

## REPORT TO CITY COUNCIL

**DATE:** AUGUST 28, 2019

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** GREG RAMIREZ, CITY MANAGER *hat for CR*

**BY:** NATHAN HAMBURGER, ASSISTANT CITY MANAGER *h22*  
JOHN TREICHLER, ADMINISTRATIVE ANALYST *(JT)*

**SUBJECT:** CONDUCT A PUBLIC HEARING AND CONSIDER THE ADOPTION OF RESOLUTION NO. 19-1911; ESTABLISHING FEES FOR THE USE AND OCCUPANCY OF CITY-OWNED ELECTRIC VEHICLE CHARGING STATIONS (EVCS)

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The item being presented to City Council for consideration this evening is to establish and adopt an electrical vehicle charging station fee for use and occupancy of City-owned electrical charging stations.

In an effort to further the City's commitment of providing services promoting and supporting environmentally friendly vehicles, the City Council authorized the installation of electric vehicle charging stations (EVCS) at the Recreation and Event Center. Staff leveraged grant funding and private-public partnerships to bring to fruition two publicly accessible EVCS.

In order for the project to be both environmentally and fiscally sustainable, the City must assess the costs of service associated with providing EVCS for public use. Apart from the expenses associated with the hardware purchase, construction, and infrastructure development related to the project, the largest cost component is that of the electricity. Clean Power Alliance (CPA) sets the City's electricity usage rates. With a few exceptions, CPA has established a rate structure for the City's EVCS that is similar to CPA's rate structure for residential customers in Agoura Hills. For every kilowatt hour (kWh) of electricity consumed through the City's EVCS, a variety of charges are incurred, ranging from energy charges (both for generation and delivery), customer charges, demand charges, and facilities charges, to name a few.

Some of these charges, such as for the energy, are variable, depending on the time of day and the time of year the electricity is used, known as Time of Use rates (TOU). These TOU rates are designed to take advantage of renewable energy generation, such as solar, and to encourage customers to shift loads when lower cost electricity is available. Staff worked with both CPA and ChargePoint, Inc. to present industry standard fee structures that are commonly used in other municipalities in Los Angeles & Ventura Counties.

In addition to the costs associated with the electricity component of EVCS operation, the City is responsible for cloud services and transaction fees related to the use and operation of the EVCS. The City purchases these services from the station manufacturer, ChargePoint, which, in turn, provides services such as a secure network connection, on-going station software updates, station inventory, session data and analytics, power management (circuit, panel, site sharing), scheduled charging, pricing and automatic funds collection. By utilizing ChargePoint's services for the implementation of these components, the City is able to deliver high levels of service, with only minor impacts to the City's current workload.

The example below shows what the expected costs will be per EVCS per year, with the electricity being a suggested possibility, as we do not have any data yet on actual usage.

**Estimated Operating Costs**

<b>Cost</b>	<b>Per port per year</b>
Networking/Cloud Service Fee	\$221.00
Electricity	\$758.00 *
Maintenance	\$499.00
Total	\$1478.00

\* Based on data provided by ChargePoint

The Finance Committee considered a variety of different fee structures and combinations that were analyzed by staff; these fee structures are described below:

**\$/hour vs. \$/kWh**

- \$/hr. – easier for the driver to gauge cost
- \$/kWh – accounts for varying charging rates among different vehicles

The "User Fee" is associated with the amount of electricity consumed by the connected vehicle. This is based on a flat or per kWh dollar increment, plus the Time of Use (TOU) rate, and only applies when the vehicle is actively charging. This fee is not applied when the vehicle is not receiving power, even if the vehicle remains connected to the EVCS.

The "Station Fee" is associated with the length of time a connection is established with the station, irrespective of whether the vehicle is charging or not. As long as the vehicle is connected to the charging station, this fee would apply.

The Finance Committee also reviewed projected revenue scenarios based on the factors above.

**Revenue Projection Scenarios**

<b>Fee Option</b>	<b>Usage Necessary to Cover Costs</b>
\$1/hr. Flat Fee	4 hrs./day (2-3 sessions)
\$2/hr. Flat Fee	2 hrs./day (2-3 sessions)
\$0.20/kWh	20 kWh/day (4-5 sessions)
\$0.25/kWh	16 kWh/day (3-4 sessions)

The comparability examples, provided in the table below, show a variety of fee structure combinations that are unique to their respective cities, while assisting in either subsidizing or remaining revenue neutral with the overall operating costs of the EVCS.

