

# The 'eBus or bust' Approach Ignores Damning LA Times Report

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Nine hundred and seven.

That's how many battery-electric buses the Toronto Transit Commission (TTC) is planning to <u>purchase over the next nine years</u>. They will cost many billions of scarce public dollars.

Sixty battery-electric buses (BEBs — also known as eBuses or zero-emission buses [ZEBs]) will be tested, with the first 30 comprising 10 each from BYD, Proterra and New Flyer.

The <u>plan is</u> for a flood of BEBs to arrive in Toronto very shortly after the first 60: another 67 will arrive in 2021, 80 in 2022, 100 in 2024, etc. There will be very little time for testing the first buses before orders are placed for hundreds more.

This break-neck pace is part of a move to a "zero-emission" public-transportation bus fleet in the name of <u>TransformTO</u> and the <u>C40 Fossil-Fuel-Free-Streets Declaration</u>.

In my <u>first article</u>, published July 18, I noted some red flags.

"So, I take it that you think we should not make these purchases?" queried councillor and TTC commissioner **Joe Mihevc** in an email to me after reading that article. "Methinks that electric buses are the way of the future... fossilfuels engines just can't continue."

Joe, I agree that going green is necessary. And I'd be fine with the choice of BEBs if it's arrived at through a suitable duration of testing by an objective third-party, and also via a thorough, third-party analysis of the most cost-effective greenhouse-gas-emission-reduction options from the array of choices ranging from new-generation hybrids to compressed natural gas. And if there's attention paid to an LA Times investigative report that evaluators at Los Angeles Metro ranked BYD as "'unqualified' or 'marginal' in meeting quality and reliability requirements" for BEBs.

Instead, the TTC staff and board have ignored all this and prepared a largely 'eBus or bust' plan that includes BYD on equal footing with other BEB manufacturers.

Don't you wonder about the Sept. 6, 2017, email I uncovered via a Freedom of Information request and mentioned in my first article? In it, Case, head of TTC's Vehicles Programs, wrote that.

"going forward cost is not the main driver — ZEBs are the goal."

Joe, shouldn't cost be among the top considerations in the ultra-expensive BEB project, particularly since the TTC already is desperately short of cash?

Perhaps you'll take notice of another email I mentioned in my first article. In that July 7, 2017, email, an extract of which I've posted online, **Mike Macas**, senior manager of vehicle engineering – vehicles program, said that the day before he had talked to "Jonathan" [likely Jonathan Li, a Toronto Hydro engineer], who "advised that there was a telephone conference between the TTC (Rick Leary), City of Toronto (Minnan-wong [sic]) and Toronto Hydro... last Tuesday. The purpose of the discussion was to ensure that TTC was collaborating with TH [Toronto Hydro] as the City wants us to expedite the studying of this [BEB] technology ASAP." (My emphasis.)

Who is the person or people at the city is pushing for BEBs: Denzil Minnan-Wong, Mayor John Tory, and/or someone else? And why are they pushing?

Decision-makers and watchdogs should be asking these questions — but none, including our city's <u>auditor general</u>, appear to be.

#### Minnan-Wong defends eBuses



Toronto councillor, deputy mayor and TTC Board member **Denzil Minnan-Wong** — who according to records on the Toronto Lobbyist Registry has been lobbied by Chinese BEB maker BYD, along with Tory and high-level officials in the Ontario and federal governments — says the e-bus-buying plan is solid. (I also reached out to Tory's office for comment but didn't receive a response.)

"I think from a technology point of view you've got to know the right time when to step in, and I think the TTC's taking the right step in terms of dipping their toe but not diving in," said Minnan-Wong in a telephone interview. "I think that the [transit] commission is taking a balanced approach by going to three different vendors [for the first 30 BEBs]."

He added that testing the eBuses during winter conditions in Toronto is important, "because you don't want to get an order and the things fall apart. Or they don't start. Or there's some mechanical problems."

Minnan-Wong repeatedly said a <u>2016 a Columbia University report</u> helped convince him BEBs are worth checking out.

The report asserts that each BEB saves \$39,000/year over the 12-year lifespan of the bus compared to other types of buses because BEBs don't use fuel and require less maintenance. There's another possible \$150,000/year savings from reduced healthcare costs due to fewer air-pollution-associated diseases among the residents of cities where BEBs are used. The report says this more than offsets the higher cost of BEBs.

But if Minnan-Wong has taken a few minutes to read the 2006 U.S. government study the Columbia University paper is based on, he knows the fuel efficiencies the 2006 study used — which are key to its conclusions — are from model-year 2002 buses. The 2006 study's authors themselves admit that the diesel and CNG engines they studied were no longer in service in 2006, and that "newer engines from other manufacturers may have shown better results." Moreover, the Columbia university analysis was published fully 10 years later, by which time the CNG, diesel and hybrid diesel technologies had improved even more.

Minnan-Wong and others at the TTC and its board aren't fazed by that.

Neither are they batting an eye at a damning <u>report on BYD's BEBs</u> published in the *LA Times*on May 20, 2018.

### LA Times investigation glossed over

The *LA Times* investigative report documented extensive problems with BYD's BEBs purchased by Los Angeles Metro and transit agencies in Albuquerque, N.M., Denver, Col., and other jurisdictions.

