

May 24, 2021

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: Letter of Support
COVID-19 Relief & Recovery
Xcel Energy's Petition for Approval of Electric Vehicle Programs
Docket No. E002/M-20-745

Dear Mr. Seuffert:

With this letter, the Metropolitan Council and Metro Transit would like to reiterate our strong support and excitement for Docket No. E002/M-20-745 (Docket), "COVID-19 Pandemic Economic Recovery Investments", specifically Xcel Energy's "Electric Vehicle Programs" and request that the PUC approve Xcel Energy's rebate proposal for electric transit buses.

Metro Transit delivers environmentally sustainable transportation choices that link people, jobs, and communities conveniently, consistently, and safely every day. We strive to provide safe, high quality, and reliable service and in order to do so, Metro Transit focuses on taking strategic action.

As we continue to learn from our experience over the last two years with the C-Line 60' Electric Bus Pilot and Xcel Energy Make Ready Infrastructure Pilot, three key technical factors have emerged to inform continuing our electrification efforts: range, reliability, and cost. In the near term, Metro Transit is eager to utilize 40' electric buses on some of our local urban routes. Not only do we feel the range and reliability of the technology as it exists today is a good fit for this type of service, but it also stands to provide significant environmental and health benefits in the community.

The Metropolitan Council, and Metro Transit as its operating division, are in a unique position to provide perspective regarding the significance of this opportunity and the necessity for the rebates proposed for transit buses. Through 2025, Metro Transit will have 298 forty-foot buses that have reached their useful life and are due for replacement. Due to capital maintenance demands and other budget constraints, all buses included in the 2021-2026 Capital Improvement Program are currently diesel propulsion and we anticipate similar financial challenges when we begin drafting our 2022-2027 Capital Improvement Program later this year.

While continuing to transition to electric buses is a top priority for the agency, the necessary funding to cover the incremental cost of an electric bus compared to a diesel bus remains a significant barrier to adoption.

A comparison of the incremental cost is shown in **Table 1** which includes the increased propulsion cost, charging infrastructure, and battery warranty. This information has been refined since our October 30, 2020 reply comments based on our ongoing experience and planning efforts.

Table 1: Diesel and Electric Bus 40' Cost Comparison

| Vehicle and Charging Infrastructure | Ratio Charger per Bus* | Cost per Electric Bus | Cost per Diesel Bus |
|-------------------------------------|------------------------|-----------------------|---------------------|
| 40' Bus | | \$ 990,000 | \$ 525,000 |
| Battery Warranty | | \$ 120,000 | \$ 0 |
| Depot Charging | 1 charger/2 buses | \$ 125,000 | \$ 0 |
| On Route Charging | 1 charger/10 buses | \$ 100,000 | \$ 0 |
| Average Cost per Bus | | \$ 1,335,000 | \$ 525,000 |

* Ratio assumes large enough electric bus fleet to achieve economies of scale. Smaller pilots require higher charger to bus ratio, to provide redundancy and ensure reliable operations. Depot charging is assumed to cost \$250,000 per charger installation and on route charging is assumed to cost \$1,000,000 per charger installation.

The PUC's "COVID-19 Pandemic Economic Recovery Investments" effort provides an unprecedented opportunity for Metro Transit, in partnership with Xcel Energy, to continue advancing its electric bus program and maintain its commitment to cleaner propulsion. The environmental and economic recovery benefits of electrification are clear. Metro Transit is committed to fiscal responsibility and continues to actively pursue all available funding avenues to assist with the significant incremental cost of replacing diesel buses with electric buses.

As one of the country's largest transit systems and an established leader in the transit industry, Metro Transit is committed to providing public transportation which supports the economic vitality, environmental sustainability, and quality of life of those in the Twin Cities region. We believe this Docket is critical for providing COVID-19 relief and recovery in Minnesota, but also for advancing shared electrification goals which would not be made possible without partnerships like this one. We urge the PUC to approve Xcel Energy's proposal for electric transit bus rebates.

Sincerely,



Charles A. Zelle
Metropolitan Council Chair



Wes Kooistra
Metro Transit General Manager