

BOARD MEETING DATE: June 7, 2019

AGENDA NO. 3

PROPOSAL: Recognize Revenue, Authorize EV Charging Fees, Execute Contract for EV Charging, and Amend Contract to Implement DC Fast Charging Network

SYNOPSIS: In March 2017, in an effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. These actions are to recognize revenue from EV charging fees and authorize adjustment of the fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged. Additionally, in order to operate, maintain and network the large number of chargers, this action is to contract with Zeco Systems, Inc., DBA Greenlots, for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31). In October 2018, the Board amended a contract with Clean Fuel Connection, Inc., (CFCI) for up to \$350,000 from the Clean Fuels Program Fund (31) as a substitution of CEC funds, but since only \$310,000 of CEC funds was previously recognized towards the CFCI contract, there was a shortfall. This action is to amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31).

COMMITTEE: Technology, May 17, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue, as received, from EV charging fees into the General Fund;
2. Authorize the Executive Officer to adjust EV charging fees to recover electricity costs for the EV chargers and encourage EV drivers to move their vehicles once fully charged;
3. Authorize the Chairman to execute a contract for up to three years with Zeco Systems, Inc., DBA Greenlots, to operate, maintain and network the EV chargers in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31); and

4. Amend a contract with CFCI in an amount up to \$40,000 from the Clean Fuels Program Fund (31).

Wayne Natri
Executive Officer

MMM:NB:JI:PSK

Background

In March 2017, in an overall effort to promote EV charging, staff completed an upgrade of the EV chargers at the Diamond Bar headquarters. A total of 92 Level 2 chargers and 1 DC fast charger were installed and have been operational for approximately 18 months, with a commensurate growth in the number of EVs being charged by staff and the public.

At the January 2017 Technology Committee meeting, staff proposed a fee structure of 6 cents per kWh for charging sessions five hours and under and 16 cents per kWh for the portion of charging sessions over five hours, after a pilot period of at least 12 months for data collection and agreement by the employee unions. Assessment of EV charging fees began in January 2018 and generated \$13,752 in 2018. Estimated electricity costs in 2018 for EV charging were \$42,637.

There is a need to outsource management of the EV chargers to a third party in order to respond more quickly and effectively to maintenance and repair issues and the needs of individual EV drivers. Greenlots, a leading U.S. EV charging and energy management software and solutions company that has deployed projects in 13 countries worldwide, was the subcontractor to the installer that upgraded the EV chargers at the Diamond Bar headquarters and has been providing support since the chargers were installed.

Staff also completed the installation of 10 DC fast chargers in the South Coast Air Basin through a CEC grant to provide additional public fast charging in Los Angeles and San Bernardino counties. During project implementation, the CEC declined to fund changes to the project in the amount of \$310,000. South Coast AQMD believed the project was beneficial to the region so in October 2018, the Board authorized up to \$350,000 of Clean Fuels Program Fund (31) as a substitution of CEC funds to complete the project. There is a need to clarify the Board's 2018 authorization to recognize that of the \$350,000 requested from Clean Fuels Program Fund (31), only \$310,000 is a substitution of CEC funds.

Proposal

Staff seeks approval to continue assessing EV charging fees beyond the initial pilot period of data collection in order to partially recover electricity costs for the EV chargers. Additionally, in order to encourage EV drivers to move their vehicles once fully charged, staff also recommends instituting a \$1 per hour fee once vehicles are fully charged and adjusting charging fees, as needed, for cost recovery. These actions are to recognize revenue from EV charging fees and authorize the Executive Officer to adjust EV charging fees to recover electricity costs and encourage EV drivers to move their vehicles once fully charged.

Greenlots will continue to provide networking software to monitor, collect data and handle payment processing of EV charging fees. In addition, they will operate and maintain the EV chargers. The management of the EV chargers requires coordination between hardware and software providers, the installer and agency staff to resolve issues as they occur. The proposal is to maintain these services for up to three years in an amount not to exceed \$155,664 from the Clean Fuels Program Fund (31).

Finally, to address the shortfall in funding for the ten DC fast charging stations, this action is to amend the contract with CFCI adding up to \$40,000 from the Clean Fuels Program Fund (31).

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.c.: The desired services are available from only the sole source, specifically, B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team. Greenlots' networking software has been deployed on South Coast AQMD's EV chargers since the installation was completed in March 2017 and they are uniquely familiar with the hardware and software, including issues pertaining to the chargers and experienced by EV drivers at this site.

Benefits to South Coast AQMD

These EV infrastructure projects will advance the state of PEV readiness in California by creating a viable public charging network that will be accessible, convenient, reliable and affordable for PEV drivers. The scope of this project is identified as a technical priority in the *Technology Advancement Office Clean Fuels Program 2019 Plan* under "Electric/Hybrid Technologies & Infrastructure."

Resource Impacts

The total cost for networking software, operation and maintenance of the EV chargers is estimated to be \$51,888 annually (or \$155,664 for three years) and \$40,000 for the DC fast charger project from the Clean Fuels Program Fund (31). The revenue from EV charging fees will be recognized into the General Fund to recover electricity costs.

Sufficient funds are available from the Clean Fuels Program Fund (31), established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.