

News Releases

First Student, First Transit and NextEra Energy Resources agree to jointly pursue electrification of tens of thousands of school and public transportation vehicles across the U.S. and Canada

01/26/2021

- Brings together North America's largest school and public transportation operators, First Student and First Transit, with the world's largest generator of renewable energy from the wind and sun, NextEra Energy Resources.
- Targets rapid growth of school and public transportation battery, electric and hydrogen fuel cell vehicles with associated charging, storage, renewable generation and grid connection infrastructure.
- Develops early mover capability in nascent vehicle-to-grid ("V2G") power management, energy storage and ancillary grid services markets across the U.S. and Canada.

JUNO BEACH, Fla., Jan. 26, 2021 /PRNewswire/ -- First Student, Inc., First Transit, Inc., and NextEra Energy Resources, LLC today announced they have entered into a framework agreement and are working toward a joint venture to pursue the electrification of tens of thousands of school and public transportation vehicles across the U.S. and Canada. The collaboration brings together North America's market leaders in school and public transportation and renewable energy to foster innovation and accelerate the mass adoption of zero-emission vehicles.



The transition to electric vehicles for the school and public transportation sector is expected to play a critical role in helping communities improve air quality and environmental health for student passengers, transit riders and area residents. In addition, utilizing the sizeable batteries of school and public transportation electric vehicle fleets for distributed energy storage and grid services has the potential to make a significant contribution to long-term sustainable clean energy transition in North America.

Student transportation market

The U.S. and Canada combined represent the largest homogeneous student transportation market in the world, with approximately 520,000 yellow school buses in total. This market has remained consistent in size over time, with certain favorable factors driving fleet conversion to electric vehicles and potential V2G development:

- Increasing demand for clean, pollution-free school buses from schools, communities, parents, and student passengers.
- Strategic location of school bus depots for installation of necessary charging, storage and grid connection infrastructure.
- Low utilization and predictable daily schedules of school buses, providing greater opportunity to optimize power charging and balance the grid.

The companies are collaborating to address these market opportunities by first capitalizing on First Student's fleet of 43,000 yellow school buses, the single largest fleet in North America, and nearly 500 depots located across 40 U.S. states and seven Canadian provinces. Combining this scale with NextEra Energy Resources' expertise is anticipated to help accelerate electrification from individual pilots to broader fleet rollout across the U.S. and Canada.

Transit market

The U.S. and Canada combined represent one of the world's largest public transit markets, with approximately 160,000 buses and other vehicles in total. In addition, there are significant fleet opportunities in shuttle services that address a variety of passenger transportation needs.

These markets have demonstrated long-term stability servicing a range of clients such as municipal transit authorities, airports and universities. The transit market is equally anticipating a shift to electric vehicles, driven by an increased emphasis on delivering clean, pollution-free transit solutions.

The collaboration intends to focus on First Transit's base of more than 300 customers to create new business opportunities and revenue streams associated with fleet electrification.

Executive quotes

President of First Student, Paul Osland, commented: "We are proud to take this significant step to improve the environmental health of our student passengers and the communities we serve. We have found a world-class partner in NextEra Energy Resources, who shares our vision of the importance that electrification and zero emission technologies will play in the future of student transportation. The electrification of school buses has already started and is poised to accelerate rapidly. This collaboration will position First Student as North America's leading owner and operator of electric school buses."

President of First Transit, Brad Thomas, remarked: "First Transit has led the way in mobility solutions for more than 60 years. With battery and electric vehicle prices falling rapidly, and with an increasing focus on sustainability, many fleets are preparing for wholesale electrification. The collaboration with NextEra Energy Resources will position First Transit as the leading provider of sustainable passenger transportation solutions in North America."

President and CEO of NextEra Energy Resources, John Ketchum, added: "The growing shift away from internal combustion engines is expected to drive over one fifth of U.S. energy demand by 2050. Working with First Student and First Transit will enable future investments in electrification upgrades and charging stations, as well as energy management services. As demonstrated by our recent acquisition of EIQ, the market leading software platform for quantifying the value and timing of fleet conversions, this collaboration is consistent with our strategy as we continue to explore potential opportunities for electric and hydrogen transformation of the transportation sector."

Both First Student and First Transit are part of FirstGroup plc, a leading provider of transport services in the UK and North America. The collaboration aligns with FirstGroup's Mobility Beyond Today strategic framework, and the Group's ambition to be the partner of choice for innovative and sustainable transport, accelerating the transition to a zero-carbon world.

Rothschild & Co acted as sole financial advisor.

NextEra Energy Resources

NextEra Energy Resources, LLC (together with its affiliated entities, "NextEra Energy Resources"), is a clean energy leader and is one of the largest wholesale generators of electric power in the U.S., with approximately 21,900 megawatts of net generating capacity, primarily in 37 states and Canada as of year-end 2019. NextEra Energy Resources, together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage. The business operates clean, emissions-free nuclear power generation facilities in New Hampshire and Wisconsin as part of the NextEra Energy nuclear fleet, which is one of the largest in the United States. NextEra Energy Resources, LLC is a subsidiary of Juno Beach, Florida-based NextEra Energy, Inc. (NYSE: NEE). For more information, visit www.NextEraEnergyResources.com.

About First Student, Inc.

As the leading school transportation solutions provider in North America, First Student strives to provide the best start and finish to every school day. First Student completes five million student journeys each day, moving more passengers than all U.S. airlines combined. With a team of highly-trained drivers and the industry's strongest safety record, First Student delivers reliable, quality services including full-service transportation and management, special-needs transportation, route optimization and scheduling, maintenance, and charter services for 1,100 school district contracts. For more information, please visit firststudentinc.com.

About First Transit

First Transit, Inc. has more than 60 years of experience and is the largest private-sector provider of mobility solutions in North America, moving more than 300 million passengers annually. First Transit, Inc. provides operation, management and consulting for more than 300 locations in 39 states, Canada and Puerto Rico for transit authorities, state departments of transportation, municipalities, airports, universities and private companies. First Transit employs more than 19,000 dedicated transit professionals. For additional information, please visit FirstTransit.com. To see how First Transit is leading the way in shared autonomous vehicle (SAV) initiatives, please visit FirstAV.com.

About FirstGroup plc

First Student and First Transit are part of FirstGroup plc (LSE: FGP.L). With £7.8 billion in revenue in the year to 31 March 2020 and around 100,000 employees, we transported 2.1 billion passengers in the year. Whether for business, education, health, social or recreation – we get our customers where they want to be, when they want to be there. We create solutions that reduce complexity, making travel smoother and life easier. We provide easy and convenient mobility, improving quality of life by connecting people and communities. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on Twitter.

C

View original content to download multimedia:<http://www.prnewswire.com/news-releases/first-student-first-transit-and-nextera-energy-resources-agree-to-jointly-pursue-electrification-of-tens-of-thousands-of-school-and-public-transportation-vehicles-across-the-us-and-canada-301214929.html>

SOURCE NextEra Energy Resources, LLC