



Action 4-5. Leasing an Electric Vehicle –Information and Tips.

With a lease you pay a down payment and then pay a monthly fee for the car. At the end of the lease period, usually three years, you turn in the car and lease a new model. There may be a fee when you turn in the car, but that is often waived if you lease a new car from the same company. You can also get a ‘conquest’ lease rebate from a dealer for switching from another car company.

The car will be under warranty during the lease period, but you will pay for the annual service that may include windshield wiper blades, tire rotation, etc., just as if you owned the car. There is no need to worry about how long the battery will last or if it will degrade, even though it is warranted for at least 8 years, because you will only be using it for 3 years. The better your credit score the lower lease payment you can get.

For example, there are members in GGEVA who just leased a Nissan LEAF. The down payment was \$2500 and the monthly lease payment is \$150. They will get the \$2500 rebate from California that will cover the down payment. And they will get the \$500 PG&E rebate. The monthly payment is so low because Nissan is getting the \$7500 federal tax credit, although some dealers may withhold some of the \$7,500. (Note: this rebate will disappear as soon as each manufacturer sells 200,000 cars. GM and Tesla are close.) There is also a \$500 rebate from PG&E if you charge your car at home. This is available if you buy electricity from MCE or Sonoma Clean Power as well.

The advantage of leasing is that because of the tax credits and rebates that apply to new electric cars and because electric cars are changing so rapidly with new technology, used electric cars lose value after 3 or 4 years. It's just less expensive to get a new car and many people want the latest technology.

“Use all the tools you have to get the price at the lowest level to start,” advises David Fox, a team graduate. “We went through Costco, AAA, and TrueCar.com – they sent information to us and also to the fleet sales dept. at the local dealers. I already knew exactly what car I wanted, and which features and trim levels. The only variance was color, and I gave them 3 colors in the order of preference.”

David encourages potential buyers to contact multiple Bay Area dealerships BEFORE going in. Get bids in writing (email), find the best one, then you can use that as leverage at the dealer you prefer working with. I did that and got Novato Chevy to knock down their original bid by \$80/month. You also need to consider how many miles you expect to drive a year. Make sure you get enough miles on your lease (10K, 12K, 15K) to cover what you will actually drive, since if you go over, the monthly costs will likely be higher.

There is also a social justice component to leasing. People who can afford to lease a new electric car are helping to make sure that there are more used electric cars available at lower prices for people who can't afford them, or don't have a good credit rating to be able to lease a new electric car.

Here's some more things to keep in mind.

- Leasing costs vary from dealer to dealer and brand to brand. Tesla is the exception. Generally the better a person's credit score, the lower the lease payment. Tesla lists the lease and purchase price on their website www.tesla.com and the price is the same for everyone in each country. They don't

haggle. The Model 3 gets great reviews but Tesla is behind in orders. If ordered now, it will be at least a year wait and the \$7,500 tax credit will probably not be available anymore.

- It's important to make sure the lease is at least 30 months to qualify for the \$2,500 state rebate.
- If you are leasing an older EV, make sure that it has a Quick charger port that will let most EV's fully charge in about 20 minutes. Check to see if the car has an instruction manual. If not, ask where you can get one or look to download a PDF version.
- The price range of EV's will be different depending on the options you select. David Fox says he got a good deal at \$2,500 down and \$348/month for his full loaded BOLT, including taxes. MRFP of \$43,900. He cautions, many dealers will give you a monthly lease quote that does not include the tax. He asked the dealers to give him quotes for \$2,500 down and then with all the taxes/fees included in the monthly. Make sure the quotes are consistent in what extras you want with the car so you can compare apples with apples.
- Most of the other EVs can be leased for around \$200 or less/month with about \$2500 down. (The down payment seems to stay about the same as the state rebate the driver will get.) BMW I3 may be more, but BMW i3 leases for \$200 per month. Fiat 500e leases for \$59 per month.
- For people who will have only one car but want to go on longer trips where charging stations may not be numerous as in the Bay Area, check to see if the lease offers a free swap. A team member's friend who leases a BMW I-3 said their lease includes 14 days of a free swap with a gas driving BMW. It does require a couple of weeks notice to be assured of a car, but offers a way to drive an EV and get a free car to drive on longer trips.

Thanks to Dale Miller, President, Golden Gate Electric Vehicles Association, David Fox a team graduate, and from people in teams for sharing their information.