CROOKED GOVT OFFICIALS GET THEIR FAKE GREEN BUS COMPANY BANKRUPTED

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Biden-favored EV bus maker Proterra goes bust and leaves a trail of broken and irreparable buses

Proterra, which President Joe Biden once said was "making me look good," sold hundreds of electric buses to municipalities across North America. Every transit district Just The News spoke with, except one, has inoperable buses awaiting repairs.

By Kevin Killough

Across the country, towns and cities of various sizes envisioned an electrified public transit system that could shuttle residents with vehicles that produced no carbon-filled exhaust.

Many of those communities purchased buses from Silicon Valley-based Proterra, which was able to produce 550 buses over its 19-year existence before it went bankrupt in August.

The company announced last month it had <u>concluded auctions</u> as part of its Chapter 11 bankruptcy process, and in the wake of its collapse public transit systems tell *Just The News* they have inoperable buses that can't be repaired because the company is slow to supply parts to fix them.

Crony Capitalism

Early on, the company's customers were noticing issues with the buses. The Massachusetts Bay Transportation Authority purchased five Proterra buses in 2019. The company promised ranges of 100 to 120 miles on a single charge, but the <u>authority found they ran as little as 60 to 100 miles</u> on a charge — even less in cold weather.

For a while, things looked pretty good for the company. Proterra's initial public offering in January 2021 raised nearly \$650 million, which was three times more than its revenues.

In April 2021, President Joe Biden took a <u>virtual tour of a Proterra facility</u>, using it to promote his infrastructure plan, which included approximately \$6.5 billion in grants, <u>according to the</u> <u>Wall Street Journal</u>, to help replace diesel-powered school and transit buses with electric vehicles. "The fact is, you're making me look good," the president said.

The giveaways were in addition to \$40,000 per vehicle in tax credits from the Inflation Reduction Act (IRA) for purchasing electric commercial vehicles. Proterra also benefited from tax credits for its battery manufacturing.

Jennifer Granholm, Biden's energy secretary, had served on the company's board. In May 2021, before assuming the lead at the Department of Energy, Granholm sold all her Proterra holdings, providing her with net capital gains of \$1.6 million.

"It's the essence of crony capitalism," David Blackmon, energy writer and analyst, told Just The News.

Early Adopter

As the bankruptcy proceedings wind through the process, many of the communities that own the buses, which cost about \$1 million each, are struggling to keep them running.

The San Joaquin Regional Transit District (RTD), which includes Stockton, California, was an early adopter of electric buses, purchasing two from Proterra in 2013. Since then, the RTD bought 15 more. Six of the 17 total are currently inoperable and awaiting parts.

"RTD is thankful for its partnership with Proterra and its experience, including lessons learned as battery-electric technology evolves and continues to advance," Merab Talamantes, RTD project controls manager, told *Just The News*, adding that two electric buses within the RTD fleet from another manufacturer are also broken down.

Based on communications with the company, she said, RTD expects the parts to arrive within 30 to 90 days.

Talamantes said the RTD has also had challenges with its bus charging infrastructure. The district operates four 500-kilowatt fast charging stations and five 60-kilowatt chargers. Proterra doesn't have a valid California business license to complete work on the RTD chargers.

There are also problems with the chargers' software, which is proprietary. Since RTD staff doesn't have the tools or training to troubleshoot or repair them, it has to rely solely on Proterra to provide that service. This has left one charger inoperable for the last four months due to limited Proterra personal and software troubleshooting tools, Talemantes said.

Parts for the chargers are sometimes several months on backorder. To keep the chargers running, the district purchased used Proterra chargers and parts from another transit agency that ended its electric bus program.

"Although RTD has faced challenges with its Proterra fleet, as one of the first transit agencies to operate zero-emission buses in the county, it recognizes that its partnership with Proterra pushed BEB [battery-electric bus] technology to the advanced stage that it is in today," Talamantes said.

Waiting For Parts

Proterra didn't respond to requests for comment on this story.

The problems with the Proterra buses go back to well before the company's bankruptcy. PBS/NPR affiliate WHYY reported in July 2021 that South Philadelphia transit system purchased some of the buses, which stopped running when their chassis cracked.

In August 2021, the *Minnesota Reformer* reported that Duluth's planned transition to an all-electric bus fleet also ran into problems with cracked chassis. The buses were also failing to drive up steep hills. The Duluth Transit Agency and Proterra told the *Reformer* that the cracks were "a cosmetic problem."

More recently, the <u>CBC reported</u> that the city of Edmonton in Alberta, Canada, purchased 60 of the buses, and most of them aren't running. More than half need replacement parts. Some of the buses have been down for over a year waiting for parts to come in.

The Southern Teton Area Rapid Transit (START) system, a joint operation between Jackson and Teton County, Wyoming, purchased eight of the buses. <u>Cowboy State Daily reported in</u> <u>September</u> that none of the buses were running at the time. Bruce Abel, START director, told Just The News that the system has managed to get two of those buses running.

"Proterra continues to work through their bankruptcy procedures. As part of that process, they have had some financing freed up to allow them to resume supplying parts," Abel said. He said START continues to work with the company, and they believe they can get a third bus up and running this winter. "Beyond that we are waiting to see how the bankruptcy process proceeds," Abel said.