<b>Agency</b>	<b>User Fee</b>	<b>Station Fee</b>
Beverly Hills	\$0.25 per kWh first 2 hrs.	\$6/hr. afterwards
Calabasas	\$1.00/hr. first 2 hrs.	\$2/hr. afterwards
Torrance	\$0.25 per kWh until fully charged/30 min grace period	\$2.50/hr. afterwards
Westlake Village	\$1.00/hr.	No fee
Oak Park High School	\$1.75/hr.	No fee

Based on the multiple components included in the cost of EVCS use described above, the Finance Committee has recommended that an electric vehicle charging User Fee of one dollar (\$1) per hour, or fraction thereof, for the first two hours be imposed on members of the public for the use and occupancy of a City-owned electric vehicle charging station. In order to discourage a user from remaining plugged in to an EVCS when the vehicle is not charging, the Finance Committee is recommending that the Station Fee of two dollars (\$2) per hour, or fraction thereof, be imposed throughout the remaining duration of the vehicle’s occupancy of a parking space associated with an EVCS, regardless of whether the vehicle is charging or not.

In addition to the consideration above; the committee was also supportive of a “trial” period at “no cost” to users for 90 days. This would allow the community, including guests and visitors coming to the Recreation and Event Center to familiarize themselves with this new location and to allow for the city to publicize the service.

**Estimated Hourly Operating Costs**

<b>Cost</b>	<b>Per port per hour</b>
Network/Cloud/ Maintenance Fee	\$0.08
Electricity	\$0.86 *
Installation	\$0.23
<b>Total</b>	<b>\$1.17</b>

*\* Based on data provided by ChargePoint*

While it is expected that user fees derived from the use of EVCS will assist with offsetting expenses, it is possible that the City will not be able to collect the full cost of the EVCS program through user fees. Although it will cost the City approximately \$1.17 per hour, staff recommends that the City Council initially establish the User Fee at \$1.00 per hour to provide a public benefit and encourage the public to use electric vehicle charging stations.

Staff will monitor the usage of the EVCS and bring back a report, in approximately eighteen months, to the City Council for further consideration of the program to determine if any fee adjustments are warranted. The data obtained will also help in assisting with possible future locations within the city, including here at the Civic Center.

## **RECOMMENDATION**

Staff respectfully recommends the City Council conduct a public hearing and take any public input, and adopt Resolution No. 19-1911 establishing fees for the use and occupancy of City-Owned Electric Vehicle Charging Stations and approve the 90-day trial period at 'no cost" until December 9, 2019.

Attachment: Resolution No. 19-1911

**RESOLUTION NO. 19-1911**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, ESTABLISHING FEES FOR THE USE AND OCCUPANCY OF CITY-OWNED ELECTRIC VEHICLE CHARGING STATIONS**

WHEREAS, electric vehicle charging services can provide an incentive to attract visitors by providing a convenient location for charging at the Agoura Hills Recreation & Event Center, and

WHEREAS, electric vehicle charging services can provide a positive economic and environmental impact, and the proposed fee reduces the energy costs (electricity and demand charges), network service fees, maintenance, and ChargePoint fees associated with operating the EV charging stations.

**THE CITY COUNCIL OF THE CITY OF AGOURA HILLS HEREBY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:**

**SECTION 1.** *Electric Vehicle Charging Fees.* The City desires to add fees for charging electric vehicles or occupying associated parking spaces at City-owned charging stations. Said fees shall be in the amount of one dollar (\$1) per hour, or fraction thereof, for the first two hours, then adjust to the amount of two dollars (\$2) per hour, or fraction thereof, for the remaining duration a vehicle is occupying a parking space associated to a charging station.

**SECTION 2.** *Effective Date for Electric Vehicle Charging Fees.* The fees adopted by this Resolution No. 19-1911 will be effective on December 9, 2019.

**SECTION 3.** The City Council is taking action only on those fees set forth in this resolution. The remaining taxes, fees, permit fees, City services charges, and other fees, charges, extractions and required payments for municipal services, inspections, enforcement activities or for other indicated purposes set forth prior have not been readopted or amended and remain in place.

**PASSED, APPROVED, AND ADOPTED** this 28<sup>th</sup> August of June 2019, by the following vote to wit:

AYES:            ()  
NOES:            ()  
ABSENT:         ()  
ABSTAIN:        ()

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Linda L. Northrup, Mayor

ATTEST:

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Kimberly M. Rodrigues, City Clerk