

October 16, 2020

**Minnesota Public Utilities Commission**  
121 7<sup>th</sup> Place East #350  
St. Paul, MN 55101

**PUC Docket Number: E,G-999/CI-20-492, 20-745**  
**In the Matter of an Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic**

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### Public Utilities Commission Goals

**Goal 1: Provide significant utility system benefits.**

**Goal 2: Be consistent with approved resource plans, approved natural gas distribution infrastructure or pipeline safety plans, triennial conservation plans, and existing Commission orders.**

**Goal 3: Reduce carbon or other pollutant emissions in the power sector or across economic sectors.**

**Goal 4: Increase access to conservation and clean energy resources for all Minnesotans.**

**Goal 5: Create jobs or otherwise assist in economic recovery for Minnesotans.**

**Goal 6: Use women, veteran, or minority - owned businesses to the extent possible, which can be documented for verification purposes.**

*Metro Transit is also submitting a copy of our comments from docket 20-492 to docket 20-745, which is specific to the EV investments proposed in Docket 20-492.*

Metro Transit (an operating division of the Metropolitan Council) expresses our strong support and excitement for Docket No. E,G-999/CI-20-492 (Docket), "COVID-19 Economic Relief & Recovery," and specifically the filing submitted by Xcel Energy that includes "Electric Vehicle Purchase Rebates" (Project 1A1). Metro Transit would like to thank the Minnesota Public Utilities Commission for its strong leadership in establishing a program to positively contribute to Minnesota's economic relief and recovery in response to hardships resulting from the COVID-19 pandemic. Further, Metro Transit supports electric vehicle adoption in Minnesota as part of the Xcel Energy proposal. Project 1A1 would enable Metro Transit to continue advancing its adoption of electric buses and maintain its commitment to cleaner propulsion.

In response to the PUC's August 12, 2020 request for public comment for the Docket, Metro Transit offers the following ideas and recommendations for consideration. It is Metro Transit's hope that, through partnership, we can power recovery together and make a positive difference in our communities and for Minnesotans.

### **In response to the PUC's request for public comment:**

**What process should the Commission use to evaluate the filings by utilities of investments that may assist Minnesota's economic recovery from the COVID-19 pandemic?**

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The PUC should utilize a transparent, data-driven process that relates to the goals of the Docket to evaluate the filings (**Figure 1**). If PUC staff believe clarification would be beneficial to their evaluation, they should seek appropriate clarification from regulated utilities. Upon conclusion of the PUC’s evaluation, the results and scoring of filings should be shared with those who have participated in the process. This information sharing can be as simple as issuing a press release or publishing the results online.



Figure 1. Sample of Data-Driven Decision Process

**Goal 1: To provide significant utility system benefits.**

To meet this goal, the PUC could evaluate power sector filings by how much the proposal promotes more efficient use of the electrical grid.

Project 1A1 would allow Metro Transit, in collaboration with Xcel Energy, to incorporate additional electric transit buses and charging equipment into its fleet (**Figure 2**). As part of the Project, Metro Transit is excited to work with Xcel Energy on smart charging technology to meet operational needs while systematically optimizing energy demand. Metro Transit is beginning to collaborate with Xcel Energy on its Smart Charging Pilot Program and looks forward to the opportunity to carry lessons learned into Project 1A1 if approved.



Figure 2. Example of Metro Transit Charging Equipment

Smart charging technology, also known as demand management software, integrates data such as time needed to charge, operating schedules, and utility time of use/demand schedules to optimize and control when vehicles are charging. To ensure buses are charged and ready for transit service each day, algorithms

coordinate charging windows when demand on the grid is lower. This technology would allow Metro Transit to partner with Xcel Energy to monitor, manage, and schedule the use of chargers to optimize energy consumption. Software would optimize energy demand with energy needs, promoting a more efficient use of the electrical grid.

***Goal 2: Be consistent with approved resource plans, approved natural gas distribution infrastructure or pipeline safety plans, triennial conservation plans, and existing Commission orders.***

In addition to approved utility and commission plans, the PUC should consider applicable publicly approved local, regional, and state government entity and agency planning documents for consistency with initiatives. These planning documents often describe a vision for the future and establish policy foundations for the community. Additionally, these plans have the benefit of public approval and incorporate community input, an essential component of the planning and policy-making process.

