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Oakland County distributor invests \$1.5 million in hybrid truck fleet

BY JULIE EDGAR / FOR OAKLAND BUSINESS REVIEW

Powers Distributing Company of Orion Township is rumbling into the 21st Century with a \$1.5 million investment in fleet of new hybrid trucks that operate on a combination of biofuels and electricity.

The beverage distributor took delivery in early February of 15 new International DuraStar hybrid medium duty trucks, all manufactured in Springfield, Ohio, by Navistar International of Warrenville, Ill. [NYSE: NAV]. The company also bought a Navistar International LoneStar tractor, touted for its aerodynamic design and advanced engine technology.

The move is part of Powers' effort to reduce its carbon footprint and fuel costs; in 2007, the company switched its fleet of more than 50 trucks from regular diesel to biodiesel fuel, reducing their fuel consumption by 10,000 gallons.

The company said the new hybrids, which hit the road this week, will save another 12,500 gallons per year.

Powers officials said the DuraStar hybrids cost about \$100,000 each and the tractor, which is not a hybrid, goes for about \$150,000.

In a written statement, company Co-President Gerald Powers said the DuraStar hybrids "represent the future and we encourage other businesses to join us in new American technology that can reduce dangerous greenhouse gases and protect our land, air and Great Lakes."

The family-owned company, founded 70 years ago, bought the trucks from Tri-County International Trucks, Inc., Navistar International's southeast Michigan distributor. Tri-County has sold one other Navistar hybrid truck to DTE Energy and may sell others to a few Michigan municipalities interested in cleaning up their fleets - possibly with government-sponsored "green" initiative money, said Tri-County spokesman Mark Chapman.

Navistar, in collaboration with Eaton Corporation, was the first company to design and manufacture hybrid trucks, which were brought to market in 2007. Company spokesman Steve Schrier said there are a few hundred DuraStar hybrids on the road.

Navistar made news last August when it dropped plans to buy GM's medium-duty truck business.

The DuraStar hybrid truck has a 60-hp electric motor and 460-volt batteries that supplement a 244-hp engine that runs on a biodiesel mix of up to 20 percent. It can increase fuel economy by up to 40 percent

and reduces hydrocarbon and nitrous oxide emissions by up to 35 percent compared with standard diesel trucks, according to Powers and Tri-County.

Biodiesel fuel is constituted from corn, sugar cane and cellulose, among other natural products.

Powers' trucks cover some 700,000 miles each year throughout southeast Michigan. It has 2,600 customers in Oakland and Macomb counties and employs 210 people.