



# Highland<sup>®</sup>

Canutillo ISD EPA Award Review

September 23, 2024

# Presentation Agenda



1. Overview of the scope and services provided by Highland
2. Menu of services provided by Highland
3. District Award and Pricing Review
4. Localization to Canutillo ISD
5. Highland Contributions to Canutillo ISD

# Experts in EV fleet implementation

Implementation requires coordination of infrastructure, energy, and operations



## Interconnection & Infrastructure

- Utility interconnection and new service
- Site preparation
- Engineering, permitting, and grant compliance



## Chargers & Energy Management

- Charger selection, connectivity, and maintenance
- Charger & fleet management software
- Utility connection for charging & vehicle-to-grid (V2G) events



## Operations & Maintenance

- Procurement, testing, and commissioning of each vehicle
- Driver & mechanic training
- Routine and unexpected maintenance

# Highland Electric Fleets offers a comprehensive procurement solution

Scope of Services	
Electric vehicles	Vehicle procurement & delivery
Incentive & grant support	Electricity
Site surveying	Vehicle maintenance reimbursement
Permitting	Extended vehicle warranty
Civil & environmental engineering	Charger maintenance
Site preparation	Extended charger warranty
Utility engagement & interconnection	Operational & uptime guarantees
Certified electrician work	V2G participation where applicable
Charger procurement, delivery, and installation	Dedicated support & troubleshooting staff
Charge & fleet management software	Press & ribbon-cutting events
Route & fleet feasibility analysis	Grant compliance
Tax credit optimization	Ongoing grant & incentive reporting
Required personal for implementation and operations	Customer Success Manager from Day One

# Summary of EPA Awards

EPA 2 - Grant - Group Application	EPA 3 - Rebate
4 Electric Buses	25 Electric Buses, Utilizing 4
\$395,000* per Bus Awarded, <b>\$1,580,000 in total</b>	\$345,000* per Bus Awarded, <b>\$8,625,000 in total</b>
EPA Grant Reporting Requirements in line with group application submitted by Highland (5 Years)	Vehicles must serve the district for 5 years following award implementation*
District provides 2 scrap vehicles, Highland provides the remaining 2	Highland provides scrap vehicles
<b>Timeline:</b> Project completion by May 2026	<b>Timeline:</b> Bus PO Submission by end of November 2024
<b>\$10,205,000 in Total Funding, Utilizing \$2,960,000</b>	



# Pricing Proposal

Fleet Electrification-as-a-Service Offering						
Base Service Fee	Bus Quantity		Term Length		Annual Mileage	
\$18,200/bus/year*	8		10 Years		9,100 miles	
Project Specifications:	Bus Qty. / Year	Vehicle	Annual Escalator	Average Annual School Days	OEM	Charger Qty. / Type
Location: 7710 Cap Carter Rd, Vinton, TX 79821	2025: 8	Type C	3%, subject to CPI adjustments	182 days	TBD	30kW DC 1:1

## Key Points

- EPA Round 2 award amount- **\$395,000\*/bus**
- EPA Round 3 award amount - **\$345,000/bus**
- Highland will monetize 45W/30C tax credits and accelerated depreciation with vehicle ownership
- District utilization of competitively bid Highland Sourcewell contract
- Infrastructure in place to accommodate up to 20 chargers and buses in the future
- Highland providing 6 of the 8 scrap vehicles for district
- **There is no upfront payment of any kind - Canutillo ISD does not start paying until the site and vehicles are operational**





# Canutillo ISD Localization

With a sole focus on school bus electrification, our company has gathered expertise across the country. Every district has its own unique challenges and we take pride in enhanced district level focus with our partners including:

- A **designated Customer Success Manager** for Canutillo ISD
- **Field technicians** located in Texas who build strong relationships with staff, including bus drivers, mechanics, shop supervisors, depot managers, and other leaders
- A team of **customer success specialists**, extensively trained in Power Electronics technology and remote troubleshooting to resolve issues quickly
- **Regular check-ins** with key team members, including the Customer Success Manager, Director of Fleet Operations, Director of Technology, CEO, and others
- **Participation in community events** and assisting Canutillo ISD in hosting gatherings that showcase the district's leadership in school bus electrification
- **Educational programs** to students and the community in addition to **grade-level appropriate lesson plans** around zero emission buses

# Additional Benefits Working with Highland

## EPA Clean School Bus Grant Award: Highland Commitments

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### Workforce Development

[GRID Alternatives](#): Contract with GRID Alternatives to develop and perform EVSB and charger trainings including classroom, video and field trainings.

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### Air Quality Quantifications

[QuantAQ](#): Purchase and deploy QuantAQ Air Quality Sensors at depots prior to electrification

- Publish pre-electrification air quality reports to establish baseline air quality metrics
- Regularly collect and report on air quality metrics after EVSB deployment to demonstrate how electrification impacts air quality

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### Community Engagement

- Education: Develop and lead interactive community events to educate the local communities on electrification, how it works, and how it improves local health and environments
  - Press Releases: Provide press releases to relevant media to highlight electrification progress
  - Ribbon Cutting: Organize event for district staff, students, local politicians, and EPA staff
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# Highland and Canutillo ISD



1. **District Focused:** Highland was founded with a mission to support school districts with the transition of their school bus fleets to electric. Our priority is school districts and electric buses.
2. **Committed to Canutillo ISD:** Highland has showed a continued vested interest in Canutillo ISD, and we are fully committed to the success of your project and ongoing operations.
3. **Removal of Risk:** We eliminate the financial and operational risk of your electrification project, and do not require any form of payment until the site is operational.
4. **Reliability:** We can handle every scope requested in the RFQ, including the commitments to the grant reporting requirements.
5. **Financial Savings:** Our contract allows you to understand exactly what you are going to pay to electrify your fleet, removing operational burdens and fluctuations to your depot

