

# Teslas for Police: A Better Deal Than Ever

Post by Barry Kresch

## Tesla Patrol Car Purchase Price Now Lower Than Ford Explorer ICE Police Vehicle

In 2019, when the Westport Police purchased a Model 3 for use as a patrol car for \$52,000 vs. \$37,000 for the incumbent gasoline-powered Ford Explorer, it was a good deal. But it had to be proven, as some were skeptical that the savings would be significant enough to overcome the \$15,000 purchase premium. In our analysis, we found that when factoring in savings in fuel, maintenance, customization, and expected vehicle life, the Model 3 is projected to save over \$50,000 over a 4-year period. The purchase price differential was recouped in the first year. That detailed analysis is [here](#). Fast forward a few years, however, and things have really changed.

The law-enforcement version of the Ford Explorer, which comes with a few augmentations, such as a heavy-duty alternator, to be able to support the customization needs of the police, is now \$47,000. The Westport Police expect delivery next month of their third Tesla and second Model Y, purchased this year, for which they paid \$53,000. This new Tesla is eligible for Inflation Reduction Act incentives of \$7500, making the acquisition price lower than the Ford.

The IRS code section 45W, clean vehicles for fleet incentives, applies to this vehicle. In 2023, obtaining the credit is a little cumbersome because an entity that does not pay taxes must file for “direct pay” to get the funds from the Treasury. This will become easier in January when the transfer provision

goes into effect. The buyer transfers the tax credit to the seller and the seller gives the incentive as a rebate, deducted off the invoice price. This [article](#) describes the process for non-taxable entities.

The department buys the same Tesla vehicles that consumers buy. The Model Y that the police bought is the lowest-priced trim level – dual motor (AWD), standard range (279 miles). With continuing price-cutting by Tesla, that model, if bought today, goes for \$47,740. At that price, it would also be eligible for a CHEAPR rebate of \$2250. (CHEAPR rebates for fleet purchases are expected to be implemented within the next couple of months of this writing on 6/27/23.) The net purchase price for a Model Y will be \$37,990, or \$9000 less than the Explorer.

The Model Y now seems to be the EV of choice for the Westport Police, rather than the Model 3 due to the extra space. At the time the Model 3 was purchased, the Model Y did not yet exist. (The only other police department in the state with an electric patrol car is Wethersfield, which has a Ford Mach-E. The Westport PD also has other EVs for non-patrol duty uses, including these [new additions](#).) A video walk through of a fully customized Model Y and the Mach-E can be found on the Club's [YouTube](#) channel.

## **Increased Expectations for Vehicle Service Life**

When we did the financial analysis in 2021, after the Model 3 had been in service for a year, we built an amortization schedule based on a projected 6-year service life for the Tesla compared to the historical 4 years for the Explorers. (After 4 years, the maintenance costs for the Explorers make it not cost-effective to continue using them as patrol cars.) Three years into the use of the Model 3, the police feel it is quite possible that the 6-year projection may be too

conservative. The vehicle is holding up well. Maintenance costs are as low as forecast. The battery is in good shape (and they are monitoring it with Tesla-Fi). They intend to run with it as long as they can. Let's say, and this may also be conservative, that the 6 years turns into 8 years. *That means the capital cost of acquiring patrol cars gets cut in half.*

## **How Is This Not a No-Brainer?**

- Lower acquisition cost
- Lower fuel costs
- Lower maintenance costs
- Double the service life
- Better performance

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