For example, the Metropolitan Council, as the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region, developed Thrive MSP 2040, which is the 30-year vision for the region. Incorporated into this document are “Thrive Outcomes,” tangible outcomes derived from the aspirations voiced by the region’s residents; civic, nonprofit, and business leaders; and government officials. The Thrive Outcomes are Stewardship, Prosperity, Equity, Livability, and Sustainability (**Figure 3**).

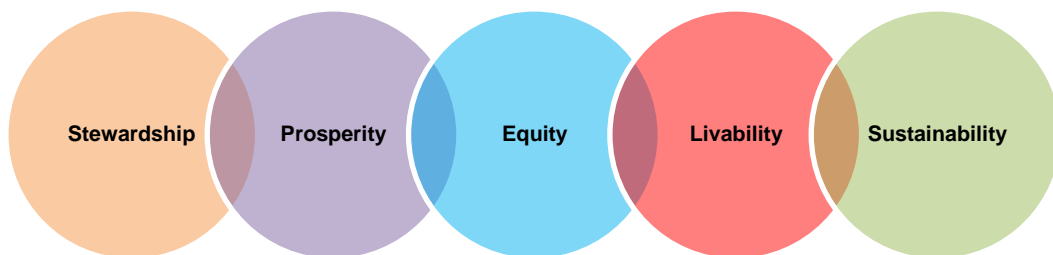


Figure 3. Metropolitan Council Thrive MSP 2040 Outcomes

Metro Transit’s purchase and adoption of electric vehicles as part of Project 1A1 supports the advancement of all five Thrive Outcomes. Working with the major stakeholders, public and private, the design and implementation of a broad and cohesive plan to electrify bus transit demonstrates **Stewardship**. Across the country, electric bus implementation has undergone numerous operational and economic viability challenges. Achieving economic viability within this initiative would afford **Prosperity** across a spectrum of core community pillars. **Equity** is at the core of an environmentally conscious transit system; emission and pollution reduction are equally critical to the mobility and accessibility improvements necessary for environmental justice to advance. Furthermore, the implementation of

an electrified bus system will build upon the foundations of **Livability**, specifically the opportunity to partake in the region’s assets and opportunities without limitation and build healthier communities. The **Sustainable** components of electrification align with the Thrive MSP 2040’s goals to protect regional vitality for generations to come by preserving our capacity to maintain and support the region’s well-being and productivity over the long term.

The PUC should also consider, as applicable, any innovative partnerships between utilities and local, regional, and state government entities and agencies. Innovative partnerships support collaboration and set a strong foundation for achieving mutually beneficial objectives. For example, in 2018 the Metropolitan Council and Xcel Energy established the Green Energy Partnership with a focus on working together to produce and purchase clean, renewable energy and allow the Council to operate exclusively on energy from renewable sources by 2040 (**Figure 4**). This partnership lays the foundation for successful implementation of Project 1A1.

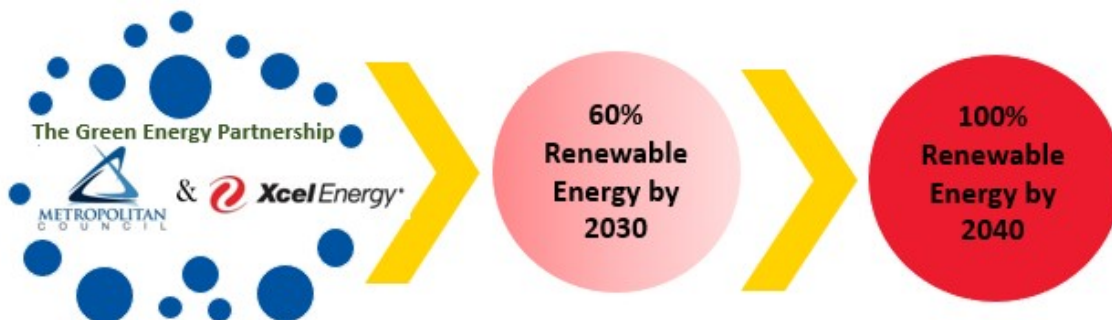


Figure 4. Example of an Innovative Partnership between the Metropolitan Council and Xcel Energy

**Goal 3: Reduce carbon or other pollutant emissions in the power sector or across economic sectors.**

The PUC should consider the extent to which filings demonstrate numerical ability, supported by data, to reduce carbon and pollutant emissions. For example, the U.S. Environmental Protection Agency (EPA) provides data about carbon and pollutant emissions across sectors. According to the EPA, the transportation sector is the largest greenhouse gas (GHG)-emitting sector, accounting for 28 percent of GHG emissions in 2018. Public transit agencies, such as Metro Transit, are natural allies to the power sector in the fight for a cleaner environment. The EPA states that switching vehicle propulsion from diesel to electric can reduce emissions. Switching propulsion can also generate important community health benefits. Diesel, which is a known carcinogen, can cause respiratory diseases such as asthma and serious health impacts, including cancer and lung and heart disease. According to the EPA, exposures are highest where diesel traffic is the heaviest, including along highways and in dense urban cities.

