# Alternative Fuel Vehicles Leasing Makes it Possible



# **Dean Stapleton**

Sr. Manager – Alternative Fuels

## TRANSPORTATION CORE SERVICES



### TRUCK LEASING

Is a leading transportation services provider in North America, offering:

- Full-Service Leasing
- Contract Maintenance



### TRUCK RENTAL

Operates one of the newest and most diverse truck rental fleets in North America providing both:

- Commercial Rental
- Consumer Rental



### **LOGISTICS**

Serves companies in North America, South America, Europe, and Asia, offering:

- Dedicated Contract Carriage (DCC)
- Transportation Management (TM)
- Distribution Center Management (DCM)

# THE POWER OF PARTNERING WITH PENSKE



Large Vehicle Selection



Vehicle Engineering



**Comprehensive Maintenance** 



24/7 Roadside Assistance



Funding Support



Fueling Strategy



Regulatory Support



Driver Training



# **PICKUPS TO TRACTORS**

# 270k+ Units on the road today

- Panel, walk-in and step vans
- Box, bobtails and straight trucks
- Temp-controlled reefer trucks
- Low cab forward and cab-over trucks and tractors
- Single-axle day cabs
- Single-axle sleeper cabs
- Tandem-axle day cabs

- Tandem-axle sleepers
- Beverage trailers
- Dry van trailers
- Flatbed trailers
- Plate trailers
- Pup van trailers
- Refrigerated trailers

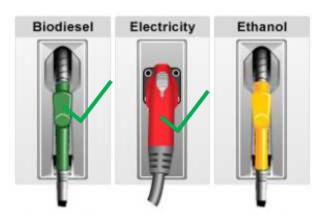


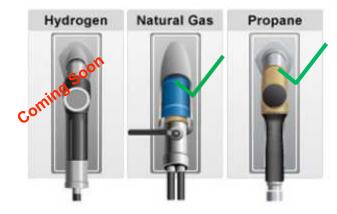
# **FUEL AGNOSTIC APPROACH**

# 700+ Vehicles

in our AFV fleet

- Electric
- Hybrid electric
- > CNG
- > LNG
- Propane
- Coming soon Hydrogen













# Keys to Successful Implementation

Operational Requirements, Economics, and Other Factors that Impact Your Fleet



### WHAT IS A VEHICLE LEASE

# The Power of Partnering with Penske

## Leasing vehicles

Leasing vehicles is a multi-year contracted agreement between a carrier and Penske.

Leases are typically for the initial life of the vehicle. As an example, if a tractor has a first life of 600K miles and the customer drives 100K miles annually, the lease would be typically written for 6 years.

# **Recipe**

- 1. Lease a vehicle
- 2. Add Driver & Insurance
- 3. Drive





### **ALTERNATIVE FUEL DECISION SUPPORT**

Making the Decision to Convert to Alternative Fuels

Evaluating the Options & Choosing the Optimal Fuel Type

### **CRITERIA & CONSIDERATIONS**



#### WHAT IS THE BEST VEHICLE FOR MY OPERATION?

- Weight Class LD, MD, HD
- Application Local, Regional, OTR / Light, Heavy / Terrain
- Required range
- Vehicle operating hours/charging times
- Reliability

#### DO THE ECONOMICS WORK?

- Annual Mileage
- Charging Strategy
- Fuel Cost Savings and/or MPG Improvement
- Funding Availability and Requirements

#### IS THIS RIGHT FOR ME?

- Motivation Private or Public / Willing or Forced
- Ease of Integration & Reliability of Service
- Driver Adaptability
- Appetite for Risk & Availability of Support
- Timing & Desire



### **FULL SERVICE LEASING**

### **WE HELP YOU WIN**

KEEPING YOU MOVING

KEEPING YOU INFORMED

KEEPING YOU

SAFE/COMPLIANT

It's all about vehicle uptime.



#### WE BEGIN BY SPEC'ING THE RIGHT TRUCK

- Our specialists work with OEMs to "build" the truck that will best meet your needs
- Focus is on the specific task of the truck, driver demands, fuel economy, and longevity

#### WE CONTINUE BY KEEPING TIGHT TABS ON IT

- Preventive maintenance schedules exceeding federal guidelines
- Our goal is trucks that run from PM to PM without incident
- We comply with all FMCSA and CSA regulations

#### WE MAKE IT EASY FOR YOU TO GET SERVICE

- We provide off-hour service to reduce interruption and make sure that your trucks are ready when you need them
- Consistent one-stop service, rental, and repair in many locations
- Investing in technology for self-diagnosing equipment

#### YOU'LL HAVE A FRONT ROW SEAT

- We give you visibility to your data with Fleet Insight
- Get immediate access to monthly bills, preventive maintenance schedules, and fleet/unit data
- With all your fleet data in one place, bookkeeping, taxes, and regulatory reporting are easier and more accurate



### **ALTERNATIVE FUEL ACROSS OUR CORE SERVICES**









# Value-Added Services Intensity

CNG powered rental tractors are available at multiple locations across the U.S.

