

March 1, 2024

The Honorable, Chair Robert Matzie
The Honorable, Chair Jim Marshall
Members of the House Consumer Protection, Technologies & Utilities Committee

RE: Testimony on eMobility: Shaping a Sustainable Future for Pennsylvania's
Transportation Infrastructure

To the esteemed members of the Consumer Protection, Technologies & Utilities Committee,

I am honored to present this testimony on behalf of S&B USA eMobility, addressing the crucial need for proactive measures in shaping the future of transportation infrastructure in Pennsylvania. As the state grapples with the challenges and opportunities presented by the rapid expansion of electric vehicles (EVs), it is imperative that we adopt innovative strategies to ensure a sustainable and efficient transition to eMobility.

The electrification of transportation represents a pivotal moment in our collective efforts to combat climate change and create a cleaner, more sustainable future for generations to come. With EVs increasingly becoming a preferred choice for consumers, it is incumbent upon us to facilitate the widespread adoption of electric vehicles by investing in robust charging infrastructure and fostering an environment conducive to eMobility innovation.

S&B USA eMobility is committed to leading the charge in this transformative journey, leveraging nearly a century of expertise in project delivery to spearhead groundbreaking initiatives across the nation. Our comprehensive approach to eMobility encompasses Charging as a Service, Energy as a Service, and Fleet as a Service business models, designed to reduce upfront capital costs for municipalities, government agencies, and private businesses alike. By embracing eMobility, we not only mitigate carbon emissions but also enhance our quality of life by reducing noise pollution and eliminating harmful exhaust fumes.

Pennsylvania stands at a critical juncture in its pursuit of sustainable transportation solutions. While neighboring states like Ohio and New York have made significant strides in green infrastructure development, it is imperative that Pennsylvania remains at the forefront of the eMobility revolution. Through strategic partnerships and innovative financing mechanisms, we can ensure that the Commonwealth remains competitive in an increasingly electrified transportation landscape.

One of the key pillars of our approach to eMobility is the establishment of centralized and public fleet charging hubs, accessible to investors and everyday EV users alike. By investing in infrastructure such as charging hubs, Pennsylvania can position itself as an attractive destination for businesses seeking to capitalize on the benefits of EVs while providing essential support for everyday commuters.



Furthermore, our collaboration with partners like Francis Energy underscores our commitment to leveraging federal funding opportunities, such as the National Electric Vehicle Initiative (NEVI), to deploy fast charging stations along Pennsylvania's major transportation corridors. This proactive approach not only addresses range anxiety but also facilitates long-distance travel throughout the state, laying the groundwork for a comprehensive EV charging network.

In addition to addressing range anxiety, we must also consider the broader implications of EV adoption, including fleet electrification opportunities. Vehicles such as school buses and city transit buses represent prime candidates for electrification, offering significant economic and environmental benefits for communities across Pennsylvania. By embracing a visionary mindset and exploring innovative solutions, we can ensure that Pennsylvania remains at the forefront of the sustainable transportation revolution.

A prime illustration of this lies in the significant deal struck by the Montgomery County Public School District (MCPS) in Maryland to electrify hundreds of school buses within its fleet over the next four years. This landmark agreement, given the operational nature involving a limited number of depots housing dozens of buses, facilitated a Public-Private Partnership (P3) arrangement. Under this arrangement, a private developer shoulders all equipment costs (including buses and charging infrastructure) and energy expenses for MCPS for a sixteen-year term. In return, the developer receives a monthly fee for providing this service while assuming the associated technological and market risks. Notably, despite the higher upfront cost of electric buses compared to traditional Internal Combustion Engine (ICE) counterparts, the price paid by MCPS under this deal is on par with their current costs for owning and operating ICE buses, even in the absence of government subsidies. This cost parity was made possible by the economies of scale inherent in this transaction. [Unfortunately, most school districts in Pennsylvania are substantially smaller than MCPS (165,000 students, 14th largest in the US), necessitating legislative and policy interventions to aggregate resources and achieve economies of scale conducive to similar opportunities within the state.]

In conclusion, the transition to eMobility presents Pennsylvania with a unique opportunity to shape the future of transportation infrastructure in a manner that is both environmentally responsible and economically advantageous. By embracing innovative ideas, investing in robust charging infrastructure, and fostering collaboration between public and private entities, we can create a sustainable and prosperous future for generations to come. However, it's essential to acknowledge the challenges posed by diversified charging solutions deployed by multiple developers. Such solutions, scattered across major highways and on-street locations, often struggle to achieve utilization and are not economically viable without significant subsidies. Moreover, the lack of consistency in user experience further hinders their effectiveness. We believe that large fleet electrification initiatives and centralized charging locations offer a much more promising approach and are the way to go for ensuring the success and scalability of Pennsylvania's eMobility infrastructure.



Thank you for your attention to this critical issue, and I look forward to working together to realize Pennsylvania's full potential in the era of eMobility.

Sincerely,



Haggai Dror
SVP, Chief Commercial Officer and eMobility Lead
S&B USA

