

GE Capital Fleet Services Environmental Performance

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imagination at work

a service of

ecomaginationSM

ecomaginationSM



GE's Commitment:

- Invest in innovative solutions to environmental challenges
- Deliver valuable products and services to customers

Ecomagination Product Lines:

- Water
- Energy
- Transportation
- Lighting
- Healthcare
- Finance

ecomaginationSM

Environmental
performance

Significant and
measurable
improvements in
environmental
performance
(reduce CO₂)



Operating
performance

Significant and
measurable
improvements in
operating
performance
(reduce costs)

GE's Environmental Performance Solution*

A roadmap that employs a portfolio of technology and analytical solutions that improve the environmental performance of the fleet while reducing operating costs

*The first **ecomagination** certified service at GE

Approaches To Improving Environmental Performance

Greenhouse Gas

Measure CO2

Aftermarket devices

Tire pressure

Vehicle cycling

Smaller engines

Hybrids

CNG

Diesel

Proper loading

Driver training

Driver Behavior

Carbon offsets

Route planning

E85

Government Regulation

Centralized refueling

Telematics

Cost savings

Biodiesel

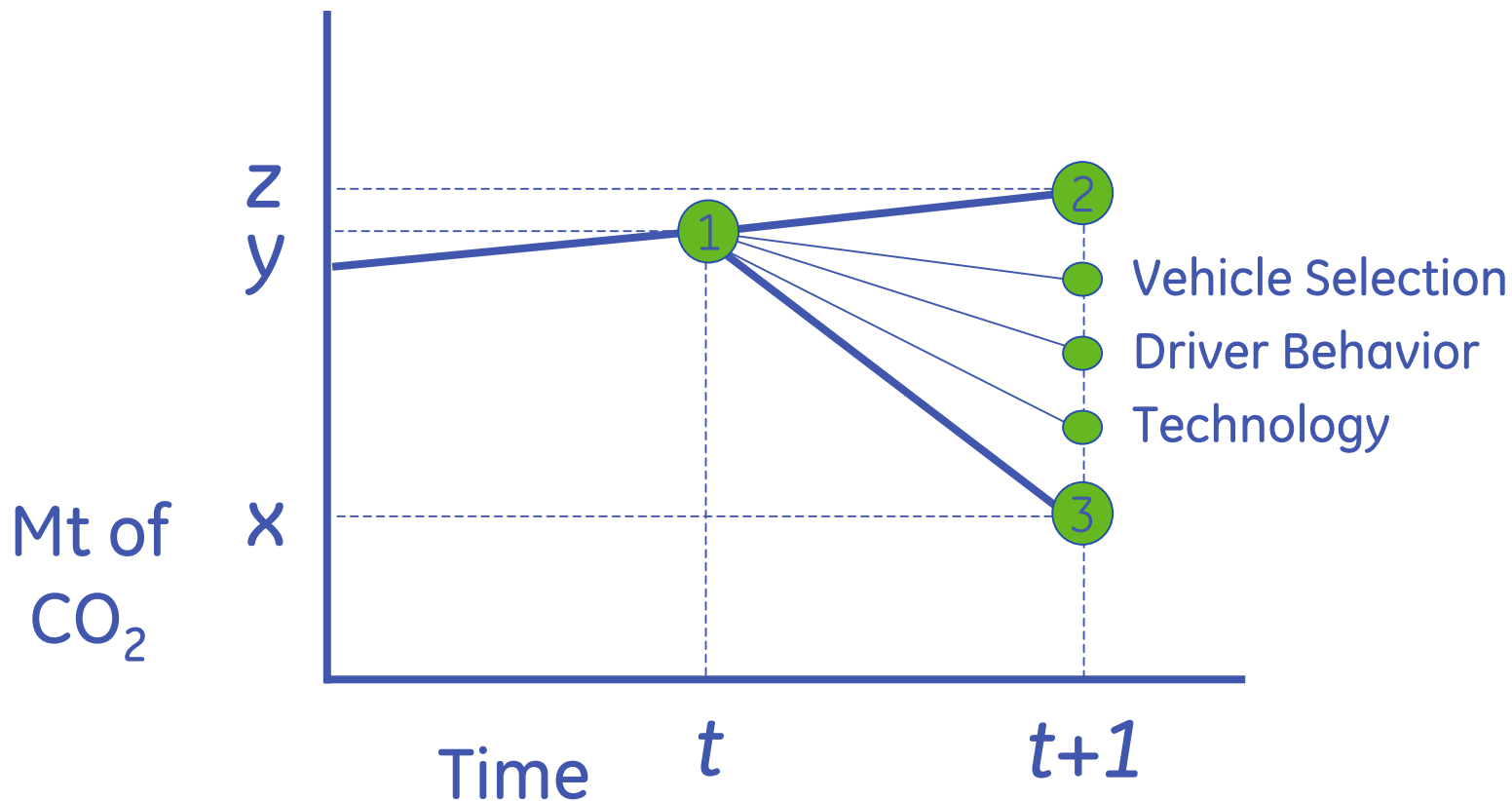
Regular maintenance

A Variety Of Approaches,
But No Silver Bullet

Each Fleet Is Unique...

There Is No Silver Bullet

A roadmap consists of a portfolio of solutions



Environmental Performance, a service of **ecomagination**

A Roadmap For Improving Your Fleet's Environmental Performance



Vehicle Selection

Assets that meet environmental/business function/cost objectives

- Life Cycle Cost Analysis with environmental performance
- Scenario modeling
- Truck engineering



Vehicle Efficiency

Technology and services to maximize the fuel efficiency of assets in operation

- SCS Analysis
- Telematics
- Fuel program
- Driver Education



Measurement & Reporting

Tools to measure and communicate asset environmental performance

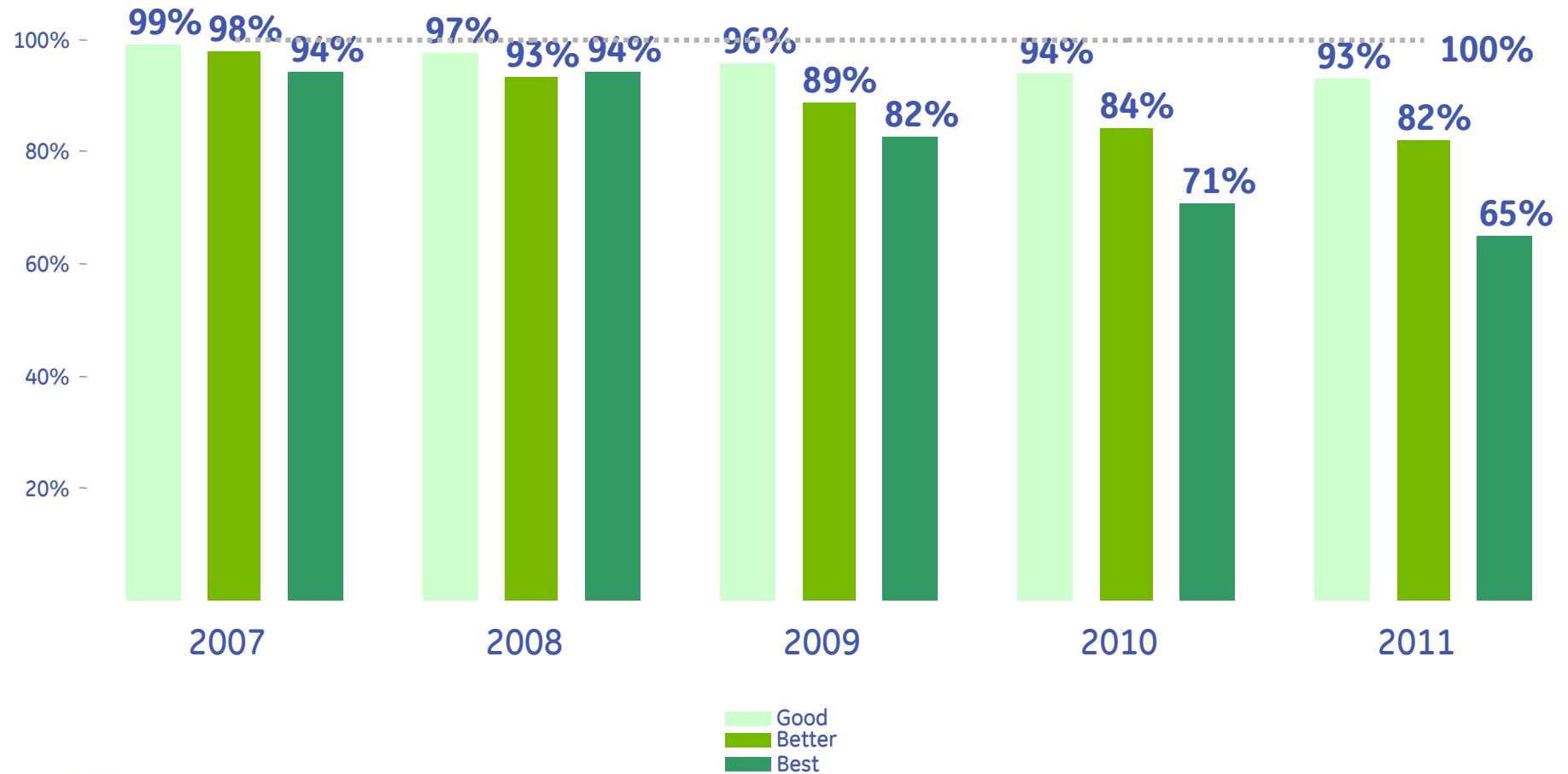
- Environmental performance base-lining / goal-setting
- Annual customer reviews
- my.dashboard CO2 KPI