AFV fleet maintenance support ranges from buses and municipal vehicles through onroad tractors Full Service
Leasing of AFVs
includes all fuels,
vehicle types, &
manufacturers

CNG powered tractors are currently operating in the Penske DCC fleet

AFVs are Available Across All Penske Products





# VEHICLE FUNDING

Identifying Opportunities, Application Support, and Compliance Reporting

\$10M + FUNDING

secured for clients

Powered by:

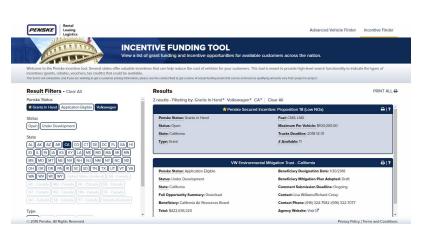
CLEAN TRANSPORTATION & ENERGY CONSULTANTS



# **CUSTOMER RESOURCES – FUNDING & ADVANCED VEHICLES**

# The Power of Partnering with Penske

We manage the entire funding process from application to reporting.



# UP-TO-THE-MOMENT FUNDING OPPORTUNITIES ACROSS US & CANADA FOR FLEETS ACROSS WEIGHT CLASSES

- Online funding portal available for all Penske team locations to access funding opportunity information on VW and on other grants, rebates, vouchers, tax credits, and loans.
- Printable fact sheets on funding opportunities for customers.

# GLADSTEIN NEANDROSS & ASSOCIATES MANAGES THE AFV FUNDING PROCESS FOR PENSKE

 Most experienced provider of AFV consulting services with a proven track record of success

#### **100% OF FUNDS ARE APPLIED**

 To drive adoption and maximize the impact of funding, Penske absorbs the cost of grant administration



# ADVOCATING FOR OUR CUSTOMERS – INCORPORATING VW

## The Power of Partnering with Penske

We have been engaged on VW funding opportunities for over a year.

# VW ADVOCACY



ALTERNATIVE FUEL AND ADVANCED TECHNOLOGY FUNDING OPPORTUNITIES

SJVAPCD Truck Voucher Program Funding Type: Voucher

Agency: San Joaquin Valley Air Pollution Control District

Purpose: The goal of this program is to reduce emissions from diesel engines in heavy-duty trucks

that operate at least 50% of the time within the SJVAPCD District boundaries.

Program Status: Open

Due Date: First-come, first-served.

Eligible Entities: Fleets operating in the SJVAPCD

Eligible Project Types: Vehicle replacements that meet or exceed 2010 emission standard of 0.20

g/bhp-hr NOx (FEL and CERT) Eligible Fuels: Diesel; CNG; Hybrid; Electric; Propane

Eligible GVWR: More than 14,000 lbs.

Eligible Geographic Location: These funds are designated for any vehicles which are used in the San Joaquin Valley Air Basin, which consists of eight counties in California's Central Valley. San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and the San Joaquin Valley Air Basin portion of Kern.

Maximum Vehicle/Infrastructure Funding: See tables below. Maximum Applicant Funding: \$500,000 per year.

Maximum Solicitation Funding: Not specified.

Maximum Project Funding: \$500,000 per year.

Class 4-6 (GVWR 14,001 - 26,000)

Engine Intended Service Class	Engine Model Year Old Truck	Minimum Annual Usage (miles)	Funding Amount (not to exceed 35% of total cost)
Light Heavy Duty Diesel*	2000 – 2006	10,000 miles	\$10,000
(LHDD)		20,000 miles	\$20,000
and		30,000 miles	\$30,000
Medium Heavy Duty		40,000 miles	\$40,000
Diesel* (MHDD)		30,000 miles	\$10,000

# WE HAVE BEEN ACTIVELY ENGAGED IN SHAPING FUNDING PLANS

- To ensure funding is developed in a way that benefits our customers, Penske has submitted comment letters to all 50 states on VW funding priorities.
- Penske has also engaged in calls with agencies on how to make funding programs work best for fleets.

### WE HAVE BEEN TRACKING FUNDING OPPORTUNITIES AND INFORMING OUR CUSTOMERS MONTHS BEFORE THEY'RE READY

 To drive adoption of clean vehicles, Penske is informing customers before funding is available to ensure we are first in line.

