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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

May 26, 2020

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CELIA ZAVALA
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**HEARING ON NEW USER FEES FOR COUNTY- OWNED AND
OPERATED ELECTRIC VEHICLE CHARGING STATIONS
(ALL SUPERVISORIAL DISTRICTS - 3 VOTES)**

SUBJECT

The Internal Services Department (ISD) recommends the establishment of a new user fee at County-owned and operated electric vehicle (EV) charging stations at all County facilities.

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

1. Authorize ISD to establish new user fees at all County-owned and operated EV charging stations and, to adjust rates, as necessary following review by the Auditor-Controller; and
2. Upon approval of a user fee, establish ISD as the lead County department for deploying charging station infrastructure and collecting data on clean transportation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 30, 2015, your Board approved the creation of a Centralized Countywide Vehicle Fuels Procurement and Fuels Management Program (Program). Under this Program and utilizing matching funds, ISD has overseen charging station infrastructure deployment as well as maintenance and operations. This funding, however, has been insufficient to reach the County's 2015 goal of 500 charging stations by 2017 and is

insufficient to meet the County's adopted Sustainability Plan goals of installing 5,000 charging stations by 2025 and 15,000 charging stations by 2035. The biggest impediment to faster electrification of the County's fleet and personal vehicles is a lack of EV charging infrastructure.

Deployment of charging stations throughout the County will require a sustainable source of funds and the ability to recover operating costs from users. ISD hired a consultant, ICF International, to evaluate a charging station per kilo-watt hour (kWh) rate. The analysis recommends establishing electric vehicle charging station user fees at \$0.30/kWh and \$0.45/kWh during peak, time-of-use hours. These fees will cover the County's electricity and infrastructure costs, as well as ongoing maintenance and networking fees. The fee recommended for the County is consistent with those of other municipalities and less than the cost of a gasoline equivalent gallon. The Auditor-Controller has reviewed and concurs with the user fee and budget methodology (Attachment 1).

The County currently operates and maintains four different networking providers due to the absence of a strategic deployment plan and Countywide infrastructure contracts. Charging stations were installed on an ad-hoc basis by departments over the past several years, which has created barriers to efficient maintenance and ease of use for customers. In 2019, ISD competitively solicited and awarded a Master Agreement for charging station equipment that has smart charging technology, which is designed to minimize negative impact on electricity supply infrastructure and peak demand charges. ISD recommends that ISD be the lead department on countywide charging station installations to ensure that this technology is installed at all future locations. This will ensure a streamlined electrified transportation system, a harmonized user and reporting system, and a common platform for continued maintenance and networking.

ISD will provide the Board with a report on the status of EV charging station deployments after 18 months of operation, which will include usage data, analysis of the user fee, any proposed changes to the user fee, and any further recommendations on deployment. The user fee will be applied, and data collected on all newly installed charging stations. On the 430 existing charging stations installed throughout the County, users will continue to receive free charging until the technology is converted.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan Goal II, Foster Vibrant and Resilient Communities via strategy II.3.5 Support a clean, flexible, and integrated multi-modal transportation system that improves mobility.

FISCAL IMPACT/FINANCING

The user fee will allow the County to recover electricity costs, which was approximately \$250,000 in 2019 and will increase each year. The fee, together with grants and rebates,

will also cover annual networking fees and ongoing maintenance costs as well as recover the upfront costs of EV charging station installation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board of Supervisors adopted the County of Los Angeles Sustainability Plan on August 6, 2019. The Plan sets the framework for the County to be instrumental in providing a zero-emission transportation system. ISD is directly responsible for achieving the charging station installation targets of 5,000 charging stations by 2025 and 15,000 charging stations by 2035.

Several County departments have requested or installed EV charging stations. They are supportive of the County applying a user fee, as a means of recouping electricity costs. Departments, including Health Services have already signed on to working with ISD (see signed Service Level Agreements, Attachment 2). Public Works intends to enter into a Service Level Agreement with ISD that excludes PW's fleet from usage fees since Public Works currently utilizes Special Districts funds to pay for the installation and operating costs of their fleet charging stations. Public Works supports collecting usage fees from employees and the public for the use of charging stations

The implementation of these user fees only requires a majority vote of your Board, as they do not meet the definition of a "tax." They are exempt from the requirements of Proposition 26 pursuant to Article XIII C, Section 1e(2) of the California State Constitution.

Required public hearing notice was given pursuant to the procedures and requirement set forth in Government Code 66018 and 6062(a).

