emissions, increase efficiency, and reduce oil demand in the transportation sector. The impetus for this change is growing concern in the U.S. over dependence on foreign oil, high oil prices and the need to reduce greenhouse gases. New fuel economy regulations require a fleet-wide average of 35.5 mpg by 2016; California's proposed limit raises the bar to 42.5 mpg in 2020.

Hybrid electric vehicles (HEVs) already comprise 2.8% of new vehicle sales in the U.S., and progress is being made to lower their cost and improve their performance. Significant reductions in the unit costs of lithium-ion batteries and other electric drivetrain components are expected between now and 2020.

"The potential of transportation electrification revolves around how governments and automakers can make HEVs, PHEVs and BEVs a compelling value to customers. Once the payback periods of these technologies meet customer expectations, their acceptance will grow," says Dr. Michael Warren, Executive Director of Global Research at Hart Energy Consulting.

The report "U.S. Electrification of Transportation: Impact on Petroleum Demand" develops three scenarios concerning how the electrification of transportation will play out. They point to a reduction in liquid fuel demand over the 2010-2030 timeframe. The study also demonstrates each manufacturer's unique approach to the electrification of transportation.

A follow on study, entitled "U.S. Electrification of Transportation: Impact on Carbon Emissions and Utilities," will look at lithium carbon and rare earth elements supply, battery chemistries, infrastructure issues, and the impact on carbon emissions and electricity demand.

More information is available at www.hartwrfs.com. Dr. Michael Warren is available for comment at +1.713.260.6440 or mwarren@hartenergy.com.

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