General Motors to Develop Fuel Cell Vehicles with Energy Department

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WASHINGTON - General Motors Corp. and the U.S. Department of Energy have signed a five-year, \$88 million deal to build a fleet of 40 hydrogen fuel vehicles, the automaker said Wednesday.

Under the program, GM will spend \$44 million to distribute fuel cell vehicles in Washington, New York, California and Michigan. The Energy Department also will provide \$44 million in a deal set to expire in September 2009.

GM, the world's largest automaker, also announced that Shell Hydrogen LLC will set up five hydrogen refueling stations in Washington, New York, California and along the Eastern seaboard.

The automaker said the U.S. Army at Fort Belvoir, Va., and Quantum Technologies in Lake Forest, Calif., would provide facilities for GM to store and maintain fuel cells.

Fuel cells run on the energy produced when hydrogen and oxygen are mixed, rather than using gasoline. The only byproduct of a fuel cell is water. The technology has been used in experimental vehicles and as a power supply for some buildings.

President Bush has pushed a \$1.7 billion research program to develop hydrogen as America's next energy source and predicted Americans will drive cars operated by hydrogen-powered fuel cells in two decades.

Most major automakers are developing fuel cells but say the cost of the vehicles and a lack of fueling stations make them unmarketable at this time.

GM's announcement coincided with the National Hydrogen Association's annual conference in Washington. Energy Secretary Samuel Bodman was scheduled to address the conference later Wednesday.

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