

Introduction & Greetings

Good morning to all members of the House Committee and the organizations who have joined in today for testimony. I'm Patrick Linden, the Sustainability Specialist at PITT OHIO and I am joined by Justine Russo, PITT OHIO's Director of Sustainability. While my tenure with PITT OHIO has been short, I am grateful for the opportunity to testify here today. I am pleased to champion the sustainability accomplishments of PITT OHIO and appreciate that my colleagues' achievements are being recognized.

Today I hope to share PITT OHIO's sustainability success stories that demonstrate how valuable solar energy has been to our business as well as the plans we have in place for future projects. Solar power is not without its complexities, and we hope that our experience navigating these challenges will provide insight to the committee as it considers legislation and incentives for solar development in the Commonwealth of Pennsylvania.

Achievements at PITT OHIO

PITT OHIO, headquartered in Pittsburgh, Pennsylvania, is a leader in transportation and logistics services and has been widely recognized for our leadership in sustainability. We work every day to reduce our carbon footprint by following corporate sustainability initiatives with our fleet vehicles and buildings. Integral to the green building sustainability strategy is the goal to promote the construction and maintenance of buildings that are environmentally responsible, efficient, and healthy places to work.

While our core expertise is in trucking and logistics, PITT OHIO's journey with solar power is over a decade in the making. The company's Pittsburgh terminal has 180 rooftop solar panels operating in tandem with two wind turbines through a groundbreaking, patented microgrid battery system. Electrifying a 55,000 square foot terminal enabled PITT OHIO to incorporate electric forklifts for daily operations and an estimated 45% cost-savings compared to conventional terminal buildings. In East Windsor, NJ, we installed nearly 1,100 ground mounted solar panels to meet the electricity needs of that terminal. In 2020, East Windsor became PITT OHIO's 6th LEED Certified facility. With the results of the cost-savings and increased employee engagement, PITT OHIO wanted to explore how we could do even more with renewable energy.

Using our Pittsburgh terminal model, PITT OHIO commissioned its second microgrid system with the eight on-site wind turbines and 1,500 rooftop solar panels at its Cleveland location. This state-of-the-art facility generates 540,000kWh of clean energy electricity that is stored and used for day-to-day operations. Incorporating the lessons learned and success stories of each of the six LEED Certified facilities, PITT OHIO continues to set a high bar. Recently, our Harrisburg terminal has been awarded the *Driving PA Forward* award who's funding will help install four EV DC fast charging stations to support operations. Additionally, we will replace six Class 8 diesel freight trucks with battery electric trucks as part of this award. PITT OHIO is grateful for this opportunity and excited to contribute to cleaner air quality in the Commonwealth of Pennsylvania. The project's completion is anticipated as early as the first quarter of 2025.

Indirect Benefits

While the benefits of solar energy are evident for PITT OHIO's business operations, there are also indirect benefits to the technology. As we build upon our sustainability strategy in Pennsylvania of electrifying fleet vehicles, terminals and forklifts to meaningfully reduce emissions, positive impacts are felt throughout the organization. Among these benefits are employee health, customer confidence and risk reduction.

Cleaner air and energy are good for employee health and morale while also having a direct impact on the communities we live in. Solar-power enables us to upgrade propane forklifts to electric equipment that reduces terminal noise and GHG emissions, directly improving the environmental conditions for equipment operators and building inhabitants. Employee health and safety is paramount at PITT OHIO and by utilizing clean energy and reducing environmental impacts we are able to 'walk the walk' when it comes to our commitment to our employees.

Additionally, we are seeing that customers are increasingly eager to partner with like-minded businesses. Sustainability in transportation is a complex problem and we believe we are providing unique solutions by partnering with customers to help provide emissions reporting, share what has worked in our operation, and provide a lower-carbon transportation solution. New regulations, such as the CA and EU rulings on Scope 3 emissions are making sustainability a higher priority for our customers.

The transportation sector is especially vulnerable to fluctuations in fuel prices. Energy supply shocks due to demand or geopolitics can be challenging for businesses to navigate and can have inflationary impacts throughout the economy. Solar energy powered batteries and fuel cells can reduce these risks and allow businesses like PITT OHIO to operate more predictably. As the macro-scale benefits of solar are realized over time, the indirect benefits of human health and customer engagement are felt immediately and therefore are prioritized by our business.

Considerations for the Committee

PITT OHIO has a longstanding operating footprint in Pennsylvania, and with a mature understanding of solar energy as it relates to our business, we aim to offer some insights to the committee as it develops further solar legislation and regulation. The areas most relevant to our organization relate to costs and storage as well as, you guessed it, logistics.

Costs and Storage

The costs for commercial-scale solar energy projects and vehicle charging systems can be prohibitively expensive for businesses. Despite long-term return on investment and maturation of solar power, freight carriers still face a high burden of risk to adopt these technologies in the near term. Proper vetting of installation companies and increased cost-sharing could create better incentive for Pennsylvania businesses to consider solar and EV charging infrastructure. The committee could also encourage shorter leasing terms and mandate best-in-class technologies to further illustrate cost-savings to prospective customers seeking to curb emissions.

PITT OHIO's business model, like other transportation operations, leaves little room for error. Coordinating construction and installation projects at terminal locations, with active freight movement, can prove challenging when seeking to minimize disruption. Large-scale solar projects and electric vehicle charging infrastructure installation can be lengthy and require additional training & procedures.

Safety is a foundational principle at PITT OHIO and will supersede any cost-saving measure or emission reduction efforts.

Battery technology is certainly grabbing the headlines and motivating decisions. While the technology is exciting and has room to grow, there are several other types of energy storage that work well with solar such as hydrogen fuel cells and pumped storage hydropower. As a business on the forefront of technological adoption, PITT OHIO encourages the committee to consider broad language when developing energy storage legislation.

Timing and Logistics

A key consideration for PITT OHIO as it relates to timing and logistics is grid inter-operability. As mentioned, our patented microgrid has been vital to the success of electrifying terminals. With plans to build upon PITT OHIO's initial success of electrifying the fleet, and as more EVs in general hit the road, the demand on the electric grid will inevitably increase. Ensuring the grid can meet demand during peak operational hours with increased clean energy supply will be fundamental to the Commonwealth's economic prosperity and its ability to compete.

Each instance PITT OHIO has installed clean energy upgrades at its facilities, in Pennsylvania and otherwise, a large level of coordination between entities was required. Original equipment manufacturers (OEMs), construction companies and utilities all represent crucial pieces of a successful installation project. However, coordinating between these groups can be complicated and disruptive for a business attempting to run its core operations. While improvements have been made for this level of project coordination, reducing the time and effort required would incentivize future large-scale projects and ultimately accelerate the deployment of clean energy technologies.

Closing Remarks

In closing, we are pleased to highlight the many past and ongoing sustainability initiatives at PITT OHIO to the committee. We are excited about our potential to grow in the sustainable transportation space. We hope that in sharing our achievements and lessons learned as it relates to solar it will help influence decision-making for future policy as well as spur deployment opportunities throughout the Commonwealth. Justine and I look forward to your questions and discussions on the topic. Thank you for your time.