ENVIRONMENTAL DOCUMENTATION

These projects are categorically exempt from the provisions of CEQA pursuant to Section 15301(a), (d), and (f) of CEQA guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of a user fee and designating ISD as the lead agency for EV charging station deployment will facilitate long-term EV infrastructure planning; provide a secure source of funding for future charging stations; support on-going County operational and maintenance costs; and create a unified charging network for all County fleet, employees, and the public.

CONCLUSION

The County is significantly behind in the adoption of electric vehicles and charging infrastructure across our fleet and facilities. There is high demand for significantly more charging stations from departments for their fleet operations and to meet employees' demands to charge personal vehicles. The transition to zero-emission vehicles by the County's fleets and employees can only be supported by a sustained funding model for charging infrastructure. Applying a user fee at charging stations will create this funding model and allow the County to recover capital and operational expenses, help accelerate the deployment of charging infrastructure at County sites and achieve its goal of installing approximately 1,000 charging stations a year through 2035. Upon Board approval, ISD will begin applying the approved user fee at all locations with the new technology and begin collecting user data. ISD will report back in 18 months on the impact of switching from a free to rate-based model on user behavior as well as on the appropriate long-term fee structure.

Respectfully submitted,



SELWYN HOLLINS
Acting Director

Enclosures

c: Executive Office, Board of Supervisors
Chief Executive Officer
Chief Sustainability Officer
County Counsel
Auditor-Controller



ARLENE BARRERA
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

ADDRESS ALL CORRESPONDENCE TO:
ACCOUNTING DIVISION
500 W. TEMPLE ST., ROOM 6031
LOS ANGELES, CA 90012-3682

March 12, 2020

TO: Mike Willis
Budget Manager
Internal Services Department

FROM: Elaine Boyd 
Division Chief

SUBJECT: **ELECTRIC VEHICLE CHARGING USER FEE METHODOLOGY**

As requested, we reviewed your proposed Electric Vehicle Charging User Fee methodology. The fees are based on statistics and estimates that we cannot validate. However, the methodology used to develop the fees appears to be reasonable. Because State and federal regulations require that all fees charged to County departments be based on actual cost, we recommend that the fees be reviewed annually to ensure that billings do not exceed costs in any given year.

If you have any questions, please contact Katherine Bomgardner at (213) 893-0972.

EB:RA:KB

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INTERDEPARTMENTAL AGREEMENT

**WITH ISD AND DHS FOR INSTALLATION AND MANAGEMENT OF
ELECTRIC VEHICLE CHARGING STATIONS
LOCATED AT: 313 N. FIGUEROA, LOS ANGELES, CA 90012**

Effective Date: 3/26/2020





**Internal Services Department
Energy and Environmental Services
Environmental Initiatives Division
Interdepartmental Service Level Agreement**

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1. OVERVIEW:

The County of Los Angeles (County) aims to be at the forefront of promoting electric vehicle (EV) adoption and contributing to the expansion of charging infrastructure through the region. Transitioning from internal combustion engines to battery electric, plug-in hybrids, and other clean options is critical for improving air quality and reducing greenhouse gas emissions from vehicles in California. The Board of Supervisors adopted the County Sustainability Plan in August 2019 which directs the County to install 5,000 EV charging stations by 2025 and 15,000 charging stations by 2035. The Plan also directs the County to have 100% of new non-emergency light-duty vehicle purchases be zero-emissions by 2025 and 100% of medium-duty vehicles and emergency light-duty vehicle purchases be zero-emissions by 2035. By 2045, 100% of all vehicles in the County fleet are expected to be zero-emissions. Having the EV charging infrastructure (EVSE) in place throughout the County is pivotal to this transition as well as to promote continued adoption of EVs by County employees and the public.

ISD's Energy and Environmental Services (EES) coordinates energy efficiency, conservation, and sustainability programs to increase utilization and maximize the efficient use of natural resources within County operations and throughout the Southern California region. Specifically, the Environmental Initiatives Division (EID) of ISD is leading the initiative for purchasing, installing and commissioning EVSEs throughout the County and coordinating with departments on new EV purchases. Over the past several years, ISD has been the primary department installing EVSEs, which have been offered to employees and the public at no cost. A no cost service is not a sustainable model to maintain existing infrastructure or to meet the County's transportation electrification targets.

ISD is in the process of seeking approval from the Board of Supervisors (BOS) to move from a free service to a cost recovery model for all new and existing EV charging stations throughout the County. A Charge Back Analysis determined that the County should charge users \$0.30 per kilowatt-hour, which is less than a gallon equivalent of gasoline. ISD is working with fleet services and the Chief Information Office to collect these user fees. Once the BOS has approved the user rate, ISD will enable the charging equipment to begin collecting the fees and will be applied to fleet vehicles, employees and the public. These fees will be collected into a County-established Electric Vehicle Charging Infrastructure Fund, managed by ISD. Fees, County CEO funding, grants, rebates, and incentives will be stored in this fund to pay for ongoing maintenance and networking fees and as manage and deploy additional charging stations around the County.

