

## Re: Viable hydrogen vehicle by 2010

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**From:** Tkalbfus1 (*tkalbfus1\_at\_aol.com*)

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>> *But it does make the cost more bearable.*

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>*You're not getting it. The cost of doing something is the cost of  
>doing something. Period. That cost \*must\* be paid or the thing won't  
>get done.*

>

Yes, well what's the cost of a disrupted economy cause by a foreign oil producer suddenly cutting off our oil supplies. The price of cheap gas is the risk that it suddenly can get very expensive at the whim of a foreign supplier or as a result of political events beyond our border, such as revolution or terrorism. The US economy can absorb a higher price for transportation fuel if that price is steady and predictable. If the corporate managers know what the price of hydrogen is going to be next year and the year after, they can make sounder business decision than if they can't tell what OPEC is going to do, or what events in the Middle East may do to oil. The Car companies for instance don't know whether to make fuel efficient vehicles or SUVs because of this uncertainty. If the price of oil drops and they make fuel efficient vehicles, customers may prefer the SUVs and that car company will lose money. Or else the Car company can produce SUVs and the price of oil goes way up and few customers want to pay for the gasoline bills that the SUVs generate. The decision on future cars models must be made years in advance in order to give proper time to set up the proper manufacturing equipment. In a hydrogen economy, it would be easier for car manufacturers to anticipate what kind of cars that consumers will prefer as there is a certain cost associated with making hydrogen, and that cost is involved with the process and not politics.

>*This merely shifts the cost it doesn't change the cost. In fact,  
>there's a premium to be paid when costs are shifted in this way.*

But eventually the economy would adjust, and grow. Per capita income will increase to the point where the cost to produce hydrogen gas is no longer a big deal and the hydrogen subsidy can be ended.

>*Hiding the true cost of a thing might be defensible if there are  
>important social benefits.*

Yes like not having wild swings in energy costs which discourages investments and job creation.

- >*Things like education, or the mails*
- >*provide such benefits. Medicine some would argue has the potential to*
- >*pay huge social benefits as well. There's just no similar benefit*
- >*that you can mention for energy.*

I just did. If the price of energy is predictable, business leaders can make sounder business decisions with less risk of being wrong, and less risk of laying off their employees because they made an unsound business decision, because the business leader couldn't properly predict the true price of oil because it goes up and down by wide margins.

Sometimes the price of oil costs \$20 per barrel and sometimes \$50. Now supposing your the CEO of General Motors and you have to decide on what kind of cars to build for the next 5 years, what assumptions on the price of oil do you make? is it going to be \$20 a barrel or \$50? The right or wrong answer could mean profits of losses of billions of dollars over the next 5 years. Now wouldn't your business decisions be much easier if your cars and everyone elses in the US ran on hydrogen instead of gasoline. Of course the startup costs are huge and most of the time the initial costs of hydrogen aren't compedative with gasoline so government needs to make hydrogen cheaper to make you decide to build hydrogen powered cars.