

Model. Measure. Manage.

2009 Green Fleet Conference Key Messages

Introduction

Below are notes taken during sessions and posted on our Twitter feed during the 2009 Green Fleet Conference. Several themes were prominent throughout the conference, including:

- Aligning organizational environmental goals with vehicle application has led to various vehicle rightsizing strategies
- Utilizing a partner to leverage data, on an ongoing basis is key for policy management
- Driver behavior continues to be a key component to reducing CO₂ and overall fuel cost

If you would like to find out how Donlen's Strategic Consulting Services can help you achieve your organizational goals, please contact

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Opening Keynote: Green is Green: Remaking Business in the Age of Sustainability

Presented by: David Haft, Frito-Lay North America

- PepsiCo set to reduce fuel usage by 50% by 2020 from 1999 levels
- Netzero Project asset reliability reduced total downtime 44 percent
- Fleet sustainability engineering implementing Sprinters & Prostar tractor trailers getting 16-18 mpg to 19-20 mpg. Sprinters delivered 30% GHG reduction
- All Frito Lay passenger vehicles now EPA SmartWay certified
- Frito Lay strategic green scope extends to every person and part of the business; using solar energy, heat recovery technology, zero landfill, potato starch recovery, thermal efficiency
- Frito Lay: 10 yrs of continuous improvement: H₂O 43%, natural gas 35%, fuel 2%, electricity 25%. EPA recognition 4 sustained excellence

How to Make Your Green Program Pay for Itself

Panelists: Alicia Hammond, Ambius; Rachel Beckhardt Hinchliffe, Environmental Defense Fund; Tom Hartner, Millipore Corporation

- Establish a strategy by leveraging available tools and reporting from your

FMC, or internal data to monitor consumption, utilization, and MPG

- Driver behavior may be least expensive option to reducing emissions and fuel consumption. Incentivize drivers to improve behaviors
- Ambius estimated to achieve a reduction in spend of nearly \$ 130,000 through vehicle rightsizing strategies
- 13 states have an alternative vehicle program with details at www.edf.org. DERA program secured an additional 65MM grants
- California is offering a \$ 45,000 rebate for purchasing a heavy duty hybrid (limit 100 per fleet)

Step-by-Step Instructions to Create a Green Fleet Policy

Moderated by: Dan Hannan, Donlen Corporation. Panelists: Pete Silva, PepsiCo; Mike Fogarty, Johns Manville Corporation; Anthony Maietta, EPA SmartWay; Chuck Kukal, Infinity Insurance

- Vehicle rightsizing provides organizations a solid opportunity to manage costs
- PepsiCo sales fleet on track to reduce emissions by nearly 15,000,000 pounds annually
- Infinity Insurance operates a carbon neutral fleet by utilizing carbon offsets to negate the emissions they cannot reduce
- Johns Manville established its carbon baseline in 2009 creating an application

based rightsizing strategy that is beginning to drive dramatic fuel spend and emission reduction

- By leveraging a fuel program PepsiCo sales can now manage MPG and consumption through detailed reporting
- Driver behavior impacts fuel efficiency by 33%. Johns Manville utilizing GreenDriver Certification www.greendriver.com
- 100% of Johns Manville drivers polled after completing GreenDriver program will make effort to drive green
- PepsiCo estimates a 5% improvement in driver behavior can reduce fuel spend by over \$ 245,000 annually
- Johns Manville leverages external benchmarking data quarterly through scorecarding to measure trends\identify opportunities
- Visit www.donlengreenkey.com to help with green fleet policy creation and implementation

Real-World Driver Behavior

Modifications to Meet Green Fleet Goals

Panelists: Charles Schott, Pfizer, Inc.; Mike Butsch, Joy Global; Janis Christensen, CAFM, Mercury Associates, Inc.; Jerome Webber, AT&T, Inc.

- Rural/city driving benefited by smooth driving & maintaining speeds; 4% savings with good driver behavior
- Highway driving benefited by watching speed, preventing stop and go; 43% benefit to good driver behavior
- Helpful tips: check tire pressure/treads, take unnecessary stuff out of trunk, keep car tuned up, commit to driving less
- Panelist Mike Butsch/Joy Global: Telematics ideal to develop good driving habits, paid for itself through gas savings



– with a 43% improvement in 3 months

- Panelist Charles Schott/Pfizer: Green fleet initiative a direct result of safety program – drivers are rated and informed of their risk level (high, medium, low) – utilize fuel reports and FMC “they are the experts”
- Panelist Janis Christensen/Mercury Assoc: Communicate to drivers why green is important
- Panelist Jerome Webber/AT&T: "A better driver at work = a better driver at home = a better employee"

Keynote Address: Implementing Chicago's Climate Action Plan to Reduce Transportation's Carbon Footprint

Presented by: Mayor Richard M. Daley, City of Chicago

- "Chicago received a \$15mm grant last year that will be used to purchase 550 hybrid vehicles"
- "Chicago is adding 10% increase in hybrid vehicles each year. Goal is to drop 2.5 tons of carbon each month"
 - "Chicago city fleet has 592 alternative fueled vehicles. 252 hybrids and 8 electric vehicles"
 - "Chicago climate action plan introduced last year to lower green house gases"
 - "Chicago has a big focus on green with new parks. Planted over 600k trees; has over 600 green roofs more than any other city"

The Good, Bad, and the Ugly of Environmental Regulations

Presented by: Kipp Coddington, Alston & Bird

- Existing Fleet Regs & Considerations: 1992 Energy Policy Act..State and

local governments must use alternative fuel; EPA Smartway program aimed to increase MPG; grant & stimulus money available

