

Transcript of SEPTA's General Manager Jeffrey Knueppel's testimonial at City Council's budget hearing in May 2016: <http://phlcouncil.com/wp-content/uploads/2016/05/wh051016.pdf> - pages 99 through 103

COUNCIL PRESIDENT CLARKE: Okay. In your testimony, Page 3 of your testimony states the fleet enhancement are a key component of SEPTA's capital program. Bottom line, you're going to purchase a number of vehicles. So you probably may or may not be aware that there's this push because of the potential of the diversification of PGW, which is our company, the City of Philadelphia, and we support the region, and our ability to have additional fleets that use CNG will help the company significantly, particularly in this group and the expansion of our LNG plant. And I see here you want to purchase 525 hybrid electric buses, and it's kind of hard to argue against electric buses, hybrids, because they do -- is there an opportunity -- and I don't know how the vehicles are built -- that instead of using regular gas, that in a hybrid 6 vehicle you can use CNG?

MR. KNUEPPEL: I don't believe without retrofitting the vehicle. SEPTA has investigated having our buses be CNG, and a couple years ago we did a study on that, and what it showed was that we had to do a significant amount of improvements at our garages where we store them, and we really in many cases are in very tight neighborhoods. If you think about our Allegheny bus garage, homes on three sides and school on a fourth, there's really not a lot of room to expand our footprint and be able to provide the facilities, additional facilities, we'd need for CNG. What we have looked more so is other ways to use gas, and we've converted most of our maintenance facilities and larger facilities all over to gas, and then now we have a very interesting project where what we are -- we're in the investment grade audit stage now. It's a GESA, Guaranteed Energy Savings Act, project. But we're looking to run a significant portion of the regional rail network off of gas and have a combined heat and power project up at our Wayne Junction area. That's the equivalent of over 300 buses, the amount of gas that that facility would use. So SEPTA is using gas. For us right now it's made more sense to utilize it for running regional rail, and that's what we're working on. Also in many ways for SEPTA, you heard that we just received money to start purchasing pure electric buses with batteries, and that has been something that if that technology really pans out, that will really help us and really seems to be that we'll jump over CNG and head to electric buses.

COUNCIL PRESIDENT CLARKE: All right. And this is an interesting conversation, because when I talk to people representing PGW, they reference the fact that obviously electric is a cleaner-burning fuel source, but the origin of the electricity, I'm told those facilities are not as environmentally sound as the CNG-related activities.

MR. KNUEPPEL: When we move to and we have this electric bus pilot, we're actually looking at having the charging station be fueled by natural gas. So that is a conversation we've had with PGW and certainly with -

COUNCIL PRESIDENT CLARKE: Instead of coal and all the other things.

MR. KNUEPPEL: Right. And even with our regional rail project, getting away from PECO is going to provide a benefit to the region in terms of air quality and cleanliness.

COUNCIL PRESIDENT CLARKE: All right. You sound like you came prepared for that question. I would like to follow up with you. Can you just give me -- because it may be helpful to what we're trying to do. I don't know if the analysis that you did with respect to electric versus CNG -

MR. KNUEPPEL: Okay. Certainly.

COUNCIL PRESIDENT CLARKE: if it was documented, could you get that to us, please.

MR. KNUEPPEL: Yes. Absolutely.

COUNCIL PRESIDENT CLARKE: Because we have to make some decisions. We'll be making a determination on the expansion of PGW's plant and diversification plan. So that will be helpful to us. Thank you. Thank you very much.