

The Choice is Clear. Electric School Buses Make Good Financial Sense.

Electric school buses are an excellent investment for New Mexico!

Below is a breakdown of the cost of electric school buses (ESBs) compared to diesel school buses according to several factors. Though ESBs have a higher upfront cost, the health savings and benefits, lower operating costs (fuel and maintenance), and potential incentives make them more cost-effective over time.

	Electric	Diesel
Purchase Price	\$400,000	\$140,000
Fuel Costs	Less expensive per-mile.	Diesel is more expensive than electricity.
Maintenance Costs	Fewer moving parts, no oil changes, less wear on brakes, lowers maintenance costs.	Requires regular oil changes, fuel filters, and exhaust system maintenance.
Incentives and Grants	EPA "Clean School Bus program" funds nearly the entire cost to buy an ESB and charger. Districts can obtain a Federal Inflation Reduction Act \$40,000 payment.	No incentives.
Environmental and Health Costs	No emissions means cleaner air quality for students. Studies show attendance rates increase with cleaner buses. Electric buses also reduce greenhouse gas emissions and air pollutants.	Particulate matter worsens asthma and other respiratory issues especially for children. Emissions also harm air quality and public health, leading to higher healthcare costs and worsening greenhouse gas emissions.
Lifespan and Resale Value	Longer lifespan means less frequent purchasing of buses and higher resale value depending on market conditions.	Every 12 years buses must be replaced. Declining demand for diesel will negatively affect values.
Vehicle to Grid Agreements.	Districts can earn up to \$200,000 per bus through selling stored energy as backup power to the grid.	No revenue possibilities.

The New Mexico experience shows annual recurring expense reductions per bus of \$8,000 to \$15,000. **Over 12 years, there is a potential savings of \$180,000!**

When electric buses replace old diesel vehicles in large cities, health benefits associated with reduced mortality and childhood asthma **total \$207,200 per bus.**