

AUTOMOTIVE

## Gas prices, infrastructure investments pose question: is US going fully electric?

March 17, 2022



HeyCharge provides EV charging stations in apartment complexes, office buildings and additional locations. Image credit: BMW

By KATIE TAMOLA

As gas prices soar and automakers delve deeper into the world of electrification, drivers may be facing a fork in the road.

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Although Reuters [reports](#) that less than 1 percent of the 250 million vehicles in the U.S. are electric, times are changing, with several luxury automakers announcing plans to go fully electric in the next decade. Other factors including global unrest and President Joe Biden's charging networks expansion plan are indicative that electric vehicles may be primed for exponential growth.

"With the advent of more effective battery chemistries and improvement in charging infrastructure, with much credit to EU, Chinese and U.S. government incentives, it is only a matter of time until EVs displace even the lowest cost, widest market appeal passenger vehicles," said Vitaly Golomb, partner at global technology investment bank [Drake Star Partners](#), San Francisco.

Electric feel

Automakers in both the luxury and mass markets have become fully enamored with electric vehicles.

One cannot ignore the impact of U.S. automaker Tesla, which offers an electric-only lineup.



*Tesla continues to thrive, leading the luxury automotive space in electric vehicle sales. Image credit: Shutterstock*

Although the automotive industry has faced several challenges and constraints from chip shortages and beyond, sales of battery-powered electric vehicles hit a new record with a strong year-end finish in the fourth quarter of 2021. Tesla led luxury brands in sales, outperforming Audi, BMW, Lexus and Mercedes-Benz.

Last year, Tesla also led the pack of luxury electric vehicles with a 72 percent share of the EV market ([see story](#)).

Several luxury marques, best known for their glamour and statement models, are also gravitating towards the EV world.

"Ferrari, Lamborghini and Porsche are all launching fully electric vehicles in the upcoming year, and while luxury brand customers may not be as price-sensitive as the average person, it appears luxury brand makers are still following the trend," said Tim Waldenback, cofounder of online driver's education portal [Zutobi](#).

Last September, British automaker Rolls-Royce confirmed its first, long-awaited fully electric vehicle, marking a turning point for the marque.

Named the Spectre, the battery electric vehicle is expected to come to market during the fourth quarter of 2023 ([see story](#)).



*The first EV from Rolls-Royce will hit roads in late 2023. Image credit: Rolls-Royce*

In January, Bentley Motors announced that starting in 2025, the marque will launch a new electric model each year as it transforms its entire portfolio.

Bentley is committing to investing 2.5 billion pounds, or \$3.38 billion at current exchange, on sustainability over the next decade, as it designs, develops and produces its first battery-electric vehicle at Crewe ([see story](#)).

Other factors at play in regards to the electrification craze include the fluctuating prices of gas, which have seen record highs as of late, with cities like Los Angeles seeing gas about a dime shy of [\\$6 per gallon](#).

President Biden appears supportive of the electrification craze, highlighting plans for a 500,000 charger national network supported by the federal government during his State of the Union address.

"I think that this is just the beginning of EV adoption and that internal combustion vehicles will quickly lose their footing," Mr. Waldenback said. "Some of the reasons are major countries openly stating that they want their vehicle fleet to go electric; charging stations are being built quickly to accommodate mass adoption; EVs are becoming economically viable due to their cheaper running costs paying just for electricity and the initial purchasing price

going down.

"We definitely see this continuing and accelerating in the upcoming years," he said.

Consumer interest in electric vehicles is also abundantly clear.

The U.S. Department of Energy's (DOE) Vehicle Technologies Office also recently revealed that domestic light-duty electric vehicle sales almost doubled last year, rising 85 percent, while sales of plug-in hybrid vehicles grew 138 percent.



*A rendering of the EV test track for the upcoming New York Auto Show. Image credit: New York Auto Show*

Auto shows, which are resuming after the COVID-19 pandemic, are catching on as well.

The upcoming New York Auto Show is offering its very own electric vehicle indoor test track and has a search engine on its website where consumers can search by electric vehicle.

EVs also took center stage at last year's Los Angeles Auto Show, which offered an indoor EV test track, a 55,000 square-foot track arena where visitors were invited to drive several EV models, including a selection from Porsche.

Going all in

Joining ultra-luxury automakers such as Bentley and Rolls-Royce in embracing electrification are several premium brands.

Last year, Germany's Mercedes-Benz announced it was pledging to go all-electric by the end of the decade. Positioning this as a shift from "electric-first to electric-only," the automaker promised battery-electric vehicles (BEV) in all segments by 2022 ([see story](#)).

British automaker Jaguar Land Rover is working on the electrification of both of its brands.

In the next five years, Land Rover will welcome six pure electric SUVs, while the company plans to reimagine Jaguar as an all-electric luxury brand by 2025. By 2030, both brands will offer pure electric power, and an estimated 60 percent of Land Rovers sold will be equipped with zero tailpipe powertrains ([see story](#)).

"The auto industry is moving in an irreversible direction," said Scott Case, CEO of EV battery analysis company [Recurrent](#), Seattle.

"Luxury brands have already committed to all-electric futures and have started to retool their manufacturing lines to deliver on that promise," he said. "That's not something that goes out of style with changing seasons."