



Approve Battery Lease Agreement with Proterra Inc for High Voltage Batteries for use in the Transit Division's Proterra Battery Electric Buses

City Council Meeting
August 31, 2021

Shawn Sosa, Administrative Analyst
Transportation and Public Works - Transit

PROJECT BACKGROUND

- Proposed lease begins CityBus' first deployment of Zero-Emissions Transit Buses
- Four Battery-Electric Buses (BEBs) will replace four model year 2002 diesel transit buses
- Reflects input from Council at April 2019 Study Session, September 2020 Climate Action Subcommittee, and Council's approval to purchase 4 buses with intent to lease batteries from November 2020 meeting

PROPOSED

- 12-year lease from delivery of buses (est. July 2022 – 2034)
- \$52,500 Annual Base Rent per bus battery pack
- Full 12-year warranty (including State of Charge level)
- Includes replacement of battery at midlife (6 years)
- Proterra responsible for proper recycling of used batteries when removed from buses

BENEFIT

- Lower up-front costs
 - Able to buy 4 buses instead of 3
 - Able to remove additional (4th) model year 2002 diesel bus from road (reduce more GHG emissions)
 - Able to fulfill more of PG&E EV Fleet requirement (9 buses) sooner
- Battery warranty for full 12-year term

BENEFIT

- Battery replacement at mid-life (6-year)
 - Full initial usable energy, or SOC, at replacement
 - Lower maintenance costs with new battery
 - Likely newer technology (lighter, more kWh, more efficient, etc.)
- Lock in pricing with level payments during 12-year term

RECOMMENDATION

- It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve authorization for the City Manager or designee to negotiate and execute a Battery Lease Agreement between the City and Proterra Inc, subject to approval as to form by the City Attorney.
- Questions?