**Dealerships look to cut costs through sustainability projects**

From LEDs to recycling initiatives, EV chargers and reused water, dealers across the U.S. are making their businesses more sustainable.

 [Dealers](https://www.autonews.com/auto-dealers) are going green to save some green.

While the cost and effort to switch to sustainable practices can seem daunting, many dealers are making the investment to cut utility and other spending in the future.

From LEDs to recycling initiatives, [electric vehicle](https://www.autonews.com/topic/electric-vehicles) chargers and reused water, dealers across the U.S. are making their businesses more sustainable. Some changes start saving stores money in a matter of months, but larger undertakings, such as installing solar panels, might take yearsto see such benefits.

Mark Miller Subaru Midtown in Salt Lake City and Mark Miller Subaru South Towne in Sandy, Utah, made the decision several years ago to invest in sustainability for two reasons: environmental conscientiousness and the long-term cost savings, said General Manager Jeff Miller.

SUSTAINABILITY STRIDES

Auto retailers are embarking on several initiatives to try to lower costs and help the environment. Here are the types of initiatives and some examples:
**Lowering energy use:** Installing LEDs and solar panels
**Cutting water use:** Having less or no grass at dealership facilities and reusing water for car washes
**Recycling and trimming waste:** Installing water bottle refilling stations and recycling cardboard
**Community outreach:** Holding tree planting events and staffing cleanups for local trails

Both of the dealerships have full solar installations totaling more than 1,200 panels combined that power roughly 55 percent of the stores' annual electricity usage. Miller anticipates the panels, installed from 2014 to 2016, will last 20 to 25 years and said it's an investment that clearly was worth it, though they cost $750,000-plus for both stores combined.

"We had spent a lot of money on energy every month," Miller said. "But after four or five years of payback, all of a sudden we are not really paying for energy anymore."

He declined to share the stores' energy costs before and after the solar panel installation.

Water conservation also has become a priority in Utah because of efforts to preserve the Great Salt Lake. The stores reuse water at their car washes and have removed grass from dealership facilities so there's no need to irrigate, Miller said.

The [Mark Miller Subaru](https://www.autonews.com/service-and-parts/car-dealerships-cut-waste-recycle-use-sunlight-business-plan) locations have Green Dealer Support eco certification, and last year both stores were given Cox Automotive's Leader in Sustainability Award. Cox Automotive said the dealerships' reuse of water saves 75 gallons per car wash.

**Breaking down sustainability**

More dealers are realizing that investing in sustainability can be a smart move, said Chuck Golden, CEO of consulting firm Green Dealer Support in Mason, Mich.

"It has a favorable impact on operating costs, it makes the dealership a better place to work," he said. "And it allows the dealership to become more tied into their community than ever before."

Golden has been working with dealerships on their growing interest in sustainability for over a decade by evaluating stores and coaching them on green initiatives. The firm offers environmental certification for a fee and has certified more than 500 dealerships across all 50 states. Green Dealer Support also has a partnership with [Subaru of America](https://www.autonews.com/topic/subaru-news), and its stores account for almost half of the firm's certified dealerships.

Golden got into the sustainability business because dealers "all over the country were talking about little things that they could do to save money," he said.

National interest has only grown.

And Golden has found that many dealers are invested in sustainability just for the sake of it.

"I have had many, many dealers say to me, 'This is just the right thing to do,' " he said.

Green Dealer Support looks at a dealership's energy usage, water usage, recycling and waste practices, and community engagement when assessing sustainability. The firm uses checklists to help stores set specific goals and identify areas of improvement, Golden said.

"Sustainability obviously means a lot of things, and it is a term that is sometimes vague and hard to measure," he said. "Setting these very specific goals helps the dealers feel like it's more attainable."

And once a project is underway or completed, there's an opportunity for dealers to market to customers, Golden said.

"Communities are looking for help and assistance in trying to make their community more environmentally responsible, but quite often that takes people and resources to do that," Golden said. "And it's a really natural thing for a car dealer to get involved."

