



Council Agenda Report

Item 6h

Department: Administration
Cost Center: 1005
For Agenda of: 7/19/2022
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager

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SUBJECT: DEPLOYMENT OF PUBLIC ELECTRIC VEHICLE CHARGING
INFRASTRUCTURE ON CITY PROPERTY

RECOMMENDATION

1. Authorize the City Manager to enter into an Agreement with ChargePoint to develop the project scope, conduct site assessments, and prepare design packages in order to develop no-cost deployment of public electric vehicle chargers and related infrastructure on City Property, in a form satisfactory to the City Attorney; and
2. Direct staff to negotiate terms for a no-cost lease or license agreement with the City's chosen owner and operator for ChargePoint electric vehicle charging infrastructure; and
3. Authorize the City Manager to enter into a no-cost lease or license agreement with the City's chosen owner and operator of ChargePoint electric vehicle charging infrastructure, in a form satisfactory to the City Attorney.

POLICY CONTEXT

[Resolution 11159 \(2020 Series\)](#), includes the goal of carbon neutrality by 2035 and a transportation sector goal for electric vehicles to account for 40 percent of vehicle miles traveled by 2030. Deploying public electric vehicle (EV) chargers supports the City's mode split objective.

Deploying public EV charging stations is connected to two of the City's Major City Goals for 2021-2022:

- Climate Action, Open Space & Sustainable Transportation – Deploying public-facing EV chargers supports drivers in transitioning from fossil-fueled powered mobility options to electric alternatives powered by Central Coast Community Energy's renewable energy generation facilities.
- Diversity, Equity, and Inclusion – While owning an electric vehicle can provide substantial savings on fuel, many community members face obstacles to installing a charger at their residence, especially renters and low-income and multi-family housing residents. Staff's recommendation would result in additional publicly available electric vehicle charging infrastructure, which would enable more community members to own an electric vehicle.

DISCUSSION

The discussion section of this report provides historical background and the demonstrated need for public EV charging infrastructure, including an overview of the City's climate action goals and a summary of the preferred vendor selection process.

Background

Climate Action Plan for Community Recovery

On August 19, 2020, City Council approved the [Climate Action Plan for Community Recovery](#) (CAP), and adopted [Resolution 11159 \(2020 Series\)](#), which set the goal of carbon neutrality by 2035 and a transportation sector goal for electric vehicles to account for 40 percent of vehicle miles traveled by 2030. The CAP forecasts annual community emissions to be approximately 397,710 metric tons of carbon dioxide equivalent (MTCO₂e) in 2035. The plan provides a trajectory to reducing these emissions towards net zero by 2035, with approximately sixteen percent of total reductions coming from achieving the transportation sector goal (64,170 MTCO₂e). Of that, a projected 34,920 MTCO₂e in reductions are expected to come from the rapid uptake of EVs, the largest single reduction area in the plan.

Emerging Considerations

Since adoption of the CAP, several key variables have changed, including:

1. Fuel Prices – According to AAA, San Luis Obispo County's average gallon of gas was \$6.53 as of June 27, 2022,¹ which is a sixty percent increase from the average rate of \$4.09 in April of 2021.
2. EV Adoption – In just five years, EVs as a percentage of total light duty vehicles in California went from 4.29% (2017) to 12.41% (2021).²
3. Existing Chargers – According to the comprehensive charger database maintained by PlugShare, there are 134 publicly available charging stations in San Luis Obispo. Of these stations, 54 are fast chargers for Tesla drivers only, and three are open access fast chargers. The remaining 77 are level 2 chargers (including all the chargers provided by the City).³
4. Charger Utilization – As described below, the Marsh Street Parking Garage chargers are the only publicly available charging resources on City land. The Marsh Street garage chargers have seen steady and continual growth in use since 2020. Estimates are that EV charging demand will be 10 times today's public charging use by 2030.⁴

¹ <https://gasprices.aaa.com/?state=CA>

² <https://www.energy.ca.gov/data-reports/energy-insights/zero-emission-vehicle-and-infrastructure-statistics/new-zev-sales>

³ For more details about publicly available charging stations in San Luis Obispo, see: <https://www.plugshare.com/directory/us/california/san-luis-obispo>.

