

NISSAN'S ALL-ELECTRIC VEHICLE

DeBoers to bring first Leafs to valley

Chairman of Lithia Motors, his wife, to get all-electric cars

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When the Nissan Leaf goes on sale late this year, Lithia Motors Chairman and CEO Sid DeBoer and his wife, Karen, will be in the driver's seats of the first mass-produced, all-electric cars to hit Southern Oregon.

The DeBoers have put down deposits on two 2011 Leafs built in Smyrna, Tenn., but won't get advanced delivery or dealer discounts.

"There's no discounting, just fair-trade prices to make it simple," DeBoer said. "We're paying the same as everyone else."

The basic Leaf four-door sedan costs \$32,000, holds five people, has a range of 100 miles and can hit speeds of up to 80 mph. The DeBoers' cars are going to be blue and red.

"I wanted a green one," DeBoer admitted. "But they didn't have that color available."

Between 50,000 and 60,000 of the cars are being produced. Owners will need special outlets installed in their garages — or places of business — to charge their batteries for up to eight hours.

DeBoer said he plans to commute in his Leaf from his Ashland home to his job in Medford. "I may put in a charging station at work so I can run around town," he said. "Just like a cell phone, the battery doesn't last all day."

The downside is that flipping on the radio, heat or air conditioner immediately reduces the battery charge, reducing range.

As a driver, DeBoer likes the cutting-edge. As one of the nation's top auto retailers, though, he is more cautious.

"It's not critical to make the guess on what (technology will prevail) ahead of time," DeBoer said. "Once the merchandise is around to service, we can buy a store. We may have to pay somebody a little good will, but it's cheaper than getting in on the bottom floor with a company and finding out they don't make it. I want to buy something I know will be successful — and need to know it will be — before we invest in a retail outlet. We risk our reputation, as well, if it doesn't workout."

Chinese battery firm BYD has announced plans to build an electric car factory in Southern California.

"Of all the cars I saw in the Detroit Auto Show this year, it was the furthest along," DeBoer said of the Chinese car. "It was actually for sale for someone to buy, but it was embarrassingly simple. When I lifted the hood, it was a maze of wire and patched-up solenoids. I thought, 'What would I have to do to fix this?' They are a long ways from being a sophisticated electric-car builder."

The Toyota Prius, a hybrid introduced into the U.S. in 2001, has moved into its third generation and

has been a winner for auto retailers, including Lithia Motors.

Tesla, a Palo Alto, Calif., company, is gearing up to produce a \$50,000 Model S sedan in 2012. Tesla, founded in 2003, has sold about 1,000 of its \$109,000 electric Roadsters. The carmaker struck a deal to purchase an old Toyota plant in Fremont, Calif., where it plans to build the Model S. While its recent initial public stock offering has created a buzz, its long-term success isn't guaranteed.

Detroit manufacturers have been testing electric cars for years and some are poised to enter the mass market.

DeBoer has driven Chrysler's all-electric, four-wheel drive Jeep, powered by four electric motors.

General Motors' Volt, which is supposed to have greater range than other electric cars, is coming out this winter.

Honda has a Japanese-built CRZ — a follow-up to its popular CRX two-seater that appeared in the 1980s — that will sell for under \$20,000.

"Honestly, I think most of these will work out with a major outfit that currently exists," DeBoer said. "Chevrolet has a hybrid, BMW has a hybrid and it's so expensive to start up an auto manufacturing company."

That's one reason he's on the Leaf bandwagon.

"It's made by one of our major suppliers, and we already have a store," he said. "It's not like we're investing in a whole new retail outlet and going with some unknown manufacturer. We're not willing to take a gamble and hope it will be the 1 out of 10 that will make it."

So even while Honda tests hydrogen-powered cars around Los Angeles and the study of fuel-cell technology goes on across the country, the transition away from gas-powered vehicles remains a long-term proposition.

Alternative-fuel vehicles don't even rate a fraction of 1 percent of the market at present. By 2025, however, Carlos Ghosn, chairman and CEO of the Renault-Nissan Alliance, predicts all-electric cars will account for 20 percent of vehicles on the road.

DeBoer said cars with enough range for business travel and vacations will continue using some sort of fossil fuel for decades to come.

"Batteries are still the issue, no question," he said. "There will be limited use for electric cars until there is some new way to store energy. None of those cars coming out will go to Portland (a 300-mile trip)."

Multiple plug-in stations along the highway aren't the solution, he said, because of the amount of time it takes for a recharge.

"Maybe some day we'll see where restaurants will have places to hook-up your car while you eat," DeBoer said. "Ultimately, there are a lot of ways we can produce electricity aboard the car, whether it ends up with some diesel and some pistons and two-cycle engines."

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