

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Jeremy Laurentowski, Parks and Recreation Director 

BY: Jessica Sandifer, Management Analyst 

DATE: March 5, 2015 (CC Meeting of 03/18/15)

SUBJECT: Consider Report on Electric Vehicle Supply Equipment Usage and Continuing Availability for Use by the Public; and Resolution Amending the Fiscal Year 2014/15 Budget

BACKGROUND

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 funds the electrical costs and service fees in order to provide this equipment for public use. In February 2014, staff updated the Council on the first year of usage and costs to continue to offer the EVSE's for public use. At that time, staff informed the City Council that ECotality had filed for bankruptcy and the Blink charging stations were subsequently purchased by CarCharging, Inc. Staff has only recently been contacted by CarCharging, Inc. regarding a service agreement for the Blink Chargers. The reported usage and costs of the Blink Chargers will be skewed by the fact that no service agreement has been in place for 2014 and the fact that the chargers were frequently offline. As a reminder, the manufacturers of the EVSE's charges fees predetermined by the City, and subsequently reimburse the City a percentage of the revenue generated by the use of the EVSE based on the service agreements. Typically, the revenue that the City receives is based on a percentage of use, predetermined by the manufacturer, and has been established to compensate for electrical and annual subscription fees.

DISCUSSION

It has been two years since the four EVSE's were put in service and it is time to consider renewing the network service agreements. As mentioned previously, the

Blink EVSE chargers are now owned by CarCharging, Inc. Staff has recently been contacted by CarCharging, Inc. regarding putting a service agreement in place for the Metrolink station chargers. Data for the Blink Chargers will be shown as it currently exists and also using the terms of the proposed CarCharging, Inc. service agreement.

During 2014, the ChargePoint charging station installed at the Post Office was the most heavily used of the four chargers and comprised the bulk of the charge time and kwh usage of all four chargers. Part of the reason for this is that the Blink charging stations at the Metrolink station have been in and out of service and have experienced less than desirable maintenance response from the new owner. CarCharging, Inc. acquired a vast EVSE network when they purchased the ECOtality system, and it has taken them longer than they expected to account for each station, put service agreements in place, and respond to maintenance requests. Even with the Blink stations not being fully operational, the usage at all four chargers grew in 2014. Charging sessions increased over 200% at the Chargepoint chargers and 80% with the Blink chargers. Over the last year, all four chargers were used for a total of 229 sessions for the ChargePoint chargers and 112 sessions for the Blink Chargers or on average, 6.9 sessions per week at all locations, as compared to 2.3 sessions per week at all locations in 2013. A summary of the actual usage and costs for all locations can be found below.

CURRENT REPORTING PERIOD - ACTUAL (February 2014 – December 2014)							
Charger	Sessions (both stations)	KWH Usage	Gross Revenue*	KWH Cost** (approx.)	Fees	Service Fees	Net Revenue/ Cost
ChargePoint	229	1,730	\$402.18	\$380.60	\$40.33	460.00	-\$478.75
Blink	112	111	\$0	\$24.42	\$0	\$0	-\$24.42

* no Agreement was in place with CarCharging, Inc. during 2014, so all revenues were retained by them and no service fees were charged to the City

** estimated \$0.22 per kwh

PREVIOUS REPORTING PERIOD (February 2013 – January 2014)						
Charger	Sessions (both stations)	KWH Usage	Gross Revenue *	KWH Cost** (approx.)	Fees***	Net Revenue/Cost
ChargePoint	59	371.596	\$107.49	\$63.17	\$10.75	\$33.57
Blink	61	518.55	\$0	\$88.15	\$0	\$-88.15

* revenue for the Blink chargers was retained by Blink for the first year.

** estimated \$0.17 per kwh

For the second year, the costs of providing the ChargePoint stations for public use were covered by the City. Even though the usage at the ChargePoint chargers increased, the increased usage caused increased electricity costs. With the increased electricity cost plus the service fee, the ChargePoint chargers operated at a net loss of \$478.75 for calendar year 2014. For calendar year 2015, the service fees have increased by \$100 (\$50/station). Unless usage increases exponentially again, the ChargePoint chargers will likely operate at a net loss during calendar year 2015.

For the Blink stations, the chargers operated at a net loss of \$24.42, which was the cost of the electricity provided to the chargers. Since no service agreement was in place, no service fees were charged, and CarCharging, Inc. retained all revenues for calendar year 2014. During the third year, under the proposed agreement terms, the company will share 50% of the net revenues, which are calculated as: gross revenues minus all applicable taxes minus transaction fees minus an \$18/month service fee. Under the terms of the proposed agreement, if the monthly revenues are not enough to cover the fees, the fees will accrue to the next month. If at the end of the term there is an amount due to CarCharging, Inc. from the City than, CarCharging, Inc. will waive the remaining fees owed. The table below shows what the Blink chargers would have cost if an Agreement was in place. Because the revenue was less than the service fees owed, our only out of pocket costs would be for the electricity. We will receive no revenue from the chargers as long as the revenues are less than the applicable fees and service charges. The proposed agreement is for a four-year term with a four-year renewal option.