Jacob Matsen, transit planning supervisor for the Mountain Metro Transit of Colorado Springs, Colorado, told Just The News that the district purchased four Proterra buses, and two of those aren't running.

The company sent a technician to work on the inoperable buses, and they're trying to determine what parts are needed for the repairs.

The Albuquerque, New Mexico, transit district, ABQ RIDE, has five Proterra buses in its fleet, all of which are currently running. Megan Holcomb, spokesperson for ABQ RIDE, told *Just The News* that all five buses are still under warranty. The district runs a full maintenance shop, she said, and they haven't had any problems obtaining parts for repairs. "ABQ RIDE maintains a relationship with our Proterra representative which will carry over when the company shifts to new management," Holcomb said.

Unprecedented government funding

Blackmon said that Biden's energy policies include a lot of funding for <u>politically connected companies</u>, and so he expects more boondoggles to come down the pipeline. "Some of the projects are very viable and are going to succeed, and they're gonna have great success. And then you're gonna have this whole population of other projects that don't exist for any other reason than to get the government money," Blackmon said.

In a quarterly filing this summer, just before it announced its bankruptcy, Proterra remarked on how important government funding is to its business model.

in 2020 Proterra received a PPP loan of \$10 million that was forgiven, but Proterra has enjoyed handouts from more than just the federal treasury. According to <u>The California Globe</u>, California has given Proterra at least \$6 million in grants.

"We expect that the availability of this now unprecedented level of government funding for our customers, suppliers, and competitors to help fund purchases of commercial electric vehicles and battery systems will remain an important factor in our company's growth prospects," Proterra <u>stated in the filing</u>.

https://www.politico.com/news/2021/05/26/jennifer-granholm-proterra-holdings-491007

Jennifer Granholm sells holdings in electric bus maker after ... - Politico

May 26, 2021 ... Energy Secretary Jennifer Granholm sold her holdings in electric bus maker Proterra this week, DOE confirmed to POLITICO on Wednesday, ...

https://www.cnn.com/2021/05/27/politics/jennifer-granholm-proterra-stock/index.html

Energy Secretary sells off Proterra stock for \$1.6 million | CNN Politics

May 27, 2021 ... Energy Secretary Jennifer Granholm recently sold off stock in an electric vehicle company, a department spokesman said, divesting her ...

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Granholm sells stock in electric bus maker that Biden touted | AP News

May 27, 2021 ... Granholm, a former Proterra board member, pledged during her confirmation hearing to recuse herself from any matters with "a direct and ...

https://freebeacon.com/energy/biden-said-ev-maker-proterra-was-getting-us-in-the-game-it-just-declared-bankruptcy/

Biden Said EV Maker Proterra Was 'Getting Us in the Game.' It Just ...

Aug 8, 2023 ... And Energy Secretary Jennifer Granholm held hundreds of thousands of shares in it. But that wasn't enough to save Proterra—the electric vehicle ...

https://www.proterra.com/press-release/former-two-term-governor-of-michigan-jennifer-granholm-joins-proterras-board/

FORMER TWO-TERM GOVERNOR OF MICHIGAN, JENNIFER ...

Mar 30, 2017 ... - March 30, 2017 - Today Proterra, the leading innovator in heavy-duty electric bus transportation, announced that Jennifer Granholm, former ...

 $\label{eq:https://apnews.com/article/granholm-stock-ownership-ford-husband-energy-financial-0e3322b533fe9c98b78d86cdbac5d197.$

Energy secretary Granholm says she failed to reveal stock holdings

Jun 14, 2023 ... Granholm sold her holdings in California-based Proterra Inc. in May 2021, clearing a net gain of \$1.6 million. The sale fulfilled her ...

https://www.freep.com/story/news/local/michigan/2021/05/28/jennifer-granholm-electric-bus-stock-proterra-inc-biden/7485178002/

Granholm sells stock in Proterra Inc. electric bus maker

May 28, 2021 ... Jennifer Granholm sold her holdings in California-based Proterra Inc. this week, clearing a net gain of \$1.6 million.

https://gop.com/research/its-easy-getting-green-granholm-cashes-in-on-proterra/

It's Easy Getting Green: Granholm Cashes In On Proterra | GOP

Jun 16, 2021 ... Proterra is at the center of a scandal involving Biden's Energy Secretary Jennifer Granholm, who owned up to \$5 million of stock in the company ...

https://www.eenews.net/articles/republicans-take-aim-at-the-next-solyndra-will-voters-care/

Republicans take aim at the 'next Solyndra.' Will voters care?

Aug 25, 2023 ... In May 2021, after Granholm's Proterra holdings were revealed, the Republican National Committee sent out an email blast that said "Granholm's ...

https://dailycaller.com/2023/08/07/proterra-jennifer-granholm-conflict-interest-bankruptcy/

Electric Bus Company Biden Energy Secretary Once Had Stake In ...

Aug 7, 2023 ... Proterra, the electric bus company at the center of an apparent conflict of interest involving Energy Secretary Jennifer Granholm, ...

Congress Provided \$7.5B For EV Chargers... Zero Built So Far