That could be through a tour of the store for customers, graphics detailing projects for advertising and showroom use, or even through events such as a tree-planting day.

"Community outreach is probably just going to be a straight-out expense," Golden said. "However, it's such a powerful marketing tool, and dealers are spending money every day on marketing in one way or another."

**The people make it happen**

Mark Miller Subaru's environmental transition is coordinated by the dealerships' facilities manager, and the stores have an environmental committee that meets a few times annually.

Green Dealer Support recommends stores establish a sustainability team with employees from all departments to be most effective in enacting initiatives. These teams bring forward ideas for improvement and keep dealers on track to reach goals, Golden said.

"This green team is really a powerful thing, and it certainly spreads the word" about sustainability, he said. That way, "when a team member is running around with their can and they are looking for a place to put it, they are much more likely to put it in the recycling bin than in the trash."

Employee understanding and engagement is one of the biggest hurdles Mark Miller Subaru faced, Miller said. The stores found it takes training and communication to boost participation in recycling programs, even with clearly marked bins, he said.

"You have to train not only the people that work here, but the hundreds of guests we get every day to follow those rules," Miller said.

**Dealership groups join in**

The biggest dealership groups in the nation have been taking on major sustainability initiatives. For example, [Lithia Motors](https://www.autonews.com/topic/lithia-motors) Inc., of Medford, Ore., launched GreenCars, an online EV resource to educate shoppers, and has planted more than 100,000 trees through its Trees for Test Drives program, in which a tree is planted for every test drive at participating stores. Lithia ranks No. 1 on *Automotive News'* list of the top 150 dealership groups based in the U.S., with retail sales of 271,596 new vehicles in 2022.

[Penske Automotive Group](https://www.autonews.com/topic/penske-automotive-group) Inc., of Bloomfield Hills, Mich., had installed 1,600 EV chargers globally as of the end of 2022 and recycled more than 102,000 tires in the U.S. that year, the latest for which data is available.

"We believe it is our responsibility to contribute to a sustainable future by making a positive impact in the communities where we operate," CEO Roger Penske said in the group's 2023 corporate responsibility report. Penske Automotive ranks No. 3 on the list, retailing 185,831 new vehicles in 2022.

[Group 1 Automotive](https://www.autonews.com/topic/group-1-automotive) Inc., of Houston, said in 2022 that it had transitioned to LEDs for 90 percent of its exterior lighting and half of its interior lighting at its U.S. stores. In November 2023, the company said it had partnered with Freedom Solar Power to install roughly 10,000 panels at some of its U.S. locations. Seventeen dealerships in the Northeast, West and Southwest now have panels installed. The group would not share the cost.

Group 1 is No. 4 on the list, with 154,714 new-vehicle retail sales in 2022.

The retailer is selecting stores that make the most sense to go solar, said Gregg Wintner, Group 1's vice president of procurement and facility services. When assessing a store, he asks: What are the local incentives? Or, will this store need roof repairs in the near future?

"For the near term, we are going to continue to look at solar opportunities all the time, and if they make sense, we are going to do it," Wintner said. But "to say solar panels are going to be on all of our stores in the next three years is a ludicrous statement to make because it just doesn't make sense."

One of the biggest challenges Group 1 faces with solar installations is getting the panels up and online for use through local utilities. In mid-December, local utilities delayed seven of its 17 solar installations, Wintner said. Only one of the delayed installations came online by the new year.

"The quick installation of EV chargers that everybody is doing has put a strain on the local utilities, so permitting has gotten really backed up," he said.

**Sustainability never ends**

It's essential dealerships remain committed to continued improvement, Golden said. Best practices are always evolving, and that is why Green Dealer Support offers annual recertification to help dealers maintain and improve their initiatives.

"Environmental sustainability never ends," Golden said. "It just keeps going."

Golden predicts that even more dealerships will take on sustainability initiatives.

"I think it is definitely going to be the wave of the future," he said. "And we are going to find more and more dealers that are going to actively pursue making the changes and getting that recognition."