- Endangerment findings & impact: by 2016 all light duties must get 35.6 MPG Avg (23/24 MPG today)
- Many state programs giving incentives to go green. Few targeting fleets: California, Connecticut, Hawaii, Nevada, Washington , etc.
- Most likely impact to private fleets: higher fuel prices; encourage more technology
- Most likely impact on gov. fleets: more \$\$ available; alt fuels a must to hit targets, green procurement requirements in bids
- Risks: possible mandates instead of incentives; reporting a must; vehicle miles driven tax a consideration
- Opportunities: Stimulus & tax incentives are there to green your fleet; green mktg. big impact on image; carbon credit programs

What Clean Cities Offers to Fleets

Moderated by: Carl Lisek, Legacy

Environmental Services and South

Shore Clean Cities. Panelists: Francis

Vogel, Wisconsin Clean Cities-

Southeast Area Inc.; Samantha

Bingham, City of Chicago

Environmental Department; Kelly

Marczak, American Lung Association of

Minnesota and Twin Cities Clean Cities

Coalition; Maggie Striz Calnin, Greater

Lansing Area Clean Cities and Kuntzsch

Business Services, Inc.; Colleen

Crowninshield, Tucson Regional Clean

Cities Coalition

- The purpose of Clean Cities is to reduce country's oil dependency through the use of alternative energy vehicles
- Clean Cities was formed in 1994 to reduce petroleum and carbon in the vehicle transportation sector
- Dennis Smith/Director of DOE: "people are coming together to use alternative fuel vehicles and they are making a

difference"

- Clean Cities has 5700 federal state and local stake holders. There are environmental & health benefits of alt fuels
- Chicago has passed an idling ordinance of 3 minutes out of 60 for Chicago-based fleets with the help of Clean Cities

Green Peace: Finding Common Ground for Internal Challenges When Going Green

Panelists: Dave Francis, Metropolitan Water Reclamation; Sue Miller, McDonald's Corporation; Mark Leuenberger, Cox Enterprises, Inc.

- Dave Francis/Metropolitan Water Reclamation: Fleet touches all departments. To be successful build the Green Policy around the corporate goals
- Mark Leuenberger/Cox: Found improvement through telematics opportunities to not only reduce emissions but also provide a valuable ROI. Success of Green Program will be measured through ROI for key stakeholders
- Sue Miller: Manage internally; leverage all available resources. Gain support from internal stakeholders to alter vehicle selection

How to See Green in a Down Economy?

Panelists: Mike Butsch, Joy Global; Diane Lopez, Abbott Laboratories; Denise Cross, Carrier Corporation

- Perception still exists among fleet managers that going green is difficult without increasing costs
- Denise Cross from Carrier Corporation found success in developing a strategy to align vehicle types with application

needs and removing larger SUV's and trucks from available selectors.

Additionally, promotes competition between business units through score carding – improvement of 7% in MPG

- Diane Lopez/Abbott

Laboratories: each division chooses selector options, which are then publicized across business to promote communication.

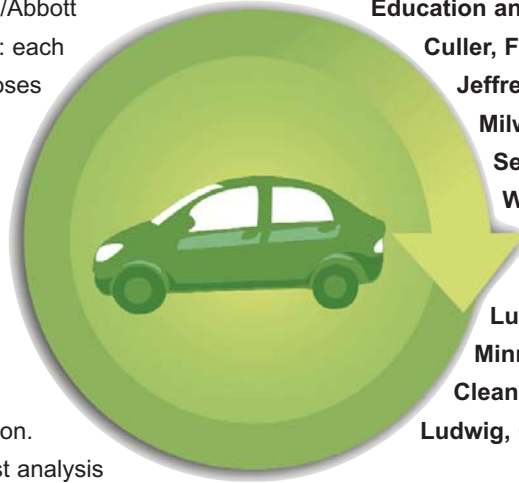
Lifecycle cost analysis provided justification for altering selector options and gained internal support

- Mike Butsch/Joy Global: Get buy-in at leadership level w/ potential cost saving; provide tools & data to make case. Altering vehicle selection on a vehicle by vehicle basis and introducing low rolling resistance tire resulted in year to date \$2M savings

Tips and Tools: Guide to Sensible AFV Choices

Presented by Gary R. Hatfield, Mercury Associates, Inc.

- Consider all transition costs; More 'green for your buck' when you use a large truck
- Maintenance costs make up a large proportion of costs of the life of a vehicle. Newer vehicles will cut these costs
- Reduce miles traveled and reduce idling to help cut costs
- Overall, this ensures the availability and reliability of the fleet



Driving Ahead with Alternative Fuels and Advanced Technologies

Moderated by Francis Vogel, Wisconsin Clean Cities-Southeast Area Inc.

Panelists: Brian Feehan, Propane Education and Research Council; Mary

Culler, Ford Motor Company; Jeffrey Tews, CFPF, City of Milwaukee, DPW-Fleet Services Section; John Walton, Advance Fuel Systems Corporation; Kelly Marczak, American Lung Association of Minnesota and Twin Cities Clean Cities Coalition; Jeff Ludwig, Cummins NPower

- Three important questions before you start looking at alt fuel technologies
 - 1) Can you reduce fuel consumption without alternative fuels?
 - 2) Do you have your vehicles right-sized?
 - 3) What are your exact needs and budget?
- Propane has high portability and an existing system to grow infrastructure
- Move to lithium batteries will extend the range of vehicles; from 40 miles to 100 miles between charges
- 2000 E85 retailers nationwide; OEMs in Europe producing CNG bi-fuel vehicles for under \$18k, but infrastructure major challenge
- Biodiesel has no conversion costs or retrofitting; many OEMs will allow up to 5% biodiesel blends w/o affecting engine warranty



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