



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: June 2, 2014

REPORT NO.: 14-047

ATTENTION: Council President and City Council

SUBJECT: California Energy Commission – Alternative and Renewable Fund and Vehicle
Technology Program: Electric Vehicle Infrastructure – Grant Application

REQUESTED ACTION: Approve Requested Actions

STAFF RECOMMENDATION: Approve actions as requested

1. Ratify the submission of a grant application by the City of San Diego to the California Energy Commission (CEC Grant Application) on February 2, 2014;
2. Authorize the Mayor, or his representative, to execute an agreement resulting from a grant award from the CEC to the City of San Diego (CEC Grant Agreement);
3. Authorize the Mayor, or his representative, to take all reasonably necessary actions to satisfy the obligations described in the CEC Grant Agreement;
4. Authorize the Chief Financial Officer to accept \$499,755 from the CEC for electric vehicle infrastructure consistent with the CEC Grant Application (PON 13-606);
5. Authorize the Chief Financial Officer to appropriate and expend an amount not to exceed \$499,755 contingent upon receipt of the fully executed CEC Grant Agreement;
6. Authorize the Chief Financial Officer to establish a special interest-bearing account for the CEC Grant, if required;
7. Authorize the Mayor, or his representative, to enter into a contract and a lease with Op Connect at sites to be determined by City staff consistent with the City's obligations under the CEC Grant Agreement;
8. Authorize the Mayor, or his representative, to enter into a contract with Saturn Electric to install electric vehicle infrastructure consistent with the City's obligations as described in the CEC Grant Agreement;
9. Declaring that the Alternative & Renewable Fund & Vehicle Technology Program: Electric Vehicle Infrastructure project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15301,

as it is the minor alteration of existing public or private facilities, with negligible or no expansion of use; and

10. Declaring that the Council of the City of San Diego has determined that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 does not apply.

SUMMARY:

Background:

The California Energy Commission (CEC) released a grant solicitation entitled “Electric Vehicle Charging Infrastructure” under the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The ARFVTP is a competitive grant program that provides as much as \$100 million annually towards innovative transportation and fuel technologies that help California meet its energy, clean air, and climate-change goals. To date, the ARFVTP has invested more than \$400 million in innovative transportation and fuel technologies and has funded more than 250 clean transportation projects. The CEC will fund electric vehicle charging infrastructure with a maximum grant award of \$500,000.

The City of San Diego and its partners, Op Connect and Saturn Electric, submitted a grant application to the CEC on February 2, 2014. These companies are considered subcontractors for purposes of the CEC Grant. OpConnect, LLC, manufactures and operates the OpConnect charging station network in the United States. OpConnect, LLC, outfits electric charging stations with multiple charging ports (dual ports) and supports multiple payment systems (e.g., credit/debit cards, smart phone, member card) using the industry standard “Open Charge Point Protocol.” Also all of the chargers will be connected to dedicated pedestal utility meters owned, operated and maintained by OpConnect. Saturn Electric, Inc., is a local electric contractor with extensive experience installing electric vehicle charging infrastructure.

On April 4, 2014, the CEC notified the City that its application was selected for a proposed award of \$499,755. The CEC will confirm this grant award at the CEC’s next Business Meeting on June 18, 2014.

The CEC Grant requires a local match. The City, San Diego Gas & Electric (SDG&E), and the subcontractors have committed a local match of \$443,774 for a total project budget of \$943,529. This includes the CEC Grant amount of \$499,755. The City’s in-kind match of \$225,001 includes \$12,450 for staff to administer the CEC Grant and \$212,551 representing the value of City land leased to OpConnect, LLC, to house the charging stations. OpConnect will manufacture and supply the electric vehicle (EV) charging stations for this project and will own, operate, maintain the EV supply equipment (EVSE), manage billing, and be the customer of record for the local utility. Saturn Electric will be responsible for the installation of all EV charging stations for this grant. SDG&E has also agreed to provide a \$22,500 in-kind match to assist with utility integration associated with the proposed EVSE sites.

The City must enter into an operation and maintenance agreement with the CEC for a duration of no more than five (5) years in order to accept the CEC Grant funds. Additionally, the City must enter into separate contracts with the subcontractors, OpConnect and Saturn Electric, to address

responsibilities including, but not limited to, the installation of the chargers, reimbursement of costs associated with the installation, use of City property, and maintenance and operations costs. The term of the agreements between the City and the subcontractors would be consistent with the term of the CEC Grant Agreement. The subcontractors will invoice the City once the obligations identified in the CEC Grant are complete. After the City confirms that the subcontractors have satisfactorily completed their obligations as described in the CEC Grant, the City will submit an invoice to the CEC for the reimbursement as stipulated in the CEC Agreement.

Project Description and Local Benefits:

The San Diego region leads the state and the nation in EV deployment; however, there is a significant shortage of available public EV charging stations in the region. The City is actively working to address the shortage issue by increasing the availability of publicly accessible EV charging infrastructure to meet the region's current and future demand. Based on the City's pilot EV charging station program implemented in 2011, the existing charging stations located on City properties have a high utilization rate. Car Charging Group currently operates the City's pilot EV charging station program as well as 1,884 charging station locations nationwide. The utilization ranking for the City's charging stations compared to all Blink stations is as follows:

- Balboa Park Palisades - 8th
- Mission Bay Park Bonita - 35th
- Mission Bay Park Playa - 53rd
- San Diego Zoo - 82nd

Based on the data received from the Car Charging Group, the majority of the users of the EV charging stations are in San Diego County. San Diego has the highest per capita ownership of plug-in electric vehicles (PEV) in California with approximately 7,000 electric vehicles in the region.

