EV Market is Over the Tipping Point

Will the Tesla Model 3 disrupts the Automotive Market just like Model T did 110 years ago?

On October 1, 1908, Ford completed the first Model T Ford in Detroit. Between 1908 and 1927, Ford would build some 15 million Model T cars. It was the longest production run of any automobile model in history until Volkswagen launched the Beetle in 1972.

Ford Model T

Last week Tesla delivered the first 30 Model 3 to some of its employees. Production will ramp up in the next months and it is expected to reach 5,000 units per week. With over 400,000 bookings, Model 3 is already the star of the EV world. We do not know if it will reach the sales of Model T

but the start is very promising.

Tesla Model 3

The Diesel Gate is influencing consumers around the world and moving the focus toward low emissions or no emission vehicles. Sales of diesel cars in Europe have dropped 19% this year. Great Britain has banned the use of vehicle with combustion engines after 2040.

Recently Volvo announced that from 2019 it will only make electric vehicles, a very bold move that can have many ripple effects in the automotive industry.

We think that the EV market has reached and gone over its tipping point and we expect a major acceleration during the year 2018 and 2019 once Tesla will be well on its way to deliver all its Model 3 bookings and all other car manufacturers will launch their EV lines.

It has been a long ride with lots of ups and downs. We have decided to summarize the EV timeline.

From Toy for the Aristocracy to Mass Market

1883 Thomas Parker launches the first production electric car in England

1890 EV become a popular mode of transportation for wealthy city people to whom the vehicle's relatively short range was less of an issue

1910 Cheaper gas and technical refinements pushes the internal combustion engines to pre-eminence.

1931 Demand for EVs dropped but production for specialty vehicles such as milk floats continued till the early eighties.

1960 The US Big Three started researching electric propulsion but they remained concept vehicles.

1985 Sir Clive Sinclair launches the Sinclair C5, a concept car which became a cult but sales never took off.

1996 General Motors launches the EV1. The car was offered through a leasing program and while it was well received by the consumers, GM decided to scrap the program and to destroy the cars with a lot of reaction from the EV enthusiasts.

2008 Tesla launches the Roadster into production with 245 miles range.

2010 GM launches the Chevy Volt, an EV with a gas engine range extender; Nissan launches the Leaf a total electric vehicle.

2015 Tesla pre-sales 400,000 units of its Tesla Model 3 with production starting in July 2017.

2016 Worldwide sales reach the 1 million mark.

2017 Chevy Bolt and Tesla Model 3 roll out out of their production lines.

14.2 Mil EV Sales Forecast by 2025

UBS forecast that the "total cost of consumer ownership can reach parity with combustion engines from 2018" with this likely to happen in Europe first but it will follow in the US close after.
This will create an inflection point for the demand and some analyst have raised their 2025 forecast of EV sales by 50% to 14.2 Mil of global sales.
Electric cars are the most disruptive car category since the Ford Model T.

EV Charging Infrastructure Revolution

Although not as visible, another revolution is under way in the charging infrastructure. We now have EVs with ranges from 238 of the Bolt to 310 of the Model 3 using much larger battery packs. With the current Level 2 chargers, we can expect 8-10 hours for a full charge of a 60-80 Kwh battery pack. Even with a fast DC charger of the current production it will take

60-90 minutes for a full charge of the same size battery. EV charging manufacturers have been working on solutions that combine much more powerful chargers and energy storage. They are moving from 50KW to 350-400KW of power. Furthermore, they are working at energy storage solutions to reduce the major impact on the electric grid and reduce or eliminate the demand charges.

Verdek follows the evolution of the EV market very closely and continuously aligns its product offering to meet the evolving market demand. Our product range includes Level 1, Level 2 and Level 3 stations both with and without network communication. Please visit our web site for more information, www.verdek.com

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