ISD competitively bid and awarded a master agreement to PowerFlex, an EV charging station supplier that allows for managed charging designed to minimize negative impacts on electricity supply infrastructure and reduce peak demand charges. The master agreement is available to all County departments with the intent to harmonize EVSE technology across the County.

2. INTERDEPARTMENTAL SERVICE LEVEL AGREEMENT – PURPOSE:

The purpose of the Interdepartmental Service Level Agreement (SLA) is to ensure that the proper elements and commitments are in place to provide consistent quality and centralized management of installing EVSEs to participating County Departments (Customer).

3. PARTIES:

The following parties will be used as the primary parties associated with this SLA:

3.1 . Provider: EES3.2. Customer: DHS

4. PERIODIC REVIEW:

This SLA is valid from the Effective Date outlined herein and is valid until further notice. This SLA should be reviewed at a minimum once per fiscal year; however, in lieu of a review during any period specified, the current SLA will remain in effect.

5. EES RESPONSIBILITIES:

The following services are the responsibility of EES in the ongoing support:

5.1 Project Management/Customer Support

- 5.1.1. Coordinate with and provide guidance to Customer on EVSE expansion.
- 5.1.2. Provide direction to Customer in areas relating to State, Federal, and utilities regulations.
- 5.1.3. Coordinate participation in utility incentive programs, such as the Southern California Edison Charge Ready Program.
- 5.1.4. Manage charging equipment and installation contracts.
- 5.1.5. Respond to service-related questions, and/or requests submitted by the Customer within three (3) business days.
- 5.1.6. Maintain networking services and provide monthly service reports.
- 5.1.3. Act timely on issues reported by Customer for quick turnaround solutions.
- 5.1.4. EES Contact Information:

E-mail address: EVProgram@isd.lacounty.gov

Address: 1100 N. Eastern Ave, Los Angeles, CA 90063

5.2. Amendments/Change Notices

- 5.2.1. Responsible for facilitating regular reviews of this SLA. Contents of this SLA may be amended as required, provided mutual agreement is obtained from EES and Customer and communicated to all affected parties.
- 5.2.2. Issue updates and policy changes pertaining to State and Federal and utilities regulations.
- 5.2.3. Incorporate all subsequent revisions and obtain mutual agreements / approvals as required.

5.3. Equipment/Signs/Striping

- 5.3.1. ISD will:

5.3.1.1. Procure electric vehicle charging equipment by an approved vendor and cover all related installation labor and inspection costs.

5.3.1.2. Cover all EVSE installation costs except for incidentals as described in Section 6.2 of this document.

5.3.1.3. Cover all costs and work associated with the fabrication of state required EVSE signage and striping.

5.3.2. Administrative:

Ensure compliance with administrative documents (e.g., insurance, terms and conditions, etc.) in conjunction with ISD Contracting Division.

5.3.3. EV Infrastructure Budget:

User fees collected will be used to reimburse Customer for electricity used at each charger, which will be reconciled from a monthly report prepared and sent to ISD by PowerFlex each month (see Section 7). The remaining fees will be placed into an ISD Operating Budget to pay for O&M costs and pay back the upfront costs of the EVSE installation.

6. CUSTOMER RESPONSIBILITIES:

Customer responsibilities and/or requirements in support of this SLA include:

6.1. Main Point of Contact

Designation of appropriate Main Point of Contact who will be responsible for:

6.1.1. Review and sign off on all relevant documents.

6.1.2. Review and sign off on designs/drawings.

6.1.3. Act as point of contact between Customer and EES representative.

6.1.4. Designate an alternate point of contact.

6.1.5. Report issue(s)/problems to EES.

6.1.6. Notification to EES of any change in the name, phone number, or email address of

Customer's main point or alternate contact.

