

Electric Cars and Surging Solar Spell Market Doom for Fossil Fuels



The cost of solar energy technology is expected to fall within the next decade, giving a boost to the industry. (Photo: Oregon Department of Transportation/flickr/cc)

By Jessica Corbett | [Common Dreams](#)

As an increasing number of nations make plans for [banning](#) gas and diesel vehicles within the coming decades, and drivers gain an awareness of the benefits associated with electric vehicles, researchers are predicting notable consequences for dirty energy sources as the public [shifts](#) toward favoring renewable alternatives.

“Post-2025, that’s where electric car sales take off. The further you go into the future, the more it’s electric cars,” Alan Gelder, a senior analyst for the research group Wood

Mackenzie, [told](#) the *Guardian*. “If cities began banning cars with a combustion engine, that would rapidly accelerate the switch to electric vehicles.”

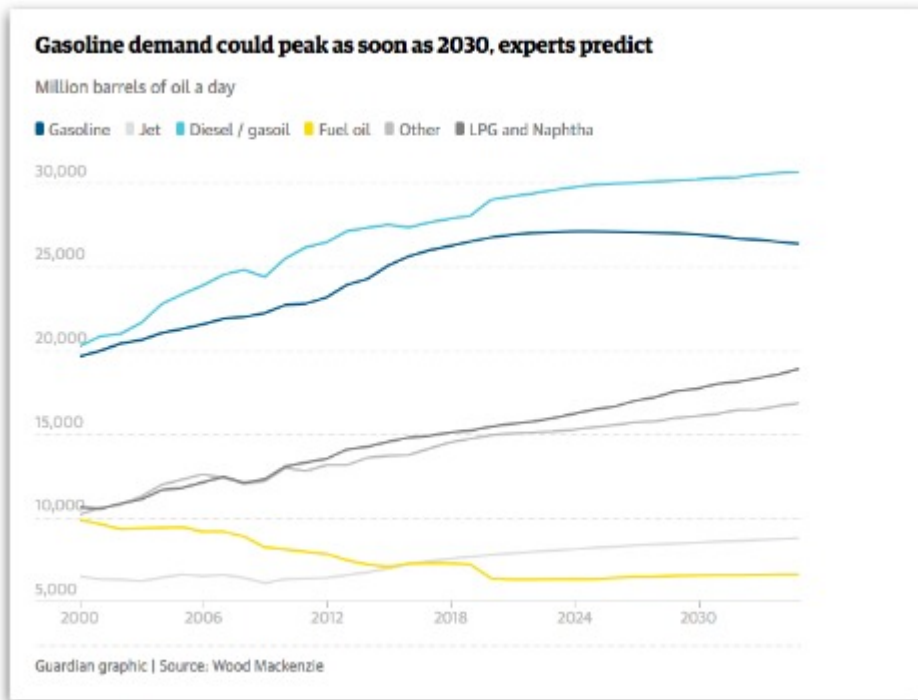
Drivers transitioning to electric vehicles out of necessity, because of such bans—which multiple European nations plan to implement in the next 15-25 years—and efforts by governments to increase fuel efficiency regulations, is only part of what is fueling the blossoming electric vehicle market.

Auto manufacturers are also taking cues from the increased demand due to bans and enhanced regulations as well as consumer desire for more environmentally friendly vehicles, as *Business Insider* [detailed](#) in May.

These efforts by governments to limit emissions and by automakers to meet the rising demand for electric vehicles are expected to substantially impact the oil and gas industry in the coming years.

Wood Mackenzie estimates global gasoline prices will peak then start to fall by 2030, though Gelder posits “the ripples of gasoline’s plateau would be felt much earlier,” as fossil fuel companies take fewer investment risks once demand for gas ebbs.

“While gasoline will peak first,” the newspaper notes, “the analysts expect total oil demand to plateau about 2035, as growth is hit by climate change policies and developing world economies maturing.”



Meanwhile, the oil and gas industry is also taking a hit from the solar energy market—which is [booming](#) in the U.S. and elsewhere, and is expected to continue doing well over the next decade. The head of the International Renewable Energy Agency (IRENA) [told Reuters](#) the industry expects the costs of solar power to fall a notable amount over the next 10 year.

“In the next decade, the cost of (utility scale) solar could fall by 60 percent or more,” IRENA director general Adnan Amin said.

The Trump administration is currently weighing whether to increase taxes on imported solar materials, after the U.S. International Trade Commission [determined](#) in September that cheap imports had been harmful to U.S.-based solar companies.

Amin criticized the possible increased taxation as short-sighted, considering the growing global demand for solar products and renewable alternatives to oil and gas.

“It’s not always the best strategy to try to protect your industry and have high prices,” Amin said, “because in the long-term what you want to do is drive down the cost of

energy.”

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