⁴ [Engel et al., "Charging Ahead: Electric-Vehicle Infrastructure Demand"](#)

5. **Charger Availability** – A large barrier to adoption is the public’s perception of EVs and range anxiety, a term used to describe the fear of being stranded on the side of the road with no chargers nearby. This phenomenon is the main reason why so much focus is being placed on EV charging infrastructure. A strong, accessible, and visible EV network will provide user confidence and induce EV ownership.

Given these key changes, along with the urgent need to reduce greenhouse gas emissions,⁵ staff is pursuing a streamlined and expedited approach to deploy public EV charging at no cost to the City.

Approach for No-Cost Deployment of Public EV Charging Infrastructure on City Property

Staff is pursuing no-cost deployment of direct current fast charging (DCFC) and Level 2 chargers at strategic locations by leasing City parking spaces to a qualified vendor for the purpose of constructing, owning, and operating the charging assets for a defined term. Through a competitive bidding process initiated with a Request for Proposals (RFP) on May 6 through June 14, 2022, the City received three proposals from interested vendors. The RFP required that the project come at no cost to the City. The RFP (provided as Attachment A) mirrored successful efforts underway by peer cities⁶ and included the following scoped tasks:

1. Identify strategic locations at which to deploy EV charging stations.
2. Achieve completed installations at each EV Charging Site including permits, site preparation, and charger installation. Chargers shall have minimum requirements associated with performance, accessibility, interoperability, etc.
3. Operate, maintain, and provide customer service support for the chargers for a set term. This will include provisions for pricing, data sharing, and marketing.
4. Decommission the unit or transfer ownership to the City at the end of the term.

In the interest of supporting the site identification task, staff identified three locations as potential sites for new DCFC charging station deployment, while allowing vendors to identify and propose additional sites for evaluation:

- Lot 9: 680 Monterey St., San Luis Obispo, CA 93401
- Calle Joaquin Park & Ride Lot: 1530 Calle Joaquin, San Luis Obispo, CA 93405
- Santa Rosa Park Lot: 1050 Oak St., San Luis Obispo, CA 93405

Preferred Vendor Selection

An RFP committee comprised of City staff from the Office of Sustainability and Natural Resources and Public Works Parking Division reviewed proposals from Blink, Carbon Solutions Group, and ChargePoint. The committee unanimously selected ChargePoint as the preferred vendor based on the evaluation criteria included in the RFP, as well as additional information gained through reference checks and informal interviews with bidders.

⁵ <https://www.economist.com/the-economist-explains/2022/04/04/a-new-ipcc-report-says-the-window-to-meet-un-climate-targets-is-vanishing>

⁶ See example from the City of Palm Springs, CA, where ChargePoint was chosen as the preferred vendor with a third-party owner and operator.
https://destinyhosted.com/palmsdocs/2021/CC/20210211_1285/2841_5C_OCR.pdf

The full ChargePoint proposal is included as Attachment B. Key points of the proposal include:

- Identification of three initial locations for deployment – Lot 9, Calle Joaquin Park and Ride Lot, and Santa Rosa Park Lot – as well as transferring operations and maintenance of the City's existing ChargePoint assets, future chargers in the Palm Nipomo parking garage, and possible fleet work given City approval
- A total of 14 DCFC ports with 62.5kW capacity, and six Level 2 ports
- An open-source network solution
- Proposal value of \$2,275,000
- 5-year contract term length

ChargePoint's proposal lays out a project plan that begins with developing the project scope, conducting site assessments, and preparing design packages. ChargePoint will then bring the opportunity for owning and operating ChargePoint's charging infrastructure to its partners as a package. Through a ChargePoint managed process, the City will select the owner and operator partner that will implement ChargePoint's proposal. The partner will be selected based on parameters including maintenance response time, providing any additional investment in infrastructure in lieu of lease payments, and successful previous experience. The City will then enter into a no-cost lease or license agreement with the chosen partner. Staff is confident that this flexibility will enable the City to choose the best owner and operator and negotiate final terms that are most advantageous to the City, while also maintaining an accelerated project timeline and building on the ChargePoint brand San Luis Obispo community members are most familiar with.