The Challenge of Scenario Modeling

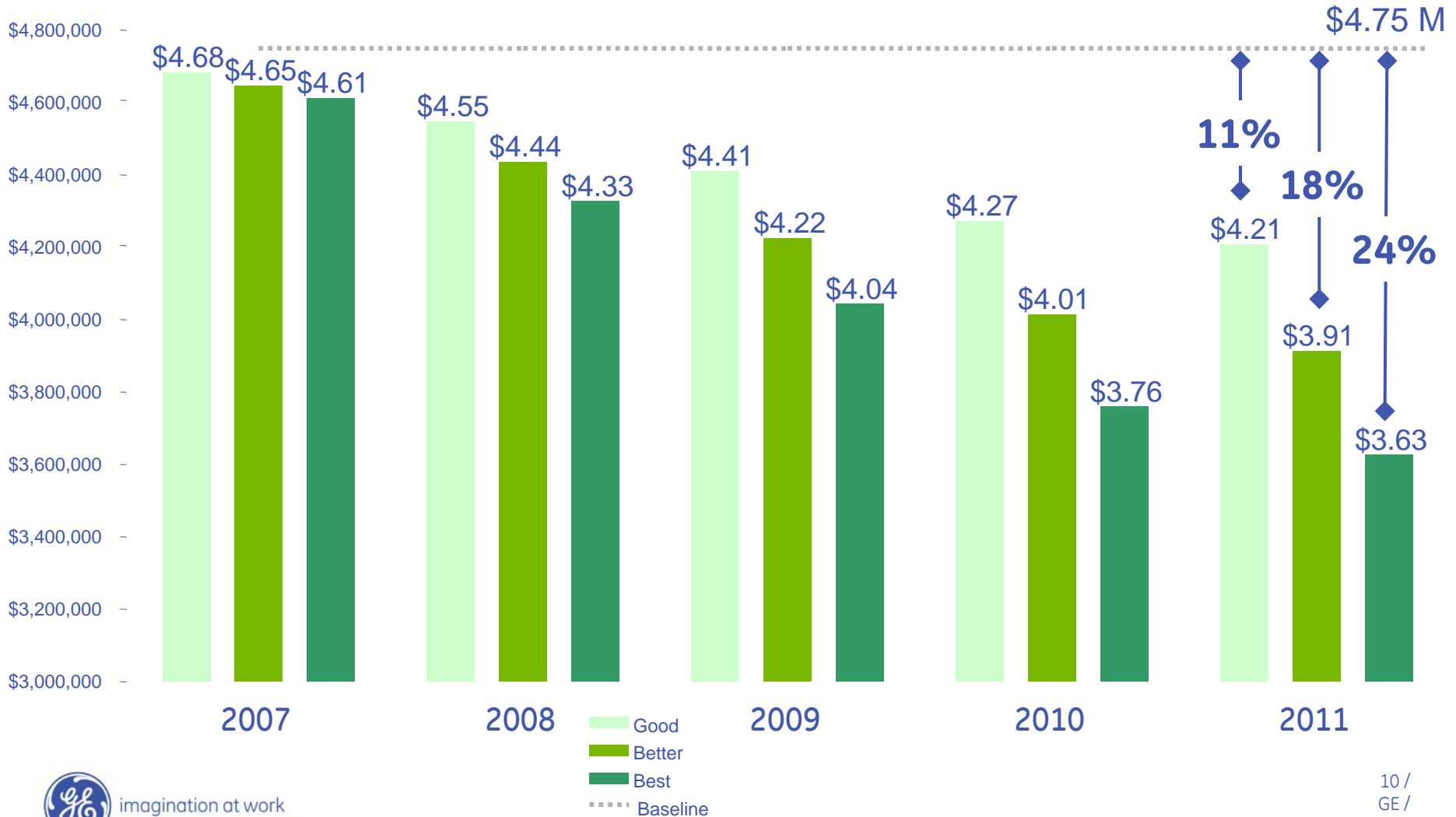
Pontiac Grand Prix Base Sedan
Chrysler 300 Base RWD
Chevrolet Impala LS
Volvo S40 2.4i FWD
Ford F150 XL Reg Cab V6 (4x2)
...
Ford F250 SD XL Reg Cab (4x2)
...
Ford F350 Chassis SD SuperCab (4x4)
...
Ford Explorer XLT (4x4)
Jeep Grand Cherokee Laredo (4x2)
Ford Escape XLT AWD



