



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of October 8, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: EV Chargers Discussion

RECOMMENDED ACTION: Receive Report, Discuss, and Provide Direction, if any.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this action. Proceeding with the installation of EV Chargers at a public facility may result in some capital and annual operating cost expense.

DISCUSSION: On September 24, 2019, the City Council requested an opportunity to discuss the possibility of installing EV Chargers at a City facility or facilities. The purpose of the report is to provide a high level of information on EV Chargers and approaches to securing funding and operating EV Chargers available to public agencies.

It is important to note that City staff has limited knowledge and experience with EV Chargers and that we have done a base level of research to provide the City Council with information as shared in this report in an endeavor to assist the City Council in their initial review and consideration of the idea of adding EV Chargers at a City facility.

Also, as part of researching this report regarding EV Chargers, it was learned there were two chargers installed in front of City Hall during the HMU days by HMU. Apparently, the charger stations were never connected to the grid due to the demise of HMU. The charger units themselves were on some type of lease-purchase agreement, and as such they were removed as the vendor who wasn't being paid anymore wanted them back.

It should be noted that previously, on June 11, 2019, the City Council received a presentation on EV Chargers from a firm called Green Lots and that presentation is attached (Attachment 1). Also, the request for this item arose out of the City's pending energy efficiency and upgrade project with Engie for which a Project Development Agreement was approved on September 24, 2019, and the proposed components being considered are expected to result in energy savings and cost reduction. While the addition of EV Chargers would be a service to the community, the addition of EV Chargers to the project is not anticipated to enhance the financial results of this effort and may diminish the anticipated savings, though may still be the most cost effective way to provide for EV Chargers. Based on Council

direction at that time, Engie and staff will also be doing an initial exploration of including EV Chargers in the planned Engie project and will present that as an option when the Project Development Agreement Phase is complete.

In doing our initial research, staff reached out to other California cities via a tool available through the League of California Cities called a ListServe. Through that vehicle, an enquiry was made to all cities regarding their experiences with EV Chargers and information which may be illustrative to our initial review was requested. At the time this report was prepared, we had received more than 20 responses. Most were from cities who shared their experiences regarding the installation of EV Chargers, though a great many also indicated they were starting to look at the possibility and asked that Hercules share what information we were able to glean.

In summary, the following are highlights from what was shared by other cities:

- There are commercial entities like Tesla and Electrify America who are installing and operating EV Chargers at public facilities at no cost to those agencies and many cities are hosting those facilities.
- There are grant sources available to cities from Air Quality Boards, PG & E, and others, which can fund the capital cost for the installation of EV Chargers, though there may be some local match requirements.
- Operating and maintenance costs for the non-commercial EV Chargers can be partially recovered by charger users, though they are often not full cost recovery.
- The installation of EV Chargers are undertaken often through efforts such as the one we are undertaking with Engie, though there are other providers, and the EV Charger component is done to support the City's own electric vehicle fleet or as part of broader public policy objective.
- There seems to be an unresolved issue in that if you do not charge public users, and some cities do not; is that a gift of public funds, or what is the policy basis to avoid that concern.
- Another policy consideration which has been raised is that if cities provide the EV Chargers does that result in the private sector not providing charging stations (with the exception of Tesla and Electrify America (which is only doing so as a result of a mandate) so long as public agencies are providing charging stations free of charge.
- Often, you need a minimum amount of usage and/or number of chargers to qualify for grants and/or to support the on-going operating costs which often have a minimum base management and operation fee.
- Permit fees and staff time are generally not recoverable from grants.

Information provided by the responding cities and other sources allowed us to identify some key resources we are now able to share with the City Council.

The Bay Area Air Quality Management District does offer a grant program to public agencies for EV Chargers. Their website has good background information on EV Chargers generally and their specific grant programs and that information is attached (Attachment 2). That information also includes links to other funding providers like PG & E. In addition, information from a California Energy Commission program is also provided (Attachment 3). Unfortunately, at this time according

to the information available on these websites, all current program funding is committed and no applications are being submitted, through we did request to be notified by these providers if additional funding becomes available.

Based on prior interest expressed by the City Council earlier in the year, the City Manager has reached out to Tesla, Electrify America, and others providers of free EV Chargers stations and offered sites public facility sites in Hercules as possible locations for their EV Chargers though that outreach has not yet resulted in an expression of interest in Hercules.

ATTACHMENTS:

1. Green Lots Presentation
2. BAAQMD Information
3. CEC Information

<i>Financial Impact</i>			
Description:			
Funding Source:			
Budget Recap:			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			