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Electric Vehicles Save Money for Government Fleets

State and local governments in Arizona own thousands of vehicles

State and local governments in Arizona own more than 90,000 vehicles, with roughly 7,000 in the state fleet alone.¹ Most of Arizona's fleet vehicles – from sedans to pickup trucks to construction vehicles – are internal combustion engine vehicles that use gasoline or diesel, which are costly to fuel, especially during times of high gas prices, and to maintain.

There is a better way. Electric vehicles (EVs) can now do many of the tasks that are required of state and municipal government vehicles, and EVs have come down significantly in price, making them an increasingly smart choice for government fleets.

Electric vehicles can get the job done

Electric vehicles are less expensive, more capable and can travel much farther on a charge than those available just a few years ago. More than 40 models of light-duty EVs are currently available and new types of EVs are hitting the road, including:

- Pickup trucks such as the electric Ford F-150 Lightning. Pickups are among the most common vehicles in government fleets.
- Medium- and heavy-duty vehicles such as electric freight trucks, cargo vans and garbage trucks. The U.S. Department of Energy lists dozens of such vehicles now available, with more on the way.

Total cost of ownership savings from replacing retiring vehicles with electric vs. gasoline-powered vehicles over next 10 years

Vehicle type	Arizona state and local fleets	Arizona state fleet ¹
Compact/midsize	\$ 109,313,478	\$2,259,638
SUV	\$ 53,029,947	\$4,823,101
Pickup	\$ 92,927,332	\$17,267,385
Van	\$ 27,638,372	\$1,619,425
All	\$ 282,909,129	\$25,969,549

Millions of dollars in taxpayer savings are possible

Arizona PIRG Education Fund and Frontier Group analyzed data on fleet vehicles owned by Arizona state agencies and local governments. By replacing all retiring light-duty vehicles in Arizona's state and local fleets with EVs over the next decade, Arizona can realize savings of \$283 million over the lifetime of the vehicles.

Among Arizona state agencies, at least 789 vehicles are light-duty cars and trucks that are likely to retire over the next 10 years and are in categories for which EVs are available on the market today. Replacing those retiring vehicles with EVs would produce total-cost-of-ownership savings of \$26 million over the lifetime of the vehicles (excluding the cost of infrastructure upgrades) – a savings of 25%.

EVs improve air and health

In addition to saving money for taxpayers, switching to electric vehicles can reduce our dependence on oil and help curb pollution from cars and trucks that contributes to Arizona's air quality problems.

By buying EVs instead of gasoline-powered light-duty vehicles over the next decade, Arizona state and local governments could:

- Save more than 1.6 million barrels of oil.
- Cut emissions of smog-forming nitrogen oxides and volatile organic compounds by 143,000 pounds and 916,000 pounds, respectively.
- Reduce greenhouse gas emissions by 462,000 tons (carbon dioxide equivalent), the same amount as produced by driving more than 1 billion miles in a typical car. Of those reductions, at least 39,000 tons could come from electrifying the state fleet alone.

New federal incentives make EVs more affordable than ever

The federal Commercial Clean Vehicle Credit, adopted as part of the 2022 federal Inflation Reduction Act, provides incentives of up to \$7,500 per light-duty EV, and up to \$40,000 per heavy-duty EV. The credit is available for any EV purchased by government, non-profit or business fleets, and is available to governments via direct cash payment.

To learn more

For detailed information, methodology and sources, see the full *Electric Vehicles Save Money for Government Fleets* report at www.ArizonaPIRGEdFund.org.

And for more detailed information on how local governments in Arizona can save with EVs, see *Electric Fleets for Arizona* at www.pirg.org/arizona/edfund/resources/electric-fleets-for-arizona/.



The number of electric vehicle models on the market is expanding rapidly – including Ford E-Transit electric vans, which debuted in model year 2022. Photo: Diego Lopez/Northern Colorado Clean Cities via NREL/U.S. DOE

A roadmap for electrifying Arizona's government fleets

Electric vehicles provide a big opportunity for Arizona to save money for taxpayers and to reduce air pollution. To tap that promise, Arizona should follow this roadmap:

- **Make bold commitments and stick with them**, showing the state's resolve to save taxpayers money by electrifying its fleet and taking advantage of economies of scale.
- **Develop a detailed fleet electrification plan** to set priorities and guide investments in charging infrastructure.
- **Share knowledge and resources** across governments. The state should also help local governments to pool the purchasing power of public agencies for vehicles and equipment.
- **Take full advantage of federal and utility incentives**, including credits available under the Inflation Reduction Act and utility technical assistance programs.

Notes

¹ State fleet size and savings estimates exclude fleets managed by the Department of Economic Security, Department of Child Safety, Department of Public Safety and Department of Corrections.