

TEC Equipment experience with BEV's



John Barnes
Regional Fleet Sales

COMPANY OVERVIEW



Performance	
Number of trucks and trailers sold each year	8000+
Number of unique parts offered	35,000+ served by 330 Parts Personnel
Number of service repair orders each year	75,000+ performed by 425 Service Staff

People	
Number of people working at TEC	1,300
Number of unique job types	100

Branch Functions	
Sales	Leasing
Service	Finance
Parts	Insurance
Operations	Administration

TEC Equipment was founded in 1976 by David Thompson in Portland, OR. Currently we have 34 locations in 7 states with a majority of those locations along the I-5 corridor. Serving a population base of 40+ million.

In recent years, TEC has delivered more Class 8 Battery Electric Vehicles to market than any other truck dealer group in North America.

Our Experience

➤ Grants

- 99% of the units we delivered have used grants

➤ Operation

- 85% of the units we delivered are utilized in the ports

➤ Infrastructure

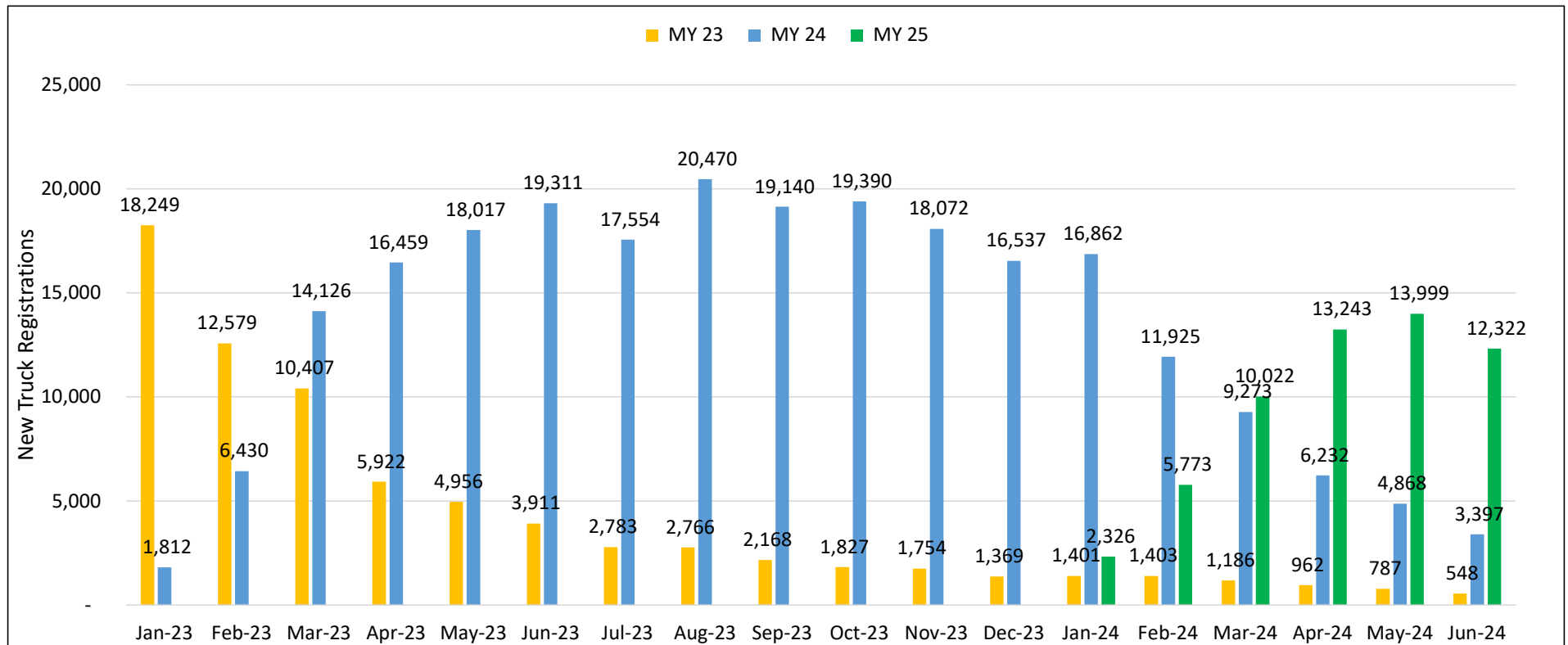
- Charging stations were and remain one of the biggest pain points



What are we seeing nationally?



