The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

First Electric Cars Take to the Road

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January 31, 2012



MT **Mitsubishi hopes to be selling iMiEVs across the country by year's end.**

KALUGA — The little boy was walking home from school when he spotted the bubble-shaped silver vehicle in the courtyard.

"What a cool car!" he said to its driver, who was standing nearby.

"It's an electric car!" said Nikolai Khmyrov, approvingly.

The boy's face immediately crumpled with scorn. "What a pile of crap! I want to drive a jeep. Jeeps are cool!" With that, he ran off to join his friends.

The vehicle was Mitsubishi's iMiEV — one of only a few dozen electric vehicles on the road in the entire country — and almost certainly the only one in this city of 300,000 inhabitants, 150 kilometers southwest of Moscow.

But that could change soon if a new plan announced Tuesday comes to fruition.

Revolta, Russia's first company focused on the EV sector, said it plans to open 1,000 charging stations around Russia for electric vehicles by the end of 2012 and over 2,000 by the end of 2013.

EnerFund, a Miami-based investment fund that specializes in green technology, will put up to 1.5 billion rubles ($50 million) in a mixture of equity and debt into Revolta over the next two years, the fund's financial director Jonathan New told The Moscow Times.

The publicly accessible charging stations, designed to overcome the problem that urban apartment residents face when charging an electric vehicle, or EV, will be built in Moscow, St. Petersburg, Samara, Nizhny Novgorod and Kaluga, Revolta general director Maxim Osorin said.

Regular stations using the same power as an ordinary household electric socket will take about 8 hours to charge one of the Mitsubishi cars. More powerful stations for quick charging will be able to charge 80 percent of a battery in 15 minutes, Osorin said.

Osorin and New declined to answer questions about the project's projected profitability, saying only that they were confident they were not taking a risk.

The plan dwarfs a scheme to open 28 stations under an experimental project by Revolta, state-owned Moscow Grid Company MOESK and ROLF Import, Mitsubishi's Russian distributor. The first opened in December, and all 28 should be running by the end of February, Osorin said.

The Next Mobile Phone?

Electric vehicles entered the Russian market when Mitsubishi Motors presented the iMiEV during an event at the Skolkovo innovation hub outside of Moscow last summer.

Impressed by the results of a feasibility study that found Russian utilities companies to be enthusiastic about the idea of drivers plugging in their vehicles to charge at night, Mitsubishi launched experimental sales in the autumn.

ROLF Import says it sold 41 of the vehicles before the end of 2011 — and hopes to have the car available at 80 percent of its dealerships across the country by year's end.

But that is hardly a revolution, and other auto executives have been more cautious.

"The particular challenge here is most Russians live in apartment blocks. You can't exactly throw an extension cord down from a 13th floor balcony every time you need to recharge," Marcus Osegowitsch, general director of the Volkswagen group in Russia, told The Moscow Times last month.

The new stations — if they emerge — will help resolve that problem.

But driving around Kaluga with Khmyrov and his boss, Energy Efficiency Center director Boris Gusev, it quickly became apparent that infrastructure is only one challenge.

"I'm a big guy, and frankly I'd like something with a bit more elbow room. But that's small

change compared to the main issues — price and the battery life," says Khmyrov of the Energy Efficiency Center, which is renting one of ROLF's iMiEVs for a six-month trial.

Despite assurance that the car has an efficient range, it quickly runs out of power. "We've found we get about 80 kilometers on a full battery in summer or autumn. In this [minus 15] weather it is down to about 40 [kilometers]," he said.

Then there is the cost. At the moment an iMiEV retails at a prohibitive 1.8 million rubles (about $60,000) — far higher than comparable petrol cars in its class or even more comfortable, more luxurious sedans.

Government Support

Speak to any advocate of electric vehicles, and it is not long before the conversation will turn to mobile phones.

Twenty years ago, the argument goes, mobiles were large, cumbersome inefficient things used only by the super rich for no real purpose.

Today, the technology has moved so far that they are unrecognizable in comparison to their ancestors, and it is difficult to imagine life without them.

"Give it a number of years. Batteries are constantly getting cheaper and more efficient. It's not practical for many people now. But with technological advances and government support, in five or 10 years, we are going to see real sales," said ROLF Import chief executive Andrei Pankov.

Osorin hopes to see models, like the Nissan Leaf and the Chevrolet Volt, an electric-hybrid, arrive in Russia and drive that process forward in the near future.

Mikhail Prokhorov's Yo-Mobile, a domestically built hybrid, is set to go into production in the second half of this year.

Others signs of faith in an EV future include the opening last month of a battery factory in Novosibirsk. The joint venture between Rusnano and Chinese partner Liotech will initially focus on supplying the electric vehicle industry in China.

There's no denying that iMiEV has its good points. It's a sprite little machine, with lots of headroom for tall drivers. Gusev and Khmyrov are enthusiastic about its "fantastic" acceleration and the ease of finding a place to park the diminutive vehicle on Kaluga's increasingly crowded streets.

"[EV's] have a great role to play in the government's energy efficiency plans for 2020," said Gusev, referring to a 2008 decree by President Dmitry Medvedev that aims to slash the country's energy intensity per unit of GDP by 40 percent by 2020. He would like to see them used for corporate and government fleets.

Deputy Prime Minister Viktor Zubkov's committee on customs and excise duties signed a decree that would waive customs duties for electric vehicles. If approved by Russia's Customs Union partners, Kazakhstan and Belarus, that could wipe 20 percent off the current price,

Pankov said.

Meanwhile, the Kaluga region government has announced plans to cancel transportation tax on EVs — making it the first Russian region to introduce a direct financial incentive to drivers — and the Moscow city authorities are said to be toying with the idea of offering them access to bus lanes.

Gusev, who is in charge of coordinating the Kaluga region's efforts to promote energy efficiency, also embraces the mobile phone analogy.

But then, he adds, the mentality of that little boy has to be dealt with. "There's this idea that successful businessmen and big officials need to drive massive jeeps. We've got to change that," he said.

Original url: https://www.themoscowtimes.com/2012/01/31/first-electric-cars-take-to-the-road-a12304