



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: December 9, 2013

REPORT NO.: 13-097

ATTENTION: Council President and City Council

SUBJECT: Contract Extension for the Maintenance of Electric Vehicle Charging Stations.

REFERENCE: City Council hearing of October 2, 2012: Resolution No. R-307721.

REQUESTED ACTION: Authorize the Council President in his capacity under Charter section 265 (i), or his designee, to extend the contract with Car Charging Group (CCG) for the maintenance and operation of the Electric Vehicle (EV) charging stations for up to one additional year (through December 31, 2014).

STAFF RECOMMENDATION: Approve the requested action.

SUMMARY:

In 2009, the United States Department of Energy (DOE) allocated \$230 million in American Recovery and Reinvestment Act (ARRA) funding to support and enable the use of electric vehicles through grants to build EV charging station infrastructure. The San Diego region was one of 21 metropolitan areas selected to receive grants. Through this grant opportunity, the City adopted the EV Project, a public and private partnership between the City of San Diego, the DOE, and ECOtality North America Inc (ECOtality).

In June 2011, the City entered into a contract with ECOtality for the installation of 10 EV charging stations in two Balboa Park parking lots (7 in Balboa Park Palisades and 3 at the Reuben H. Fleet Science Center). The initial Agreement expired on December 31, 2012. The City Council approved an extension of this Agreement on October 2, 2012 (see R-307721) and authorized the expansion of charging stations from 10 to 117 at City parks, libraries, recreation centers, and streets, and extended the term of the Agreement to December 31, 2013. When this Agreement terminates on December 31, 2013, the City may retain the EV charging stations, or require ECOtality (whose assets have since been purchased by CCG) to remove the EV charging stations at its own cost. In addition, ECOtality is responsible for paying the electric bills associated with operating the EV charging stations.

After City Council approved the First Amendment, City staff conducted numerous site investigations which uncovered field-based constraints that resulted in the need to modify the location and number of EV charging stations. As a result, the City Council authorized the parties to extend the geographic area of each site and authorized ECotality to install up to 162 EV charging stations (R-308298).

Thirty two of the 162 electric charging stations have been installed:

- Balboa Park Palisades (7)
- Reuben H. Fleet Science Center (3)
- South De Anza Cove (4)
- Bonita Cove (4)
- San Diego Zoo (5)
- San Diego Central Library (9) (these stations are currently not operational)

On August 7, 2013, ECotality alerted the DOE that it was in financial distress and might not be able to meet its obligations to the EV Project. The DOE suspended all grant payments to ECotality on August 8, 2013, and told the company not to incur additional expenses. In addition, on August 12, 2013, ECotality disclosed in a filing with the U.S Securities and Exchange Commission that it had hired a restructuring adviser to review its business options including acquiring new financing, the possible sale of the company, or bankruptcy filing. The report also revealed that some previously installed EV charging stations had faulty connectors which cause overheating and, in certain rare cases, melting. City staff is unaware of any such complaints in the City of San Diego.

At the time of this announcement, the City was in the process of permitting and constructing a number of pre-approved sites at Carmel Mountain Ranch Library, Mira Mesa Lopez Ridge Park, Normal Street and University, and 35th and Adams Street. These projects were halted.

On September 16, 2013, ECotality filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court in Arizona. The City filed a creditor claim for unpaid electric bills and the cost of removing the EV charging stations should the City wish that to occur upon contract termination.

On October 10, 2013, the CCG purchased ECotality's Blink network of EV charging stations and other assets for \$3.3 million. As a result, CCG assumed the contract between the City and ECotality for the operation and maintenance of the EV charging stations through December 31, 2013. CCG has informed City staff that it intends to pay \$10,955.49 to the City for unpaid electric bills, and has also indicated it would be willing to extend the existing contract with the City for an additional year (through December 31, 2014) so that the City may assess whether it wishes to retain the EV charging stations or require their removal.

City staff estimate that the monthly electricity costs for each of the thirty two EV charging stations in operation is \$2,250 to \$3,000.

The cost to remove the EV charging stations is approximately \$4,550 to \$5,000 per station. There are thirty two stations.

FISCAL CONSIDERATIONS: There are no fiscal considerations except for minor administrative costs such as invoice management and contract processing time.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: This item was heard by the City Council on October 2, 2012 (R-307721) and again by the City Council on June 25, 2013 (R-308298).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: The Economic Development Division (EDD) has consulted with organizations with expertise in electric vehicles infrastructure and electric vehicles. Below is a list of the organization EDD has researched and engaged:

- * San Diego Downtown Partnership
- * San Diego Gas & Electric
- * SANDAG
- * San Diego Clean Cities Coalition
- * California Center for Sustainable Energy
- * CleanTech San Diego
- * Business Improvement Districts
- * EV Drivers Groups

KEY STAKEHOLDERS AND PROJECTED IMPACTS

- City of San Diego (Development Services and Environmental Services)
- San Diego Gas & Electric
- SANDAG
- San Diego Clean Cities Coalition



Mike Westlake, Acting Deputy Director
Development Services Department



Scott Chadwick
Chief Operating Officer

Attachments(s): 1. Exhibit A - Pre-approved sites

Exhibit A
EV Project - Electric Charging Stations

Locations	# Approved Stations	# Proposed stations ¹	On-site feasibility	Vicinity locations	Status
Rancho Peñasquitos Skate Park	3	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Rancho Bernardo Glassman Community Park	6	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Skyline Hills	3	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Carmel Valley Community Park	4	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Martin Luther King Jr. Recreation Center	3	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
North Park Rec. Center	4	4			Design phase completed
Robb Field	2	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Otay Mesa Library 3003 Coronado Ave	4	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
Santa Clara Place - Mission Bay Aquatic Center	3	3			Design phase completed
Noble Park Athletic Area & North University Comm. Library	5	7			Design phase completed
Mira Mesa Lopez Ridge	4	6-7	Cost prohibitive	On-street location will be installed proximate to the nearest feasible SDG&E transformer	
San Diego Central Library	5	9			Design phase completed
Mira Mesa Library	3	6-7			
On-street at Texas and El Cajon Blvd	5	6-7			

(3 block diameter)									
On-street at 35th and Adams Ave	5	6-7						Design phase completed	
On-street at Normal and University Ave (3 block diameter)	5	9						Design phase completed	
On-street at Goldfinch and West Washington (3 block diameter)	5	6-7							
On-street on Reed Ave (north side) between Cass and Dawes	9	9						Design phase completed	
Carmel Mountain Library	3	6							
3829 29th St North Park Parking Structure	4	6-7	Cost prohibitive				On-street location will be installed proximate to the nearest feasible SDG&E transformer		
La Jolla (on Herschel Ave.) (between Silverado Ave. and Torrey Pine Rd)	0	6-7					On-street location will be installed proximate to the nearest feasible SDG&E transformer		
6th and K Street (parking structure)	3	0							
6th and Market (parking structure)	6	0							
Balboa Park (Zoo parking lot)	5	0						Completed	
Mission Bay Park (South De Anza Cove)	4	0						Completed	
NTC Park	6	0						Completed	
Mission Bay Park - Bonita Cove West	4	0						Completed	
Total	117	157-162							

¹ For most of the sites, the contractor shall connect the electric charging stations through a new electric service connection bypassing the City's electric panel system.

Below are the previous sites that were completed in 2011 prior to the first amendments of this agreement

Locations	# stations	Status
Balboa Park (Palisades parking lot)	7	Completed
Balboa Park (Reuben H. Fleet Science Center)	3	Completed
Total	10	