ITEM 9.C.

MOORPARK CITY COUNCIL
AGENDA REPORT

TO: **Honorable City Council**

FROM: **Jeremy Laurentowski, Parks and Landscape Manager**

DATE: **February 26, 2013 (CC Meeting of March 6, 2013)**

SUBJECT: **Consider Resolution Establishing Fees for Use of Electric Vehicle Supply Equipment**

SUMMARY

On December 19, 2012, the City Council approved the installation of two Blink Level 2 Commercial Pedestal Chargers and two ChargePoint Dual Level Charging Stations, collectively known as Electric Vehicle Supply Equipment (EVSE). On January 31, 2013, the two Blink charging stations were installed at the Metrolink Station on High Street, one ChargePoint charging station was installed at the Civic Center parking lot and one was installed at the public parking lot adjacent to the Post Office on High Street. As discussed in the December 19, 2012 staff report, the City will be required to fund electrical costs and service fees in order to provide this equipment for public use. In addition, ECOtality North America, the manufacturer of the Blink EVSE, has established fees, predetermined by the manufacturer, for use of the equipment by the individual subscriber or user. However, Coulomb Technologies, Inc. (CTI), the manufacturer of ChargePoint EVSE, charges fees predetermined by the City, and both manufacturers reimburse the City a percentage of the revenue generated by the use of the EVSE. The revenue that the City will receive is based on a percentage of use, predetermined by the manufacturer, and has been established to compensate for electrical and annual subscription fees.

DISCUSSION

The two Blink Level 2 Commercial Pedestal Chargers were obtained free of charge from ECOtality North America through the EV project, a federally funded program co-developed by the U.S. Department of Energy and managed by ECOtality North America. The contract term of the EV Project is one year, ending December 31, 2013, and there are no subscription fees or additional costs to the City during the program term. After the EV Project has terminated, the City will own the equipment

outright and enter into a service contract with ECOtality North America for an extended term. The term of the service contract is for a minimum of one year and is necessary to utilize the internet based system software. The software is proprietary and the service contract will cost approximately three hundred sixty dollars ($360) per charger, per year. However, the units are able to generate two forms of revenue; one source of revenue is generated from the use of the actual charging station and one from advertising. The City will receive 50% of the revenue generated from all transactions in an effort to offset the monthly service fees and electrical costs. Currently, ECOtality is proposing three subscription levels: Blink Plus, Blink Basic and Blink Guest with service rates of $1.00/hr., $1.50/hr. and $2.00/hr. respectively. Each Blink charger is installed with a 3" x 7" LCD screen that will display advertisements paid for by the subscriber. All advertisements are single page and video advertising is not an option at this time. The City will have the ability to filter subject matter and control the type of advertising that is displayed on the units.

One ChargePoint charging station was obtained through a marketing program developed by Coulomb Technologies, Inc. and one from a local Moorpark vendor, AG Machining. However, both EVSE will operate under the Station Award and Marketing Agreement established by CTI. The intent of the marketing program is not only to promote the ChargePoint system, but also to inform the public of the benefits of the technology behind the electric vehicle and the overall impacts electric vehicles have on the environment. CTI provides for a one-year subscription to the Commercial ChargePoint Network Service Plan, one-year product warranty, and ownership of the EVSE, without any costs to the City. The CTI plan is similar to the ECOtalilty plan whereas upon termination of the Marketing Agreement, the City will need to enter into a service contract with CTI for an extended term in order to utilize the system software. The annual service plan will cost two hundred thirty dollars ($230) per charger, per year and the City will have the option of purchasing an extended warranty for the EVSE if desired at that time. The ChargePoint chargers generate revenue solely from the use of the charging station and City will receive approximately 95% of the revenue generated from all transactions in an effort to offset the annual service fee and electrical costs. The Commercial ChargePoint Network Service Plan provides for flexibility in billing rates and the ability for the City to customize the plan parameters. The City determines the charging fees and has the option to set fees based on time, sessions, total kilowatt hours (kWh) used or a combination, and can set billing rates at different times of day or for different users, such as ChargePoint customers.

