

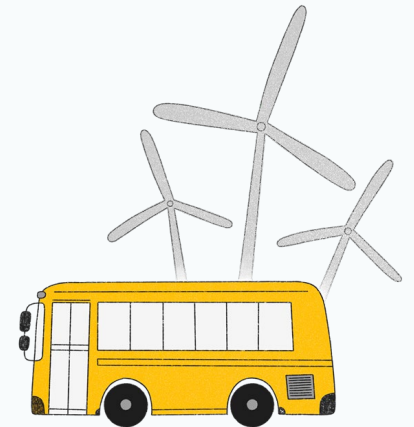


Highland






















Prepared for
Rose Tree Media School District
February 13, 2024

Agenda

1. Highland Overview
2. Proposal & Economic Analysis
3. Timeline

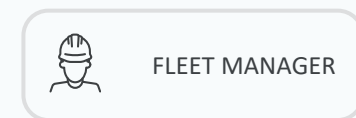


Solving electrification complexity

	Legacy Fleet	Going Electric Alone	With Highland
Vehicle Ops			
Fueling			
Maintenance			
Utility Electricity Cost			
Training			
Construction			
Planning & Permitting			
Charger Management			
Financing & Grants			

Highland makes it simple.

We manage the complexity so you can focus on what you do best.



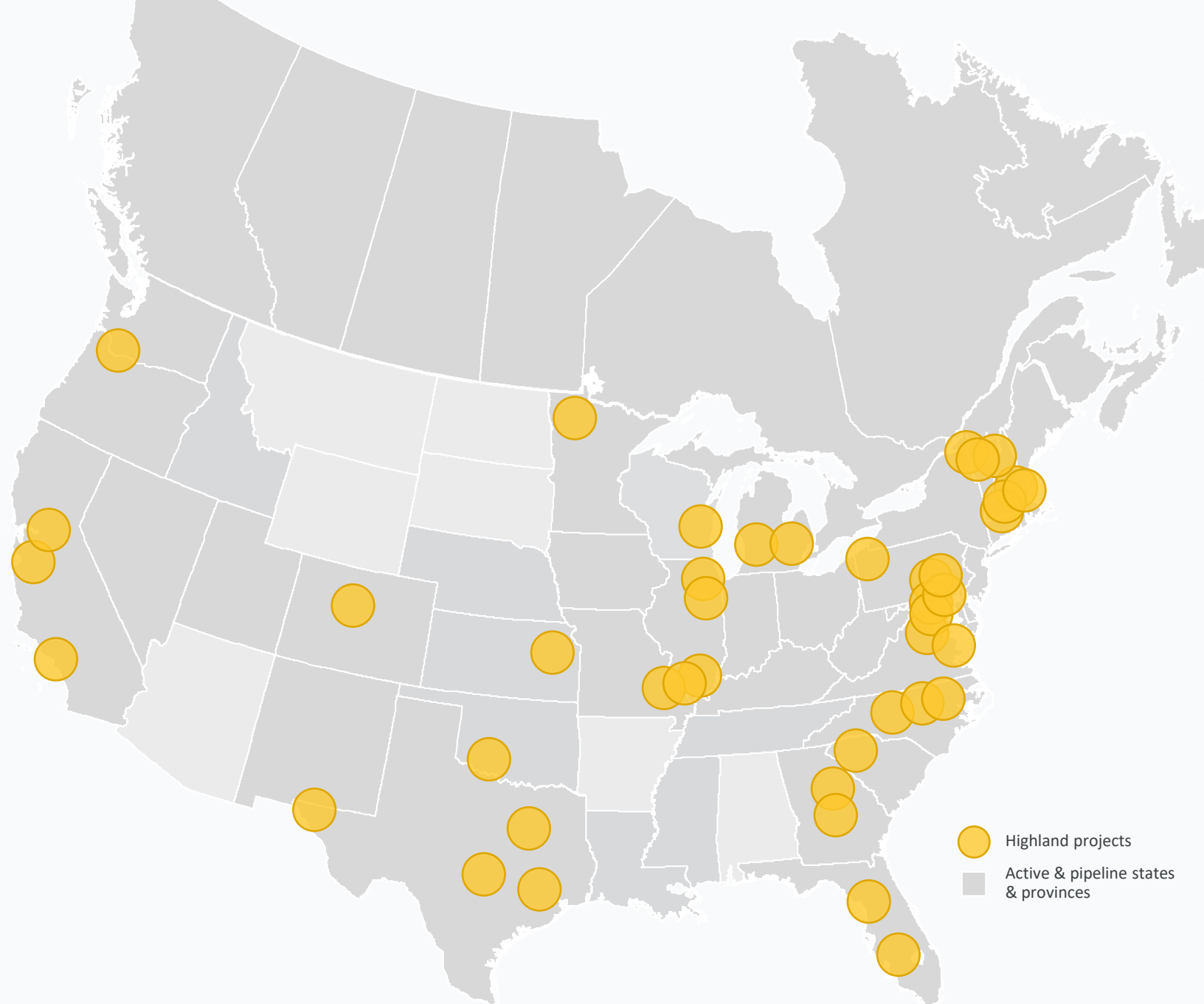
Broad fleet electrification experience

3MM+ ELECTRIC MILES DRIVEN

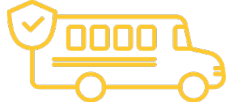
800+ ELECTRIC SCHOOL BUSES UNDER CONTRACT

40+ SCHOOL DISTRICT PARTNERS

5+ PROJECTS IN RURAL OR UNDERSERVED COMMUNITIES



What's Included in Highland's Contract?



Reliable School Buses

- ✓ EV school buses built to Rose Tree Media's specifications, with right-sized batteries for Rose Tree Media's routes



Bus Depot Electrification

- ✓ Infrastructure – we provide utility interconnection & equipment, site design & permitting, engineering & construction
- ✓ EV supply equipment – chargers, balance of system, maintenance



Fleet & Charge Management Software

- ✓ Advanced charging capabilities – managed charging & V2G
- ✓ Comprehensive fleet view
- ✓ Customizable electric fleet data
- ✓ Platform training



Electricity (Fuel)

- ✓ 100% of electricity expenses associated with charging operations
- ✓ Savings from tariff management, managed charging, and V2G
