

September 20, 2021

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

RE: Reply Comments
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" which would provide critical funding for Metro Transit to continue gaining valuable experience with transit bus electrification. We are encouraged by the support in the record for rebates to fund electric transit buses and appreciate the thorough review and suggested modifications by parties.

Background:

As an early adopter of electric transit bus technology, Metro Transit is gaining valuable pilot experience, while helping shape the direction of this emerging technology throughout the nation. By 2023, Metro Transit will have two pilots in service: the eight bus 60' electric bus pilot on the METRO C Line for arterial bus rapid transit (ABRT) and an eight bus 40' local service pilot funded in part by a Federal FY21 Low and No Emissions grant.

Pursuant to Minnesota Statute 473.3927, Metro Transit is in the process of developing a Zero Emission Bus Transition Plan (ZEBTP), which will be filed with the Minnesota State Legislature no later than February 15, 2022. The ZEBTP will lay out a framework for transitioning to zero emission bus technology and prioritize discreet projects for implementation. However, this work cannot proceed beyond the planning stage without additional funding for the significant incremental costs required for electric transit bus propulsion and charging infrastructure.

Recommendations:

The Metropolitan Council and Metro Transit support the proposed modifications for a \$30 million rebate program for electric transit buses and school buses for vehicles ordered in calendar years 2022-2025. We also support electric transit bus rebates in the amount of \$800,000 per vehicle and associated charging infrastructure purchased, not to exceed 75% of actual costs incurred.

Finally, the Metropolitan Council and Metro Transit encourage the Commission to consider this a pilot program, that if successful, could be expanded in the future.

Comments on the Infrastructure Investment and Jobs Act:

If the Senate-passed Infrastructure Investment and Jobs Act is passed and signed into law, federal funding may become available, primarily on a competitive basis, for zero emission transit. If a grant program is announced in 2022 and Metro Transit is successful in applying, this would likely support buses ordered in 2023. While it is not guaranteed that Metro Transit would be awarded a grant, we remain optimistic and will continue pursuing available funding sources. Historically, the Federal Transit Administration has only been able to provide 16% of the requested Low and No Emissions grant funding for FFY 2016-2020.

Approval of funding through the Docket affords numerous benefits for the Twin Cities region that Metro Transit serves. First, it provides funding certainty which federal competitive grant opportunities cannot provide until an application is successful. Funding certainty allows Metro Transit to begin procurement activities sooner and mitigates any potential delay in continuing our progress adding electric transit buses to our fleet. Second, funding approved by the PUC in partnership with Xcel Energy, may contribute to the overall competitiveness of any grant applications Metro Transit submits at the federal level. Traditionally, partnerships (both technical and financial) are included as an evaluation criterion in competitive federal grant applications and can increase the overall score when applications are reviewed.

Conclusion:

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 and for advancing shared electrification goals which would not be made possible without partnerships like this one. We urge the PUC to take swift action on Xcel Energy’s proposal for electric transit bus rebates and support a reduced rebate offering of \$30 million for transit and school bus electrification. This funding would allow Metro Transit to continue implementing electric bus technology without delay.

Sincerely,



Charles A. Zelle
Metropolitan Council Chair



Wes Kooistra
Metro Transit General Manager