Publicly accessible charging stations are important infrastructure assets for our community to help alleviate 'range anxiety,' an industry used term referring to the fear of running out of charge in an EV before reaching final destination. The establishment of publicly accessible EV charging infrastructure strengthens the regional market for EVs and help support the adoption of plug-in electric vehicles in the region.

The CEC Grant will support the installation of forty-one (41) single- and dual-port level 2 charging stations. Dual-port stations will allow for two EVs to charge simultaneously. The City's grant request is to fund the installation of the EV charging infrastructure at nine City sites which tentatively include City parks, libraries, and pre-defined on-street parking locations (Attachment 1).

The City Council previously approved the proposed sites on June 25, 2013 per Resolution R-308298 (Attachment 2), as part of the City's pilot EV car charging station program. The City Council eventually approved the installation of 162 electric charging stations (Attachment 3) but only thirty-two (32) charging stations were installed due to various reasons including the bankruptcy of the City's original vendor, ECotality. Note, too, that the Council approved these locations for a temporary use as a pilot project. Accordingly, City staff is working with the City

Attorney's Office to ensure that these locations can be used for permanent EV charging station infrastructure. The City Attorney has advised that additional CEQA review and changes to the San Diego Municipal Code are probably needed in order to allow installation of EV charging stations (Attachment 4). In addition, City staff is developing a City car share program and expects to bring an EV charging station proposal to the City Council by year end. City staff has informed the CEC of this information and has been assured by CEC staff that the CEC will allow flexibility with regard to performance timelines and proposed EV charging station locations.

As currently proposed, the EV charging station locations are ideally located in densely populated destination charging locations. One-third of San Diego County residents live in apartment buildings and are dependent on publically accessible charging locations to alleviate range anxiety.

The proposed EV charging station locations will:

1. Specifically target current and future needs at destination charging locations which include parks, libraries, aquatic centers and other popular public locations;
2. Attract people from throughout the region and beyond to travel "medium-to-long" distances from their home, where the vehicle would tend to be parked for more than two hours;
3. Help displace a significant segment of "conventional vehicle" miles traveled
4. Increase convenience and security to help accelerate consumer acceptance and increase deployment of electric vehicles;
5. Improve the reliability and accessibility of the regional charging network; and
6. Help consumers become comfortable with purchasing electric vehicles.

Conclusion:

Staff recommends that the City accept the CEC Grant and enter into the CEC Grant Agreement for the operation and maintenance of the 41 charging stations. Also staff recommends that the City enter into an operation and maintenance agreement with the CEC for a duration of no more than five (5) years in order to accept the CEC Grant funds. Additionally, the City must enter into separate contracts with the subcontractors, OpConnect and Saturn Electric.

FISCAL CONSIDERATIONS:

The City will receive \$499,755 in CEC Electric Vehicle Charging Infrastructure under the Alternative and Renewable Fuel and Vehicle Technology Program grant funding. Matching funds of \$443,774 for the grant includes the City's in-kind match of \$225,001 for staff grants administration and use of land for the charging stations. The remaining matching fund balance of \$218,773 will be provided by the subcontractors and SDG&E and includes in-kind service, materials and equipment. Finally, the CEC reserves the right to rescind funding at any time (Attachment 6 - Exhibit C - page 24, clause 36).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On June 25, 2013 City Council approved an amendment to ECOtality's agreement to increase the number of electric vehicle charging stations from 117 to up to 162 per Resolution R-308298.

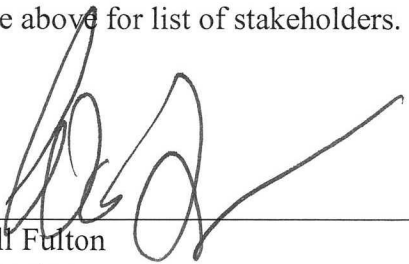
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Staff has previously consulted with organizations with significant EV interest or EV infrastructure expertise to discuss need and infrastructure locations. These are the organizations contacted:

1. SANDAG
2. San Diego Gas & Electric
3. San Diego Downtown Partnership
4. San Diego Clean Cities Coalition
5. California Center for Sustainable Energy
6. CleanTech San Diego
7. Business Improvement Districts
8. EV Drivers Groups

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

See above for list of stakeholders.



Bill Fulton
Director
Planning, Neighborhoods and Economic Development



Ronald H. Villa
Deputy Chief Operating Officer
Neighborhood Services

ATTACHMENTS:

1. Proposed sites for the 41 electric chargers
2. Resolution R-308298
3. Pre-approved EV charging station sites
4. CAO Memo Proposal to Make Permanent an Electric Vehicle Charging Station Program
5. CEC Grant Application
6. CEC Grant Terms and Conditions – (page 24, clause 36 Exhibit C)

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