



Guide to Purchasing and Leasing an Electric Vehicle for your Fleet

Purchasing electric vehicles (EVs) for your fleet can be overwhelming, and you may not be sure where to start. This Guide to Purchasing & Leasing will provide you with tools to have an educated conversation with a dealership or vendor when you are purchasing the EV.

PURCHASING VS. LEASING

Purchasing:

Light-duty electric fleet vehicles are typically purchased directly from a dealership or vendor. Medium- to heavy-duty fleet vehicles usually include coordinating with vendors to custom order a specific vehicle model that fits your fleet needs. When purchasing, you own the vehicle outright and assume full responsibility for the vehicle's maintenance.

Leasing:

Leasing a single EV may be possible through a local dealership, whereas bulk fleet leasing may be done with private company assistance. Vehicle leasing is an alternative way to finance your electric fleet vehicle. D&M Leasing [describes car leasing](#) as paying for the “use of the vehicle in comparison to the vehicle's entire, initial value.” This means that your monthly payments are cheaper than if you were to purchase the car since the value is calculated from the vehicle's depreciation. Yet keep in mind that there is usually an upfront cost at the time of leasing the vehicle to factor in as well. Once the lease is up, you do not own the vehicle. Still, you have the option to either trade in the vehicle for a newer model, purchase the vehicle, or end the lease completely. Depending on the company, it is also possible to lease a fleet with additional management services that could potentially include services such as maintenance and fuel.

WHERE TO PURCHASE AND LEASE

You can purchase or lease EVs from a variety of sources:

- [Minnesota State Contract](#): a cooperative purchasing venture with contracts established by the Office of State Procurement.
- [Sourcewell](#): a public agency that provides contract purchasing solutions.
- Original equipment manufacturers: may be limited to Tesla or specific to medium- and heavy-duty vehicles.
- Dealerships: visit your local dealership website, <https://www.myev.com/cars-for-sale> or [cars.com](https://www.cars.com) for available vehicles. If interested in used EVs, check for local used car dealerships.
- [EV Sales Savvy](#): an “Angie’s List for Recommended EV Salespeople” that can help identify salespeople at Minnesota dealerships who are knowledgeable about EVs and related technologies.

CHARGING

Ensure that your fleet has the proper charging installations to meet their needs! Check out Drive Electric Minnesota's [Guide to Purchasing an EV Charging Station](#) for additional information.

FUNDING OPPORTUNITIES

- [Volkswagen settlement funds](#): Minnesota will receive a total of \$47 million over 10 years from the national Volkswagen settlement. Administered through the Minnesota Pollution Control Agency, grants will be available for medium- to heavy-duty transportation electrification through 2027.
- [Minnesota Pollution Control Agency Grants](#): keep a lookout for the agency's grants and loans programs, especially the Air, Environmental Assistance, and Small Business categories.
- [Federal incentives](#): Newly purchased light-duty EVs may be eligible for a federal income tax credit of up to \$7,500. The tax credit amount received will vary based on battery capacity. Additionally, this incentive is also capped based on the number of vehicles a manufacturer has sold. However, depending on future legislation, the cap could be eliminated, and the incentive expanded. Note: local governments may not be able to take advantage of this incentive since it is a tax credit.
- [USDA Alternative Fuels Data Center - Minnesota Laws and Incentives](#): a regularly updated list of state, utility, and private incentives and state laws.
- [Xcel Energy's Fleet Electrification Advisory Program](#): provides EV procurement and charging infrastructure support for Xcel Energy customers.
- If Xcel Energy is not your provider, contact your electric utility to learn about potential rebate programs.
- [Infrastructure Investment and Jobs Act \(IIJA\)](#): This legislation includes funding at both the federal and state levels for EVs and charging infrastructure. The funding will be distributed through formula funding and competitive grants. Minnesota is expected to receive \$68 million in formula funding. Keep an eye out for competitive funding opportunities available through the IIJA.

QUESTIONS TO ASK DEALERSHIPS

1. **What is the range of the car?**
2. **What is the expected range difference between seasons?**
3. **What type of charging plugs does the vehicle accept?**
4. **What is the maximum charging rate, and does the vehicle support DC fast charging?**
5. **Is there a federal or local incentive for this car?**
6. **Does this dealership provide maintenance for this car?**
7. **What is the car's warranty?**
8. **What would it cost to purchase vs. lease the car?**

Learn more about the benefits of fleet electrification, identifying which vehicles in your fleet are the best candidates for electrifying, and best practices for operating electrified fleet vehicles with Drive Electric Minnesota's fleet toolkit.



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Facilitated by the Great Plains Institute, Drive Electric Minnesota (DEMN) is a partnership of electric vehicle (EV) champions, including automakers and auto dealers, utilities, charging companies, environmental groups, and state and local government. DEMN paves the way for the deployment of EVs and charging infrastructure through public-private partnerships, financial incentives, education, technical support, and public policy. Learn more at <http://www.driveelectricmn.org/>