

MARK WESTBY COMPANY

“Imagine: to form a mental image of something not present.”

“Imagine all the heavy-duty vehicles that keep our supply lines strong and allow our economy to grow. Imagine that they produced zero emissions. Well, you all imagined it.” VP Kamala Harris. March 7, 2022.

No argument from me. It is a wonderful thing to imagine. However, in the here and now...diesel prices reached an average of \$5.00/gallon yesterday. Up 91 cents from last week, and \$1.87 from a year ago. Seventy two percent of our nation’s freight moves by truck, and the roughly four million Class 8 trucks on the road today will burn through 36.5 billion gallons of diesel in the next 12 months. Our government claims we have the technology to get to zero emissions already. To many, I worry that implies we could do it quickly, and we just need to tighten our belts until then. In truth, it is sobering how far we must go when it comes to Class 8 trucks.

Electric trucks hold much promise and are the most discussed alternative to diesel engines. As of January 2022, there were a whopping 1,000 of them on the road and another 1,000 in production. Seventy percent of them run only in California. There are many good reasons why fleets are being very cautious in jumping to electric engines.

To start, the technology is advancing so rapidly that there is no way to predict resale value. A \$200,000 electric truck today could be worthless within a few years, and \$200K is just the cost of the truck! Paul Rosa with Penske Truck Leasing recently stated the real cost of one electric class 8 truck would initially be \$450,000 when adding the required infrastructure.

Electric trucks require a “Megawatt Charging System” rated at 1,250 volts and 3,000 amps. Installing those throughout the country would be a herculean effort, and more remote areas may not have the power grid needed. Once a location is selected, it would be one to two years before approved by local utilities and powered up.

I encourage all of you to read about Tesla’s venture into the semi truck market. In 2017, Elon Musk shared renderings of an all-electric truck that would go 0-60 mph in 60 seconds, carry the same payload as a diesel truck and go 621-miles on a single charge. The truck was to be in full production by 2019 and by then, there would be charging stations all over the country. Many of them were to be solar powered. I believe Elon Musk is brilliant. I imagine that his vision may very well come true one day.

However, imagining the future provides no relief for the pain of today. We all need to do our part to let those outside of our industry know that we are nowhere close to zero emissions, and trucks will be heavily to completely reliant on fossil fuels for the foreseeable future.

Stay safe,
Mark