In the article, <u>Pulitzer-Prize-winning investigative reporter Paige St. John</u> quoted from a Metro-commissioned 2016 expert report that concluded it would be years until battery technology was capable of replacing conventional buses, and that "currently available technology can cut most of the pollution at a tenth [of] the cost."

Yet St. John found a pattern of top LA officials being lobbied by BYD and then doggedly defending buying more of BYD's BEBs, despite these buses having poor performance. For example, BYD gave one of the directors of LA Metro <u>scripted remarks</u> on how to convince other directors that BYD's BEBs are superior to those of other manufacturers.

St. John also discovered that two city departments sought sole-source contracts for BYD, and "when the projects hit snags, managers told the staff that the purchases were 'political' and in one case to work around problems with the buses."

She found documents showing that all Metro staff evaluators have rated BYD "as 'unqualified' or 'marginal' in meeting quality and reliability requirements." St. John also found documentation of road tests and driving logs from a total of nine cities that "show variability in bus range, and averages below what the company [BYD] claims." (Note that ranges are key to BEBs' cost efficiencies.)

"[In addition], public officials in Albuquerque were so alarmed by production problems and severe range shortfalls on BYD's newest product, a \$1-million, 60-foot articulated bus, that they raised concerns about its \$23-million contract," the article said. "Mayor Tim Keller said a nearly 100-mile gap in driving range [between the range BYD promised and what the vehicles had in practice] could force the city to spend millions of dollars more on buses. 'The whole thing is a bit of a lemon,' Keller said, 'and now we've got to learn to

make lemonade.""

Yet none of this was mentioned in a <u>report</u> to the next TTC board meeting, on June 12, by Vehicle Programs head Bem Case and Mike Macas. The pair recommended the TTC purchase by mid-2020 60 BEBs — including 10 from BYD as part of the first batch of 30, leaving the door wide open for buying many more buses from BYD — and another 847 BEBs by 2027.

St. John's damning article also was the subject of only one, <u>soft-ball question</u> at the June board meeting. The question was from councillor and TTC commissioner **Glenn De Baeremaeker**, who is a fan of the BEB project, to Case.

Case <u>replied</u>,

"It [the article] does not give me any hesitation... to buy BYD buses. The article primarily focused on the concerns around lobbying, and... [via] our approach to buy 10 buses from each of three manufacturers, we... take... even the potential for that... out of the equation. And the other concerns raised [by] the article were around... production quality, and they were primarily focused on the earliest buses that BYD produced out of their Lancaster [Calif.] plant. They've since gone through a couple of generations of buses — one generation anyway — and so we would expect the quality to have improved since then."

Case's response ignores, among many other things, that St. John's information encompasses some of the latest-generation BYD BEBs such as its 60-foot articulated bus.

The TTC board voted at that meeting to start buying only "zero-emission propulsion technology" starting in 2025, and to accept Case's and Macas's report, including the goal of purchasing 907 BEBs by 2027.

"TTC staff have TTC staff have acted with integrity and professionalism at all times as it relates to this procurement," **Stuart Green**, the agency's senior communications specialist, said in an emailed response to my request for a comment about the process for the planned BEB purchases.

Notwithstanding Green's stance, what's happening certainly appears to lack rigour and objectivity — particularly important attributes for such a huge project.

#### **Low-balling BEB-cost numbers**

Interestingly, the "cost-benefit analysis" section of the TTC staff report to the June 2018 board meeting does not include a cost-benefit analysis.

The staff report also shows relatively low costs for the BEBs project.

Green emailed the following information to correct per-BEB cost I quoted in my first article:

"The cost per bus is approximately \$1.2 million for each of the 60 buses (including chargers). The total budget with approval as of the June 12th Board [meeting] is now \$140m[illion], which includes those 60 buses, chargers, onsite energy storage systems as well as civil, mechanical and electrical work at

three garages, one substation and one emergency backup generator."

Neither Green nor the <u>minutes</u> or <u>the report</u> from the June board meeting state what design stage these estimates are from, but it is likely 10 per cent design stage or earlier. Therefore, there's a very high probability of an increase.

There appear to be other factors at play pulling the costs down, at least in the short term.

**Steve Munro** wrote in his June 11, 2018, blog entry that,

"[TTC] staff replied [to my queries by saying that] the updated figures [for the life cycle costs of BEBs in the <u>June 2018 staff report</u>] reflect revised estimates for power cost (lower) and capital cost (higher) that on balance produce a lower cost/km than in the November report. However, this assumes that the buses actually achieve the mileage per charge that is claimed."

Perhaps the following sentences from an email I received from the TTC via a Freedom of Information request helps explain why the power-costs estimates are low. In that email, dated July 27, 2017, Mike Macas summarizes a meeting with Toronto Hydro that took place earlier that day.

Included in that summary:

"TH [Toronto Hydro] advised that infrastructure upgrades required should not drive TTC's decision for making quantity of BEB's to pilot; TH would find a way to support regardless" and "TH advised that TH owning/supplying/financing/leasing BEB batteries is possible."

Therefore, part of the plan appears to pass some significant portions of the costs to other parties, making the TTC's books look better in the short term. This is an old trick that unfortunately doesn't mean taxpayers are off the hook: in fact, such interventions often end up increasing the bill to taxpayers.

What can we do to change this decision-making process? Remember that it's an election year in Toronto. Call your councillor, particularly if he or she is one of the seven city councillors on the <u>TTC board</u> to say you object.

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