



## **School Bus Electrification 60-Day Notice Summary Report**

On July 15, 2021, Public Service Company of Colorado (“Public Service” or “the Company”) issued a 60-Day Notice (“Notice”) to update stakeholders regarding the program design of the Company’s School Bus Electrification Program within the 2021-2023 Transportation Electrification Plan (“TEP”). The Notice provided an overview of the program, application process, outreach plans, and project scoring and included a draft copy of the program terms and conditions. The School Bus Electrification 60-Day Notice was issued in compliance with Decision No. C21-0017 in Proceeding No. 20A-0204E. The methodology will be implemented as proposed, with the adjustments described below. The original Notice and accompanying documentation can be found on the Company’s website:

[https://www.xcelenergy.com/company/rates\\_and\\_regulations/filings/transportation\\_electrification\\_plan](https://www.xcelenergy.com/company/rates_and_regulations/filings/transportation_electrification_plan)

The Company received written comments on the Notice from the Colorado Energy Office (“CEO”), provided as Attachment A to this Summary Report. The Company appreciates the time, attention, and thoughtful review of the School Bus Electrification 60-Day Notice from interested stakeholders. Verbatim excerpts from the comments are provided below. After careful consideration of the comments, the Company will adjust some of the language in the School Bus Electrification 60-Day Notice as well as the program terms and conditions based on the feedback obtained and provides the following responses to all comments received:

### **1. Comments Submitted by the Colorado Energy Office regarding the 60-Day Notice**

The Company received two comments from CEO regarding the scoring criteria outlined in the Notice and five comments regarding the program terms and conditions. These comments are included sequentially below.

## **A. Further definition of “Project Scope of Work and Readiness” as a scoring metric**

### **Comment:**

On page 4 of its 60-Day Notice, Public Service notes that as part of the Application Scoring Criteria, the Company will take into account “Project Scope of Work and Readiness.” Project readiness is not defined further in the 60-Day Notice however, in the Terms and Conditions, the Company states that as part of the Application Process, applicants should describe “Project scope, goals, and efforts that these School Bus Grants will support within the Customer’s electrification efforts.” CEO understands that many applicants are likely to participate in the Advisory Services offering and receive support from the Company prior to submitting applications. CEO anticipates that in doing so, school districts will undertake the due diligence needed to ensure that the electric school buses are successful. CEO recommends that the Company require applicants document their due diligence processes and steps they’ve taken to ensure that an electric school bus can successfully be integrated into their fleet. Examples should include descriptions of what type of research has been completed, past experience with alternative fuel or electric vehicles, characteristics and location of the route served by the new bus, and how the bus fits into the long-term plans for the school and its district.

### **Company Response:**

The Company agrees with this recommendation, will update the Notice, and will attempt to collect as much information as possible regarding a school district’s due diligence and understanding of electric vehicle operation through its application process. The program application will include fields for school districts to provide information regarding the anticipated route for the electric vehicle, past research and/or experience with electric or alternative fuel vehicles, and broader fleet electrification plans. Applicants will be encouraged to provide attachments documenting the various aspects of project readiness outlined in CEO’s comment. The Company recognizes that not all school districts have equal access to the resources necessary to fully develop a fleet electrification plan, which is why the program will include extensive outreach to school districts in higher emissions communities and other underserved areas and provide fleet advisory services through its Fleet Electrification Assistance Program (“FEAP”) to assist with program applications. Applicants that receive these advisory services will be requested to submit documentation outlining these services and the plans that result from them. Applicants that can demonstrate a clear plan for the electric school bus(es) and an understanding of its use as well as how it fits into a broader fleet electrification plan will score highly in the “Project Scope of Work and Readiness” metric.

## **B. Willingness to Consider Other Partners**

### **Comment:**

On page 5, the last bullet under Application Scoring Criteria is “Willingness to consider additional partnerships, funding opportunities and research initiatives.” No explanation is provided as to what these additional projects or commitments might entail. CEO recommends that the Company provide examples of the types of projects and details and duration of the commitment so that potential applicants have a clear understanding of what may be asked of them in the future.

The 60-Day Notice is silent on whether or not applicants may combine this rebate with other existing grants or incentives, such as Charge Ahead Colorado or the ALT Fuels Colorado program administered by the Regional Air Quality Council. CEO recommends that the Company clarify whether or not these grants can be combined with other grants or incentives.

### **Company Response:**

The willingness to consider other partners metric outlined in the Notice is meant to elevate projects that express a willingness to participate in future pilots and research opportunities that the Company is considering. Various demonstration projects may be proposed within the Partnerships, Research, and Innovation (“PRI”) portfolio that could have the potential to benefit fleet operators and school buses. Additionally, the Company anticipates future opportunities to participate in pilots and research opportunities that may be brought forward through future TEP filings. Customers expressing a willingness to have their electric buses participate in a future demonstration project to test various charging strategies and technologies will receive high scores in this category.

