

# SmartWay Finance Program

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- Goal: Maximize deployment of fuel-saving and emission reduction technologies in the market
- Innovative finance programs reduce emissions and improve air quality
  - Aim for highest leveraging of public dollars
    - Cost-effectiveness of Federal funds is:
      - PM 2.5: \$9,000 per ton
      - NOx: \$400 per ton
    - **Loan program funds can be “recycled”**– increasing public benefits
    - Most funding to date came from DERA
      - focus on diesel emissions with GHG co-benefits



# Financing for Cleaner Trucks and Equipment

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- SmartWay Finance program provides access to capital for smaller trucking fleets and owner operators
  - Private lenders offer financing using federal grants as seed money to provide better rates and/or better terms
- Benefits of Cleaner Truck/Equipment Financing
  - Maximize emission reductions
  - Incentivize purchase of cleaner equipment/vehicle
  - Improve monthly cash flow

More environmental controls = Better financing rates or terms

# SmartWay Finance Helps Fleets Cut Emissions and Costs

Cleaner Used Truck	2005 MY Truck on the Used Truck Market	
	Standard Truck	Same Truck with PM Filter <i>Extend loan by 12 months &amp; lower rate to 6%</i>
Purchase Price:	\$40,000	\$50,000
60 Month Interest Rate:	12%	6%
Monthly Payment:	\$890	\$829 (\$61 less)
<b>Total Cost:</b>	<b>\$53,400</b>	<b>\$59,688</b>

Combining diesel filters with fuel saving retrofits cuts emissions and costs less!

Equipment	Cost	% Fuel Savings	Annual Fuel Savings	Monthly Fuel Savings	Monthly Loan Payment	Net Monthly Savings
<b>APU, Tires, and Aero</b>	\$16,500	17%	\$8,323	\$693	(\$411)	<b>\$282</b>

Assumes loan at 9% for 48 months; \$3/gal diesel



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- Since 2008, almost \$47 million awarded to support development of loan programs to reduce fuel costs and emissions
- SmartWay Finance funding supports a wide range of projects across U.S.
  - Port dray truck retrofits and repowers
  - Over-the-road and regional truck fleet upgrade, leasing and loan programs
  - APU rebates for independent owner-operators
  - CNG retrofits of school buses
  - Retrofit and repower of port, construction, and agricultural equipment
- Currently exploring options for a \$1-\$2 billion clean truck loan program with DOT, ATA and CATF
  - Program would use DOT's authority to issue tax-free, Private Activity Bonds



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## General Info:

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