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DATE: September 11, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Jared Hall, Transit Manager, Public Works and Utilities (PW&U)  
Christopher J. Bolt, MPA, PE, ICMA-CM – Director of PW&U

SUBJECT: Resolution Adopting the Petaluma Transit Zero-Emission Fleet Transition Plan

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution adopting the Petaluma Transit Zero-Emission Fleet Transition Plan.

### **BACKGROUND**

The Petaluma Transit Zero-Emission Fleet Transition Plan, which is consistent with the City of Petaluma Climate Action Plan, has been prepared for compliance with the Federal Transit Administration Dear Colleague Letter dated December 1, 2021, requiring such a plan for continued eligibility under certain federal funding sources. This plan also serves as the foundation of the Petaluma Transit Zero-Emission Rollout Plan which is required by summer 2023 under the California Air Resources Board's adopted Innovative Clean Transit Rule.

### **DISCUSSION**

The Petaluma Transit Zero-Emission Fleet Transition Plan formalizes Petaluma Transit's framework for the transition from its existing internal-combustion fuel-based fleet to battery-electric, zero-emission buses (ZEBs) and a fleet of paratransit vans by 2030. Planning for this transition was influenced by the 2019 Battery Electric Bus Planning and Engineering Study completed in conjunction with Sonoma Clean Power and other Sonoma County bus operators. The transition plan contains sections including a complete fleet transition timeline, funding overview, workforce training, and startup and scaling challenges.

California Air Resources Board's Innovative Clean Transit Rule (ICT) requires "small transit agencies" such as Petaluma Transit to be zero emission by 2040. Per the Petaluma ZEB Zero-Emission Transition Plan, the transit fleet would exceed this requirement by being fully zero emission by 2030 in order to fulfill the City's goal of being carbon neutral at that time. Although the ICT requirement is only for fixed-route bus fleets, this plan contains both fixed-route and

paratransit fleets in order to be all-encompassing. In advance of these new vehicles arriving, Petaluma Transit is working through the Make-Ready Incentive Option of PG&E's EV Fleet Program to design, purchase, and install battery-electric charging infrastructure in the Transit Yard. PG&E will design, construct, own, and maintain the EV supply infrastructure at the Transit Yard to the meter only. Petaluma Transit will design, build, own, operate, and maintain the EV supply infrastructure behind the meter at the Transit Yard.

The transition plan documents the key short and long-term capital investments, which ultimately include over \$18 million of planned ZEB and paratransit van purchases to modernize and improve the safety and efficiency of the fleet. In order to fulfill the City's goal of being fully zero emission by 2030, a total of 14 battery-electric buses will be purchased in 2024, 2026, and 2030 and a total of 11 battery-electric paratransit vans will be purchased in 2024, 2025, 2026, and 2028. The purchases were spread out in these years based on when Federal Transit Administration (FTA) and non-federal matching funds are available to purchase the vehicles. Due to FTA defining the bus service life as 12 years and paratransit van service life as 5 years until federal funds can be used to replace the vehicle, it is not feasible to depend on federal funds to reach the 100% zero-emission goal by 2030. Approx \$10 million in estimated funding would be needed from non-federal funding sources to reach this goal by 2030 from a combination of federal, state, and local funding sources and/or grants.

The transition plan does not address future fleet expansions, which would follow similar guidance outlined in the plan with the procurement of zero-emission vehicles. These future expansions would need additional funding in order to purchase and install additional vehicles and chargers. Vehicle types will be reviewed upon each procurement cycle to ensure that the appropriate vehicle sizes and types are purchased.

## **PUBLIC OUTREACH**

The basis for the ZEB fleet Transition Plan started with the 2019 Battery Electric Bus Planning and Engineering Study created in conjunction with Sonoma Clean Power, Sonoma County Transportation Authority, Sonoma County Transit, and Santa Rosa City Bus.

Since that time public feedback and guidance from the Council in the form of the adopted City Council goals and the Climate Action Framework have identified conversion of the City of Petaluma vehicle fleet to zero-emission as part of a broader strategy to become carbon neutral by 2030. Each process included extensive feedback and input from the community.

This item was discussed during the July 2023 Transit Advisory Committee meeting at which a recommendation in support of adopting this resolution was passed. Based upon the feedback received at the meeting, the draft plan was updated to add additional language regarding plans for the resiliency of the battery electric fleet and working with other City and non-City sites throughout Petaluma to allow for the Transit fleet to utilize them for charging of the fleet in the event the Transit facility and/or its chargers are not available and accessible for usage. Additionally, language was added clarifying that although the plan is based upon the existing Petaluma Transit vehicle fleet mix, the plan does not presume a defined vehicle mix in the future (specific vehicle

type, size, etc.), which is subject to change as the Petaluma Transit fleet continues to evolve to best meet the needs of the community.

This agenda item appeared on the City’s tentative agenda document on August 7, 2023, which was a publicly-noticed meeting.

### **COUNCIL GOAL ALIGNMENT**

This action supports the following City Council Goals:

- Workplan item #1–“Develop a fiscal sustainability plan with the community that balances City services with available revenues and integrates policies and identifies potential revenue sources that can ensure long-term financial health and effectiveness of the City.”
- Workplan item #7–“Leverage local, regional, and state programs and resources to maximize city revenues.”
- Workplan item # 52–“Develop a framework to move the City and Transit vehicle fleet from fossil-fuel-based to hybrid, renewable compressed natural gas, and/ or electric vehicles; continue pursuing grant funding opportunities for electric vehicles.”

### **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

By replacing diesel and gasoline buses with zero-emission buses, Petaluma Transit can reduce greenhouse gas emissions from its vehicle fleet and provide its operations in a cleaner, greener way. This will help to achieve many of the goals outlined in the Petaluma Climate Action Framework.

### **ENVIRONMENTAL REVIEW**

The proposed action was reviewed under the California Environmental Quality Act (CEQA) regarding potential environmental impacts. This activity is exempt from the requirements of CEQA in accordance with section 15301, subdivision (b) of the CEQA Guidelines as any infrastructure improvements made would be within existing Transit facilities. Relatedly, the proposed action is exempt under the common-sense exemption, CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed action could have a significant negative impact on the environment.

### **FINANCIAL IMPACTS**

Adoption of the ZEB plan is advisory, and the strategies and goals outlined within the plan would be subject to future discussion and approval through the City budget and Capital Improvement Plan updates annually. Total conversion of the bus fleet to zero-emission would cost the City of Petaluma an estimated \$18 million of which approximately half (\$9 million) has already been identified/programmed from a variety of over eight funding sources (local, State, Federal, and grant funds) with the remainder to be identified and acquired by the City of Petaluma through a variety of local, state, and federal funding sources and grants prior to full implementation of the

plan in 2023 as vehicles are purchased and improvements are made to the Petaluma Transit Operations Facility.

### **ALTERNATIVES**

Failure to submit the plan would result in the City not being compliant with the Metropolitan Transportation Commission and CARB's Innovative Clean Transit Regulations. The City would risk losing Transit-related funds from the Metropolitan Transportation Commission. This potential drop in funding levels could result in reduced transit service throughout Petaluma and delay the transition to a zero-emission bus fleet.

### **ATTACHMENTS**

1. Resolution
2. Petaluma Transit Zero-Emission Fleet Transition Plan