FISCAL IMPACT

Staff recommends approving the use fees established by ECOtality North America for the Blink EVSE: Currently Blink Plus, Blink Basic and Blink Guest service fees have been established at $1.00/hr., $1.50/hr., and $2.00/hr. respectively. In an effort to maintain a similar fee structure, staff recommends approving a use fee that is equivalent to the lowest subscription level offered by ECOtality North America for use

of the ChargePoint EVSE, currently $1.00/hr. In addition, staff recommends establishing a fee of $0/hr. for use of the ChargePoint EVSE by City vehicles, due to the fact that the City is already funding the electrical costs and annual service fees.

Staff is confident that the annual operational costs will equal the revenue generated by the EVSE during the first year of use, as the only costs to the City are the electrical costs required to charge the vehicles. The electrical draw of electric vehicles varies, but according to the EVSE manufacturers, the average draw of most vehicles is 16 amperes (amps). Based on a billing rate of $.15/kWh, the hourly electrical cost at a 16 amp draw is approximately $.46/hr. At the minimum fee of $1.00/hr., the electrical cost would equal the revenue generated by the Blink system, as the City will receive 50% of all revenue under the Agreement. The ChargePoint system would generate approximately $.45/hr. in revenue at the $1.00/hr. billing rate, as the ChargePoint service agreement allows the City to retain approximately 95% of all revenue.

During the second year, the City will be required to pay an annual service fee: $360/year, per charger, for the Blink service plan and $230/year, per charger, for the ChargePoint service plan. Based on the electrical costs mentioned previously, it would take approximately 500 hours of use with the ChargePoint system for the City to equal its annual operating costs. The revenue generated by the Blink system, equals the electrical costs generated by the equipment, and it would take an additional revenue source to cover the annual service plan fees. The Blink system also generates revenue through advertising and has several subscription levels that charge increased rates for electrical use in an effort to offset these costs. However, it is somewhat difficult to predict how often the equipment will be used and the actual revenue generated by these systems. Prior to end of the one-year introductory period, staff will provide the City Council with an analysis of the two programs and future projection of overall costs and revenue, based on the data collected. Staff does not anticipate that the revenue generated by the charging stations will cover the service plan fees within the first several years of use.

STAFF RECOMMENDATION (Roll Call Vote)

Adopt Resolution No. 2013-___, Fees for use of the Electric Vehicle Supply Equipment.

RESOLUTION NO. 2013 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ESTABLISHING A FEE SCHEDULE FOR USE OF ELECTRIC VEHICLE CHARGING EQUIPMENT

WHEREAS, a staff report has been presented to City Council discussing the need to charge fees for use of the electric vehicle supply equipment (EVSE); and

WHEREAS, the fee schedule provided by ECOtality North America for use of the Blink EVSE has been predetermined by the manufacturer; and

WHEREAS, the City Council wishes to establish a fee structure equivalent to the lowest subscription level offered by ECOtality North America, for use of the ChargePoint EVSE, or other EVSE provided by the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES ORDAIN AS FOLLOWS:

SECTION 1. The rates for use of the EVSE are hereby established.

A. The rates for use of the Blink EVSE are predetermined by ECOtality North America: currently Blink Plus, Blink Basic and Blink Guest subscription fees have been established at $1.00/hr., $1.50/hr. and $2.00/hr. respectively.

B. The rates for use of the ChargePoint EVSE, or other EVSE, are equivalent to the lowest subscription level offered by ECOtality North America: Currently, the rate for use of the ChargePoint EVSE is $1.00/hr. The rate for use of the ChargePoint EVSE by City vehicles is $0/hr.

SECTION 2. This resolution shall become effective immediately.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 6th day of March, 2013.

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Janice Parvin, Mayor

ATTEST:

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Maureen Benson, City Clerk