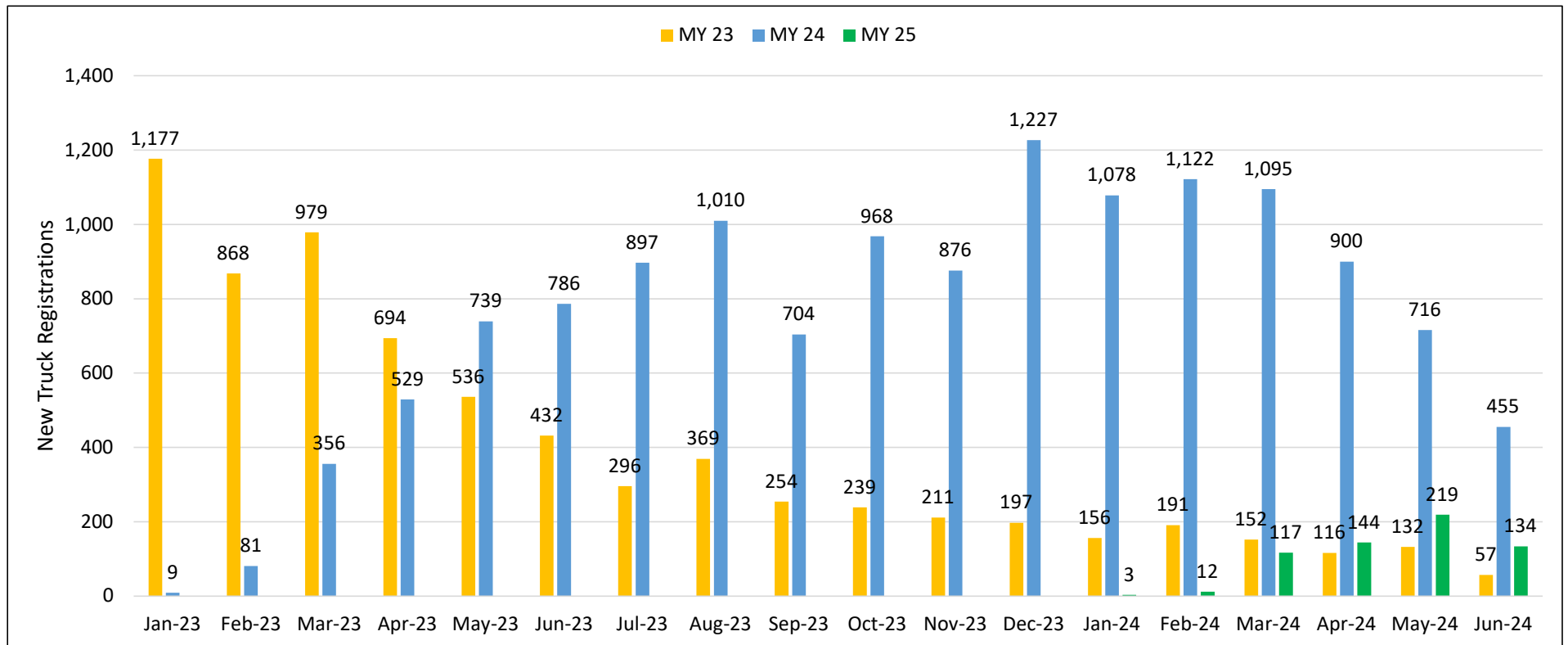
US Excl. CA All Powertrain Class 8 Monthly Registrations by Model year



What are we seeing in California?



California All Powertrain Class 8 Monthly Registrations by Model Year



Class 8 registrations US vs CA



- US excl CA current model year sales
 - Jan. '23-Jun. '23
 - 76,155 Class 8 Trucks
 - Jan. '24-Jun. '24
 - 57,865 Class 8 Trucks
 - Change
 - (18,290)
 - -24%

- CA current model year sales
 - Jan. '23-Jun. '23
 - 2,500 Class 8 Trucks
 - Jan. '24-Jun. '24
 - 629 Class 8 Trucks
 - Change
 - (1,871)
 - -75%

Credits

➤ Credit Bank

- Average number of Class 8 trucks sold in OR (2022 & 2023) is 3,000
- Class 8 BEV's needed to meet this number is 237
- Number of Class 8 BEV's sold between 2021 and June of 2024 is 12
- Credit value?
- Credit use between classes?
- Credit use between application?

STRUCTURE

The regulation is structured as a credit and deficit accounting system. A manufacturer accrues deficits based on the total volume of on-road HDT sales within California beginning with model year 2024 vehicles. These deficits must be offset with credits generated by the sale of zero-emission vehicles (ZEVs)⁶ or near zero-emission vehicles (NZEVs)⁷ starting in model year 2021. A schematic diagram of this accounting system is shown in Figure 2.



Figure 2: Diagram of credit values, deficit calculation, and regulatory compliance for a manufacturer in a given year.

Upcoming Amendments



CARB upcoming amendments

- 3 year reporting period
 - Read this rule carefully
 - Credits drop off annually
- Omnibus compliance
 - Allows trucks that are Omnibus compliant to be exempt from ACT
 - Omnibus trucks cost approx. +\$20K
- Secondary manufacturers & Credits
 - NO CLASS 8 CREDITS!





THANK YOU