- ✓ Fixed electricity costs, eliminating exposure to volatile energy prices



Vehicle Maintenance Reimbursement

- ✓ Dealer claims & parts management to expedite repairs
- ✓ District's mechanics; parts reimbursed at cost
- ✓ Maintenance planning & routine vehicle inspection
- ✓ Service promise – 30-minute issue response times & status updates

Additional Benefits of Highland's Contract



Performance-based contract

Performance-based 10-12-year contract with no upfront cost or time investment.



Predictable budgets

One contract for design, implementation, and operation. Everything is included in one simple, annual price.



Ongoing support






Dedicated team to support charging operations, vehicle troubleshooting, and vehicle maintenance.

Site Plan

Rose Tree Media Site Plan -- 172 Barren Rd, Media, PA 19063



Key

-  DC Fast Charger
-  Existing 3-Phase Transformer
-  New 600A Switchgear
-  Existing Utility Pole
-  New Utility Pole
-  Existing Three Phase Power
-  New Primary Overhead
-  New Primary Conduit
-  Secondary Conduit

Electrification plan for five (5) electric school buses and chargers

Site alterations, such as fencing adjustment to be discussed and are not included in pricing.

Pricing Proposal

Highland Services Contract	
Annual Service Fee* Year 1, escalated at 3% annually	\$33,000 per bus*
Deployment Scope	5 EV School Buses, Infrastructure, and Services
Grant Assumptions	\$1,000,000 from EPA Clean School Bus Rebate – <i>awarded</i> \$250,000 from Alternative Fuels Incentive Grant (AFIG) – <i>application submitted, pending award</i>
Annual Mileage	8,000 miles (~45 miles per day)
Contract Term	12 years

*Pricing subject to financing party approval.

