

INDIAN WELLS CITY COUNCIL

September 7, 2023



To: City Council
From: Public Works Department
Prepared by: Dina Purvis, Public Works Manager
Subject: **Establishment of an Electric Vehicle Charging Fee**

RECOMMENDED ACTIONS:

Council **REVIEW, DISCUSS** and **APPROVE** or **APPROVE AS AMENDED** the proposed Electric Vehicle Charging Fee; and

FINDS the project to be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273(a)(1).

DISCUSSION:

As part of the Energy Efficiency Program the City installed five (5) dual port Level 2 publicly accessible charging stations at the Indian Wells Golf Resort that were funded by a grant from South Coast Air Quality Management District. In addition, the approved Fiscal Year 2023-2024 Capital Improvement Project budget includes ten (10) dual and five (5) single Level 2 EV charging stations for a total of 26 spaces at the City Hall campus. The installation of the infrastructure for the charging stations is being funded through the Southern California Edison Charge Ready Program.

With the installation of city-owned EV charging stations, staff are proposing a fee schedule to address station usage reflective of what other Coachella Valley cities are charging. The objective of the proposed fee is to influence usage patterns and behavior to manage occupancy and availability of the charging connections, and to fully recover or offset the costs associated with program administration.

To achieve these goals, staff recommend implementing an "Electric Vehicle Charging Fee" that will reimburse the City for the direct costs incurred by the charging station. This fee will cover expenses such as electricity, maintenance, network fees, and staff time required to manage the station. Users will be charged for the duration of their use of the station. Council also has the option to not set a fee and allow free charging. That option would result in maintenance of the equipment and power usage becoming a cost of the City's General Fund.

The EV charging stations have the capability to collect fees from users based on their connectivity. To initiate a charging session, users must connect to an EV charging station using a credit card or mobile app. Once the session is initiated, users gain access to one of the charging ports. The station can apply different fees or rates as determined by the station administrator, and these fees can be applied individually or combined.

Staff have conducted an analysis of the direct costs associated with charging a vehicle using the newly installed stations. The City cost being charged by SCE ranges between \$0.27 per kWh (winter-off peak) and \$0.64 per kWh (summer-peak) depending on the season. The network cost for the EV charging stations is \$4,680 per year. The cost of electricity to run the EV charging stations is \$206.83 per month, per meter and there is one meter per site.

The cost recovery for the power alone amounts to approximately \$3.22 per hour. Most vehicles will gain a sufficient charge within a three-hour timeframe. Additional direct costs include maintenance fees, capital replacement, warranty coverage, and staff time dedicated to program management. Based on an estimated usage of 2000 hours per year, these additional costs per hour amount to approximately \$2.32. Considering all these factors, the total fee for cost recovery is suggested to be set at \$5.50 per hour, which would be the rate for the Electric Vehicle Charging Fee. The adoption of the EV Charging Fee should be re-evaluated after one year of operation, as the true times are revealed regarding usage.

While the staff proposes setting the Electric Vehicle Charging Fee at \$5.50 per hour, we recommend implementing a discounted rate for an initial period of three hours. This will encourage community members to utilize the charging stations. As mentioned earlier, most vehicles can achieve a significant charge within three hours. After this initial discount period, users will be charged the full Electric Vehicle Charging Fee of \$5.50 per hour. This fee structure promotes efficient use of the EV stations and allows users to self-regulate their charging time, preventing monopolization by a specific user and ensuring fair access for others.

Users of the EV stations will be notified of the Electric Vehicle Charging Fee through the EV charging station website, and the EV charging station mobile app. Additionally, users with a EV charging account will receive notifications via text message or email regarding the eventual price change. This transparent communication ensures that users are aware of the fee and can plan accordingly.

Based on the information regarding cost estimates, staff recommends the City Council adopt the attached resolution adopting the following fees:

Proposed Fee		
Type of Fee	Increment 1	Increment 2
Electric Vehicle Charging Fee	\$3.50 per hour	\$5.50 per hour

The Finance Committee met on August 17, 2023, reviewed the proposed fee, and supports the staff recommendation.

City Staff also did a survey of the surrounding cities in the Coachella valley as indicated in the table above.

FISCAL IMPACT:

Additional revenue from the Electric Vehicle Charging Fee of \$3.50 per hour for the first three hours, \$5.50 per hour for usage over three hours.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the environmental regulations of the City. The City acting as Lead Agency, has determined the Fee Establishment qualifies as being Statutorily Exempt from the environmental review requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code section 21080(b)(8) and CEQA Guidelines section 15273(a)(1).

ATTACHMENTS:

1. Resolution

City Hall EV Charging			
City Hall	EV Company	Cost	Price set by:
Cathedral City	Tesla & other	Free - 4-hour limit	City
Coachella	ChargePoint	Initial 4 hours free; \$3 per hour thereafter	City
Indio	ChargePoint	Initial 4 hours free; \$2.00 per hour thereafter	City
La Quinta	Tesla & other	Free	City
Palm Desert	ChargePoint	Free	City
Palm Springs	ChargePoint	<p>DC Fast Charger</p> <p>Cost estimates:</p> <p>\$3.88 for 15 minutes</p> <p>\$7.75 for 30 minutes</p> <p>\$11.62 for 45 minutes</p> <p>\$15.50 for 1 hour</p> <p>Level 2:</p> <p>\$2.05 for 1 hour</p> <p>\$4.09 for 2 hours</p> <p>\$6.14 for 3 hours</p> <p>\$8.18 for 4 hours</p> <p>\$10.23 for 5 hours</p> <p>\$13.43 for 6 hours</p> <p>\$17.79 for 7 hours</p> <p>\$22.14 for 8 hours</p> <p>\$26.50 for 9 hours</p> <p>\$35.99 for 10 hours</p>	3rd party (CSG EV LLC)
Rancho Mirage	Other	Free with a 2-hour limit	City