

## The End of the Petroleum Vehicle?

By Ben Lee, J.D. Candidate 2021 | January 31, 2019

For many in the United States, electric vehicles (EVs) are practically synonymous with Tesla. In the past eight years, Tesla has almost singlehandedly launched the EV marketplace into the public eye. Its stock has risen from \$19 in its 2010 IPO to right around \$300 today – [a 1,700% increase](#).

That market dominance might soon change, however. Big-time corporate investors have flooded into the EV marketplace, placing huge bets on a variety of EV startups across the globe. For example, Lucid, an EV startup based in Silicon Valley, has secured a [\\$1 billion investment](#) from Saudi Arabia. The company, through its Lucid Air vehicle, is aimed at the luxury market. [Proterra](#), a company aiming to launch electric buses, has attracted corporate investments from GM, BMW, and Daimler totaling nearly \$900 million. The boom in EV startup investments has taken many by surprise and possesses huge implications for the auto industry, but also a variety of other markets and industries as well.

The biggest question that everyone seems to be asking: is it really the end of petroleum-powered cars? Even a few years ago, that prospect would seem highly unlikely, if not outlandish. Indeed, even today, many remain skeptical about the prospect of EVs becoming mainstream. In a survey executed by [KPMG last year](#), three quarters of auto industry executives remained highly skeptical of EVs overtaking the traditionally petroleum-based marketplace. Most expressed concerns about the often prohibitively high infrastructure costs while others found issue with technological deficiencies like recharging times.

But the sheer magnitude of the latest corporate investments may potentially assuage many of these concerns and change that discussion. With these heavy bets placed on the development of more effective electric technology, corporations and governments alike seem to be moving in the same direction. Norway and India have each discussed [2030 deadlines](#) for banning gasoline and diesel cars; France, Great Britain, and even California have discussed bans [by 2040](#). Automobile companies like GM have already [pledged to going all-electric](#) in the near future.

How viable these bans and their timelines actually are is another discussion fraught with its own issues. But in any event, this massive boom in investment is signaling an equally massive change



in the more than century-old petroleum vehicle marketplace. Whether the electric vehicle will become the dominant player is anyone's guess, but plenty of corporate players are now willing to bet that it is.