Pricing Proposal

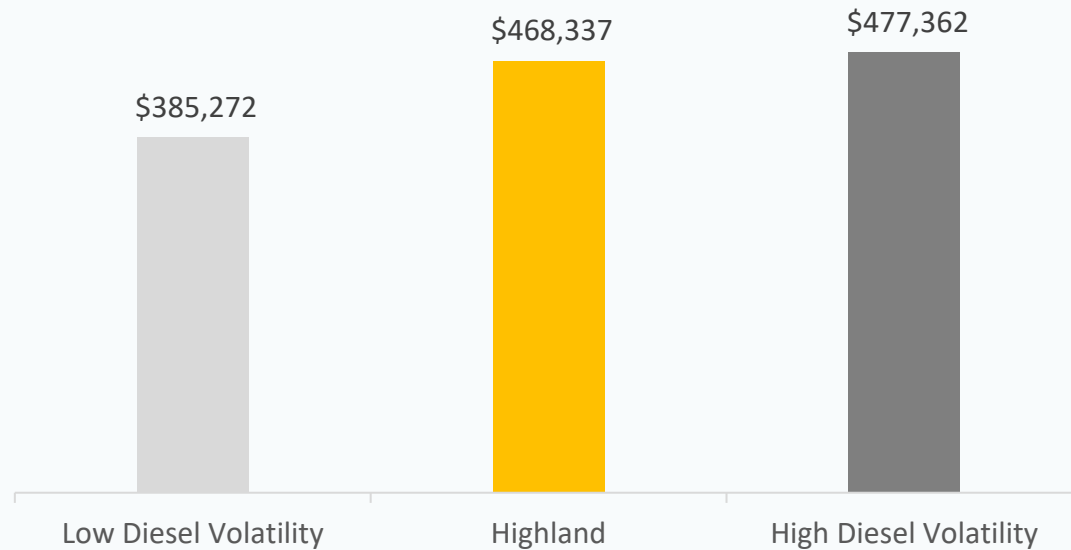
Payment Breakdown													
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Per Bus	\$33,000	\$33,990	\$35,010	\$36,060	\$37,142	\$38,256	\$39,404	\$40,586	\$41,803	\$43,058	\$44,349	\$45,680	\$468,337
Total (5 Buses)	\$165,000	\$169,950	\$175,049	\$180,300	\$185,709	\$191,280	\$197,019	\$202,929	\$209,017	\$215,288	\$221,746	\$228,399	\$2,341,685

*Pricing subject to financing party approval.

What will it cost to operate a diesel bus?

Internal combustion engine (ICE) costs will continue to increase and fluctuate with market volatility

Projected Cost per Bus – 12 Years

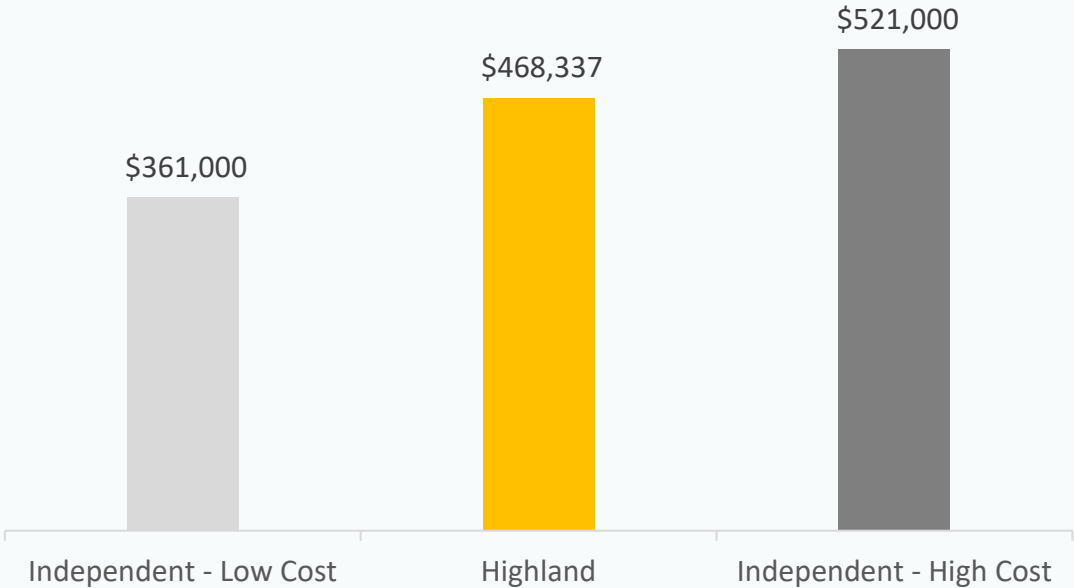


Projected Savings Diesel v. Highland	
Lifetime (Per Bus)	Up to ~\$8k
Lifetime (5 Buses)	Up to ~\$40k

How does independent electrification compare?