Previous Council or Advisory Body Action

The topic of electric mobility was presented to City Council on August 18, 2020, when the Council adopted the Climate Action Plan for Community Recovery, which includes the goal of carbon neutrality by 2035 and a transportation sector goal for electric vehicles to account for 40 percent of vehicle miles traveled by 2030.

In response to gas price increases and rapid uptake of electric vehicles, City staff presented a closed session item to City Council on May 3, 2022, to receive lease parameters to include in an RFP for no-cost deployment of public electric vehicle (EV) charging infrastructure. The RFP is provided as Attachment A and is consistent with these parameters.

Public Engagement

Staff conducted public engagement on the topic of electric mobility in the Spring of 2022. This effort included the Connected Community Strategy Forum, which gathered on March 9, April 7, and May 10, 2022, to solicit feedback from community leaders and technical experts on the development of an electric mobility plan, as well as other strategies to reduce transportation-related GHG emissions. The group was led by staff from the Office of Sustainability and Natural Resources and the Public Works department and was comprised of stakeholders from Bike SLO County, the Lumina Alliance, the Chamber of Commerce, the Mass Transportation Committee, the Active Transportation Committee, Cal Poly student body, YIMBY, RideOn, and SLOCOG.

The strategy forum aligned around a recommendation to “support publicly accessible electric vehicle chargers on City property.”

CONCURRENCE

The Public Works Parking Division concurs on the contents of this report.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Section 15378.

FISCAL IMPACT

Budgeted: No

Budget Year: 2022-23

Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total	N/A	N/A	N/A	N/A

While there is no direct cost to the City, significant staff time will be dedicated to ensure the successful deployment of EV charging infrastructure. This will primarily be supported by the contract analyst position in the City’s Office of Sustainability and Natural Resources; a position that is fully funded in the approved Administration and IT budget.

Avoided Costs

ChargePoint has proposed a zero-dollar lease model that will result in no costs to the City for the deployment of public EV charging infrastructure at three locations on City property. This approach enables the City to deploy chargers at financially viable locations with no City capital outlay. ChargePoint and the selected partner would pay for all installation and equipment costs associated with the EV chargers and related infrastructure costs (estimated at approximately \$2,275,000 across three sites). In addition to the infrastructure and equipment costs, the City will also avoid the maintenance and networking fees associated with the EV charging stations. ChargePoint has also offered to provide ongoing operational support for the City’s existing public EV chargers, as well as current and forthcoming fleet chargers, however the value of this offer is not yet known. No additional budget or operational changes are requested as part of this proposal.

NEXT STEPS

Pending direction from City Council, the City Manager would execute an agreement with ChargePoint to develop project scope, conduct site assessments, and prepare design packages for public electric vehicle chargers and related infrastructure. Staff will work with ChargePoint to select the owner and operator of the charging infrastructure best aligned with the parameters set forth by prior Council direction. The City Manager will execute a lease or license agreement with the chosen owner and operator, to the satisfaction of the City Attorney. ChargePoint's proposal outlines a project schedule wherein project completion is anticipated in 2023.

ALTERNATIVES

1. ***Council could request additional information prior to taking action, although the process outlined in this Council Agenda Report is consistent with prior Council direction.***
2. ***Council could direct staff to not select a qualified vendor from this RFP process and not pursue public charging on City property until the 2023-25 Financial Plan, or identify other budget resources to directly install, own, and operate chargers.*** Staff does not recommend this approach as it would require substantial capital and staff time that is not currently programmed.
3. ***Council could direct staff to return to Council for approval of the lease or license agreement with City's chosen owner and operator of ChargePoint's electric vehicle charging infrastructure.*** Staff does not think this approach is necessary given specific prior direction from Council on the desired parameters of an agreement for third-party owned and operated public EV charging infrastructure, and due to the City's desire for timely delivery on this item.

ATTACHMENTS

A - Request for Proposals released on May 6, 2022

B - ChargePoint's response to Request for Proposals with Addendum