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Tesla unveils electric saloon that it says will be 'luxury green car of choice'



(Tesla Motors/Reuters)

Tesla says that production of its Model S electric car will start in 2011

Mike Harvey, Technology Correspondent, in San Francisco

Tesla Motors has finally unveiled its Model S, an electric saloon car which, it says, will become the environmentally friendly luxury car of choice and help the American car industry to wean itself off foreign oil.

The Model S, billed as the world's first mass-produced, motorway-capable electric car, can travel up to 300 miles on one charge. Prices will start at about \$57,000 (£39,000) in the US.

At the launch in Los Angeles, Elon Musk, Tesla's founder and chief executive, said that he aimed to have the car rolling off assembly lines by 2011. The company plans to produce 20,000 cars a year.

However, Tesla has yet to secure finance for the project. It says it is confident of negotiating a \$350 million US government loan from the \$25 billion bailout package approved by the Department of Energy last year. The government fund is intended primarily to help struggling carmakers to make more fuel-efficient cars.

Mr Musk said that Tesla was also close to signing a deal to build a manufacturing plant in Southern California.

Last year, after delays and price rises, the company released its breakthrough two-seat Roadster model, which is based on the Lotus Elise and is manufactured in Britain. The \$109,000 electric sports car won plaudits for its stylish design but so far only 300 cars have been released. There are more than 1,000 people on the waiting list.

The Model S, which seats five but can fit two children in backward-facing seats in the trunk, is powered by lithium-ion battery packs.

These can take a quick charge in 45 minutes or a full charge in four hours. The car's dashboard has a huge touch screen connected to the 3G network and goes from nought to 60mph in six seconds. Tesla said that although the price tag was high compared to other mass-market saloons, tax incentives, relatively inexpensive maintenance and the lack of fueling costs would make the car competitive.

Tesla said that the new model would become the "car of choice for environmentally conscious and discriminating drivers

throughout North America and Europe". It expects to split initial sales between the two continents before expanding into Asia in 2012.

After Tesla has finalised a production site, it will take 24 to 30 months to begin production, Mr Musk said. The company has raised \$186 million from investors, \$55 million of it from Mr Musk, who made his fortune when PayPal, which he helped to found, was sold to eBay. Other investors include Google's billionaire co-founders, Larry Page and Sergey Brin.

Mr Musk said that he hoped the car would lead a new generation of vehicles that would reduce dependency on foreign oil.

"What we really wanted to show the car industry is that it is possible to create a compelling electric car at a compelling price. We hope the industry will follow our lead," he said.

General Motors is developing its own electric saloon, the Chevrolet Volt, which it expects to start selling in 2011 with a price tag of about \$40,000. Toyota, Renault, Nissan, Mitsubishi and Daimler's Smart brand all plan to begin selling plug-in cars by 2011. President Obama has said that his administration wants to see a million electric cars on the road by 2015.

The unveiling of the Model S comes as American car makers suffer catastrophic sales but industry analysts are unconvinced that all-electric vehicles are the future of the US auto industry. They said that hybrid vehicles and low fuel prices could stymie the growth of the sector.

Jim Hossack, of the California-based company AutoPacific Consulting, said that Tesla's latest prototype was "something of a technical marvel" but questioned whether it could revolutionise the US auto industry. "The problem is our fuel price. If you're going to launch an electric vehicle you probably want to do it in a market where fuel prices are high," Mr Hossack said.

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