What is the target battery cost at which Battery Electric Vehicles are socially cost competitive?

EPRG Working Paper 1420
Cambridge Working Paper in Economics 1446

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Abstract Battery electric vehicles (BEVs) could be key to decarbonizing transport, but are heavily subsidized. Most assessments of BEVs use highly taxed road fuel prices and ignore efficient pricing of electricity. We use efficient prices for transport fuels and electricity, to judge what battery costs would make BEVs cost competitive. High mileage, low discount rates and high oil prices could make BEVs cost competitive by 2020, and by 2030 fuel costs are comparable over a wider range. Its contribution lies in careful derivation of efficient prices and the concept of a target battery cost

Keywords

JEL Classification

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Publication November, 2014

www.eprg.group.cam.ac.uk