With regards to combining this rebate to existing grants and incentives, this is allowed and encouraged. Information regarding an applicant’s participation in other grant opportunities will be collected through the application process and in coordination with the Regional Air Quality Council. All funds received from other grant opportunities will be deducted from the total project cost and be factored into the award amount available through this product. Approved customers will receive a school bus grant of 75 percent of the customer’s total eligible costs of the approved project or \$275,000, whichever value is lower, if the project has no additional funding source (other than funds contributed to the project by the customer). If a project will or does receive funding from another source, the total school bus grant available through this program for the applicable project will equal 75 percent (of the total eligible costs of the approved project minus any additional funding received), or \$275,000, whichever value is lower. This would reflect positively on the project as it would leverage all potential funding opportunities and project partners and would decrease the amount of funding per bus thereby increasing the number of projects that could be funded. Importantly, and consistent with what the Company put forward in this Notice and its approved 2021-2023 TEP, equity considerations will be a

priority when scoring projects. The Company will ensure that funds from its School Bus Electrification Program are distributed equitably and not just to the school districts with the resources necessary to obtain funding from multiple sources. The Company will update the terms and conditions and Notice accordingly.

### **C. Invoice Question**

#### **Comment:**

Under bullet D on page 1 under Application Process, it states that applicants must submit a proposal or invoices from the school bus manufacturer. The Terms and Conditions state on page 2 under School Bus Eligibility Requirements that the school bus is purchased after launch. CEO recommends that the Company accept only proposals as part of the application process. Allowing invoices suggests that grants could be available after a bus has been purchased.

#### **Company Response:**

The Company agrees with CEO's recommendation and will update the terms and conditions accordingly.

### **D. Technical Requirements of Charging Infrastructure**

#### **Comment:**

Under bullet D, it states that applicants are required to include a detailed description of charging infrastructure. CEO recommends that if there are any technical requirements (e.g. networking capability), that they be included in the Terms and Conditions document.

#### **Company Response:**

The Company agrees with CEO's recommendations and will update the terms and conditions accordingly. All charging equipment will require networking capabilities to align with other TEP programs.

### **E. Limit on the number of buses and grants**

#### **Comment:**

The Terms and Conditions do not state clearly whether or not there is a limit to the number of buses that may be requested or granted. CEO recommends that the Company establish a rebate limit of 2 buses per school district in order to ensure that there is equitable distribution of the grants across the Company's territory. CEO also recommends that if there is limited participation in the initial funding round, the Company consider holding a second round in order to attract interest from a larger number of schools.

### **Company Response:**

There is no limit currently for the number of buses a school district can apply for and the Company does not plan to establish one at this time. While the Company agrees with the spirit of CEO's comment in that the equitable distribution of funds is a top priority, the customer demand will dictate how these grants are distributed and whether a customer's request will need to be capped. The Company will consider opening multiple application rounds if initial demand is limited. Alternatively, if demand exceeds existing funds, the Company will consider options for funding additional school buses beyond the approved budget scope for the program. Due to the long lead time of electric bus procurement and the limited timetable of funding availability of the TEP (buses must be procured and funds spent by the end of 2023), the Company would prefer to maintain appropriate program flexibility. Having said that, equitable distribution of the funds is a priority for this program, including the goal of having equitable geographic representation in the program from school districts across the Company's service territory, and equity considerations will be heavily weighted in the scoring process.

### **F. Bi-Directional Charging Requirements**

#### **Comment:**

Under School Bus Eligibility requirements on page 4, the application states that in order to be eligible, a customer must purchase a bus that has bi-directional charging capabilities. CEO supports the idea of requiring school buses capable of vehicle to grid (V2G) but is concerned about the number of manufacturers producing buses with bi-directional charging capabilities and whether this may limit a competitive solicitation by districts. Furthermore, if this is a requirement, purchasing bi-directional charging stations should also be required. Again, CEO understands that there are few companies manufacturing bi-directional stations and expresses concerns with the potential to limit a district's competitive solicitation. Additionally, if applicants are required to undergo more procedures associated with bi-directional charging, such as an interconnection application under 4 CCR 723-3-3850, et. seq., it should be explicitly noted on the Terms and Conditions. Finally, since it sounds as if the Company may use these buses in a future pilot, this should be further explained as part of the section on page 5 that refers to willingness to participate in future programs.

#### **Company Response:**

The Company shares CEO's concerns regarding the requirement of bi-directional charging configurations and will not require that customers are able to execute bi-directional charging upon receiving their bus. The intention of the bus requirement was to future-proof for a time when bi-directional pilots and programs are available and charging stations more accessible. By procuring a bus now that has these capabilities, interested customers would be able to upgrade charging stations and interconnection

configurations as needed in the future to participate without having to purchase another bus. It is the Company's understanding that the majority of electric bus manufacturers' new models have this capability, and that this requirement would not limit competitive solicitations. The Company believes a requirement for bi-directional charging stations would dramatically increase project cost and greatly limit competitive solicitations due to the few options currently available. Rather than require both bi-directional capable buses and charging stations, the Company recommends that the program requirement is adjusted to requiring that all buses procured are purchased new. This would accomplish similar goals to the requirement as written, in that these buses will likely have the capability to charge bi-directionally, while avoiding confusion and potential cost increases. The terms and conditions will be updated accordingly.

### **G. Department of Education oversight**

#### **Comment:**

On page 3, the document states "The Customer acknowledges that Xcel Energy...for assuring that the School Bus or Associated Charging Infrastructure Technology complies with any particular laws, codes, or industry standards." Note that the Colorado Department of Education has requirements for buses certified to operate in Colorado. CEO recommends that the Company make it a requirement that any districts receiving grants must purchase electric school buses that meet the minimum standard governing school transportation vehicles as outlined by the Colorado Department of Education.

#### **Company Response:**

The Company agrees with CEO's recommendations and will update the terms and conditions accordingly.