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The sky is falling! The sky is falling!

Global recession? Must be time for the media's alternative-energy backlash

Posted by [Joseph Romm](#)

My father used to say of his profession that newspaper editors are the people who come down from the mountaintop at the end of the battle and shoot the wounded.

A massive credit crunch and a drop in the price of fossil fuels can mean only one thing to the editors of the traditional media -- an excuse for their favorite activity in the whole world, the backlash story.

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And so we have the *New York Times* story, "[Alternative Energy Suddenly Faces Headwinds](#)," which is supposed to be a clever headline, but the *NYT*, which accompanies the story with a picture of wind turbines, seems to have missed the irony that wind turbines like strong winds.

And we have the *Washington Post* Page 1 story, "[As Fuel Prices Fall, Will Push For Alternatives Lose Steam?](#)" You might notice the *Post* has chosen to show a picture of the [Saturn plug-in hybrid](#) with the caption "Demand for electric cars like this Saturn hybrid may flag if gas prices keep sliding." Currently demand is zero, since the car isn't expected to go on sale for two years, so I'm not quite sure how demand can flag. More on this lame story below.

We also have a bunch of posts in the WSJ's blog: "[Green Ink: Crunch Time For Clean Everything](#)" and "[Financial Fallout: Why Renewable Energy Has the Blues](#)" and "[Clean Energy Meltdown: Now GE's Bailing.](#)"

Yes, renewables are capital-intensive. So is nuclear. Where are all the front-page stories on how difficult it's going to be to raise capital for multibillion-dollar nuclear plants? But those aren't really sexy because nobody ever really liked nuclear power to start with, so you can't have the backlash story. In fact, a global economic slowdown inevitably coupled with a credit crunch means a big drop in all major construction -- [as GE itself explained to the WSJ](#). And that same slowdown reduces projected electricity-demand growth-rates in the near-term, so you would expect an across-the-board slowing of all big electricity projects, including coal.

What's funny about all of these backlash pieces about this recent

former media darling is that for most of the 1990s when I was at the U.S. Department of Energy, we couldn't buy a story about clean tech.

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Let me focus on just one of the articles, the *Washington Post* piece, to show you the lengths that the traditional media will go to shoot what they think are the wounded alternative energy technologies. The story notes:

Tesla Motors, a maker of a handful of pricey electric sports cars, had planned to **unveil a cheaper sedan** next year. But on Thursday it delayed the new model because of trouble lining up financing. It also said it would close two offices and has replaced its chief executive. Hmm. Troubles at a company that makes a \$109,000 electric Roadster. Yes, that tells you a lot about the future of alternative energy for the masses. But wait, what about that cheaper sedan? That would be the \$60,000 (!) Model S, whose **production** the CEO said last week would be delayed "roughly six months to mid-2011." Turns out he still plans to "unveil" the vehicle next year, which apparently just means showing people what the prototype will look like.

Move along, MSM. Nothing to see here. The story immediately continues:

The uncertain future of electric cars points to a sticky aspect of the global oil equation. The price of oil can change rapidly, but responses that would cut petroleum use take time. As oil prices climbed, major automakers including GM, Mitsubishi, Renault-Nissan and Toyota moved ahead with plans to produce plug-in vehicles. **But the first of those cars won't be ready for a couple of years. What the price of oil will be then**, and what consumers' appetite for plug-in cars will be then, is anybody's guess.

But the *Post* hasn't demonstrated an "uncertain future for electric cars," beyond the nothing-burger Tesla story.

What will the price of oil be in a couple of years? Why not actually ask some experts? If the recession is a depression, then the bottom could easily fall out. But otherwise, the price can only go in one direction in the medium term, let alone the longer term (see "Q: Will we see \$3 gasoline before \$5?").

Reducing our oil dependency meaningfully in the U.S., under any scenario, requires radically improving the efficiency of our vehicles," says Saurin D. Shah, a vice president at investment firm Neuberger Berman who expects an explosion of hybrid and plug-in cars by 2030.

He predicts hybrid and electric cars will replace conventional vehicles as swiftly as electric locomotives replaced steam-driven ones.

But because their batteries are expensive, plug-in cars are going to cost as much as \$8,000 more than conventional gasoline cars. The

lower the price of gasoline, the longer it is going to take for fuel savings to make up for the car purchase premium. That is one reason why Democratic presidential candidate Sen. Barack Obama (Ill.) has proposed a \$7,000 tax credit for consumers who buy electric cars.

Republican presidential hopeful Sen. John McCain (Ariz.) favors a \$5,000 tax credit for cars with ultra-low emissions.

Hmm, plug-in hybrids face an explosion in growth, **but** only if we could get a big tax credit for the cars. Apparently nobody at the *Washington Post* is aware that Congress already passed a huge billion-dollar tax credit for plug-ins in the bailout bill (see "[Solar power and plug-in hybrids win big](#)")?

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But even if oil prices are high, there are bumps in the road to a plug-in automobile future.

If large numbers of electric cars are plugged in at the wrong time of day, they could strain utility capacity. "Today, our electric grid cannot support massive quantities of plug-in hybrid vehicles very well," said Peter Darbee, chief executive of Pacific Gas and Electric. Depending on a utility's fuel mix, plug-in vehicles could boost particulates, or soot. **And only half of Americans have electrical outlets where they park their cars at night, according to a major auto firm executive.**

Gimme a break. First, the *Post* warned of the "uncertain future of electric cars." Now, just a few lines later, it is warning that electric cars may have such an incredible future they will strain utility capacity. In fact, that would require deployment of many, many millions of vehicles and is exceedingly unlikely to occur until after 2020, which gives us a lot of time to build all the new generation capacity we need (see "[The Car of the Future: Plug-in Hybrids](#)"). And, ironically enough -- though irony would seem lost on the *Post* -- the most obvious new generation to build if you were worried about particulates or soot is ... wait for it ... renewable power, whose demise the rest of the media is lamenting. Finally, don't you think that it is **good** news for plug-ins that half of Americans already have electric outlets where they park their cars at night? Doesn't that mean a very large fraction of the American public could buy a plug-in without anyone having to build out the fueling infrastructure? That doesn't seem like a very uncertain future for electric cars to me.

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