# Thank You



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# Health impacts of student transportation

Clean buses improve student & community health



Students riding clean school buses have

**8%**

LESS ABSENTEEISM

THAN STUDENTS RIDING DIESEL BUSES<sup>1</sup>



Children riding clean buses have

**16%**

LESS EXPOSURE

TO INHALED NO<sub>x</sub> & AIR POLLUTION<sup>1</sup>



Reduced air pollution exposure leads to

**7%**

LOWER RISK

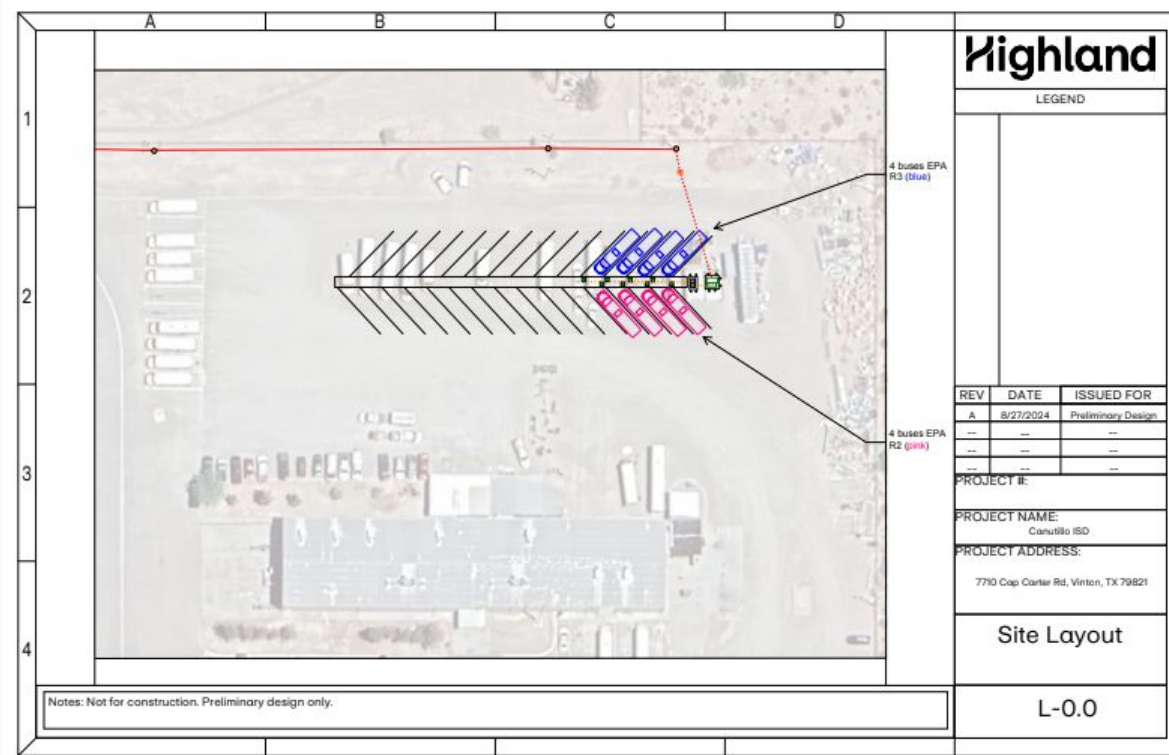
OF PEDIATRIC ASTHMA HOSPITALIZATION<sup>2</sup>

Exposure to air pollution is linked to impaired cognitive development & lower academic performance<sup>3</sup>



\*Citations located in Appendix

# Proposed Site Design - 8 Vehicles



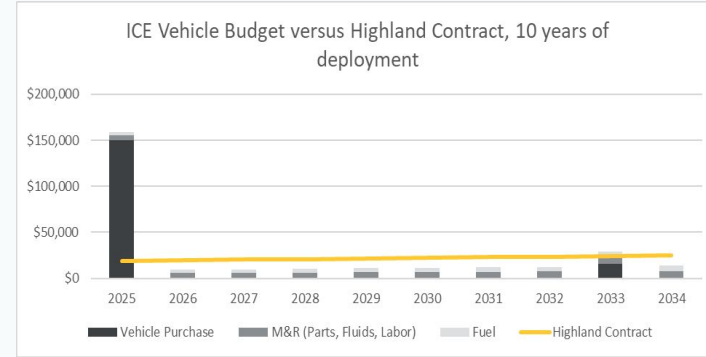
Subject to changes required by utility, permitting official, or design improvements.



# What will it cost to operate a diesel bus?

Diesel costs will continue to increase and fluctuate with market volatility

10-year Diesel TCO* Medium Volatility Case	Year 1 Cost Assumptions	Yearly Average	Lifetime Costs
Vehicle Operating Timeframe	2025	2025-2034	2025-2034
Vehicle Purchase Price	\$150,000**	-	\$166,000
Fuel (\$/bus)	\$3,679	\$4,627	\$46,271
Maintenance and Repair (\$/bus)	\$5,400	\$6,607	\$66,068
LIFETIME TCO			\$278,339
YEARLY AVERAGE TCO			\$27,834



Highland contract could save Canutillo ISD 35% on costs vs Diesel



\*Modeling assumptions, including cost escalator rates, are available upon request.  
 \*\*Variability, but expected to be closer to \$165,000 at current rates

# EPA awards cover a portion of EV fleet costs

Highland considers EV fleet Total Cost of Ownership (TCO), which includes ongoing operating expenses