6.1.7. Reasonable availability to meet or answer any questions that arise.

The responsible individual and alternate are specified below (Main Point of Contact):

Name: Marta Garcia Sheffield (Main)

Title: Chief, Facilities Management, HS

Phone number: (213) 288-8129

E-mail address: msheffield@dhs.lacounty.gov

Name: Cecilia Galdones (Alternate)

Title: Facilities Planner, HS
Phone number: (213) 288-8129
E-mail address: cgaldones@dhs.lacounty.gov

6.2. Southern California Edison Program Eligibility (if applicable): NOT APPLICABLE FOR THIS SITE

ISD is participating in the Southern California Edison (SCE) Charge Ready Program. The program is designed to deploy the infrastructure needed to serve qualified charging stations at various County locations. Selection criteria is based on several key elements. ISD will work with Customer to see if eligible. If Customer meets criteria, their responsibilities include but are not limited to:

- 6.2.1. Coordinate with ISD for site selection for Charge Ready II Program.
- 6.2.2. Work with the Chief Executive Office Real Estate Division (CEO/RED) to obtain Permit to Enter and Easements.
- 6.2.3. Maintain landscaping surrounding the EVSE's (e.g., pruning of trees/shrubs/vegetation).
- 6.2.4. Agree to participate in program for at least 10 years.
- 6.2.5. Agree to have user data monitored by SCE, ISD, and PowerFlex.
- 6.2.6. Agree to participate in SCE's Demand Response (DR) programs.
- 6.2.7. Incidental Costs:

In the course of the initial construction of the EV charging stations, there may be incidental expenses that are site specific, such as rerouting irrigation, plumbing, striping, or general electrical or re-landscaping that the customer will be responsible for paying. These incidental costs are expected to be nominal but should be planned and budgeted. The ISD Project Manager will communicate all incidental costs associated with the installation with the customer in advance of expenditure. ISD will supply guidance on performing any incidental repairs or work as a result of the Charge Ready Program. Below is a sample budget from an ISD project at Eastern Headquarter that highlights Customer-related costs.

Budget Item	Type	Item	cost	
ISD	Equipment	Signage	\$	3,000
ISD	Equipment	Wheel Stops	\$	2,500
ISD	Equipment	Chargers	\$	80,588
ISD	Equipment	Striping	\$	7,698
ISD	Labor	Pedestal Inspection	\$	440
ISD	Labor	FOS electricians	\$	6,900
ISD	Labor	Project Management	\$	58,274
Customer	Equipment	Landscaping	\$	18,850
Customer	Equipment	Irrigation Repair	\$	5,000
Total			\$	183,249

7. ELECTRICITY COSTS & REPORTING:

ISD will collect all charging station user fees into its Operating Budget and manage user activity data. Specifically, ISD will:

- 7.1.** Provide report(s) to Customer on usage by location and charger on a monthly basis.
- 7.2.** User fees will be used to pay for electricity.
 - 7.2.1.** If Customer pays ISD for energy costs, ISD will apply a credit to the monthly utility fees.
 - 7.2.2.** If Customer pays directly for electricity costs, ISD will use the monthly PowerFlex usage reports to establish electricity costs per location and per charger. ISD will transfer the established electricity costs to the Customer monthly.
 - 7.2.3.** For fleet vehicles, Customer will receive EV charging fees through the monthly fleet fuel bill based on monthly reports from Asset Works.
- 7.3.** The remainder of the funds will be deposited into the Operating Budget for ongoing maintenance and operations of the EVSEs and for other EVSE projects.
- 7.4.** ISD will apply for and collect all rebates, grant funding, and credits and will deposit into the Operating Budget.
- 7.5.** The Operating Budget will be used to pay for continued deployment of EV charging stations throughout the County in collaboration with Customers, ongoing maintenance and networking.

8. OPERATION AND MAINTENANCE COSTS:

Operation and Maintenance (O & M) costs of EV charging stations vary depending on the quantity of charging equipment, and utilization. Typical on-going costs include electricity charges, maintenance, and network fees. ISD will fund standard maintenance and networking fees installed under this agreement. Customer is expected to monitor user behavior and daily issues, provide the necessary security to minimize vandalism of chargers. If a charging station is damaged or vandalized, Customer will be responsible for filing a police report and notifying EES.

- 8.1.** Electricity Costs: Electricity costs are generally comprised of two separate factors: electricity consumption and demand charges. As mentioned in Section 1, ISD is seeking BOS approval to charge a per kilowatt-hour rate.
- 8.2.** Maintenance and Networking Costs: Maintenance and networking costs are covered under ISD's Master Agreement for 1 year. ISD agreed to oversee and manage ongoing maintenance and networking.

9 APPROVALS

Customer must grant authority to its assigned Main Point of Contact to make decisions, sign documents and approve on behalf of the Customer as a

By signing below, EES and Customer agree to all terms and conditions outlined in

Customer

Internal Services

By: 

By:

Print Julio C.

Print Name:

Title Director, Contracts and Grants Title:

Date: March, 3

Date: