



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 15-1106, Version: 1

REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Execute Agreements with AMB Electrical Power Services LLC and ChargePoint Inc. Allowing the City to Participate in the Bay Area Charge Ahead Project to Install Four Electric Vehicle Charging Stations in Sunnyvale through a California Energy Commission Grant; Adopt a Resolution to Establish the Electric Vehicle Charging Station Use Fee in the FY 15-16 Fee Schedule; Approve Budget Modification No. 22; and Find that the Project is Exempt from CEQA

GRANT SUMMARY

In November 2013, the California Energy Commission (CEC) announced the availability of grant funding to increase the availability of publically accessible Electric Vehicle (EV) charging infrastructure. In response, the Bay Area Climate Collaborative (BACC) partnered with the California EV Alliance and many local agencies to apply for funding. This collaboration, known as the Bay Area Charge Ahead Project (BayCAP), was awarded funding in May 2014. As part of the grant project, the BACC selected ChargePoint, a leading charging equipment manufacturer, as the provider of EV charging stations. ChargePoint will also provide on-going operating services for the chargers on its network including station programming and software upgrades, cellular connections, managing collection and disbursement of user fees to the City, and the provision of usage reports to the City. BACC also selected a master installer, ABM Electrical Power Service LLC (ABM), who is responsible for installation services, commissioning, and initial maintenance services for all EV chargers to be installed through the CEC grant. ABM is a national leader in EV infrastructure and energy management.

Under the BayCAP project, the grant funds will cover the costs of the charging stations, which are being provided by ChargePoint at wholesale costs to BACC, as well as charging station installation costs up to \$4,500 per station. This is valued at \$12,500 per station. The grant funds, master contract, and overall project management is being handled by BACC. Thus, no grant funds are provided directly to the City.

The majority of the local match required for the grant is being provided by ChargePoint and ABM in the form of discounted equipment and annual maintenance provided at no costs or discounted costs to the city for the first two years of the project. ChargePoint provides a limited one-year parts warranty for the charging stations with the option to purchase extended warranties. Additionally, the grant covers preventative maintenance provided by ABM for two years. The maintenance scope includes monitoring station performance, software upgrades, quarterly on-site maintenance including cleaning of station, visual inspection of electrical components, and warranty repairs. This is valued at \$400 per station per year. Total value to the City for the charging stations, installation, and initial maintenance period provided through the grant is estimated to at \$13,300 per station, totaling \$53,200 for all four stations.

The City is responsible for up-front costs of \$10,460 to cover the ChargePoint network services fees for two years, the optional two year extended warranty, and additional services from ABM for permitting support.

EXISTING POLICY

Council Policy 7.1.5 Donations, Contributions and Sponsorships:

The City Manager may apply for grants of any dollar amount, but shall notify the Council when grants are being pursued. Council approval of a budget modification to appropriate grant monies is required before funds can be expended by staff. Such a budget modification shall include the use to which the grant will be placed; the objectives or goals of the City that will be achieved through use of the grant; the local match required, if any, plus the source of the local match; any increased cost to be locally funded upon termination of the grant; and the ability of the City to administer the grant. For grants under the amount of \$5,000 that do not have any external reporting requirements or any local match requirement, Council approval of a budget modification is not required. The City Manager is authorized to accept and administratively appropriate the grant funds.

This grant does not meet all of the criteria to be administratively appropriated by the City Manager; therefore a budget modification is required. Grant funds from the California Energy Commission have external reporting requirements and fall under the federal single audit guidelines.

Climate Action Plan Optimize Vehicular Travel (OVT)

OVT 1.2: Secure funding to install electric vehicle recharging stations or other alternative fuel vehicle support infrastructure in existing public and private parking lots.

ENVIRONMENTAL REVIEW

The installation of EV charging stations is categorically exempt from environmental review pursuant to Class 1, Section 15301(a) (Existing Facilities) of the State CEQA Guidelines, which exempts minor alteration of existing facilities involving negligible or no expansion of use.