Metro Transit would use funding from Project 1A1 primarily to introduce electric vehicles into our 40-foot bus fleet. Considered the work horses of Metro Transit’s fleet, these vehicles are mainly used for local bus service in the urban core, where the highest ridership routes serve communities that historically have received less investment and are at higher health risks. Project 1A1 would allow Metro Transit to continue to prioritize electric bus utilization in communities experiencing high levels of air pollution while gaining valuable technical experience throughout the region.

According to the Minnesota Pollution Control Agency, the transportation sector reduced GHG emissions by 8 percent between 2005 and 2016 (**Figure 5**). As part of its “Go Greener” campaign, Metro Transit is committed to providing transportation options that reduce energy use and contribute positively to the reduction in harmful emissions in Minnesota. The Metropolitan Council is a founding member of the Climate Registry, which sets consistent and transparent standards to calculate, verify, and publicly report GHG emissions. Registry members assess, track, and report emissions generated by their operations, including Metro Transit as a service of the Metropolitan Council. Furthermore, the Metropolitan Council and Xcel Energy have formed the Green Energy Partnership, previously discussed, to produce and purchase clean, renewable energy. This partnership allows the Council to operate exclusively on energy from renewable sources by 2040, with a target of 60 percent renewable by 2030. This commitment, coupled with an investment in electric buses, aligns with the PUC’s goal and will positively impact Minnesotans by removing pollutants in both dense urban and power generating rural areas over time.

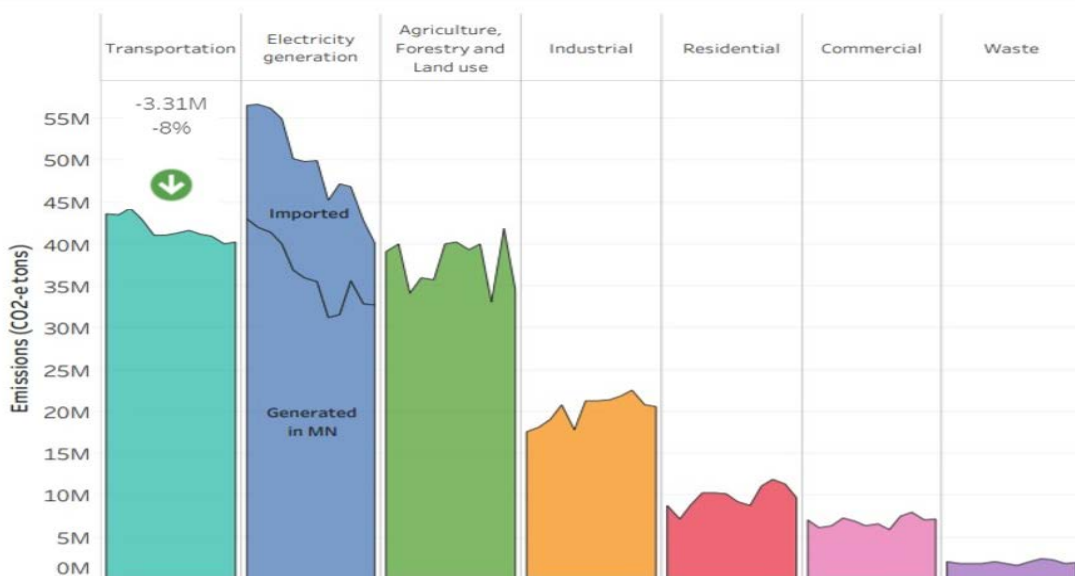


Figure 5. Minnesota Pollution Control Agency (2020): Change in Emissions by Sector 2005-2016

Project 1A1 is expected to reduce transportation-related emissions. Electric buses have no tailpipe emissions, resulting in cleaner air and long-term health benefits for residents, workers, and visitors in the neighborhoods in which they operate. In particular, the use of electric buses reduces harmful emissions of criteria pollutants (VOCs, CO, NO<sub>x</sub>, PM<sub>10</sub>/PM<sub>2.5</sub>) and GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O). Regardless of the sector, demonstrating an ability to reduce harmful carbon or other pollutant emissions, with reliable and supported data, is an important criterion for evaluation.

**Goal 4: Increase access to conservation and clean energy resources for all Minnesotans**

Special consideration should be given to filings that offer innovative opportunities to increase access to conservation and clean energy resources in an equitable way. In doing so, the PUC should look to established programs regarding the tracking and monitoring of equitable distribution of benefits. Title VI of the Civil Rights Act of 1964 protects civil rights by prohibiting discrimination on the basis of race, color, and national origin in federally assisted programs. In order to comply with Title VI, federally funded programs and agencies have developed means and methods for demonstrating and documenting nondiscrimination. While we recognize that programs authorized under this Docket will not be subject to Title VI and that the PUC may wish to go beyond nondiscrimination, we feel that the reporting methodologies and structures developed to demonstrate nondiscrimination can be leveraged for tracking the programs advanced through this Docket. For example Metro Transit as an agency that utilizes federal funds is required to develop a Title VI Program compliance report every 3 years.

In addition to equitable distribution of benefits, the PUC should support programs and organizations that are striving to advance the state of practice in their respective fields while engaging in knowledge sharing that will benefit other groups and communities in Minnesota. For example, Xcel Energy and Metro Transit have engaged in numerous knowledge sharing programs regarding electric vehicles (**Figure 6**). Metro Transit is also invested in sharing lessons learned from its deployment with peers. This knowledge exchange is essential as it shares lessons learned for successful technology deployment. Evolving electric bus technology updates, and the related data availability can be useful knowledge for industry partners, other transit providers, school districts, governments, or other

**Examples of Industry Outreach for Electric Bus Knowledge Sharing**

- Joint industry presentations with Xcel Energy
- First Responders Training- vehicle awareness
- Conference & Professional Organization Presentations
- Site visits for agencies and conferences
- Participating in APTA Clean Propulsion Committee/ Electric Bus Subcommittee

*Figure 6. Examples of Industry Outreach*

entities who may be considering implementing electric vehicles into their own fleet. Additional consideration should be given to filings with existing partnerships that may meet or advance the PUC’s goal. Together the PUC and Xcel Energy can help advance fleet electrification for Metro Transit in the Twin Cities region, as well as other providers across Minnesota.

**Goal 5: Create jobs or otherwise assist in economic recovery for Minnesotans.**

The PUC should consider how quickly the filing can begin to generate jobs. The COVID-19 pandemic has impacted both the state and national economy, resulting in job loss and economic uncertainty. In order to kick start recovery, the PUC should also consider that job creation occurs both before breaking ground (design and manufacturing) and after (construction, operations, and maintenance).

For Project 1A1, Metro Transit can support economic growth by adopting electric vehicles. According to the American Public Transit Association (APTA), spending money on public transportation creates immediate jobs and income by supporting manufacturing, construction, and public transportation operations activities. Nationwide, more than 50,000 jobs are created per \$1 billion of continuous public transportation spending according to APTA (Figure 7).



Figure 7. Investments in Transit Power Jobs

Metro Transit is committed to developing a qualified workforce in Minnesota and offers multiple workforce development programs. For example, its Technician Training Program allows participants to become technicians in bus maintenance with hands-on internship experience while earning an associates degree. This program aims to provide training opportunities, foster skill building, and develop a diverse workforce (Figure 8). Another example is the Leadership Academy where

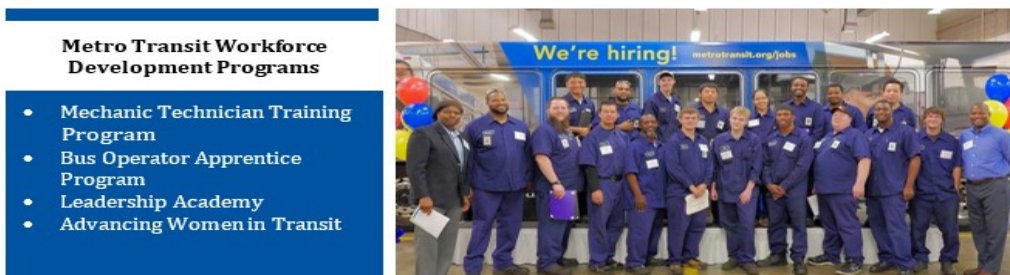


Figure 8. Recent Metro Transit Technician Program Graduates

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employees spend six months shadowing a manager to gain supervisory experience. Graduates of the Leadership Academy gain the experience they need to be eligible to apply for managerial positions.