CarCharging, Inc.(Blink chargers) – Proposed Service Agreement Terms							
Charger	Sessions	KWH Usage	Gross Revenue	KWH Cost (approx.)	Fees	Service Fees	Net Revenue/ Cost
Blink	112	111	\$223.50	\$24.42	\$111.75	\$0.00	-\$24.42

As mentioned, the cost for the ChargePoint chargers for calendar year 2015 has increased by \$50/charger to \$280/charger/year for a total of \$560. The cost for the CarCharging, inc. chargers will be limited to the cost of the electricity. This cost would likely increase once the charging stations are maintained regularly and are functioning more reliably.

The costs of providing the chargers will likely continue to exceed revenues until electric vehicles become more mainstream and usage at the chargers increases. Just to break even, usage would need to equal approximately 18 hours or more per week at the current fee for the ChargePoint charger. Due to the proposed revenue structure at the Blink chargers, usage would likely need to be 10 hours or more per week before the City will start receiving revenues. Currently users are averaging 7 hours of use per week at the ChargePoint chargers and 4 hours of use per week at the Blink chargers. As mentioned in the December 19, 2012 staff report, revenue

generated by the charging stations is not expected to cover the costs for the first several years of use.

FISCAL IMPACT

The majority of the ChargePoint charger use is at the Post Office charging station. In consideration of the cost to provide the ChargePoint chargers, at the end of the next one-year period, staff will evaluate whether it makes sense to maintain a second charger at City Hall or to relocate the City Hall charger to the Post Office location, where it will likely get more use, or to discontinue the provision of a second ChargePoint charger. Staff will provide the City Council with an analysis of the usage and overall costs and revenue for both chargers, based on the data collected after an additional year of use and recommendations for continuing or discontinuing the services. Since the City sets the usage fees for the ChargePoint chargers, it may be prudent to review the usage fees again to determine if a change is warranted based on revenue and usage at the stations.

Staff is recommending continuing the public charging service for an additional year at a total cost of \$560/year with no adjustments to the usage fee rates for the ChargePoint chargers. Staff is recommending entering into the proposed service agreement with CarCharging, Inc. for the Blink chargers for the requested four-year term. There is no upfront cost for the CarCharging, Inc. agreement. Funds for these services for the ChargePoint chargers for the one year period (January 2015 to December 2015) have not been included in the FY 2014/15 budget. A budget amendment is being requested from the Traffic System Management Fund (2001) for the total amount of \$560.00 to fund the ChargePoint service fee for the next 12 months.

STAFF RECOMMENDATION (ROLL CALL VOTE)

1. Approve renewal of service fees for public charging at the ChargePoint Electric Vehicle Charging Stations located at City Hall and the Post Office; and
2. Approve entering into service agreement with CarCharging, Inc. for the Blink Electric Vehicle Charging Stations located at the Metrolink station for a four-year term with a four-year renewal option, and authorize the City Manager to sign all documents relevant to the renewal; and
3. Adopt Resolution No. 2015-_____.

Attachment – Resolution No 2015-_____

ATTACHMENT 1

RESOLUTION NO. 2015-_____

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FISCAL YEAR 2014/2015 BUDGET BY APPROPRIATING \$560.00 FROM THE TRAFFIC SYSTEM MANAGEMENT FUND (TSM) (2001) TO FUND THE SERVICE FEES FOR THE ELECTRIC VEHICLE CHARGING STATIONS AT CITY HALL AND THE POST OFFICE

WHEREAS, on December 19, 2012, the City Council approved the installation of ChargePoint Electric Vehicle Charging Stations at City Hall and the Post Office, and Blink Network Electric Vehicle Charging Stations at the Metrolink Station; and

WHEREAS, on June 18, 2014, the City of Moorpark adopted the Operating and Capital Improvement budget for Fiscal Year 2014/15; and

WHEREAS, in order to continue providing the electric vehicle charging stations at City Hall and the Post Office an annual service fee is required to be paid; and

WHEREAS, a staff report has been presented to the City Council recommending continuing to provide electric vehicle charging service to the public at City Hall and the Post Office charging stations; and

WHEREAS, the service period will be from February 2015 to January 2016; and

WHEREAS, a budget adjustment for additional appropriation of \$560.00 from the Traffic System Management Fund (2001) is requested to fund the service fees for the charging stations located at City Hall and the Post Office; and

WHEREAS, Exhibit "A", attached hereto and made a part hereof, describes said budget amendment and the resultant impact to the budget line items.

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

SECTION 1. A budget amendment in the amount of \$560.00 from the Traffic System Management Fund (2001) as more particularly described in Exhibit "A", attached hereto, is hereby approved.

SECTION 2. 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 18th day of March, 2015

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

Exhibit A – Budget Amendment

EXHIBIT A

BUDGET AMENDMENT FOR

**Traffic System Management Fund (2001) for Service Fees for Electric Vehicle Charging Stations at City Hall and
the Post Office
2014/15**

FUND ALLOCATION FROM:

Fund	Account Number	Amount
Traffic System Management Fund	2001-5500	\$ 560.00
Total		\$ 560.00

DISTRIBUTION OF APPROPRIATION TO EXPENSE ACCOUNTS:

Account Number	Current Budget	Revision	Amended Budget
2001.7620.0000.9102	\$ -	\$ 280.00	\$ 280.00
2001.7620.5052.9102	\$ -	\$ 280.00	\$ 280.00
	\$ -		\$ -
Total	\$ -	\$ 560.00	\$ 560.00

Approved as to Form:

