



## Legislation Text

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Report regarding a resolution approving an amendment to a license agreement with EVgo Services LLC for the installation and operation of electric vehicle chargers at the Miller Avenue Parking Garage located at 329 Miller Avenue, South San Francisco. (*Matthew Ruble, Acting Principal Engineer*).

### **RECOMMENDATION**

**It is recommended that the City Council adopt a resolution approving an amendment to a license agreement with EVgo Services LLC for the installation and operation of electric vehicle chargers at the Miller Avenue Parking Garage located at 329 Miller Avenue, South San Francisco.**

### **BACKGROUND/DISCUSSION**

On September 26, 2018, the City Council approved a 10-year License Agreement with EVgo Services LLC (“EVgo”) for the installation and operation of four (4) high powered EV charging stations, and the use of five (5) parking stalls (one stall is for accessible EV charging), at the Miller Avenue Parking Garage. Pursuant to this license agreement, EVgo was to provide a 100 percent turnkey project at no cost to the City which includes design, engineering, utility connections, permitting, construction, and commissioning. EVgo was also to pay for the cost of operations and maintenance of the EV chargers during the 10-year term of the Agreement. The total amount of the license fee to be paid by EVgo to the City under this Agreement is \$50,000. In addition, EVgo was to upgrade electrical transformers at the proposed charging stations for providing future utility services. When the charging stations have been constructed and are fully operational, EVgo was to provide separate utility meters at its sole expense and pay utility costs that the charging stations incur directly to Pacific Gas and Electric (“PG&E”).

Due to newfound difficulties with upgrading the transformers and installing new utility meters, EVgo has proposed to amend the provision relating to these items in the License Agreement. In January 2019, EVgo was informed by PG&E that the existing transformer space is too small to allow for the planned transformer upgrade, and EVgo is currently attempting to resolve this issue. If the transformer can be upgraded in size, EVgo will upgrade the chargers. In addition, the existing meter socket would not accommodate a master utility meter that would allow EVgo to pay utility costs directly to PG&E. Thus, EVgo has proposed to install a sub-meter in the existing meter socket instead of a master meter. This would require the City to front all utility payments that the charging stations incur, and EVgo would reimburse the City for its share of utility costs based on a reimbursement rate that reflects EVgo’s electricity usage at the charging stations.

These proposed changes to metering and payment structure are reflected in an amendment to Section 5.3 of the License Agreement. In summary, the proposed amendment would require EVgo to do the following:

- Reimburse the City for utility costs incurred by the charging stations, instead of installing a separate meter and paying costs directly to PG&E.
- Measure (in kilowatts per hour (kWh)) the electricity used by the charging stations based on the stations’ data or other commercial sub-metering equipment, and share data with the City. If electricity

usage measurements were interrupted or are found to be inaccurate and need to be repaired, such measurements for the period of interruption of malfunction will be determined by EVgo based on reasonable data of usage.

- Repair/replace the sub-meter in the event of malfunction.
- Pay the amount of the cost of electricity usage at the charging stations to the City at the end of each month, at the rate of \$0.18/kWh, which shall be re-evaluated and adjusted annually by EVgo, based on electricity usage data to be provided by the City.

Staff believes that the proposed reimbursement structure and the rate of \$0.18/kWh are reasonable and would accurately capture the electricity usage incurred by the charging stations. The City would also have an opportunity to receive and review data that EVgo relies upon to determine the amount of reimbursement due to the City. Further, the reimbursement rate will be reevaluated and adjusted annually by the parties, and thus would reflect inflation and other increases.

The proposed amendment would allow EVgo to proceed with installing the required sub-meters at the project site and to construct the charging stations. This electric chargers project is consistent with the City's Electric Vehicle Master Plan that aims to convert the City's fleet to EV and provide additional public facing EV charging stations throughout the City. EVgo has substantial experience in the deployment of electric vehicle charging stations and has most recently performed such a project for the Town of Colma.

#### FISCAL IMPACT

EVgo will continue to pay the City \$50,000 for the use of parking spaces to make the City whole on lost parking revenue. There is no additional cost to the City to install the EV chargers, and the City will be reimbursed for the utility costs at the charging stations.

#### RELATIONSHIP TO STRATEGIC PLAN

This project will contribute to the City's Strategic Plan outcome of improved Quality of Life by increasing the availability of electric vehicle charging infrastructure.

#### CONCLUSION

Staff recommends that the City Council adopt a resolution approving the proposed amendment to a license agreement with EVgo Services LLC for the installation and operation of electric vehicle chargers at the Miller Avenue Parking Garage located at 329 Miller Avenue, South San Francisco.