



Office of the City Manager

CONSENT CALENDAR
December 13, 2022

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Paul Buddenhagen, Deputy City Manager
Subject: Adopt a Resolution Authorizing the City Manager to Execute a License Agreement with East Bay Community Energy for Electric Vehicle Fast Charging Stations on Municipal Property

RECOMMENDATION

Adopt a Resolution authorizing the City Manager or their designee to execute a Master Site License Agreement with East Bay Community Energy (EBCE) for the installation and operation of publicly-available electric vehicle (EV) direct current fast charging stations on municipal property.

FISCAL IMPACTS OF RECOMMENDATION

The Master Site License Agreement (MSLA) and the siting of charging stations will have no costs to the City's General Fund or other City funds. EBCE will fully fund the cost of the fast charging stations and their installation, operation, and maintenance on municipal property. Staff time will be required for review and approval of a Notice to Proceed prior to the charging station development at each site. The City may see an increase in utility user tax (UUT) revenue as a result of increased electricity use for fueling cars. EBCE estimates that there will be an additional \$400,000-\$600,000 in UUT proceeds annually over next 2-3 years due to existing City policies, and up to \$1.3 million per year by 2025 if Berkeley meets its EV adoption goals.

CURRENT SITUATION AND ITS EFFECTS

This proposal seeks authorization for the City Manager or their designee to execute a Master Site License Agreement (MSLA) with EBCE for the development of publicly available EV direct current fast charging stations on municipal property. As directed by Council Resolution 70,216-N.S. (February 8, 2022), staff has been working with EBCE to identify municipal parking lots and garages, in areas of dense concentrations of multifamily dwelling units, to serve as sites for EBCE fast charging stations.

Staff are negotiating a draft MSLA that identifies these locations as potential charging station sites:

- 4th Street and University Avenue (parking stalls on the east and west side of 4th Street under the University Avenue overpass)

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- Parking lot at the southeast corner of Adeline Street and Alcatraz Avenue¹

EBCE requires each project site to have a standard design goal of 10 dual-port fast charging stations, requiring approximately 22-23 parking spaces to accommodate charging station spaces (a charging hub), ADA accessibility for the spaces, and space for transformers or other ancillary equipment.

Both of the potential locations in Berkeley can meet EBCE requirements. Both locations are located in areas identified for investment for equitable electric mobility within the Berkeley Electric Mobility Roadmap and as Equity Priority Areas designated by the Transportation Division. Both locations also have sufficient other nearby municipal on-street parking so that no parking constraints in either area are anticipated as a result of developing these fast charging spaces. Once the MSLA is executed, EBCE will conduct detailed engineering assessments, secure project financing, and work with PG&E to provide the additional utility service required for EV charging. A Notice to Proceed, detailing the site design, charging stall descriptions, construction coordination schedule, and site access hours for each site must be still be agreed upon and executed by the City Manager or designee prior to charging hub development.

City owned parking garages, including the Center Street Garage and Telegraph Channing Garage, were also considered but have not been included due to the bond obligations for parking revenue as well as space, electrical, and access constraints.

Key features of the MSLA include:

- A term of 15 years in which EBCE would use designated municipal parking spaces to install and operate fast charging stations, with removal and restoration of the site at the end of the term, or an extension if authorized by Council
- EBCE will pay for the equipment, installation, operation, and maintenance of the charging stations
- The City will provide the parking spaces used for the charging hubs
- EBCE will be responsible for all electricity and communication costs of the charging stations
- Rates for use of the charging stations will be set by EBCE and may change over time at the discretion of EBCE (the City has representation on the EBCE Board of Directors, which will be involved in rate setting)
- EBCE may place signage at the sites for the charging hubs
- The City will issue a Notice to Proceed for each charging hub site before development begins

¹ Resolution No. 66,829-N.S. (2014) allows the City to allocate up to 40% of the total spaces at this lot to long-term parking exclusively for tenants of 3271 Adeline Street/1835 Alcatraz Avenue. This allocation is currently being used by Satellite Affordable Housing Associates (SAHA).

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Creating public EV fast charging hubs is consistent with the Berkeley Electric Mobility Roadmap and is a Strategic Plan Priority Project, advancing our goal to be a global leader in addressing climate change, advancing environmental justice, and protecting the environment. Partnership with EBCE, Berkeley's public power provider, could provide cost-effective public fast charging stations at locations that prioritize equity, providing charging in proximity to multifamily housing and in areas that have less access to transportation options and/or are more highly impacted by pollution, poverty, and other socioeconomic factors.

BACKGROUND

EBCE is building a network of EV fast charging hubs on behalf of its customers and Joint Power Authority (JPA) member cities. These public fast charging stations will help EBCE's service area meet statewide mandates for zero-emission vehicles and help meet the needs of current and future EV drivers, especially renters who do not have access to at-home charging.

As directed by Resolution 70,216-N.S. (February 8, 2022), staff has been working with EBCE to identify municipal parking lots and garages, in areas of dense concentrations of multifamily dwelling units, to serve as sites for EBCE fast charging stations. EBCE had originally requested non-binding terms that required an annual service fee from the City of \$100,000 per fast charging hub, resulting in annual costs of \$200,000-\$300,000 to the City. This expense may have been offset, and potentially exceeded over time, by a site license fee, paid by EBCE to the City when the project net operating income exceeded EBCE's cost to service the debt.