DISCUSSION

In order to utilize the funding awarded by the CEC for the BayCAP, the City must enter into an agreement with ABM for the installation of the EV charging station. The City initially identified four potential locations for the EV charging stations. Based on site assessments conducted by ABM along with the City's facilities staff, several of the initial locations were determined to be infeasible under the grant parameters due to existing site conditions such as extended distance from parking spots to electrical box or lack of electrical capacity at the electrical box to power the charging stations. Staff has worked with ABM to identify three locations where the EV charging station installation is feasible within the grant's installation scope. These locations are:

- 2 stations at the Civic Center, along All American Way
- 1 station at the CalTrain Parking Garage
- 1 station at Downtown Parking Lot at Sunnyvale Avenue and Evelyn Avenue

All of the stations to be installed under the BayCAP project will be ChargePoint CT 4000 series and will be dual port stations that can charge two vehicles simultaneously. The City must also enter an agreement with ChargePoint and will be responsible for paying for ChargePoint network services

(\$460 per station). This allows electric vehicle drivers to use the charging stations, facilitates financial transactions associated with station use, and monitoring of station usage. ChargePoint also offers an optional extended parts warranty for one or two additional years at a cost of \$660 per charging station per year. Beyond the grant term, the City can also continue to contact with ABM to maintain the charging stations for an annual fee.

Charging Station Use Fees

In order to optimize the use of the charging stations and allow multiple electric vehicles to use the changing equipment during a typical day, the City is encouraged, as a condition of participating in the grant, to develop a pricing plan designed to cover energy costs, transactions fees, and regular equipment maintenance. The recommendation offered by BACC and the California EV Alliance is to set charging rates between \$1.00 and \$1.50 per hour for use of the charger which is calculated based on duration of stay, energy consumed (kWh), or a combination of the two. BACC also encourages participating communities to establish “graduated pricing based on duration of stay” where the use fees are raised after a charging period (typically four hours) to encourage turnover of the parking space.

On-going cost to be incurred by the City for the charging stations will consist of station maintenance, annual ChargePoint network and transaction fees, and cost of the electricity used which will vary based on station usage. Initial annual fixed costs per station are estimated at \$1,520 including the optional extended parts warranty. Total on-going annual cost is estimated to range from \$2,000 to \$2,500 per station, depending on demand (this includes the cost of electricity and transactions fees). This estimate assumes each station is used once per week day for a 3-hour charging session on the low end, and up to three 2-hour charging sessions per week day on the higher end.

Many neighboring communities are also participating in the BayCAP and have enacted EV charging station use fees. A summary of existing fees is shown below.

Bay Area Charging Station Use Fees

City	Fees Charged to Users
Berkeley	\$1.50/hour (4-hour limit)
Campbell	0.25/kWh plus \$0.50 per hour (between 8 a.m. and 8 p.m. daily)
Cupertino	\$1.50/hour
Fremont	\$1.50/hour
Los Gatos	\$1.00 access fee plus \$1.00/hour up to 4 hours
Menlo Park	Free for first six-months and will evaluate need for fees after first six months
Mountain View	\$1.50/hour up to two hours, increasing to \$5/hour thereafter
Palo Alto	Free
San Jose	\$1.25 per session plus \$0.25/kWh (peak) or \$0.20/kWh (off-peak)

Staff is recommending that the City set a fee of \$1.50 per hour for use of the charging stations. Establishing the fee at this level is estimated to generate \$2,300 to \$4,600 in revenue depending on how frequently the charging stations are used. This fee level is also consistent with the fees established by neighboring communities. Staff will monitor demand and use of the charging stations during the first year to determine if any adjustments to the use fees are needed, including implementation of graduated pricing.

FISCAL IMPACT

Participation in the grant would result in the City receiving 4 EV charging stations valued at \$53,200 with the City's required share being \$10,460. These costs pay for the ChargePoint network services fees for two years, the optional two year extended warranty, and additional services for permitting support. These costs are itemized below.

Summary of Upfront Costs to City

	Per Station	Cost for Four Stations	Total
ChargePoint Network Services Fee	\$ 460	\$ 1,840	\$ 3,680
Extended Warranty	\$ 660	\$ 2,640	\$ 5,280
Add'l Permitting Support			\$ 1,500
Total Upfront Costs			\$ 10,460

Budget Modification No. 22 has been prepared to appropriate \$10,460 from the General Fund Budget Stabilization Fund to a new project. This appropriation fully funds the City's share of the cost to install and activate four EV charging stations.

BUDGET MODIFICATION NO. 22
FISCAL YEAR 2015/2016

	Current	Increase (Decrease)	Revised
General Fund			
<u>Expenditures:</u>			
New Project – Installation of Four EV Charging Stations	\$0	\$10,460	\$11,000
<u>Reserves:</u>			
General Fund Budget Stabilization Fund Reserve	\$50,173,334	(\$10,460)	\$50,162,874

The City will also incur additional operating costs, including costs for electricity used, ChargePoint service fees (including 10% of the revenue received), and maintenance costs once the stations are installed. The on-going cost is estimated to range from \$2,000 to \$2,500 per charger, depending on demand. These costs will be offset by the user fee revenue from the charging station fees. Pending approval of this Budget Modification, Staff will include the updated operation costs and revenue projections in the FY 2016/17 Recommended Budget. Details on the projected operating costs and revenue are provided below.

Estimated Charging Station Operating Costs and Revenue

	Year 1	Year 2	Year 3	On-Going
<u>Estimated Costs</u>				
ABM Maintenance	[\$ 400]	[\$ 400]	\$ 400	\$ 400
ChargePoint Network Services	\$ 460	\$ 460	\$ 460	\$ 460
ChargePoint Extended Warranty	\$ -	\$ 660	\$ 660	\$ -
Electricity (average)	\$ 410	\$ 410	\$ 410	\$ 410
ChargePoint Service Fee, 10% of revenue (average)	\$ 340	\$ 340	\$ 340	\$ 340
Total Costs Per Charging Station	\$ 1,210	\$ 1,870	\$ 2,270	\$ 1,610
Total Costs for Four Stations	\$ 4,840	\$ 7,480	\$ 9,080	\$ 6,440
<u>Projected Revenue</u>				
Per Station (Use Fee @ \$1.50/hr)	\$ 2,340	\$ 2,340	\$ 2,340	\$ 2,340
Total Revenue for Four Stations	\$ 9,360	\$ 9,360	\$ 9,360	\$ 9,360

[Year 1 and Year 2 maintenance costs covered by grant.]

Bold values included in upfront costs to City.

Funding Source

The City's share of the project is funded by the General Fund Budget Stabilization Fund. Ongoing costs will be included in the City's Facilities Management Services Internal Service Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Authorize the City Manager to execute agreements with AMB Electrical Power Services, LLC and ChargePoint Inc. allowing the City to participate in the Bay Area Charge Ahead Project to install four electric vehicle charging stations in Sunnyvale through a grant awarded to the Bay Area Climate Collaborative from the California Energy Commission at a cost to the City of \$10,460; 2) Adopt a Resolution to establish the Electric Vehicle Charging Station Use Fee of \$1.50 per hour in the FY 15-16 Fee Schedule; 3) Approve Budget Modification No. 22; and 4) Make a finding of CEQA categorical exemption pursuant to Class 1 Section 15301(a) for existing facilities.

Prepared by: Melody Tovar, Regulatory Programs Division Manager

Reviewed by: John Stufflebean, Director, Environmental Services

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Timothy J. Kirby, Acting Director, Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Bay CAP Participation Agreements with AMB Electrical Power Services, LLC and ChargePoint Inc.
2. Fee Resolution