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editor's
blog
entry

Chevy Volt owners just collectively hit 100 million all-electric miles driven and many media outlets have been rightly celebrating this figure.

But, as far as we can tell, no one has focused on a revealing, and important, outcome of this impressive statistic: How, if you do the numbers crunching, 100 million all-electric Volt miles shows the shift in balance of power away from Big Oil companies to electric utilities (yes, many utilities are big too, but not nearly as big as the Big Oil companies).

Poll: Volt E-miles

To whom/what would you rather see your fuel money go?

Oil companies

Electric utilities

Home solar

Crunching the numbers

Let's do the math and figure out how much money electric utilities have pocketed that Big Oil has not thanks to the 100 million EV miles driven by Volt owners in the U.S. – taking a tiny bit off the top to account for the Volt owners who offset 100 percent of their Volt fueling with home solar, of course ;-)

100 million miles ÷ . 3 kWh/mile = 33,333,333 kWh × .11 cents per kWh = $3,666,666

That's not a ton of money. But it's still well over $3 million that went to utilities that would not have otherwise gone to utilities.

It's also lost revenue for Big Oil. In fact, if you do some admittedly crude math using 37 mpg (the Volt's gas engine mileage) and $3.80 per gallon, BO has lost out on roughly $10 million in potential gasoline revenue. Put the two numbers together – the $3.7 million that's gone to utilities and the $10 million Big Oil has lost out on, and you're talking about roughly a $14 million swing.

Just a drop in Big Oil's bucket

That's a complete drop in the Big Oil bucket, and, frankly, a tiny pittance in terms of utility earnings. BUT, if you start scaling up, say to 100 *billion* all-electric Volt miles, or, let's get greedy, and say 100 trillion all-electric Volt miles, then you're starting to look at a pretty significant chunk of change that's going into the pockets of electric utilities and which Big Oil is losing out on (again, ideally, you've got solar PV on your home's rooftop, so that a one-time investment is going to "Big" Solar, and then everything after that is going into your own pocket).

When you take into account the fact that typically every single year at least five of the top 10 Fortune 500 companies are oil companies, and you then project the economic potential of some of that money, even, just say, 10 percent of the money generated by Big Oil companies shifting to utilities, you are talking about a positively tectonic shift in the flow of money away from one set of/type of companies toward another.

That's an angle we've only seen covered on extremely rare occasions – I seem to recall one FoxNews.Com piece addressing the potentially massive movement of money away from oil companies and toward electric utilities if plug-in vehicles truly take off in the U.S. and globally.

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Myth of the overloaded grid

Instead, the popular media have spilled a ton of ink about the "danger" of utilities being overloaded by EV owners plugging in. Notice how you haven't seen a single thing about this for, I don't know, say, the entire last year, during which time, tens of thousands of plug-ins have plugged into the U.S. electric grid without, as far as I know, so much as a single instance of the much ballyhooed grid crash.

So, while the whole EVs crashing the entire electric grid has turned out to be a complete non-story, the media are clearly missing one of the biggest stories out there: The potentially revolutionary shift in money flow from Big Oil to electric utilities -- which, unfortunately for them but fortunately for us, can't gouge consumers to generate the huge profit margins BO does.

Thank God for tiny media outlets such as SolarChargedDriving.Com, otherwise this truly Big (in more ways than one) story wouldn't even be out there at all, eh? ;-)

100 million Chevy Volt e-miles

= - $10 million

for BIG OIL

= + $3.7 million for utilities

I M a g i N e

all of that $$$

going

<--- here

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