EBCE has since adjusted its original plans and financing mechanism. Rather than developing the charging hubs directly, with payments from JPA members, EBCE is pursuing private infrastructure capital through a tolling partnership available to the utility industry. EBCE now aims to develop 40-50 public fast charging hubs by 2030 through a tolling structure contract with a counterparty who will finance, construct, and maintain the charging stations over a 10-year period for a fixed monthly payment from EBCE at no cost to the City.

This new model removes risk, uncertainties, and expenses for the City. Original calculations of revenues from EBCE's Site License fees were based on Low Carbon Fuel Standards (LCFS) credit pricing above \$160; in the intervening time LCFS credits have dropped to \$60-70 average sales, which reduces the revenue projections for the chargers by \$1.2M over 10 years. As a result, the City's estimated total revenues of \$50,000 to \$851,000 over the agreement term in EBCE's original proposal would be completely subsumed and the City would not recover the investment made in the project.

EBCE's new model eliminates the capital request to the City, while still delivering the benefit in the form of beginning a robust charging network in Berkeley and across the

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County. EBCE will be requesting approval from their Board of Directors to sign contracts with development partners, with an overall program cost not to exceed \$3M/year or \$30M over their 10-year agreements. EBCE hopes not to spend \$30M to provide this charging infrastructure, but is setting expectations with their Board that this program may not earn returns/profits as the market is volatile, costs are shifting, and EBCE wants the flexibility to deliver low cost charging to all customers, which could include discounts for low income customers that would reduce project revenues. Any profits generated by EV charging hubs will be delivered back to EBCE customers and communities through lower electricity rates and/or local programs investments in further electrification projects.

In order to include Berkeley sites as Phase I charging hubs, the City needs to execute the MSLA by the end of the year, so that EBCE can attract private infrastructure capital through a tolling partnership. Hayward and Pleasanton City Councils both authorized their city managers to authorize their MSLAs with EBCE on November 1, 2022.

As of August 2022, there were 184 publicly-available Level 2 EV charging ports and 22 direct current fast charge (DCFC) ports in Berkeley. Approximately 7.5% of registered cars in the community were electric. These values have doubled in the last four years; in late 2018 there were 105 publicly-available EV charging ports and nearly 4% of registered personal vehicles were electric.

In order to meet the Berkeley Electric Mobility goals of increasing the share of light-duty EVs registered in Berkeley to 25% by 2025, 55% by 2030, and 100% by 2045, more public charging is needed to ensure that all residents, especially renters without access to at-home charging, have convenient refueling options. Berkeley's goal is to install at least 100 public DCFC ports by 2025. Partnering with EBCE to site and develop DCFC hubs could result in approximately 40 new public DCFC ports within Berkeley in the next 1-3 years.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

According to Berkeley's 2020 greenhouse gas emissions (GHGs) inventory, 46% of Berkeley's emissions result from transportation. In addition to increasing the use of public transportation, walking, biking and scooters, replacing internal combustion engine cars with EVs is necessary to reduce transportation emissions. Partnering with EBCE to create new EV direct current charging stations in Berkeley advances equity in line with Berkeley's Climate Action Plan, Electric Mobility Roadmap, and Climate Emergency Declaration. Siting charging in equity priority areas in proximity to multifamily housing and the inclusion of prevailing wage and other labor standards in the MSLA supports the Just Transition to becoming a Fossil Fuel Free City.

RATIONALE FOR RECOMMENDATION

In order to include Berkeley sites as Phase I charging hubs, the City needs to execute the MSLA by the end of the year. Partnering with EBCE to site and develop DCFC hubs

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could result in approximately 40 new public DCFC ports within Berkeley in the next 1-3 years without cost to the City.

ALTERNATIVE ACTIONS CONSIDERED

None. The City lacks funding, expertise, and staffing develop and operate this scale of fast charging stations. The City could wait for the private market to build fast-charging infrastructure at scale. However, this may not materialize in the timeframe needed to meet state and local climate action goals. Private sector owned fast-charging will not necessarily be sited in convenient or equitable locations that serve renters in multifamily housing. Staff has concentrated on protecting the City's real assets and interests, including maximizing community reinvestment and benefits, while negotiating the MSLA.

CONTACT PERSON

Sarah Moore, Sustainability Program Manager, OESD, Planning, (510) 981-7494
Farid Javandel, Deputy Director of Transportation, Public Works, (510) 981-7057

Attachments:

- 1: Resolution
- 2: Resolution Establishing City Process for Siting and Developing Public Electric Vehicle DC Fast Charging Hubs (Resolution No. 70,216-N.S.)

RESOLUTION NO. ##,###-N.S.

