



Department of
General Services



Annual Report on Energy-Efficient Purchasing

Fiscal Year 2022–2023

Department of General Services | Vehicle and Asset Management | December 2023



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PROCUREMENT REQUIREMENTS

Procurement of energy-efficient motor vehicles is governed by Tenn. Code Ann. § 4-3-1109, which requires the following:

- Each year, every effort should be made to achieve a target goal that one hundred percent (100%) of newly purchased passenger motor vehicles be energy-efficient or alternative fuel motor vehicles.
- The department shall ensure that at least twenty-five percent (25%) of newly purchased passenger motor vehicles procured for use in areas designated by the United States Environmental Protection Agency (EPA) as nonattainment areas shall be hybrid electric vehicles or vehicles powered by natural gas; provided that such vehicles and fueling infrastructure are available at the time of procurement and such vehicles are purchased at competitive prices. If such vehicles or fueling infrastructure is unavailable during procurement, the department may meet this mandate by procuring compact fuel-efficient vehicles.
- In areas not designated by the EPA as nonattainment areas, the department shall ensure that at least twenty-five percent (25%) of newly purchased passenger motor vehicles are hybrid electric vehicles, vehicles powered by natural gas, or compact fuel-efficient vehicles, provided, that such vehicles are purchased at competitive prices.

As of December 2023, the only area designated by the EPA as nonattainment in Tennessee is Sullivan County. Source: <https://www3.epa.gov/airquality/greenbook/ancl.html#tn>

Tenn. Code Ann. § 4-3-1109 defines a passenger motor vehicle as a motor vehicle designed for carrying six (6) or fewer adult passengers and used for the transportation of persons, provided that vans, including cargo vans, trucks, sport utility vehicles, and police pursuit vehicles shall not be considered passenger motor vehicles.

Tenn. Code Ann. § 4-3-1109 further defines an energy-efficient motor vehicle as a passenger motor vehicle that is:

- An alternative fuel vehicle as defined by the Energy Policy Act of 1992 (Public Law 102-486);
- A flexible-fuel vehicle (FFV) utilizing ethanol, biodiesel, or any other commercially available alternative fuel approved by the United States Department of Energy;
- A hybrid electric vehicle (HEV);
- A compact fuel-efficient vehicle, defined as a vehicle powered by unleaded gasoline that has a United States EPA estimated highway gasoline mileage rating of at least twenty-five miles per gallon (25 MPG) or greater for the model year purchased;
- An electric vehicle (EV);
- A vehicle powered by natural gas; or
- A vehicle powered by ultra-low sulfur diesel fuel that meets Bin 5, Tier II emission standards mandated by the EPA and has an EPA estimated highway mileage rating of at least thirty miles per gallon (30 MPG) or greater for the model year purchased.

REPORTING REQUIREMENTS

In accordance with Tenn. Code Ann. § 4-3-1109, this report provides information on the procurement of energy-efficient motor vehicles for fiscal year 2023. The code requires information to be compiled and maintained on the nature of passenger motor vehicles that are owned by the State, including the number of passenger vehicles purchased during the fiscal year categorized by energy efficiency and the number of passenger motor vehicles owned as of June 30 of each year categorized by energy efficiency.

Additionally, in accordance with Tenn. Code Ann. § 4-3-1109, the report shall include:

- Problems or concerns the state may have experienced in meeting the target goal set relative to obtaining such energy-efficient motor vehicles;
- Any savings or increased expenditures to the state in the purchase of, as well as the operation and maintenance cost of, such motor vehicles;
- Plans for integrating energy-efficient motor vehicles into the state passenger motor vehicle fleet;
- The volume of gasoline or diesel displaced by the usage of energy-efficient or alternative fuel vehicles; and
- The emissions reduction achieved by the usage of energy-efficient or alternative fuel vehicles.

VEHICLE AND ASSET MANAGEMENT ANALYSIS

State of Tennessee Fleet

As of June 30, 2023, the State owned 200 energy-efficient passenger motor vehicles. All vehicles in the category are either electric or fuel-based, with all fuel-based vehicles owned achieving at least 25 MPG highway. Below are some subcategories within the total:

Energy Efficient Category	Number of Vehicles
Flex Fuel (FFV)	28
Hybrid	2
Electric	3
>25 MPG Highway	167
	200

FY 2023 Acquisitions

During fiscal year 2023, the State purchased 11 passenger vehicles, all of which were energy efficient. The following table lists the make and models purchased.

Vehicle Description	Number Purchased
2023 Chevrolet Malibu	11
TOTAL	11

Additional Information

- In recent years, the EPA and the National Highway Traffic Safety Administration (NHTSA) have established fuel economy standards for light-duty passenger vehicles that require manufacturers to meet stringent fuel economy standards. As a result, Vehicle and Asset Management (VAM) will continue to meet the goal of one hundred percent (100%) procurement of energy-efficient passenger motor vehicles. This will primarily be achieved by purchasing vehicles with highway MPG ratings greater than 25 MPG on the highway since flex-fuel vehicle production continues to be reduced by manufacturers. As of 2023, all flex-fuel offerings by manufacturers were pickups except one performance car.
- The EV supply chain is growing annually, and we anticipate more fleet offerings in the coming years. However, much of the industry emphasizes SUV, Crossover, and Truck EV offerings in their product line, which are not subject to this report. We have purchased 12 Ford Lightning Pickups and are evaluating their performance and return on investment, durability, and application.
- It is important to note that although leased vehicles are not a requirement of this report, all our leased passenger vehicles also meet the goal of one hundred percent (100%) energy-efficient vehicles.