



**DATE:** October 6, 2022

**TO:** Council Sustainability Committee

**FROM:** Director of Public Works

**SUBJECT** Site License Agreement with East Bay Community Energy for Electric Vehicle Charging Stations – Discussion and Recommendation to Council

## **RECOMMENDATION**

That the Council Sustainability Committee (CSC) reviews and comments on this report and provides a recommendation to Council.

## **SUMMARY**

East Bay Community Energy (EBCE) seeks to develop, own, and operate a network of publicly available electric vehicle (EV) fast charging hubs throughout its service territory. In the near term, EBCE is interested in locating two to three EV charging hubs, each with capacity for at least 20 EVs, in Hayward’s Downtown. Staff seeks the CSC’s recommendation regarding a draft Site License Agreement that would allow EBCE to locate the charging hubs on City-owned municipal parking lots and garages. Staff is also seeking the CSC’s comments regarding some of the key terms of the draft Agreement.

## **BACKGROUND**

In 2018, the EBCE Board of Directors adopted a Local Development Business Plan (Plan). One of the key strategies included in the Plan is to develop and implement projects that support electrification of transportation in its service territory. EBCE is also working to align its initiatives with California’s EV goals including:

- By 2025, 1.5 million Zero-Emission Vehicles (ZEVs) on the road and 250,000 electric vehicle chargers in operation.
- By 2030, approximately 1.2 million public and shared chargers to meet the fueling demands of the 7.5 million ZEVs anticipated to be on California roads<sup>1</sup>.

In support of the above goals, on August 25, 2022, the California Air Resources Board (CARB) approved a rule requiring 100 percent of new car sales in California to be ZEVs by 2035. The rule also includes ZEV targets for 2026 (35 percent) and 2030 (68 percent).

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<sup>1</sup> <https://www.energy.ca.gov/news/2021-06/report-shows-california-needs-12-million-electric-vehicle-chargers-2030#:~:text=In%20addition%20to%20the%201.2,trucks%20and%20buses%20also%20anticipated.&text=These%20numbers%20fall%20short%20of,250%2C000%20chargers%20by%2054%2C000%20installations>

## DISCUSSION

EBCE aims to deploy forty to fifty fast charging hubs throughout its service area over the next several years. Each hub is planned to have a minimum of ten dual port Direct Current Fast Chargers (DCFCs)<sup>2</sup>. This is the level of investment needed to meet the State's goal of 5 million ZEV on the road by 2030. A charging hub with ten dual port DCFCs can charge up to twenty vehicles simultaneously. Due to the loading areas needed for van-accessible parking spaces, each hub may occupy up to twenty-two existing parking spaces.

A DCFC hub can be a valuable amenity for patrons of nearby businesses and for residents of multi-family properties. An analysis by EBCE found that 90% of multi-family properties in Alameda County are 50 years old or older; most lack the infrastructure needed to support EV charging; and that multi-family residents could be served by publicly accessible fast charging hubs if located in high density areas. In Alameda County, 47% of the population are renters, so a major initiative of EBCE is to provide charging facilities for renters who may not be able to install charging equipment at home.

In the next few years, EBCE is seeking to develop two or three fast charging hubs in Downtown Hayward. Attachment II is a map showing six potential locations for fast charging hubs. Staff and EBCE are negotiating a draft site license agreement that identifies:

1. Cinema Garage – 22695 Foothill Boulevard
2. Municipal Lot 1 – 919 A Street
3. Municipal Lot 2 – 1042 B Street
4. Municipal Lot 4 – 1147 B Street
5. Municipal Lot 5 – 22456 Maple Court
6. Municipal Lot 6 – 1164 A Street

These initial locations were selected because they are under City ownership, large enough to accommodate the twenty-two parking spaces needed, and in proximity of high-density multi-family residents. In later phases of the project, EBCE intends to explore additional sites in Hayward including other areas of the City and may include private properties. EBCE is seeking a site license agreement to secure the City's commitment to working in partnership to host the charging hubs at the six locations listed above. The first hub to be developed will be the Cinema Place parking structure because grant funding has been secured for that project. Once the agreement is in place, EBCE will conduct engineering analysis and coordinate with PG&E to find one or two additional downtown locations that are the best in terms of electrical capacity, space for new transformers and related equipment.

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<sup>2</sup> There are generally three types of EV chargers:

- *Level 1* – 15-20 Amps, providing a driving distance of 3-4 miles/hour of charge
- *Level 2* – 40 Amps, providing a driving distance of 25-30 miles/hour of charge
- *Direct Current Fast Charger (DCFC)* – 80 – 400 Amps, providing a driving distance of 125-1,000 miles/hour of charge

Cinema Place Parking Structure – In early 2022, staff assisted EBCE with the submittal of a grant application to the California Energy Commission (CEC) to fund a DCFC hub in the Cinema Place parking structure. The proposal is for 10 dual-port chargers to be installed on the ground level of the structure. This location was selected because it would serve renters as well as visitors to Hayward’s Downtown businesses and because of the large number of parking spaces in the structure. The proposed chargers would have the capability to charge an EV up to 80% in less than 45 minutes. Staff is currently working with EBCE and their engineer to design this hub.