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH EAST BAY COMMUNITY ENERGY FOR PUBLIC ELECTRIC VEHICLE FAST CHARGING STATIONS ON MUNICIPAL PROPERTY

WHEREAS, the State of California has a goal of 7.5 million zero emission vehicles (ZEVs) on California roads and approximately 1.2 million public and shared chargers to meet the fueling demands of those vehicles by 2030; and

WHEREAS, on August 25, 2022, the California Air Resources Board approved a rule requiring 100 percent of new car sales in California to be ZEVs by 2035; and

WHEREAS, the Berkeley Electric Mobility Roadmap targets the development of at least 100 public DC fast charging ports in Berkeley by 2025 to support carbon neutrality by 2045; and

WHEREAS, there are currently 22 DC fast charging ports in Berkeley; and

WHEREAS, the Berkeley Electric Mobility Roadmap includes developing public EV charging on municipal property through partnerships with third-party charging providers as a strategy to achieve zero net carbon; and

WHEREAS, East Bay Community Energy (EBCE), the not-for-profit public power agency which serves Berkeley, aims to deploy 40-50 charging hubs throughout its service area by 2030; and

WHEREAS, in their first phase of development, EBCE is seeking to develop two fast charging hubs in Berkeley, each providing approximately 20 DC fast charging ports, for a total of about 40 new DC fast charging ports; and

WHEREAS, EBCE's fast charging hubs would be installed, operated, and maintained by EBCE on municipal property at no cost to the City of Berkeley; and

WHEREAS, any revenues generated by EBCE's fast charging hubs would be reinvested in programs, including transportation electrification, or used to lower rates, in Berkeley and the other member jurisdictions; and

WHEREAS, additional EV charging infrastructure is needed in Berkeley to meet the current and future needs of residents, particularly renters, and visitors.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or their designee is authorized to execute a Master Site License

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Agreement with East Bay Community Energy (EBCE) for publicly available EV fast charging stations on municipal property.

RESOLUTION NO. 70,216-N.S.

RESOLUTION ESTABLISHING CITY PROCESS FOR SITING AND DEVELOPING
PUBLIC ELECTRIC VEHICLE DC FAST CHARGING HUBS

WHEREAS, the world is facing a grave climate emergency, requiring municipalities to rapidly and justly transition towards a zero-carbon economy by 2030; and

WHEREAS, 60% of Berkeley's sector-based greenhouse gas (GHG) emissions as of 2019 result from the transportation sector, and in addition to public transportation, walking, biking and scooters, replacing internal combustion vehicles with electric vehicles will be a major factor in reducing emissions; and

WHEREAS, transitioning Berkeley's economy will require significant investment on the part of both government and residents and low-carbon technology, including electric vehicle charging infrastructure, which is underdeveloped in Berkeley and can often be out of reach for many households; and

WHEREAS, the primary hurdle to widespread electric vehicle adoption moving forward will be the availability of reliable and convenient fast charging infrastructure for residents who are renters who do not have access to charging at home and commuters, visitors and businesses; and

WHEREAS, City's Electric Mobility Roadmap and Climate Action goals provides a goal of having 15,000 electric light-duty vehicles registered in Berkeley by 2025, which according to California Energy Commission modeling would require a significant investment in public direct current fast charging (DCFC) ports; and

WHEREAS, Alameda County's default public power provider, East Bay Community Energy (EBCE), is proposing a public-public partnership with the City to develop and operate up to three DCFC hubs, that EBCE will own and operate, across Berkeley in areas with a dense concentration of multifamily housing that are near amenities desired by drivers; and

WHEREAS, the proposed public-public partnership would provide Berkeley residents and visitors with state-of-the-art fast charging infrastructure, enabling the transition from internal combustion vehicles for those who were not early adopters and reducing GHG emissions from the transportation sector; and

WHEREAS, EBCE and the City of Berkeley have developed the proposed non-binding term sheet describing how EBCE would develop, operate and market up to three DCFC hubs under a Service Agreement; and

WHEREAS, in parallel EBCE will negotiate a Site License Agreement with the City providing EBCE with access and use of public land for EBCE's DCFC hubs, and once the project is generating revenues above EBCE's annual project costs, EBCE will share revenue with the City via the Site License Agreement; and

WHEREAS, the Site License Agreement revenue payments and Utility Users Tax proceeds, resulting from increased electricity consumption as a transportation fuel at EBCE's DCFC hubs, can provide the City of Berkeley with new revenue sources; and

WHEREAS, it is in the public interest for the City to proceed to negotiate a Service Agreement with EBCE as generally proposed by the non-binding term sheet.


NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager or their designee is authorized to negotiate a Service Agreement with EBCE subject generally to the non-binding terms included in the attached term sheet and any subsequent amendments or modifications thereto, as the City and EBCE may deem appropriate, and that execution of the Service Agreement is contingent upon Council allocation of funding for the City's Service Fee as part of the FY 2023-2024 budget process and subsequent adoption of the Service Agreement by Council.

The foregoing Resolution was adopted by the Berkeley City Council on February 8, 2022 by the following vote:

Ayes: Bartlett, Droste, Hahn, Harrison, Kesarwani, Robinson, Taplin, Wengraf, and Arreguin.

Noes: None.

Absent: None.



Jesse Arreguin, Mayor

Attest: 

Mark Numainville, City Clerk

