



# Capital Project Budget Re-Allocations and 2024 Bus Order

Transit Executive Committee

November 6, 2024



# Background

2024 Budget – 34 battery-electric buses and associated charging

- \$33.7 million in grant funding anticipated through ZETF

Ministry of Housing, Infrastructure and Communities advised Regin not receive funding for their application through Zero Emission Transit Fund.

- ZEFT (\$2.75 billion) intended to support public transit and school bus to electrify fleets, part of the government commitment for 5,000 zero emission buses and associated infrastructure.

DRT must use remaining 2024 approved financing to order 2024 buses to mitigate September 2026

\$62 million loan agreement with CIB

DRT Service and Financing Strategy (2023-2032)



## Background continued

Funding for approved ICIP projects can be decommitted and reallocated to address inflationary pressures and volatility in the transit sector.

Three factors to consider for the revised 2024 bus order

1. Financial
2. Operational
3. Climate Change



# Considerations

## Projected Ridership

2024	13.0 million
2025	13.9 million
2026	15.2 million

## Operational – September 2026

- Network reliability and on-time performance
- Capacity and expansion of transit network
- Frequency and access
- Maintenance costs to operate aging fleet



# Considerations continued

## Financial

Battery electric buses offer savings relative to fuel and maintenance costs in future years, offset by new costs such as operating and maintaining charging infrastructure, additional space, budget pressure with debt financing

## Climate Change

18 diesel buses and associated green-house gas emissions for at least 12 years

Delay to DRT transition to zero-emission transit fleet beyond 2037



# Considerations continued

## **Option 1: 14 battery electric buses**

- Equivalent to operating capacity of 11 diesel buses

- Maximizes CIB debt financing

- Greatest opportunity for potential future savings from fuel and maintenance

- Least operational bus capacity

## **Option 2: 18 diesel buses**

- Greatest greenhouse gas emissions

- Maximizes operational capacity



## Considerations continued

### **Option 3: 8 battery electric and 8 diesel buses**

- Equivalent to operating capacity of 14 diesel buses

- Greater greenhouse gas emissions than all battery-electric option

- Some opportunity potential future savings fuel and maintenance

- Second most operational bus capacity

### **DRT Transit Service & Financing Strategy (2023-2032)**

- Enhance competitiveness of public transit in Region

- Transition to battery electric bus fleet

- Requires funding from other levels of government

- First two years, 32 of planned 58 buses with Region financing



# Other considerations

## **Administrative building rebuild at Raleigh depot**

Class A estimate \$870,000 higher than current funding

## **ICIP project for bus stop infrastructure**

Included risk contingency over multiple years, actuals lower than forecasted

Opportunity to reallocate decommitted funding.





# Recommendations

## Option 2 – diesel buses

Difficult recommendation in consideration of climate change and GHG emission impacts.

Looking ahead to 2025 to enhance battery electric bus purchases.

**For Finance and Administration Committee to approve reallocation of decommitted ICIP funding as per Attachment #1.**

**For Finance and Administration Committee to authorize Commissioner of Finance to adjust funding should reallocation of ICIP funding not be approved by federal and provincial governments.**



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## Thank you

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