***Goal 6: Use women, veteran, or minority-owned businesses to the extent possible, which can be documented for verification purposes.***

To further advance equity goals, the PUC should consider allowing the use of existing government programs to streamline verification of women, veteran, or minority-owned business. For example, the Minnesota Unified Certification Program (MNUCP) consists of a group of state and local agencies who work together to certify firms as disadvantaged business enterprises (DBEs). Current certifying agencies are the City of Minneapolis, Metropolitan Airports Commission, Metropolitan Council, and Minnesota Department of Transportation. These agencies outline processes for DBE businesses to become certified and listed in the MNUCP DBE Directory. This list is not inclusive of all Minnesota-based agencies that provide opportunities for DBE certification, but is an established program for the transportation sector. Metro Transit encourages the PUC to accept pre-established Small Business program certifications and reporting processes rather than implement a separate certification and verification process. Utilizing established DBE certification programs and reporting processes will mitigate any potential added barriers (financial or administrative) of having to register with yet another program for small businesses.

The Federal Transit Administration (FTA) establishes its own DBE reporting requirement for transit agencies under 49 C.F.R. 26.45. For example, Metro Transit, as a federal funding recipient, is required to have a DBE goal for its federal projects. For FY 2021-2023, the Metropolitan Council has a goal of 14 percent DBE participation in USDOT-assisted Council projects. The goal setting calculation for the Metropolitan Council is based on the number of federally funded projects, defining the market area, determining the type of work needed in future projects, and determining the availability of DBEs in the market area. The goal can change in the future depending on the availability of contractors in an area. As more contractors in the Twin Cities gain the necessary skills to deliver the type of work anticipated, the DBE goals would increase proportionally.

The Metropolitan Council Small Business Program includes two components: the Disadvantaged Business Enterprise Program (DBE), which is for federally funded procurements, and the Metropolitan Council Underutilized Business Program (MCUB), which is for non-federally funded procurements. It is anticipated that both DBE and MCUB would apply to Project 1A1 and would be determined based on the funding sources for each individual procurement. The Small Business Program is designed to engage and encourage the use of underutilized small businesses for the Council's projects and procurements. This further levels the playing field for socially



and economically disadvantaged businesses with fair project and contract opportunities.

**Are there other issues or concerns related to this matter?**

The COVID-19 pandemic has changed the world and has directly impacted Minnesotans and our local economy. This Docket for COVID-19 Economic Relief & Recovery presents a critical opportunity to positively impact the economy by providing economic relief and recovery directly to Minnesotans. In review and evaluation of the filings, the PUC should think **SMART**:

- **Support Timeliness:** The timeline for a traditional PUC docket may not provide the necessary recovery needed and intended with Docket No. E,G-999/CI-20-492. The coronavirus pandemic has created a need for recovery efforts to occur immediately with a streamlined evaluation process and review of filings that quickly produces results and promotes recovery.
- **Maintain Flexibility:** The PUC should be flexible in its administration of the program; the pandemic is still affecting every aspect of our lives. Flexibility along with open and honest communication will be essential to successfully restore Minnesota's economy.
- **Advance Goals and Initiatives:** As appropriate, in review of the filings consider other documented goals and initiatives of communities and agencies that may align with PUC goals.
- **Reduce Emissions:** The PUC should prioritize sustainability and, when reviewing filings and making decisions, the PUC should consider the extent to which GHG and other harmful emissions are reduced as a result.
- **Think about Transparency and Incorporate Data-Driven Processes:** When evaluating filings, the PUC should utilize a transparent, data-driven process that supports their goals and publish the final evaluation and filing decisions online. Transparency supports accountability and aligns with the mission of the PUC to *"make decisions that appropriately balance private and public interests in a manner that is consistent with public interest."*

The Metropolitan Council and its operating division Metro Transit would like to thank the PUC for its strong leadership in establishing a program to positively contribute to Minnesota's economic relief and recovery in response to hardships resulting from the COVID-19 pandemic. We further appreciate the opportunity to provide feedback regarding how filings are evaluated. The electric vehicle rebate program Xcel Energy is proposing will allow Metro Transit and Xcel Energy to further build on their Green Energy Partnership to provide clean transportation and energy services. If there are any questions or concerns regarding the Metro Transit electric bus program or related to our comments on the filings, PUC staff may contact Carrie Desmond, Principal Engineer, at [Carrie.Desmond@metrotransit.org](mailto:Carrie.Desmond@metrotransit.org).