# WE ARE ABLE TO GET CUSTOMERS INTO VEHICLES ASAP BY LEVERAGING OTHERS FUNDS AS WELL

 If VW doesn't work for timing reasons or a better deal exists, Penske is able to pivot customers to other opportunities.



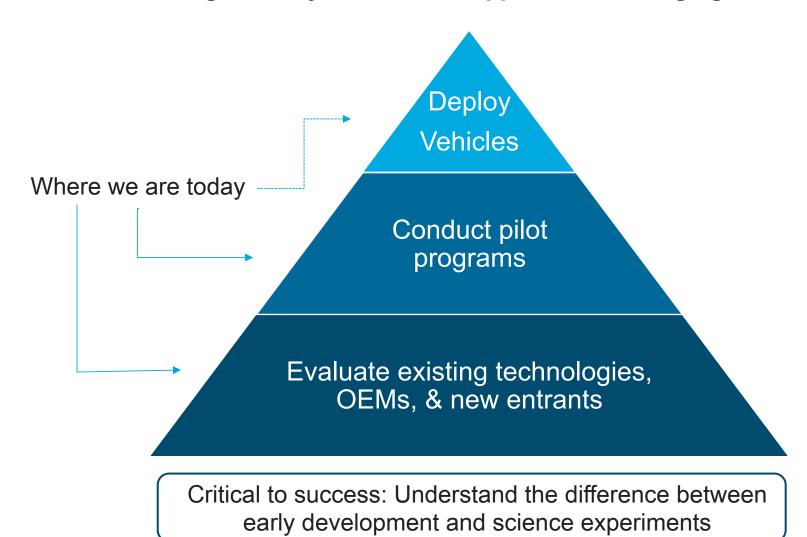
# ELECTRIC VEHICLES

**Evaluating Opportunities,** Challenges, and Realistic Implementation Timelines



### **EMERGING VEHICLE POWERTRAINS**

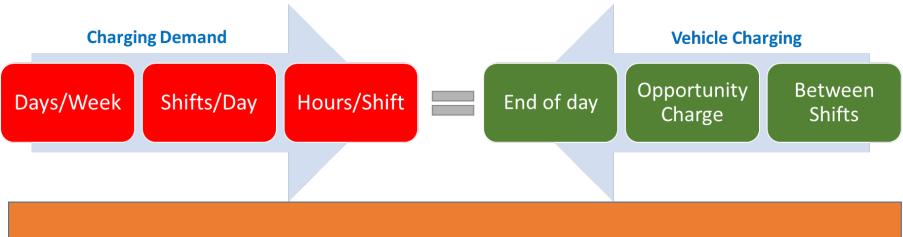
# Penske is taking a steady & measured approach to emerging technologies





# **ELECTRIC VEHICLE FIRST STEP**

# **Understanding the Duty Cycle & Charging Impact**





Is sufficient power available at the:

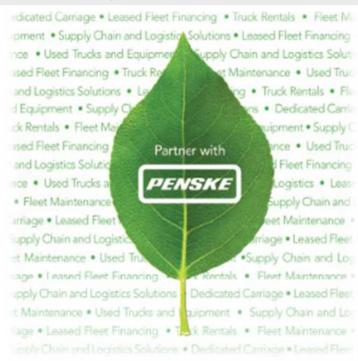
Facility, Street, Substation?
 Best location for charging equipment (parking)
 Plan before vehicle purchase (upgrades can take significant lead time)

# REMOVING BARRIERS FOR FLEETS

# The Power of Partnering with Penske

### Penske provides the vehicle expertise and safety net.

- No upfront purchase costs
- No concerns about vehicle residual/resale
- No costs to modify maintenance facilities
- No maintenance training costs
- No investment in special tools
- No learning curve, instant technology expertise
- No fueling anxiety
  - Penske will help with vehicle routing
  - Penske will help with fueling contracts
- 24/7 Roadside assistance & nationwide service network



# Leasing with Penske is like instantly hiring an experienced alternative fuels department



### **OFFERING A 1 to 30 DAY RISK FREE TRIAL**



# ALTERNATIVE FUEL VEHICLE DEMONSTRATION & ENHANCED DRIVER EXPERIENCE PROJECT

- Drive a natural gas truck for the same price as a diesel truck
- Test the power and performance of natural gas trucks in your fleet's duty-cycle before buying or leasing
- Gain hands-on experience with the natural gas truck refueling process
- Expose key decision makers to the benefits of natural gas trucks

Program ends in July 2018



# PENSKE ALTERNATIVE FUELS TEAM LEADER



**Dean Stapleton** 

Sr. Manager – Alternative Fuels

Dean.Stapleton@penske.com

office: 610-796-5256 cell: 610-301-5202