The Power of Scenario Modeling



Estimated Cost Savings



Products that improve fleet operations and service and delivery processes

Asset Optimization



- > Real-time vehicle diagnostic and GPS location information
- > Reports on fuel consumption, safety, use, trips, maintenance issues, compliance, etc
- > Integrated with my.Dashboard

Mobile Workforce Productivity



- Optimization software:
- > Daily schedules and routes
 - > Dispatch management
 - > Appointment scheduling
 - > Multi-day planning
 - > Territory planning

Asset Optimization Example



Fleet Profile

Fleet Type: Service
Units: 500
Annual Fleet Spend: \$5.9MM; per unit: \$11,800
Length of Pilot: 4 mos.
Pilot units: 24 units;

Benefits: Green is Green

Annual Emissions Reductions

Behavior:

Vehicle idling	1750 lbs
Speeding	450 lbs
Unauthorized use	1342 lbs

3542 lbs

Annual Per Unit Savings

Fuel Costs*:

Vehicle idling	\$202
Speeding	\$52
Unauthorized use	\$155
Other Savings:	\$833

\$1242

Hybrid Rebate Program

Energy Tax Incentives Act of 2005

Background

- Signed into law on July 29, 2005
- \$14.5 Billion in tax incentives
- \$875 Million for hybrid, fuel cell, advanced lean burn diesel, and alternative fuel vehicles

Qualifying Vehicles

- IRS determines which vehicles qualify and how much of a credit they qualify for; more efficient the vehicle, the higher the credit
- Wide spectrum: from Toyota Prius (\$3,150) to the GMC Sierra (\$250)

Phase-out

- OEM limit of 60,000 vehicles
- Tax credit phases-out after limit is reached; 50%, 25%
- Toyota reached limit in calendar quarter ending June 2006
- Honda reached its limit at the end of 2008

Additional regulations around how this applies to fleets have been slow to develop

Hybrid Rebate Program

About The Tax Credits

- Hybrid tax credits available to owners of qualified vehicles, not lessees
- Tax credits *per se* are not transferable, but GE will share the benefit to customers through a rebate
- Vehicles must be placed in service by December 31, 2010 to qualify for hybrid credits
- GE is partnering with PricewaterhouseCoopers (PWC) to verify results

How It Works

- Rebate amount is based on IRS vehicle guidance
- Qualifying vehicles earn 20% of the rebate per year for five years; based on on-road status
- Reserved for active customers with 10 or more qualifying hybrids
- Settlement will appear as a rebate on the chargeback bill; once-a-year activity; post tax return (May/June)
- 15% annual administration processing fee

GE is supportive of customer efforts to improve their environmental performance

Next Steps

Promotion

- Web site to promote best practices and help fleet managers and drivers devise a “green” strategy
- Webinars to discuss the rapidly changing regulatory environment for both cars and trucks

Electric Vehicles

- Work with GE Energy to better understand and forecast battery technology, along with short and long term availability of electric vehicles
- Evaluate an electric vehicle tax rebate program similar to the hybrid program that exists today

Smart Grid

- Leverage research at other GE business units to identify methods of recording and reporting alternative vehicle energy use

Questions?