



Legislation Details (With Text)

File #: ID 21-451 **Version:** 1 **Name:**

Type: Action Item **Status:** Agenda Ready

File created: 3/22/2021 **In control:** City Council

On agenda: 4/8/2021 **Final action:**

Title: Approve and ratify a Contract between the City of Fresno and PG&E to authorize the Department of Transportation Fresno Area Express to participate in the Electric Vehicle Fleet Electrification Program providing primary power infrastructure for battery electric bus charging at no cost and authorize the Director of Transportation or designee to execute all related documents

Sponsors: Department of Transportation

Indexes:

Code sections:

Attachments: 1. PG&E EV Fleet Electrification Program Contract

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

REPORT TO THE CITY COUNCIL

April 8, 2021

FROM: BRIAN BARR, Assistant Director
Department of Transportation

BY: BRIAN CETTI, Capital Development Specialist
Department of Transportation

SUBJECT

Approve and ratify a Contract between the City of Fresno and PG&E to authorize the Department of Transportation Fresno Area Express to participate in the Electric Vehicle Fleet Electrification Program providing primary power infrastructure for battery electric bus charging at no cost and authorize the Director of Transportation or designee to execute all related documents

RECOMMENDATION

Staff recommends Council approve and ratify a Contract between the City of Fresno and PG&E to authorize the Department of Transportation Fresno Area Express (FAX) to participate in the Electric Vehicle (EV) Fleet Electrification Program providing primary power infrastructure for battery electric bus charging at no cost and authorize the Director of Transportation or designee to execute all related documents.

EXECUTIVE SUMMARY

The Department of Transportation (FAX) seeks to approve and ratify the PG&E EV Fleet Electrification Program contract. This program will provide FAX, at no cost, with a three megawatt utility owned primary electrical service to support battery electric bus charging and FAX's Zero Emission Transition Plan and rebate incentives for battery electric bus and charger purchases. This contract will have long-term benefits versus FAX pursuing the same work internally without PG&E's participation. FAX is required to transition to zero emission vehicles by 2040 as detailed in a plan approved by Council on June 18, 2020.

BACKGROUND

The California Air Resource Board issued the Innovative Clean Transit (ICT) regulation, effective October 1, 2019, requiring all transit agencies to gradually transition all bus and paratransit vehicles to a 100 percent zero-emission fleet by 2040. This regulation applies to all transit agencies that own, operate, or lease buses with a gross vehicle weight rating greater than 14,000 pounds. FAX's 116 compressed natural gas (CNG) buses and a mix of 51 unleaded and CNG paratransit vehicles are applicable to this regulation.

As the fleet transitions to zero-emission, FAX plans to utilize a mixture of BEBs and fuel cell electric buses (FCEB) to meet service requirements. The fully transitioned fleet composition will be 67 fixed-route BEBs, 56 fixed-route FCEB, and 51 paratransit BEBs to maximum fleet performance while minimizing rolling stock and infrastructure capital expenditures. By the year 2023, 25 percent of all new bus purchases must be zero-emission technologies. This requirement increases to 50 percent in 2026, and 100 percent in 2029. Council approved FAX's ICT plan on June 18, 2020.

The California Public Utilities Commission (CPUC) is directed through SB 350 to address greenhouse gas emission reduction goals in parallel with ICT regulation. The EV Fleet Electrification Program approved by CPUC is a product of SB350 and provides transit agencies with mechanism to upgrade utility infrastructure at no cost to the agency. This capital program is funded by PG&E through rate payer funds.

The City entered into a contract with PG&E for EV Fleet Electrification Program on January 27, 2020. The contract was approved by the City Manager's Office but was not presented to City Council. Staff now seeks to have the contract approved and ratified by City Council. The contract requires FAX to purchase 14 battery electric buses by 2024 and in return PG&E will provide "make ready" utility infrastructure and rebate incentives for battery electric bus and charger purchases. This program will provide FAX incentive rebates in the total of \$126,000 for 14 battery electric bus purchases and a total of \$350,000 for 14 charger purchases. Moreover, this program allows FAX to plan for battery electric bus charging needs over a 10-year period. PG&E will supply three megawatts of utility power for the simultaneous charging of 23 battery electric buses. This will allow FAX to expand the number of electric buses charged overnight to approximately 46 with additional small capital investments.

FAX is on schedule with the Zero Emission Transition Plan and this contract is a major component of its success. In December 2020, Council approved a multiyear requirements contract with Proterra, Inc. for the purchase of battery electric buses. By end of FY21, seven buses will be purchased through this contract. In March 2021, FAX received its first two battery electric buses from an order placed in 2018.

The attorney has approved the contract to form.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the award of this contract does not qualify as a project as defined by CEQA.

LOCAL PREFERENCE

Local preference was not considered as this is a capital program offered by PG&E and not subject to a competitive procurement process.

FISCAL IMPACT

No general fund dollars will be utilized to fund this action. This contract is funded through PG&E rate payers approved by the California Public Utility Commission for use in the EV Fleet Electrification Program.

Attachment:
PG&E EV Fleet Electrification Program Contract