Working with Highland helps mitigate risk of going electric

Projected Cost per Bus – 12 Years



Projected Savings Independent v. Highland	
Lifetime (Per Bus)	Up to ~\$53k
Lifetime (5 Buses)	Up to ~\$265k

*Pricing subject to AFIG Grant Award Decision

Preliminary Project Timeline



Procurement



Sourcewell

Contract 051123-HEF is for Turnkey Fleet Electrification Services provided as an annual fee per bus, based on mileage, term, charger capacity (kW), and Net Vehicle Acquisition Costs (Net VAC).

Highland’s Contracted fee per bus includes cost of design, equipment acquisition and installation, project implementation, and ongoing services.

“Cooperative Purchasing Contracts (like Sourcewell) can be used instead of issuing RFPs” for EPA Awarded projects, as Sourcewell contracts meet the competitive requirements and include the required Federal terms and conditions of 2 CFR Part 200 (Quote Ref: EPA CSB RFP - Q&A 5.30)

Highland 051123-HEF		
EPA Criteria	Sourcewell Award	EPA Compliance
Project Planning and Design	✓	✓
Site Prep & Installation	✓	✓
Bus & Charger Acquisition	✓	✓
Air Quality Monitoring	✓	✓
V2G Equipment & Software	✓	✓
Fleet Management Software	✓	✓

Appendix

Economic Analysis Inputs

What will it cost to operate an internal combustion engine (ICE) bus?

ICE costs will continue to increase and fluctuate with market volatility

12-year Diesel TCO	Cost Assumptions	Lifetime Costs
Vehicle Operating Timeframe	2026	2026-2037
Bus Purchase Price	\$165k	~\$165k
Fuel (\$/bus) 6 mpg efficiency, 8,000 miles per year, \$4.20 per gallon	\$5.5k, escalates 3-5% annually	~\$83k-\$94k
Maintenance and Repair - Parts (\$/bus)	Starts at \$3k, escalates 3-5% annually, bumps up in year 8	~\$57k-\$93k
Maintenance and Repair – Labor (\$/bus)	Starts at \$3k, escalates 3-5% annually, bumps up in year 8	~\$57k-\$93k
Vehicle Overhead (\$/bus)	~12% of Fuel + M&R costs	~\$24k-\$32k
TOTAL		\$386k-\$477k

EV Deployment Capital Cost Summary

Highland’s EaaS Contract Covers All Upfront Costs

Project Capital Inputs	Projected Capital Costs*	Incentive Amount	Projected Actual Cost*
Vehicles	\$1.82M-\$1.95M	\$1.25M	~\$570k-\$700k
Chargers	\$65k-\$90k	\$0	~\$65k-\$90k
Interconnection	\$7k-\$15k	\$0	~\$7k-\$15k
Engineering and Construction	\$200k-\$230k	\$0	~\$200k-\$230k
Total Upfront Capital Required			\$842k-\$1.035M
Total Capital Per Bus			\$168k-\$207k

*Approximate Project Capital Costs for discussion purposes only

EV Deployment Operating Cost Summary

Highland's EaaS Contract Includes Operating Costs

Operating Cost Inputs	Inclusions	Projected 12-Year Costs Per Bus*
Fueling	Based on annual vehicle mileage of 8,000 miles, average vehicle efficiency and current rate tariffs escalated at 3% per year. Assumes close management to reduce demand charges. Costs can increase substantially above this range.	\$52k-\$80k
Charge Management	Software platform that provides remote monitoring of charging stations and functionality to program charging sessions, and connects with vehicle telemetry allowing operator to view location and state of charge of buses.	\$21k-\$24k
Charger Maintenance	Dedicated team of customer success and support specialists, with remote and on-the-ground technician support, 30-minute response time and 97% uptime guarantee on chargers.	\$21k-\$24k
Vehicle Maintenance	Cost of mechanic labor and parts, including for preventative and minor maintenance, and major repairs (tires, brakes, etc.)	\$57k-\$64k
Out-of-Warranty/Unexpected Maintenance	Cost to replace high voltage parts (battery, drivetrain) outside of the manufacturer's 8-year warranty; cost to replace charging equipment due to failure.	\$8k-\$64k
Staff Time, Resources & Training	Staff member(s) to monitor fleet, performing tasks such as training drivers annually, ensuring vehicles are plugged in daily, managing communications and troubleshooting between vehicle dealer, charger manufacturer and any other vendors, perform grant compliance and reporting tasks. Assumes \$15,000 - \$25,000 in staff time annually.	\$34k-\$57k
Total Operating Costs Per Bus		\$181k-\$302k

*Approximate Project Operating Costs for discussion purposes only