Key Terms of Site License Agreement – The key terms of the draft agreement are:

1. The term of the agreement would be for fifteen years.
2. The agreement would allow charging hubs to be developed on six sites: the Cinema Garage and Municipal Lots 1, 2, 4, 5, and 6.
3. EBCE will pay for construction, operation, and maintenance of the chargers.
4. EBCE will pay for electricity used by the chargers.
5. The City will provide the land and access to the parking spaces.
6. The City will not be permitted to install or allow installation of any charging facilities other than those operated by EBCE on any property covered by the agreement.
7. EBCE may place signage related to the charging facilities.
8. Rates for charging will be set by EBCE and may be changed from time to time at EBCE’s sole discretion. (Given that the City has representation on EBCE’s Board of Directors, the City will be able to weigh in on rate setting.)
9. After the City and EBCE agree on design details, construction schedule, etc. for each site, the City would issue a “Notice to Proceed” before EBCE can develop each hub.

EBCE has assured staff that discounted rates will be offered for low-income customers, but details of the program are not yet available. Staff continues to negotiate the draft site license agreement and seeks the CSC’s comments – specifically regarding items 6 and 8.

- Regarding item 6, staff has expressed concern to EBCE about the exclusivity of the agreement. It is possible that at some point during the 15-year term, demand for EV charging will exceed the number of charging ports and the City may seek to install more chargers on the properties identified in the agreement.
- Regarding item 8, staff will want to ensure that the rate structure for use of the EV chargers is designed such that it encourages EV drivers to charge their vehicles in downtown Hayward and that it sufficiently addresses the equity concerns of lower income households.

## **FISCAL IMPACT**

The recommended agreement and the siting of charging hubs in Hayward will have no costs to the City’s General Fund or other City Funds. The City will receive a small increase in revenues from the utility user tax (UUT) that will pay for the electricity used for the chargers. EBCE will fully fund the construction and operation of the charging hubs. The California Energy Commission has awarded a grant to EBCE allocating approximately \$1.2 million to the Cinema Place project. The City’s contribution for each charging hub will be the dedication of the parking spaces and areas needed for transformers and electrical equipment.

## **ECONOMIC IMPACT**

Staff anticipates the charging hubs will benefit business owners as well as residents. The hubs are expected to bring more people downtown, both for those primarily intending to shop and those intending to charge their vehicles. A report<sup>3</sup> published by the San Diego Association of Governments (SANDAG), cites studies that found when drivers charge their EVs in retail settings, they encourage customers to stay longer, make more purchases, and lead to more repeat customers. As a local example, staff has heard from the owners of the Target Center at Hesperian and A Street that they have seen increases in sales at the Target and neighboring businesses due to the installation of the Tesla charging stations.

## **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority to *Invest in Infrastructure* as included in the Strategic Roadmap adopted by Council on May 3, 2022. Specifically, this item is related to implementation of the following project:

Project N9b Construct additional EV charging facilities.

## **SUSTAINABILITY FEATURES**

Electrification of vehicles throughout the community is necessary to meet the City's long-term greenhouse gas (GHG) emissions reduction goals. In June 2020, Council adopted ambitious goals to reduce GHG emissions 55% below 2005 levels by 2030 and to work with the community to develop a plan that may result in the reduction of community-based GHG emissions to achieve carbon neutrality by 2045. Of Hayward's total GHG emissions, the transportation sector accounts for close to 65%. While active transportation (walking, biking, etc.), ridesharing, and other strategies will be important to achieving needed reductions in Hayward's transportation emissions, the electrification of cars and trucks will also be necessary.

Hayward's *2040 General Plan* includes the following policy related to EVs.

*NR-2.10 – Zero-Emission and Low-Emission Vehicle Use:* The City shall encourage the use of zero-emission vehicles, low-emission vehicles, bicycles and other non-motorized vehicles, and car-sharing programs by requiring sufficient and convenient infrastructure and parking facilities throughout the City.

## **PUBLIC CONTACT**

On September 7, 2022, staff mailed letters to approximately 600 downtown business owners and property owners to solicit comments on the installation of new charging facilities. Public meetings were held on September 20 (on Zoom) and September 22 (in person) to allow community members to ask questions and provide feedback. Staff will summarize the results of the public meetings during the CSC meeting.

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<sup>3</sup> [https://www.sandag.org/uploads/projectid/projectid\\_511\\_25858.pdf](https://www.sandag.org/uploads/projectid/projectid_511_25858.pdf)

## **NEXT STEPS**

Upon direction from the CSC, staff will prepare a draft resolution for Council's consideration to authorize the City Manager to negotiate and execute the Site License Agreement with EBCE. This is tentatively scheduled for the October 25, 2022 Council meeting. Additionally, staff will continue to work with EBCE to design the charging hub at the Cinema Place Parking structure. Staff will return to the CSC with the proposed design.

*Prepared by:* Erik Pearson, Environmental Services Manager

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



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Kelly McAdoo, City Manager